

- 1 Q. Please provide copies of all financing agreements relating to the Muskrat Falls  
2 Project, including:  
3
- 4 (i) Labrador Island Link Project Finance Agreement – November 29, 2013;
  - 5 (ii) Labrador Island Link Masters Definition Agreement – November 29, 2013;
  - 6 (iii) Muskrat Falls/Labrador Transmission Assets Project Finance Agreement –  
7 November 29, 2013;
  - 8 (iv) Muskrat Falls/Labrador Transmission Assets Masters Definition Agreement –  
9 November 29, 2013;
  - 10 (v) Master Trust Indenture – Labrador Island Link Funding Trust–November 29,  
11 2013;
  - 12 (vi) Labrador Island Link Project Finance Agreement – Second Amended–May  
13 10, 2017;
  - 14 (vii) Labrador Island Link Masters Definition Agreement – Second Amended–  
15 May 10, 2017;
  - 16 (viii) Muskrat Falls/Labrador Transmission Assets Project Finance Agreement –  
17 Second Amended – May 10, 2017;
  - 18 (ix) Muskrat Falls/Labrador Transmission Assets Masters Definition Agreement –  
19 Second Amended – May 10, 2017;
  - 20 (x) Labrador Island Link Federal Loan Guarantee – November 29, 2013;
  - 21 (xi) Labrador Island Link Federal Loan Guarantee – May 16, 2017;
  - 22 (xii) Muskrat Falls/Labrador Transmission Assets Federal Loan Guarantee –  
23 November 29, 2013;
  - 24 (xiii) Muskrat Falls/Labrador Transmission Assets Federal Loan Guarantee – May  
25 16, 2017;
  - 26 (xiv) Muskrat Falls Guarantee for Equity Support Agreement – November 29,  
27 2013;

1 (xv) Labrador Island Link Guarantee for Equity Support Agreement – November  
2 29, 2013; and

3 (xvi) Labrador Transmission Assets Guarantee for Equity Support Agreement –  
4 November 29, 2013.

5  
6

7 A. Please find attached the following documents:

8 (i) Labrador-Island Link Project Finance Agreement – November 29, 2013:  
9 attached as PUB-Nalcor-019, Attachment 1;

10 (ii) Labrador-Island Link Masters Definitions Agreement – November 29, 2013:  
11 attached as PUB-Nalcor-019, Attachment 2;

12 (iii) Muskrat Falls/Labrador Transmission Assets Project Finance Agreement –  
13 November 29, 2013: attached as PUB-Nalcor-019, Attachment 3;

14 (iv) Muskrat Falls/Labrador Transmission Assets Masters Definitions Agreement  
15 – November 29, 2013: attached as PUB-Nalcor-019, Attachment 4;

16 (v) Master Trust Indenture – Labrador-Island Link Funding Trust–November 29,  
17 2013: attached as PUB-Nalcor-019, Attachment 5;

18 (vi) Labrador-Island Link Project Finance Agreement – Second Amended–May  
19 10, 2017: attached as PUB-Nalcor-019, Attachment 6;

20 (vii) Labrador-Island Link Masters Definitions Agreement – Second Amended–  
21 May 10, 2017: attached as PUB-Nalcor-019, Attachment 7;

22 (viii) Muskrat Falls/Labrador Transmission Assets Project Finance Agreement –  
23 Second Amended – May 10, 2017: attached as PUB-Nalcor-019, Attachment  
24 8;

25 (ix) Muskrat Falls/Labrador Transmission Assets Masters Definitions Agreement  
26 – Second Amended – May 10, 2017: attached as PUB-Nalcor-019,  
27 Attachment 9;



- 
- 1 (x) Labrador-Island Link Federal Loan Guarantee – November 29, 2013:  
2 attached as PUB-Nalcor-019, Attachment 10;
- 3 (xi) Labrador-Island Link Federal Loan Guarantee – May 16, 2017: attached as  
4 PUB-Nalcor-019, Attachment 11;
- 5 (xii) Muskrat Falls/Labrador Transmission Assets Federal Loan Guarantee –  
6 November 29, 2013: attached as PUB-Nalcor-019, Attachment 12;
- 7 (xiii) Muskrat Falls/Labrador Transmission Assets Federal Loan Guarantee – May  
8 16, 2017: attached as PUB-Nalcor-019, Attachment 13;
- 9 (xiv) Muskrat Falls Guarantee for Equity Support Agreement – November 29,  
10 2013: attached as PUB-Nalcor-019, Attachment 14;
- 11 (xv) Labrador-Island Link Guarantee for Equity Support Agreement – November  
12 29, 2013: attached as PUB-Nalcor-019, Attachment 15; and
- 13 (xvi) Labrador Transmission Assets Guarantee for Equity Support Agreement –  
14 November 29, 2013: attached as PUB-Nalcor-019, Attachment 16.

15

16 In addition to the above, please also refer to the following:

- 17 (i) Intermediary Trust (IT) Project Finance Agreement – November 29, 2013:  
18 attached as PUB-Nalcor-019, Attachment 17;
- 19 (ii) Amended and Restated IT Project Finance Agreement – July 16, 2015:  
20 attached as PUB-Nalcor-019, Attachment 18; and
- 21 (iii) Second Amended and Restated IT Project Finance Agreement – May 10,  
22 2017: attached as PUB-Nalcor-019, Attachment 19.

**LIL PROJECT FINANCE AGREEMENT**

**AMONG**

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

**AND**

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

**AND**

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

**AND**

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

**DATED AS OF NOVEMBER 29, 2013**

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

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

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

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

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

**WITNESSETH THAT:**

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

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

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

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

## ARTICLE 1

### INTERPRETATION

#### 1.1 Definitions and Interpretation

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

#### 1.2 Recitals

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

#### 1.3 Headings, etc

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

#### 1.4 Severability

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

#### 1.5 References to Acts of the Trustees

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

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

1.6 **Governing Law**

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

1.7 **Schedules**

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

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

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

1.8 **Time of the Essence**

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

**ARTICLE 2**

**LIL CONSTRUCTION FACILITY**

2.1 **Grant of LIL Construction Facility**

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

2.2 **Purpose**

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

2.3 **Facility Limit**

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

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

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

#### 2.4 **Nature and Availability**

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

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

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

#### 2.5 **Borrowing Procedures**

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

#### 2.6 **Repayments**

The Partnership hereby agrees to repay on the:

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

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

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

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

## 2.7 Voluntary Prepayments

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

## 2.8 Sinking Fund Account Payments

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

## 2.9 Prepayment of Sinking Fund Account

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

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

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

### **ARTICLE 3**

#### **INTEREST AND STAND-BY FEE**

##### **3.1 Interest**

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

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

### 3.2 **Stand-By Fee**

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



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

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

**ARTICLE 4**

**MANNER OF PAYMENTS**

4.1 **Payments to Collateral Agent Only**

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

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

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

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

**ARTICLE 5**

**GUARANTEE**

5.1 **Guarantee**

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

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

5.2 **Nature of Guarantee**

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

5.3 **Payment Demand**

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

5.4 **Withholdings**

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

5.5 **Statement of Account**

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

5.6 **No Requirement to Exhaust Recourse**

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

5.7 **Postponed Subrogation**

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

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

5.8 **Set-Off Acknowledgement**

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

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

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

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

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

5.11 **No Release of Guarantor**

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

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

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

5.12 **Certain Waivers**

Opco hereby waives:

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

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

5.13 **No Release in Event of Bankruptcy**

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

5.14 **Additional Security**

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

5.15 **Continuing Liability of Guarantor**

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

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

**5.16 Continuance of Guarantee Agreement**

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

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

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

**5.18 Authority to Modify LIL Guaranteed Obligations**

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

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

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

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

## **ARTICLE 6**

### **SECURITY**

#### **6.1 Security by the Partnership and Opco**

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

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



6.1.8 deliver to the Collateral Agent the consent to liens and step-in agreement in favour of the LIL Security Trustee contemplated in the LIL Assets Agreement, the TFA, the LIL Remedies Agreement and the PDMA;

6.1.9 deliver to the Collateral Agent, all payment and material bonds, performance bonds and other performance security of any kind provided to the Partnership or Opco naming the LIL Security Trustee as co-obligee thereunder.

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

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

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

**6.3 Security by Nalcor**

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

**6.4 Registration**

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

**6.5 Further Assurances**

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

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

6.6 **Discharge of Certain Security**

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

6.7 **Survival of Security**

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

**ARTICLE 7**

**CONDITIONS PRECEDENT**

7.1 **Initial Conditions**

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

**CORPORATE MATTERS**

7.1.1 the Collateral Agent shall have received:

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

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

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

#### **FINANCIAL DUE DILIGENCE**

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

#### **PROJECT DUE DILIGENCE**

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

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

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

**MATERIAL PROJECT DOCUMENTS AND OTHER DOCUMENTS**

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

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

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

#### **LEGISLATIVE MATTERS**

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

#### **ENVIRONMENTAL MATTERS**

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

#### **OTHER LOWER CHURCHILL PROJECTS**

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

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

**TITLE MATTERS**

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

**MATTERS RELATING TO SECURITY**

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

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

## **INSURANCE**

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

## **LEGAL OPINIONS**

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

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

## **COMPLIANCE**

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



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

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

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

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

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

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

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

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

## FUNDING REQUEST

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

## COMPLIANCE

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

### 7.3 **Conditions Precedent to LIL Drawdowns under the LIL Construction Facility**

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

## FUNDING REQUEST

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

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

### **CONSTRUCTION REPORT**

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

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

### **MATERIAL PROJECT DOCUMENTS**

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

### **INSURANCE**

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

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

#### **TITLE MATTERS**

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

#### **COMPLIANCE AND DISBURSEMENT UNDER THE LIL CONSTRUCTION FACILITY**

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

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

- 7.3.14 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and
- 7.3.15 no LIL Event of Default shall have occurred and be continuing.

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

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

- 7.4.1 the Collateral Agent and the Independent Engineer shall have received a LIL Draw Request within the time periods herein provided requesting a LIL Drawdown on the LIL Drawdown Date in an amount equal to the Punch List Costs Drawdown together with:
  - 7.4.1.1 other than in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the fifth (5<sup>th</sup>) Business Day; and
  - 7.4.1.2 in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the seventh (7<sup>th</sup>) Business Day;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7.6.1.1 other than in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the fifth (5<sup>th</sup>) 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 (7<sup>th</sup>) Business Day;

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

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

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

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

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

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

## 7.7 **Conditions Precedent to Commissioning**

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

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

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



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

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

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

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

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

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

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

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

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

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

**ARTICLE 8**

**LIL PROJECT ACCOUNTS AND APPLICATION OF FUNDS**

8.1 **Partnership Project Funding Account**

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

8.1.1 During the Construction Period:

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

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

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

8.1.2 During the Operating Period:

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

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

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

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



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

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

## 8.2 **Partnership Project Operating Account**

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

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

8.2.2 During the Construction Period:

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

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

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

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

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

8.2.3 During the Operating Period:

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

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

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

8.3 **DSRA**

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

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

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

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

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

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

#### 8.4 **Prepaid Rent Reserve Account**

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

8.4.1 During the Construction Period:

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

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

8.4.2 During the Operating Period:

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

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

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

8.5 **Partnership Distribution Reserve Account**

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

8.5.1 During the Operating Period:

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

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

8.6 **Partnership Insurance Reserve Account**

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

8.6.1 During the Construction Period:

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

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

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

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

8.7 **Partnership Punch List Costs Account**

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

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

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

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

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

8.8 **Partnership Demobilization Costs Account**

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

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

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

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

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

8.9 **Working Capital Reserve Account**

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

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

8.9.2 During the Construction Period:

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

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

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

8.10 **Sinking Fund Account**

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

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

8.10.2 Starting from the first Sinking Fund Deposit Date:

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

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

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

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

#### 8.11 **Opco Project Funding Account**

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

##### 8.11.1 During the Construction Period:

- 8.11.1.1 there shall be deposited directly into the Opco Project Funding Account: (i) all reimbursements from Governmental Authorities of Sales Taxes, (ii) any Investments in Opco, the proceeds of which are used by Opco to pay Prepaid Rent pursuant to Article 4 of the LIL Assets Agreement, (iii) any other Investments in Opco to be used for the general corporate purposes of Opco and (iv) any other amounts received by Opco (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Construction Period, including insurance or warranty proceeds, or liquidated damages.
- 8.11.1.2 funds in the Opco Project Funding Account (other than amounts contemplated in paragraph 8.11.1.3) shall be from time to time paid to the Opco Project Operating Account for application towards the payment of any due and payable obligation of Opco pursuant to the LIL Assets Agreement or otherwise.
- 8.11.1.3 amounts in the Opco Project Funding Account deposited therein pursuant to clause (ii) of paragraph 8.11.1.1 shall, at the direction of Opco to the Collateral Agent, be transferred directly into the Prepaid Rent Reserve Account.

##### 8.11.2 During the Operating Period:

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

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

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

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



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

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

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

## 8.12 **Opco Project Operating Account**

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

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

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

8.12.3 During the Operating Period:

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

#### 8.13 **Opco Distribution Reserve Account**

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

8.13.1 During the Operating Period:

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

#### 8.14 **Opco Insurance Reserve Account**

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

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

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

8.15 **Opco Punch List Costs Account**

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

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

8.16 **Opco Demobilization Costs Account**

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

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

8.17 **Prepaid Debt Service Escrow Account**

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

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

8.18 **Cost Overrun Escrow Account**

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

8.19 **Disbursements by the Collateral Agent**

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

8.20 **Excluded Deposits and Contributed Surplus**

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

## ARTICLE 9

### **REPRESENTATIONS AND WARRANTIES**

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

9.1 **Existence and Good Standing**

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

9.2 **Authority**

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

9.3 **Due Authorization**

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

9.4 **Due Execution**

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

9.5 **Non-Conflict**

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

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

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

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

9.6 **Enforceability**

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

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

9.7 **Compliance with Law**

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

9.8 **Litigation**

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

9.9 **Corporate Structure and Location of Assets**

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

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

9.10 **No Material Adverse Effect**

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

9.11 **Financial Statements**

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

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

9.12 **Accuracy of Information**

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

9.13 **Accuracy of Forecasts**

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

9.14 **All Authorizations Obtained and Registrations Made**

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



9.15 **Pension Plans**

No Credit Party has any Pension Plans.

9.16 **No LIL Event of Default**

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

9.17 **LIL Assets and Rights**

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

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

9.18 **Intellectual Property**

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

9.19 **Taxes**

Each Credit Party has:

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

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

9.19.3 made provision for appropriate amounts in respect of any Taxes likely to be exigible in accordance with GAAP; and

9.19.4 withheld and collected all Taxes required to be withheld and collected by it and remitted as and when required such Taxes to the appropriate Governmental Authority;

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

9.20 **Environment**

With respect to environmental matters:

9.20.1 each Credit Party is in compliance with all Environmental Laws;

9.20.2 the LIL Assets and Rights are owned, leased, managed, controlled or operated in compliance with all Environmental Laws;

9.20.3 there are no existing, pending or, to the Knowledge of the Credit Parties, threatened:

9.20.3.1 claims, complaints, notices or requests for information received by any Credit Party with respect to any alleged violation by such Credit Party of or alleged liability of such Credit Party under any Environmental Law relating to any of the LIL Assets and Rights; or

9.20.3.2 orders from any Governmental Authority, including stop, Clean-Up or preventative orders, directions or action requests issued under Environmental Law which have been received by a Credit Party requiring any work, repair, Clean-Up, construction or capital expenditures by such Credit Party with respect to any of the LIL Assets and Rights;

9.20.4 except in compliance with Environmental Law, no Hazardous Materials have been generated, received, handled, used, stored, treated or shipped at or from, and there has been no Release of Hazardous Materials at, on, from or under any of the LIL Assets and Rights;

9.20.5 except in compliance with Environmental Law, to the Knowledge of the Partnership, none of the lands and premises forming part of the LIL Land Area has been used for the disposal of waste or as a landfill or waste disposal site; and

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

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

9.21 **Employee Relations**

No Credit Party has any employees.

9.22 **Business**

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

9.23 **Utilities**

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

9.24 **Initial Material Project Documents.**

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

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

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

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

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

9.25 **Material Project Documents**

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

9.26 **Construction Budget; Projection**

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

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

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

9.27 **Construction of Project**

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

9.28 **Force Majeure**

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

9.29 **Aboriginal Matters**

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

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

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

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

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

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

9.30 **Repetition of Representations and Warranties**

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

9.31 **Management and Operator Fees**

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

## ARTICLE 10

### **GENERAL COVENANTS**

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

10.1 **Preservation of Existence, etc.**

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

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

## 10.2 **Obtain Approvals**

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

## 10.3 **Business, Compliance with Applicable Law**

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

## 10.4 **Compliance and Environmental Law**

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

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

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

## 10.5 Keeping of Records

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

## 10.6 Insurance

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

#### 10.7 **Registrations**

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

#### 10.8 **Payment of Taxes and Claims**

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

#### 10.9 **Visits and Inspections**

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

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

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

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

**10.11 Change of Name**

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

**10.12 Material Project Documents**

Each of the Partnership and Opco will:

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

### 10.13 **Change Orders**

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

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

### 10.14 **Notices under Material Project Documents**

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

### 10.15 **Additional Material Project Documents**

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

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

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

10.16 **Commissioning**

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

10.17 **Use of Proceeds**

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

10.18 **Use of Project Funds**

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

10.19 **Commitment to Commission**

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



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

10.20 **Post-Commissioning Work**

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

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

10.21 **Expropriation**

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

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

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

10.23 **Maintenance**

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

10.24 **IE Certificate**

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

10.25 **DSCR Consultation Process**

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

10.26 **Anti-Money Laundering Legislation**

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

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

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

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

## 10.28 Costs Overruns

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

10.28.1.1 reporting on the Cost to Complete;

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

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

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

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

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

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

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

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

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

**ARTICLE 11**

**INFORMATION COVENANTS**

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

**11.1 Quarterly Financial Statements and Information**

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

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

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

## 11.2 Annual Financial Statements and Information

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

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

## 11.3 Construction Reports

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

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

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

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

#### 11.4 **Distribution Certificate**

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

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

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

**11.5 Budget Information**

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

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

**11.6 Notice of Litigation and other Matters**

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

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



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

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

**11.7 Operating Budget**

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

**11.8 Other Information**

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

11.9 **Distribution by Use of Websites**

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

**ARTICLE 12**

**NEGATIVE COVENANTS**

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

12.1 **Liens**

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

12.2 **Indebtedness**

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

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

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

### 12.3 **Derivative Instruments**

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

### 12.4 **Business Combinations**

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

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

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

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

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

## 12.5 **Investments**

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

## 12.6 **Distributions**

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

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

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

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

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

12.7 **Change of Year-End**

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

12.8 **Change in Business**

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

12.9 **Pension Plans and Employees**

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

12.10 **Sale or Lease of Assets**

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

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

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

12.11 **Subsidiaries**

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

12.12 **Material Project Documents**

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

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

12.13 **Abandonment of Project**

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

12.14 **Project Accounts**

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

12.15 **Non-Arm's Length Transactions**

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

12.16 **Use of Project Sites**

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

12.17 **Amendments to Organizational Documents**

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

12.18 **Securities Issuances**

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

**ARTICLE 13**

**EVENTS OF DEFAULT**

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

13.1 **Non-Payment of Principal or Interest**

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

13.2 **Misrepresentation**

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

13.3 **Breach of Covenants**

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

13.4 **Unsatisfied Judgments**

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

13.5 **Enforcement Proceeding**

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

13.6 **Insolvency**

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

13.7 **Change of Control**

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

13.8 **Default under Equity Agreements**

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



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

13.9 **Failure to furnish a Construction Report**

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

13.10 **Denial of Obligations**

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

13.11 **Material Project Documents Default**

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

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

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

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

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

13.14 **Sustaining Costs**

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

13.15 **Quiet Enjoyment**

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

13.16 **O&M Activities**

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

13.17 **Other Default under LIL Lease or TFA**

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

13.18 **Authorization**

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

13.19 **Material Project Document Invalidity**

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

13.20 **Commissioning by Date Certain**

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

13.21 **Security**

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

13.22 **Insurance Proceeds**

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

13.23 **Abandonment of Project**

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

13.24 **Unauthorized Transfer**

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

13.25 **DSCR**

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

13.26 **Debt Service Reserve**

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

13.27 **Muskrat/LTA Cross Default**

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

13.28 **Intermediary Trust Cross Default**

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

13.29 **Assignment by the Partnership**

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

**ARTICLE 14**

**REMEDIES**

14.1 **Preliminary Measures**

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

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

14.2 **Termination and Acceleration**

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

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

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

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

14.3 **Distribution of Proceeds of Realization**

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

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

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

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

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

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

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

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

#### 14.4 **Application of Payments**

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

### ARTICLE 15

#### **INDEMNITIES**

#### 15.1 **Change in Law**

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

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

15.1.2 a Change in Law has:

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

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

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

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

## 15.2 **Reimbursement of Losses and Expenses**

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

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

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



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

**15.3 Environmental Indemnity**

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

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

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

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

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

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

**15.4 General Indemnity**

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

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

15.5 **Claims under the Indemnities**

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

**15.6 Remedial Action**

In the event of:

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

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

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

**15.7 Acknowledgement**

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

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

## ARTICLE 16

### SPECIAL PROVISIONS

#### 16.1 Covenant of the Intermediary Trust

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

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

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

#### 16.3 Directions in Respect of the Intermediary Trust Proceeds Account

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

## ARTICLE 17

### MISCELLANEOUS

#### 17.1 Appointment of Collateral Agent as Attorney-in-Fact

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

#### 17.2 Notice

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

##### 17.2.1.1 **To the Collateral Agent:**

**The Toronto-Dominion Bank**

TD Bank Tower

66 Wellington St. W., 9th Floor

Toronto, Ontario, Canada. M5K 1A2

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

Fax: 416 944-6976

E-mail: michael.freeman@tdsecurities.com

17.2.1.2 **To the Intermediary Trust:**

**LIL Construction Project Trust**

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

Attention: Corporate Trust Administration

Fax: 416- 360-1711

17.2.1.3 **To the Partnership:**

**Labrador-Island Link General Partner Corporation, as  
General Partner of Labrador-Island Link Limited Partnership**

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

Attention: Corporate Secretary

Fax: 709-737-1782

With a copy to:

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

Attention: Corporate Secretary

Fax: 709-737-1782

With a copy to:

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

Attention: Angela C. Onesi

Fax: 514-397-7600

E-mail: aonesi@fasken.com

17.2.1.4 **To Opco:**

**Labrador-Island Link Operating Corporation**

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

Attention: Corporate Secretary

Fax: 709-737-1782

With a copy to:

**Lower Churchill Management Corporation**

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

Attention: Corporate Secretary

Fax: 709-737-1782

With a copy to:

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

Attention: Angela C. Onesi

Fax: 514-397-7600

E-mail: aonesi@fasken.com

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

17.3 **Amendments and Waivers**

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

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

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

**17.4 Provisions Regarding Liability of IT Trustee**

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

**17.5 Successors and Assigns**

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

**17.6 Assignment by Intermediary Trust**

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



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

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

17.7 **No Novation**

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

17.8 **Obligation to Pay Absolute**

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

17.9 **Rights and Recourses Cumulative**

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

17.10 **Further Assurances**

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

17.11 **Execution in Counterparts**

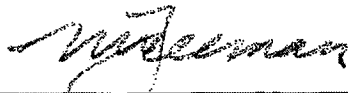
This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

**[INTENTIONALLY LEFT BLANK]**

LIL PROJECT FINANCE AGREEMENT – SIGNATURE PAGE

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


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

By:   
\_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

LIL PROJECT FINANCE AGREEMENT – SIGNATURE PAGE

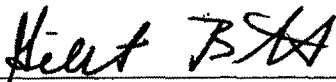
**BNY TRUST COMPANY OF  
CANADA, as trustee of LIL  
CONSTRUCTION PROJECT TRUST,  
as a GAA Finance Party  
herein acting and represented by THE  
TORONTO-DOMINION BANK, as  
Collateral Agent**


By:   
Name: Andrew A. Powell  
Title: Vice President, Loan Administration - Agency

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LIL PROJECT FINANCE AGREEMENT – SIGNATURE PAGE

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

By:   
Name:  
Title:

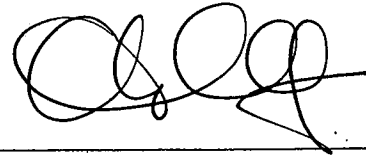
By:   
Name:  
Title:

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



By: \_\_\_\_\_

Name:  
Title:



By: \_\_\_\_\_

Name:  
Title:

**SCHEDULE "A"**

**LIL PAYMENT DEMAND**

Date: \_\_\_\_\_

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION**

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

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

Gentlemen:

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

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

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

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

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours truly,

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

Per: \_\_\_\_\_

Per: \_\_\_\_\_



**SCHEDULE "B"**

**MATERIAL PROJECT DOCUMENTS AND AUTHORIZATIONS**

**A. LIL LP**

**(i) Authorizations – Obtained**

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

*Water Resources Management Division, Dept. Env. & Conservation*

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

*Access Permits*

Highway Access Permit – Forteau Access Road

*Land*

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

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

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

LIL Assets Agreement

LIL Lease

Transmission Funding Agreement

LIL Remedies Agreement

**(iii) Additional Material Documents to be entered into**

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

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

*Water Resources Management Division, Dept. Env. & Conservation*

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

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

*Quarry Materials Act*

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

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

Nil.

**SCHEDULE "C"**

**APPLICABLE LAWS**

Nil.

**SCHEDULE "D"**

**ENVIRONMENT**

Nil.



**SCHEDULE "E"**

**SOURCES AND USES OF FUNDS**

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

Executed as of \_\_\_\_\_.

Yours truly,

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

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "F"**

**LITIGATION**

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

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

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

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

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

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

**SCHEDULE "G"**

**CORPORATE STRUCTURE AND LOCATION OF ASSETS**

**1. LABRADOR-ISLAND LINK LIMITED PARTNERSHIP**

1.1. Jurisdiction of formation

Newfoundland and Labrador, Canada

1.2. Persons holding Capital Stock

Labrador-Island Link General Partner Corporation

Labrador-Island Link Holding Corporation

ENL Island Link Incorporated

1.3. Nature of Capital Stock

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

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

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

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

1.4. Location of the principal place of business

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

1.5. Location of the registered and chief executive offices

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

1.6. Exact Name

Labrador-Island Link Limited Partnership

**2. LABRADOR-ISLAND LINK GENERAL PARTNER CORPORATION**

2.1. Jurisdiction of organization

Newfoundland and Labrador, Canada

2.2. Person holding Capital Stock

Nalcor Energy

2.3. Nature of Capital Stock

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

2.4. Location of the principal place of business

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

2.5. Location of the registered and chief executive offices

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

2.6. Exact Name

Labrador-Island Link General Partner Corporation

**3. LABRADOR-ISLAND LINK OPERATING CORPORATION**

3.1. Jurisdiction of organization

Newfoundland and Labrador, Canada

3.2. Person holding Capital Stock

Nalcor Energy

3.3. Nature of Capital Stock

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

3.4. Location of the principal place of business

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

3.5. Location of the registered and chief executive offices

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

3.6. Exact Name

Labrador-Island Link Operating Corporation

**SCHEDULE "H"**

**ABORIGINAL MATTERS**

**A. IBA**

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

**B. PROCEEDINGS**

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

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

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

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

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

**C. CONSULTATION**

Consultations with the following aboriginal groups:

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

**SCHEDULE "I"**

**IE CERTIFICATE**

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

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

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

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

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

Dated: \_\_\_\_\_.

**MWH CANADA, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "J"**  
**OPERATING REPORT**

Date: \_\_\_\_\_

**THE TORONTO-DOMINION BANK**

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

Gentlemen:

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

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

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

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

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

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



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

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

---

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

**SCHEDULE "A"**

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

**SCHEDULE "B"**

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

**SCHEDULE "C"**

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

**SCHEDULE "D"**

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

**SCHEDULE "K"**

**CONSTRUCTION REPORT**

Date: \_\_\_\_\_

**THE TORONTO-DOMINION BANK**  
AS COLLATERAL AGENT  
66 Wellington Street West  
9th Floor  
Toronto, Ontario M5K 1A2

**MWH CANADA INC.**  
AS INDEPENDENT ENGINEER  
505 Burrard Street, suite 1500  
One Bentall Centre  
Vancouver, BC V7X 1M5

Gentlemen:

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

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

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

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

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

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

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

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

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

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

---

Name:

Title:



**SCHEDULE "A"**

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

**SCHEDULE "B"**

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

**SCHEDULE "C"**

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

**SCHEDULE "D"**

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

**SCHEDULE "E"**

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

**SCHEDULE "F"**

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

**SCHEDULE "G"**

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

SCHEDULE "L"

COMMISSIONING CERTIFICATE

Date: Note 1

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

**TO: MWH CANADA INC.**, as Independent Engineer

Gentlemen:

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

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

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

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

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

**A. GENERAL STATEMENTS OF THE OFFICER**

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



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

**B. COST VARIANCES**

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

**C. PUNCH LIST COSTS AND DEMOBILIZATION COSTS**

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

**D. COMMISSIONING MATTERS**

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

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

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

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

IN WITNESS WHEREOF, I have signed this present Commissioning Certificate in \_\_\_\_\_,  
Province of Newfoundland and Labrador, on this \_\_\_\_\_ (\_\_\_\_<sup>th</sup>) day of  
\_\_\_\_\_,\_\_\_\_\_.

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

\_\_\_\_\_  
<@>  
<@> of Lower Churchill Management  
Corporation

**Notes:**

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

**SCHEDULE "M"**

**COMMISSIONING CONFIRMATION**

---

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

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

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

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

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

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

Yours truly,

**[INTENTIONALLY LEFT BLANK]**

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

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "A"**

**ADDRESSEES**

**LIL CONSTRUCTION PROJECT  
TRUST**

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

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP**

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

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION**

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

SCHEDULE "N"

DISTRIBUTION CERTIFICATE

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

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

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

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

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

1. As at the Distribution Date, the Distribution Funds will amount to CDN\$\_\_\_\_\_, which corresponds to the sum of the following items:
  - (a) cash in the Partnership Project Funding Account: CDN\$     **Note 2**

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

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

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

---

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

---

**Notes:**

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

**SCHEDULE "O"**

**FINAL FUNDING REQUEST**

Date: \_\_\_\_\_

**TO: The Toronto-Dominion Bank, as Collateral Agent**

**TO: MWH Canada Inc., as Independent Engineer**

Gentlemen:

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

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

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

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

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

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

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



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

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

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

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

Yours truly,

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

Per: \_\_\_\_\_

**Notes:**

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

**SCHEDULE "A"**

**A. Calculation of Funding Requirements**

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

**B. Calculation of Final Eligible Project Costs**

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

**C. Calculation of the Project Costs**

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

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

**Notes:**

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

**SCHEDULE "B"**

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

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

**B. Calculation of Working Capital Reserve Account Balance**

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

**C. Calculation of Aggregate Account Balances**

5. the Aggregate Partnership Project Funding Account and Operating Account Balances is: CDN\$   **Note 5**
6. the Working Capital Reserve Account Balance is: CDN\$   **Note 6**
7. the Aggregate Account Balances amounts to: CDN\$   **Note 7**

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

8. the Funding Requirements are: CDN\$   **Note 8**
9. the portion of the Aggregate Account Balances used to fund the Funding Requirements is: CDN\$   **Note 9**

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

10. the portion of the Aggregate Account Balances attributable to the funding of the Final Eligible Project Costs CDN\$   **Note 10**
11. the portion of the Aggregate Account Balances attributable to the funding of the Minimum DSRA Requirement is: CDN\$   **Note 11**

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

**Notes:**

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

**SCHEDULE "C"**

**A. The Debt Rateable Share of the Funding Requirements**

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

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

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

**C. Advance required under the LIL Construction Facility**

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

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**Notes:**

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

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

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

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

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

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

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

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

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



**SCHEDULE "D"**

**A. The Equity Rateable Share of the Funding Requirements**

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

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

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

**C. Aggregate amount to be invested pursuant to the ESA**

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

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**Notes:**

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

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

**SCHEDULE "F"**

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

**SCHEDULE "G"**

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

**SCHEDULE "P"**

**FUNDING REQUEST**

Date: \_\_\_\_\_

**TO: The Toronto-Dominion Bank**, as Collateral Agent

**TO: MWH Canada Inc.**, as Independent Engineer

Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

**[INTENTIONALLY LEFT BLANK]**

Yours truly,

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

Per: \_\_\_\_\_

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**Notes:**

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

**SCHEDULE "A"**

**A. Calculation of Funding Requirements**

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

**B. Calculation of Eligible Project Costs**

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

**C. Calculation of the Project Costs**

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

\_\_\_\_\_

**Notes:**

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



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

**SCHEDULE "B"**

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

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

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

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

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**Notes:**

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

**SCHEDULE "C"**

**A. The Debt Rateable Share of the Funding Requirements**

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

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

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

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**Notes:**

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

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

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

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

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

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

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

**SCHEDULE "D"**

**A. Equity Rateable Share of the Funding Requirements**

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

**B. Aggregate amount to be invested pursuant to the ESA**

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

**Notes:**

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

**SCHEDULE "E"**

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

**SCHEDULE "F"**

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

**SCHEDULE "G"**

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



**SCHEDULE "Q"**

**INDEPENDENT ENGINEER'S CONFIRMATION**

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

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

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

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

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

[ \_\_\_\_\_  
\_\_\_\_\_ ]

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

[ \_\_\_\_\_  
\_\_\_\_\_ ]

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

[ \_\_\_\_\_  
\_\_\_\_\_ ]

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

Dated: \_\_\_\_\_

**MWH CANADA, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "R"**

**LIL COMPLIANCE CERTIFICATE**

Date: \_\_\_\_\_

**The Toronto-Dominion Bank**

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

Gentlemen:

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

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

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

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

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

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

2. I have taken cognizance and reviewed the transactions, operations and status of business of the Credit Parties, since the **[last issuance of a compliance certificate under the LIL Project Finance Agreement / Closing Date]** and all conditions and requirements of the LIL Project Finance Agreement and of the other LIL Project Finance Documents and of all other deeds or agreements governing the borrowings of the Credit Parties, have been accomplished and satisfied and I do not know of the existence, as of the date hereof, of a condition or of any fact whatsoever, constituting a LIL Event of Default that is continuing. **[If such condition exists or has existed during the period covered by the certificate, then the undersigned shall, in Schedule "A" attached hereto, specify its nature and duration and describe the measures taken or intended to be taken to remedy the LIL Event of Default];**
  
3. to my Knowledge, except as otherwise disclosed to the Collateral Agent in writing, the representations and warranties set forth in Article 9 of the LIL Project Finance Agreement are still true and correct in all material respects as of the date of this certificate (except in the case of representations stated to be as of a specific date) with the same force and effect as if made at and as of such date;
  
4. The information and the Financial Statements attached hereto for the fiscal **[quarter/year]** ended <@> (the "**Quarter**" or the "**Year**") are complete and correct in all material respects and present fairly, in accordance with GAAP, the unconsolidated or consolidated, as the case may be, financial position of each Credit Party as at the end of such Quarter, subject only to normal year-end auditing adjustments, or as at the end of such Year, as the case may be;
  
5. As at \_\_\_\_\_, 20\_\_, being the last day of the **[Quarter/Year]** immediately preceding the date of this certificate, the Retrospective DSCR, calculated on a rolling twelve (12) month period, was \_\_\_\_\_, and is calculated as follows<sup>1</sup>:

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

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

---

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

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

(i) the Base Cash Flow of the Partnership for the period of the twelve (12) calendar months immediately following the date of this certificate (line (a) – (line (b))): CDN\$ \_\_\_\_\_

(a) Contracted Revenues CDN\$ \_\_\_\_\_

(b) Cash Operating Costs CDN\$ \_\_\_\_\_

(ii) the Total Debt Service for such period: CDN\$ **Note 1**

**Prospective DSCR =  $\frac{(i)}{(ii)}$  =** \_\_\_\_\_

**Notes:**

1. Where the period includes the maturity of any Tranche, there shall be excluded from the calculation of Total Debt Service the principal amount payable or, as the case may be, paid on such maturity date.

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

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

**SCHEDULE "A"**

**CONDITIONS CONSTITUTING A LIL EVENT OF DEFAULT**

**[NOTE TO DRAFT: Delete if not applicable.]**

**SCHEDULE "S"**

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

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

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

Pursuant to subsection 2.5 of the LIL Project Finance Agreement, the Partnership hereby requests a Drawdown under the LIL Construction Facility in an amount of CDN\$ **Note 2** on **Note 3**.

For that purpose, we hereby represent and warrant that each and every one of the representations and warranties made under the LIL Project Finance Agreement are true and correct on the date of this LIL Draw Request, except to the extent that any such representation or warranty expressly relates to a particular date, in which case such representation or warranty is true and correct as at such date.

We further represent and warrant that no LIL Event of Default has occurred and is continuing.

Yours truly,

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

Per: \_\_\_\_\_

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**Notes:**

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



**SCHEDULE "T"**

**MINIMUM DSRA REQUIREMENT**

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

Executed as of \_\_\_\_\_.

Yours truly,

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

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "U"**  
**PROJECT BUDGET**

(See attached)

**PART I**

**HARD COSTS**

(See attached)

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

**Labrador-Island Link**

<b>Description</b>	<b>BUDGET</b>
Owner, Admin and EPCM	\$ 247,074,444
Feasibility engineering	\$ 34,012,162
Environmental and regulatory compliance	\$ 25,767,534
Aboriginal Affairs	\$ 2,244,469
Procurement and Construction	\$ 2,135,211,562
Commercial and Legal	\$ 22,490,079
Contingency	\$ 79,354,854
<b>Grand Total</b>	<b>\$ 2,546,155,104</b>

**PART II**

**SOFT COSTS**

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

Executed as of \_\_\_\_\_.

Yours truly,

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

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "V"**

**PROJECT SCHEDULE**

(See attached)

# Lower Churchill Project - Milestone Schedule

## Labrador-Island Link - Milestone Schedule

<u>Milestone Description</u>	<u>Date</u>
Project Sanction	17-Dec-2012
SOBI Cable Systems Ready	25-Oct-2016
Muskrat Falls Switchyard and Converter Station Ready for Operation	28-Feb-2017
HVdc Transmission Line Construction Complete and Connected	30-Jun-2017
Soilder's Pond Switchyard and Converter Station Ready for Operation	04-Oct-2017
Ready for Power Transmission	04-Oct-2017
Soilder's Pond Synchronous Condenser Ready for Operation	13-Nov-2017
Commissioning Complete - Commissioning Certificate Issued	01-Jun-2018
Date Certain	28-Feb-2019

SCHEDULE "W"

**LIL VOLUNTARY PREPAYMENT NOTICE**

Date: \_\_\_\_\_

**TO: The Toronto-Dominion Bank**, as Collateral Agent

Gentlemen:

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

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

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

Pursuant to the provisions of section 2.7 of the LIL Project Finance Agreement, we hereby notify you that on Note 1, we shall make a LIL Voluntary Prepayment to the [**<@>**Collateral Agent, for the account of the Intermediary Trust, at the Collateral Agent's Office**<@>**]. **[NOTE TO DRAFT: Replace bracketed language with "Funding Vehicle" where the LIL Voluntary Prepayment is made following the Assignment by the Intermediary Trust of the LIL Loan to the Funding Vehicle.]**

You will find attached hereto as Schedule "A" an example of how the amount of the LIL Voluntary Prepayment is calculated in accordance with the provisions of subsection 2.7.1 of the LIL Project Finance Agreement.<sup>1</sup>

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<sup>1</sup> The amount of the LIL Voluntary Prepayment must be equal to the sum of (i) the aggregate principal amount of the LIL Construction Loan; (ii) accrued and unpaid (a) interest on such principal amount, and (b) LIL Stand-By Fee, in an aggregate amount which, together, shall be equal to the aggregate amount of interest accrued on the FV Bonds which will be payable on the FV Bond Voluntary Prepayment Date; and (iii) the LIL Make-Whole Amount.



Yours truly,

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

Per: \_\_\_\_\_

---

**Notes:**

1. Specify the date at which the prepayment is made. This prepayment notice must be made at least 35 Business Days prior to the proposed LIL Voluntary Prepayment Date.

SCHEDULE "X"

WCR RELEASE AND EQUITY FUNDING NOTICE

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

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

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

Pursuant to Section 7.8 of the LIL Project Finance Agreement, we hereby request a WCR Release from the Working Capital Reserve Account for deposit into the Partnership Project Operating Account in an amount of CDN\$     Note 2     on     Note 3     (the "**WCR Release Date**"), the whole in order to fund Eligible Project Costs in an aggregate amount of CDN\$     Note 4    .

[<@>NOTE TO DRAFT: The following paragraph should be included where the amount on deposit in the Working Capital Reserve Account is less than the amount of Eligible Project Costs intended to be funded.<@>]

[<@>Please note that the amount on deposit in the Working Capital Reserve Account is insufficient to fund the entire amount of aforementioned Eligible Project Costs. As such, we

hereby notify you that an equity Investment in the Partnership in an amount of CDN\$ Note 5 will be made on or prior to the WCR Release Date.<@>]

For the purposes hereof, we hereby represent and warrant that each and every one of the representations and warranties made under the LIL Project Finance Agreement are true and correct on the date of this WCR Release and Equity Funding Notice, except to the extent that any such representation or warranty expressly relates to a particular date, in which case such representation or warranty is true and correct as at such date.

We further represent and warrant that no LIL Event of Default has occurred and is continuing.

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

Yours truly,

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

Per: \_\_\_\_\_

\_\_\_\_\_

**Notes:**

1. The WCR Release and Equity Funding Notice must be delivered are least one (1) Business Day prior to the WCR Release Date.
2. The amount of the WCR Release must be less or equal to the amount on deposit in the Working Capital Reserve Account.
3. Insert the proposed WCR Release Date.
4. Insert the aggregate amount of Eligible Project Costs that will be funded in whole or in part with the WCR Release.
5. This amount is determined by subtracting the amount on deposit in the Working Capital reserve Account from the amount of Eligible Project Costs (i.e. the amount in Note 4).

**SCHEDULE "Y"**

**SINKING FUND PAYMENT**

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

Executed as of \_\_\_\_\_.

Yours truly,

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

Per: \_\_\_\_\_

Per: \_\_\_\_\_

## SCHEDULE "Z"

### SINKING FUND INVESTMENTS

#### Sinking Fund Composition Requirements

To mitigate risk of principal loss in the BSF, hold limits will be placed on broad investment buckets, individual credits and term of the BSF investments.

The following table outlines allowed hold limits:

	Minimum Holding	Maximum Holding	Minimum Rating	Single Name Hold Limit
Canada and Canada-Guaranteed Bonds (includes MFLTA and LIL guaranteed bonds)	50%	100%	Not applicable	No Limit
AAA Provinces and AAA Corporates	0%	50%	AAA	Provinces 12.5% Corporate 5%
AA Provinces	0%	25%	AA-, Aa3, AA(low)	8.5%

The term of bonds in the BSF must not extend beyond the date on which the BSF funds are required for repayment of the relevant MFLTA or LIL bond maturity. This will ensure that the sinking fund does not take on any interest rate exposure.

BSF holdings must be denominated in Canadian dollars.

Requirements:

1. No structured products will be allowed in the sinking fund (this includes covered bonds, NHA MBS, callables, extendibles, derivatives);
2. To be considered an acceptable security for a given bucket above, the security must have ratings at or above the minimum rating indicated from two of Moodys, S&P, or DBRS;
3. If a holding, other than Canada and Canada-Guaranteed Bonds (including MFLTA and LIL guaranteed bonds), is downgraded such that it does not have two ratings that meet the minimum rating threshold (see above), the amount of the security that is beyond the maximum holdings of the bucket it qualifies for based on the downgraded rating, if any, must be sold within 90 days and any principal loss must be contributed by the Project Co

or made up in future periods by the BSF retaining interest income equal to the principal lost;

4. No interest may flow out of the BSF unless the balance of the BSF, on a mark-to-market basis, is greater than the BSF balance as indicated in the final sinking fund payment schedule at that point in time;
5. Collateral Agent is to give quarterly hold reports.

**SCHEDULE "AA"**

**BASIS OF DESIGN**

(See attached)

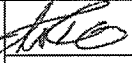
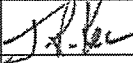
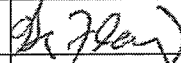
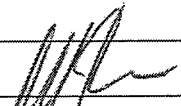
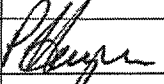
Nalcor Energy – Lower Churchill Project



Basis of Design


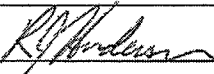
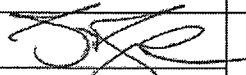


LCP-PT-ED-0000-EN-RP-0001-01

Comments:  <p style="text-align: center;"><b>Issued for Decision Gate 3</b></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
<b>CONFIDENTIALITY NOTE:</b>			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.

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<b>Cofferdam</b>	A temporary barrier for excluding water from an area that could otherwise be submerged.
<b>Construction Flood</b>	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.
<b>Converter Station</b>	A <i>converter station</i> consists of equipment that converts power from ac to dc (rectifier) and dc to ac (inverter).
<b>Counterpoise</b>	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.
<b>Electrode</b>	A grounded means to provide a return path for unbalanced dc current for HVdc transmission system, enabling it to operate in mono-polar mode.
<b>Electrode Line</b>	A transmission line connecting the <i>electrode</i> site to the <i>converter station</i> .
<b>Fail Safe Design</b>	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.
<b>Fish Compensation Flow</b>	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.
<b>Fish Habitat Compensation</b>	This involves replacing the loss of fish habitat with newly created habitat or improving the productive capacity of some other natural habitat.

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<b>Flip Bucket</b>	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.
<b>Francis Turbine</b>	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> .
<b>Full Supply Level</b>	The maximum normal operating water level, corresponding to the top of the live storage, in a reservoir.
<b>Generator</b>	An assembly of stationary and rotating components coupled to the turbine converting mechanical energy to electrical energy.
<b>Good Utility Practice</b>	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.
<b>Kaplan Turbine</b>	A reaction type, axial flow, adjustable blade turbine that converts hydraulic energy to mechanical energy.
<b>Life Cycle Cost Analysis</b>	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.
<b>Low Supply Level</b>	The minimum normal operating water level, corresponding to the bottom of the live storage, in a reservoir.

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<b>Mass Impregnated (MI)</b>	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.
<b>Mitigation</b>	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.
<b>Overhead Ground Wire (OHGW)</b>	Provides lightning protection for the power conductors. When used, direct lightning strikes are minimized, and potential disturbances due to lightning are reduced.
<b>Optical Ground Wire (OPGW)</b>	Performs the same function as <i>Overhead Ground Wire</i> ; however, it also carries a fibre optic communication system within the wire strands.
<b>Penstock</b>	A conduit that conveys water from the intake to the turbine.
<b>Plunge Pool</b>	A deep depression downstream of a spillway into which spilled water “plunges” to dissipate energy.
<b>Probable Maximum Flood (PMF)</b>	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”.
<b>Proven Technology</b>	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).

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<b>Rehabilitation</b>	Measures taken to remedy environmental damage to the environment.
<b>Reliability Level Return Period</b>	A statistical measurement denoting the average recurrence interval over an extended period of time. Used to estimate loads to design transmission lines.
<b>Rotor</b>	The multi-poled rotating component of the <i>generator</i> .
<b>Split Yard</b>	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.
<b>Stoplog</b>	Steel sections used to isolate water passages for inspection or maintenance and are installed and removed under balanced pressures.
<b>Tailrace</b>	A watercourse that carries water away from a turbine or powerhouse.
<b>Terrestrial Habitat Compensation</b>	Specific mitigations that would encourage the development of riparian and wetland habitat.
<b>Trash Boom</b>	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> .
<b>Trash Racks</b>	Equally spaced rectangular bars installed at the entrance to the intake to protect the turbine from impinging objects.
<b>Waste Management</b>	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.
<b>Wicket Gates</b>	Adjustable guide vanes used to regulate the flow of water into a turbine.

#### 4.0 Abbreviations and Acronyms

<b>ac</b>	alternating current
<b>ADSS</b>	All Dielectric Self-Supporting
<b>BCC</b>	Backup Control Center
<b>BMS</b>	Building Management Systems
<b>BOD</b>	<i>Basis of Design</i>
<b>CCTV</b>	Closed Circuit Television
<b>CF</b>	Churchill Falls Generating Facility
<b>CFRD</b>	Concrete Faced Rockfill Dam
<b>CPU</b>	Central Processing Unit
<b>CTS</b>	Cellular Telephone System
<b>dc</b>	direct current
<b>DFO</b>	Department of Fisheries and Oceans
<b>EPP</b>	Environmental Protection Plan
<b>ECC</b>	Energy Control Centre
<b>FSL</b>	<i>Full Supply Level (Reservoir)</i>
<b>GI</b>	Gull Island Generating Facility
<b>HADD</b>	Harmful Alteration Damage or Disruption (Fish Habitat)
<b>HDD</b>	Horizontal Directional Drilling
<b>HVac</b>	High Voltage alternating current
<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>HVdc</b>	High Voltage direct current
<b>HVGB</b>	Happy Valley – Goose Bay
<b>kV</b>	kilovolts
<b>kWs</b>	Kilo Watt Seconds
<b>kVA</b>	Kilo Volt Amp
<b>LCC</b>	Line Commutated Converter
<b>LCP</b>	Lower Churchill Project
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>LITL</b>	Labrador – Island Transmission Link Project
<b>LMRS</b>	Land Mobile Radio System
<b>LSL</b>	<i>Low Supply Level (Reservoir)</i>



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<b>LTA</b>	Labrador Transmission Asset Project
<b>MF</b>	Muskrat Falls Generating Facility
<b>MFL</b>	Maximum Flood Level (Reservoir)
<b>MI</b>	<i>Mass Impregnated</i>
<b>MIS</b>	Mobile Internet System
<b>MVA</b>	Mega Volt Ampere
<b>MVAR</b>	Mega Volt Ampere Reactive
<b>MW</b>	MegaWatt
<b>NE</b>	Nalcor Energy
<b>NMS</b>	Network Management Systems
<b>OHGW</b>	<i>Over-Head Ground Wire</i>
<b>OLTC</b>	On-load Tap Changer
<b>OPGW</b>	<i>Optical Ground Wire</i>
<b>OTN</b>	Optical Transport Network
<b>pf</b>	power factor
<b>PMF</b>	<i>Probable Maximum Flood</i>
<b>RCC</b>	Roller Compacted Concrete
<b>ROW</b>	Right of Way
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SACS</b>	Security and Access Control System
<b>SLD</b>	Single Line Diagram
<b>SOBI</b>	Strait of Belle Isle
<b>SONET</b>	Synchronous Optical Network
<b>TBD</b>	To Be Determined
<b>TL</b>	Transmission Line
<b>TLH</b>	Trans Labrador Highway
<b>Vac</b>	Voltage Alternating Current
<b>Vdc</b>	Voltage Direct Current
<b>VSC</b>	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

- 
- 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 m<sup>3</sup>/s based on a 1:20 year return period.
- *Fish Compensation Flow* will be approximately 550 m<sup>3</sup>/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 m<sup>3</sup>/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.

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### 3410/3420 Turbines and Generators

- Four 206 MW units, approximately, @ 0.90 pf vertical axis *Generators*.
- Inertia constant H not less than 4.1 kW/kVA.
- Four *Kaplan turbines* with *Cavitation Resistant Design*.
- Unitized approach from intake to *generator* step-up transformer.
- Failure of any equipment/system of one unit not to affect the operation of the remaining units.

### 3430 Electrical Ancillary Equipment

- Dual 125 Vdc battery systems with dual chargers per battery system for control and protection.
- Independent 125 Vdc battery system with dual chargers for field flashing and other dc power.
- Dual 48 Vdc battery systems with dual chargers per battery system for telecommunication system.
- A minimum of two independent sources of station service.
- Arc flash category two for all electrical panels of 600 Vac or greater.
- Dual digital protection systems.
- One standby emergency diesel *generator* for the powerhouse essential load auxiliaries, complete with fuel storage systems.

### 3440 Mechanical Ancillary Equipment

- Water systems, for supply of turbine and *generator* cooling water, fire protection water, domestic water and auxiliary water.
- Separate high and low pressure compressed air systems.
- Domestic waste water to septic tank and disposal field.
- HVAC systems using the *generators'* cooling systems as a source of powerhouse heating.
- Two overhead powerhouse cranes, with the capability to operate in tandem having a combined design capacity to lift a fully assembled *rotor*.
- Elevator access to all levels of powerhouse.
- Dewatering and drainage systems complete with oil interception system.
- Permanent waste hydraulic and lubricating oil storage and handling system complete with a permanent centrifuge filtration system.
- Oil water separator for drainage from *generator* transformer basins, powerhouse diesel room and tank room.
- Permanent hoist system in each turbine pit.

### 3450 Protection, Control & Monitoring

- Redundant protection systems for each element from two different manufacturers.
- Main and backup systems to be installed in two separate panels.
- Protection shall be stable during system transients and operate correctly during system faults.
- A distributed digital control and monitoring system.
- Dual CPU for control system functions.

### 3460 Generator Transformers

- Four step-up transformers (unit voltage to 315 kV), plus one spare step-up transformer, located on powerhouse draft tube deck.
- Each unit will have a *generator* circuit breaker.
- Each transformer will include drainage to a common oil water separator.
- Transformers will be separated from each other by a concrete firewall.

### 6160 Collector Lines – Powerhouse to Switchyard

- Four 315 kV HVac overhead transmission lines to connect the high side of the step up transformers to the switchyard.

### 9112 Fish Habitat Compensation

- *Fish habitat compensation* will include delta enhancements at the Pinus River and Edward's Brook and enhancements of spawning areas located in Gull Lake.

### 9122 Terrestrial Habitat Compensation

- *Terrestrial habitat compensation* will be based on conditions of EA release and *terrestrial habitat compensation* plans to be agreed to with applicable regulatory bodies.

### 9220 Operations Telecommunications System – Muskrat Falls

- Telecommunication System shall be comprised of three separate layers: Optical Transport Network (OTN), Convergence, and Access Layers.
- OTN Layer shall be the telecommunications backbone and utilize the single OPGW, All Dielectric Self Supporting (ADSS) or equivalent fibre optic infrastructure. The OTN Layer equipment nodes shall be designed based upon the least total cost of ownership alternative.
- Convergence layer shall be based on the Synchronous Optical Network (SONET) international standard. It shall be used to create logical point-to-point telecommunication links between all MF locations. It will multiplex and de-multiplex the access layer subsystems for transmission on the OTN.

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- 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  $\pm 350$  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,  $\pm 350$  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,  $\pm 350$  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.

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#### 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,  $\pm 350$  kV bi-pole, LCC *converter station* capable of operating in mono-polar mode.
- Each pole rated at 450 MW with 100% overload protection for ten minutes and 50% overload protection for continuous operation.
- Situated next to the Soldiers Pond switchyard on the Avalon Peninsula on a level fenced site.
- Concrete foundations and galvanized steel structures to support the electrical equipment and switchgear.
- Mono-polar operation shall be supported by an *electrode*.

#### 6320 Electrode Line – Newfoundland East

- An *electrode line* carrying two conductors generally follows the existing transmission ROW from Soldiers Pond to Conception Bay.
- Wood pole construction.
- 50-year *Reliability Level Return Period* of loads.
- *Electrode line* will have provision for arcing horns.

#### 8620 Electrode Newfoundland East

- A shoreline pond *electrode* to be located at Dowden's Point on the east side of Conception Bay.
- Nominal rating of 450 MW with 100% overload protection for ten minutes and 50% overload protection for continuous operation.

#### 4500 Soldiers Pond Switchyard

- Situated on the north-east side of Soldiers Pond on a level, fenced site.
- Concrete foundations and galvanized steel structures to support the electrical equipment and switchgear.
- Electrical layout of the switchyard is to be in accordance with the proposed SLD. (See Drawing 2).
- Switchyard to interconnect eight 230 kV HVac transmission lines (four existing transmission lines looped in), the synchronous condensers and the Soldiers Pond *Converter Station*.

#### 7100 Island System Upgrades East

- Three 175 MVAR high-inertia synchronous condensers at Soldiers Pond.
- 230 kV and 138 kV circuit breaker replacements.
- Replacement of conductors, 230 kV transmission line – Bay d'Espoir to Sunnyside.
- Looping in-out of the four existing 230 kV transmission lines into the new Soldier's Pond Switchyard. This requires reconstruction of the resulting eight transmission lines entering and leaving the switchyard to account for lightening protection.
- Upgrade of the protection and control systems at Hardwoods, Oxen Pond, Holyrood and Western Avalon Switchyards.

#### 9230 Operations Telecommunications System – Island Link

- Telecommunication System shall be comprised of three separate layers: Optical Transport Network (OTN), Convergence, and Access Layers.
- OTN Layer shall be the telecommunications backbone and utilize the OPGW, All Dielectric Self Supporting (ADSS) or equivalent fibre optic infrastructure. The OTN Layer equipment nodes shall be designed based upon the least total cost of ownership alternative.
- Convergence Layer shall be based on the Synchronous Optical Network (SONET) international standard. It shall be used to create logical point-to-point

telecommunication links between all MF locations. It will multiplex and de-multiplex the Access Layer subsystems for transmission on the OTN.

- Access Layer shall be based on the Ethernet (IEEE 802.3) standard. It shall be comprised of a minimum of three separate telecommunication systems: Protection and Control, SCADA, and Administrative systems. The Administrative system may include the following subsystems: telephony, corporate data, security access control system, and video surveillance.
- The Island Transmission Link Telecommunication Assets specifically includes the following.
  - HVdc OPGW fibre optics connecting
    - Muskrat Falls *Converter Station* to Forteau Point Transition Compound
    - Shoal Cove Transition Compound to Soldiers Pond *Converter Station*
  - ADSS fibre optics connecting
    - Forteau Point Transition Compound to the L'Anse au Diable *Electrode*
    - Soldiers Pond *Converter Station* to Dowden's Point *Electrode*
  - Fibre optic infrastructure shall also be used to connect
    - Forteau Point Transition Compound to Shoal Cove Transition Compound by optic fibres embedded in each power cable being installed across the SOBI
    - Soldiers Pond *Converter Station* to the NLH Energy Control Centre (ECC) in St. John's
    - Soldiers Pond *Converter Station* to the NLH Backup Control Centre (BCC) in Holyrood
  - OTN Layer optical-electronics associated with the above referenced HVdc OPGW fibre optic interconnections.
  - Convergence and Access Layers telecommunication systems associated with all of the above referenced fibre optic interconnections, except these telecommunication layers at MF.
  - NLH ECC and BCC SCADA system upgrades.

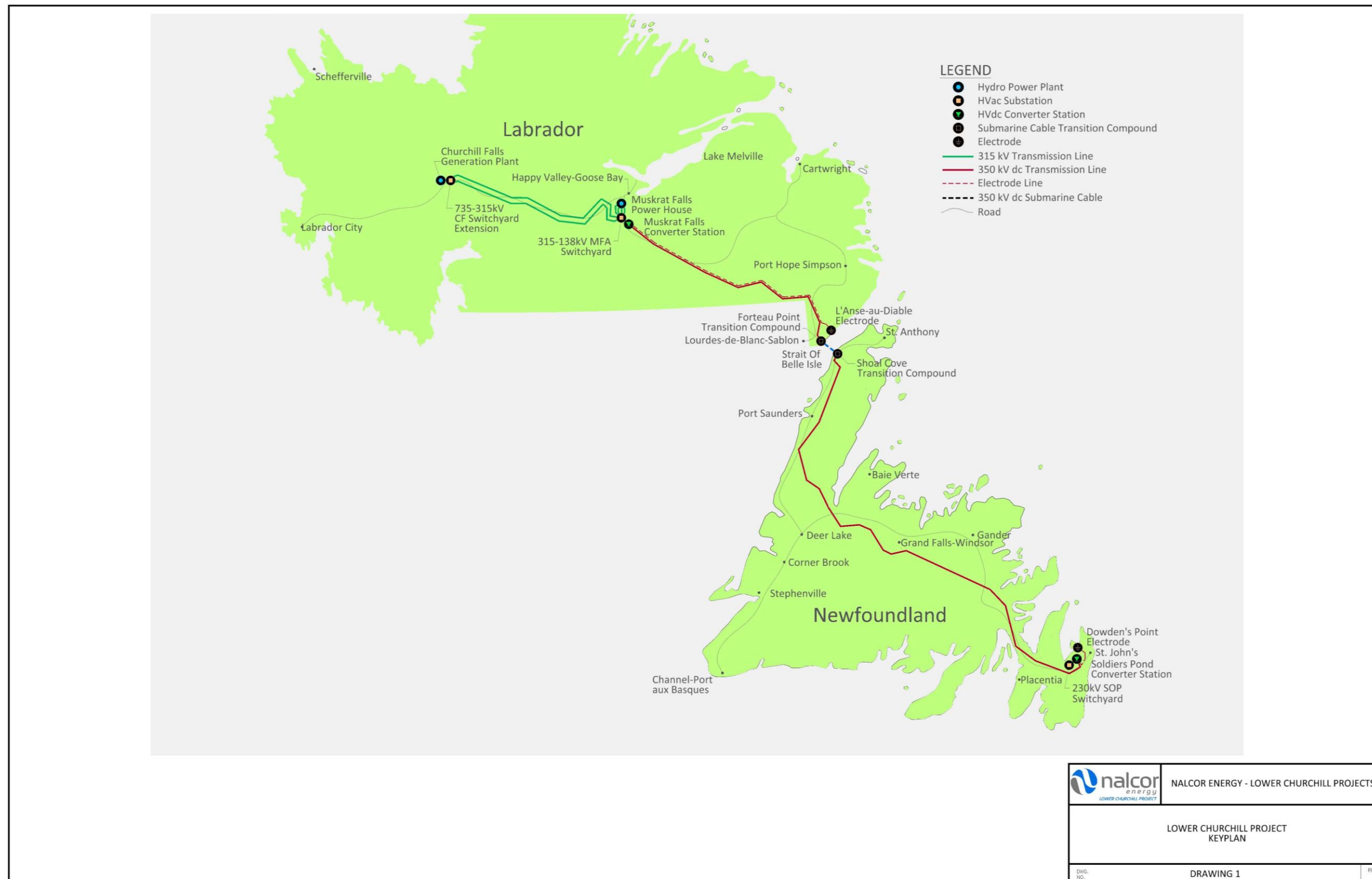
**A.0 Activity Flow Chart**

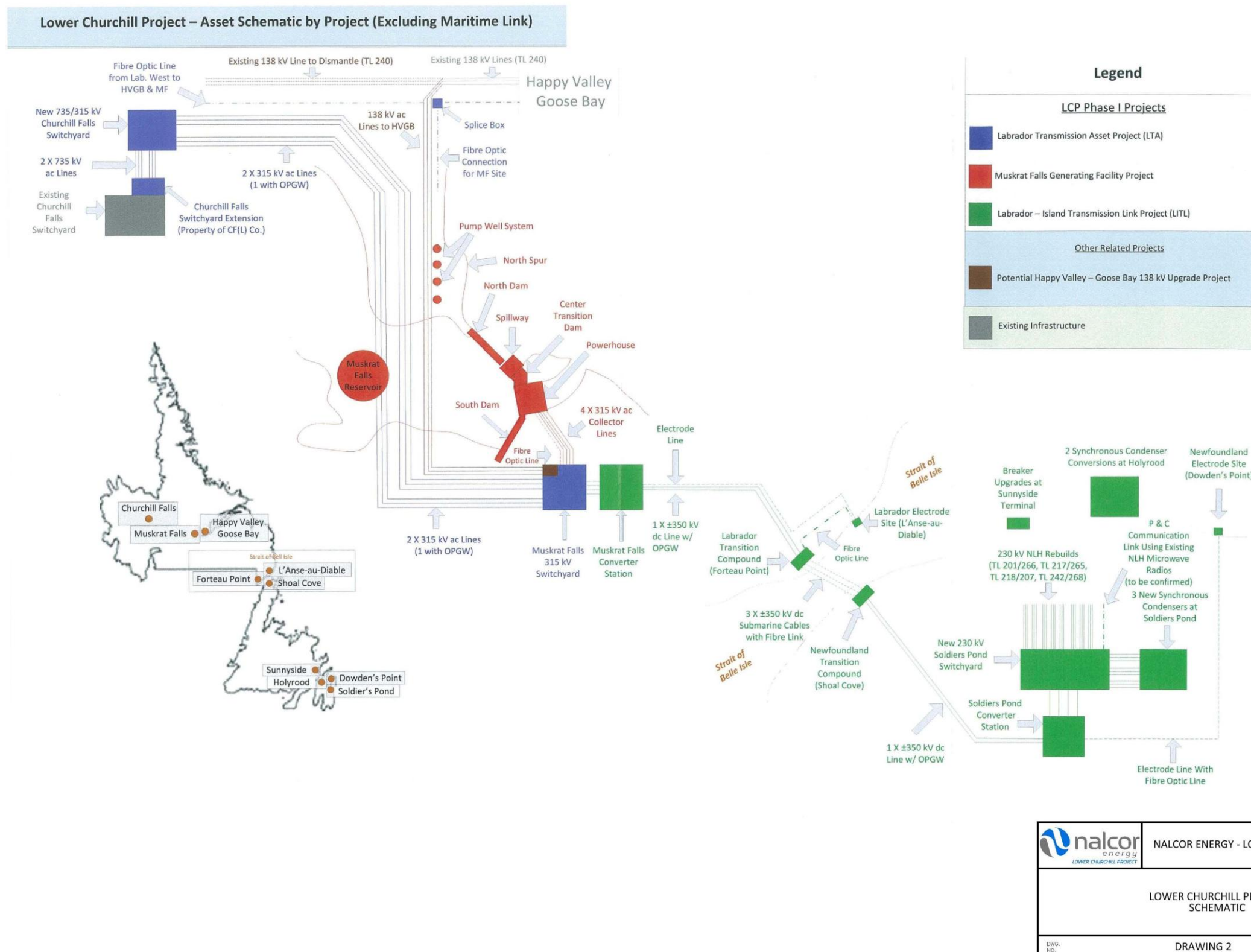
N/A

**B.0 Attachments/Appendices**

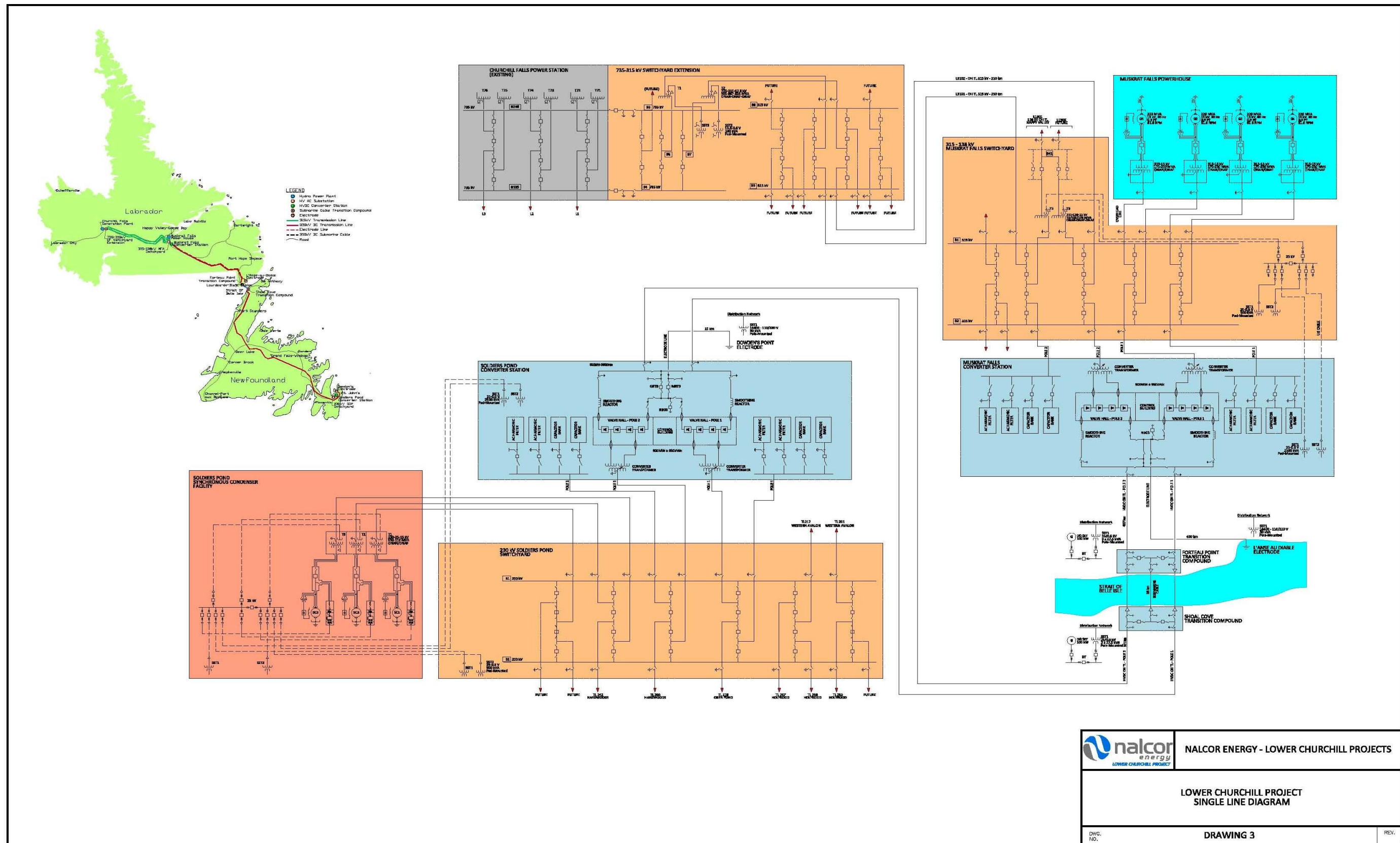
**B.1 DRAWINGS**

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

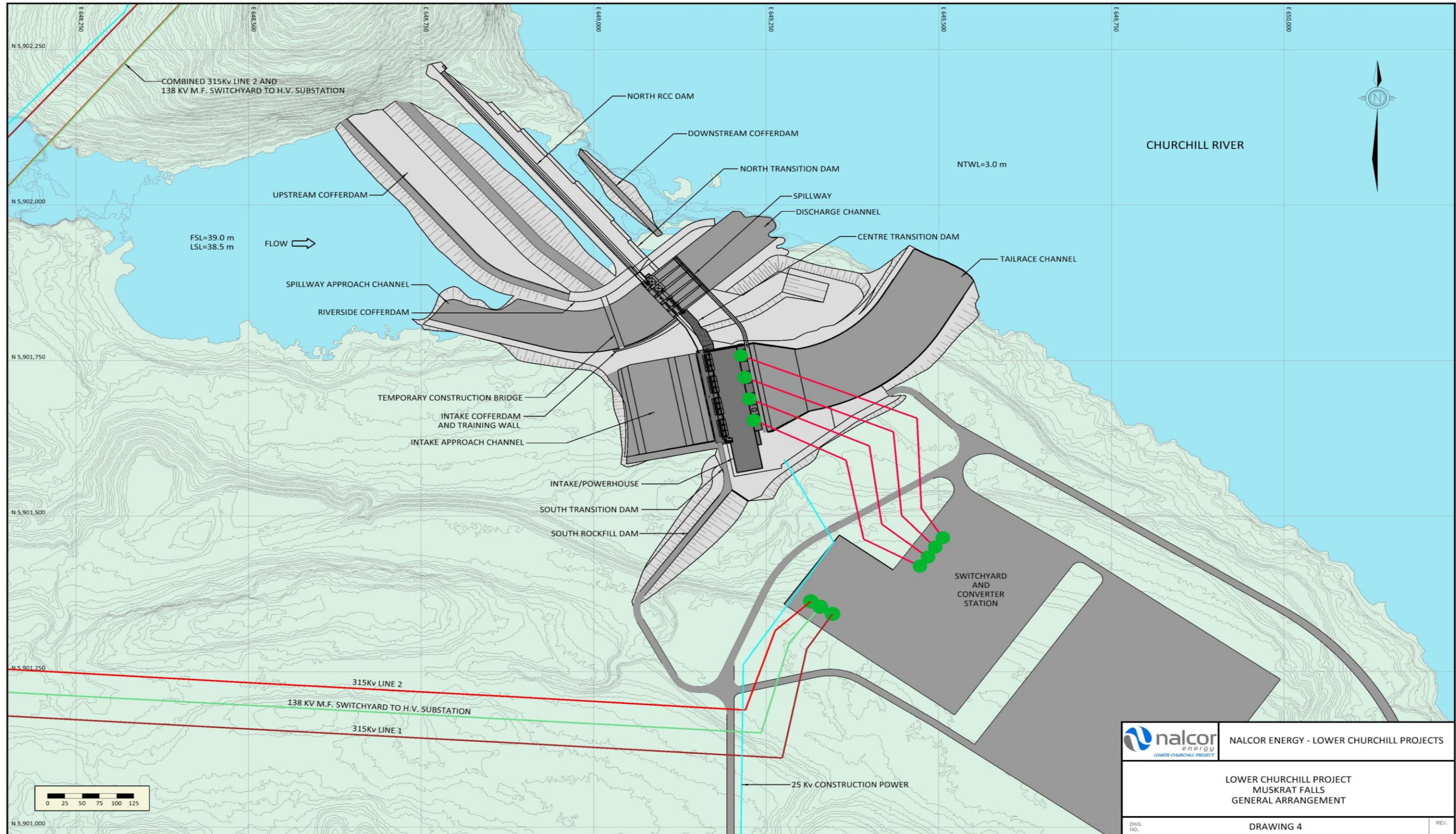




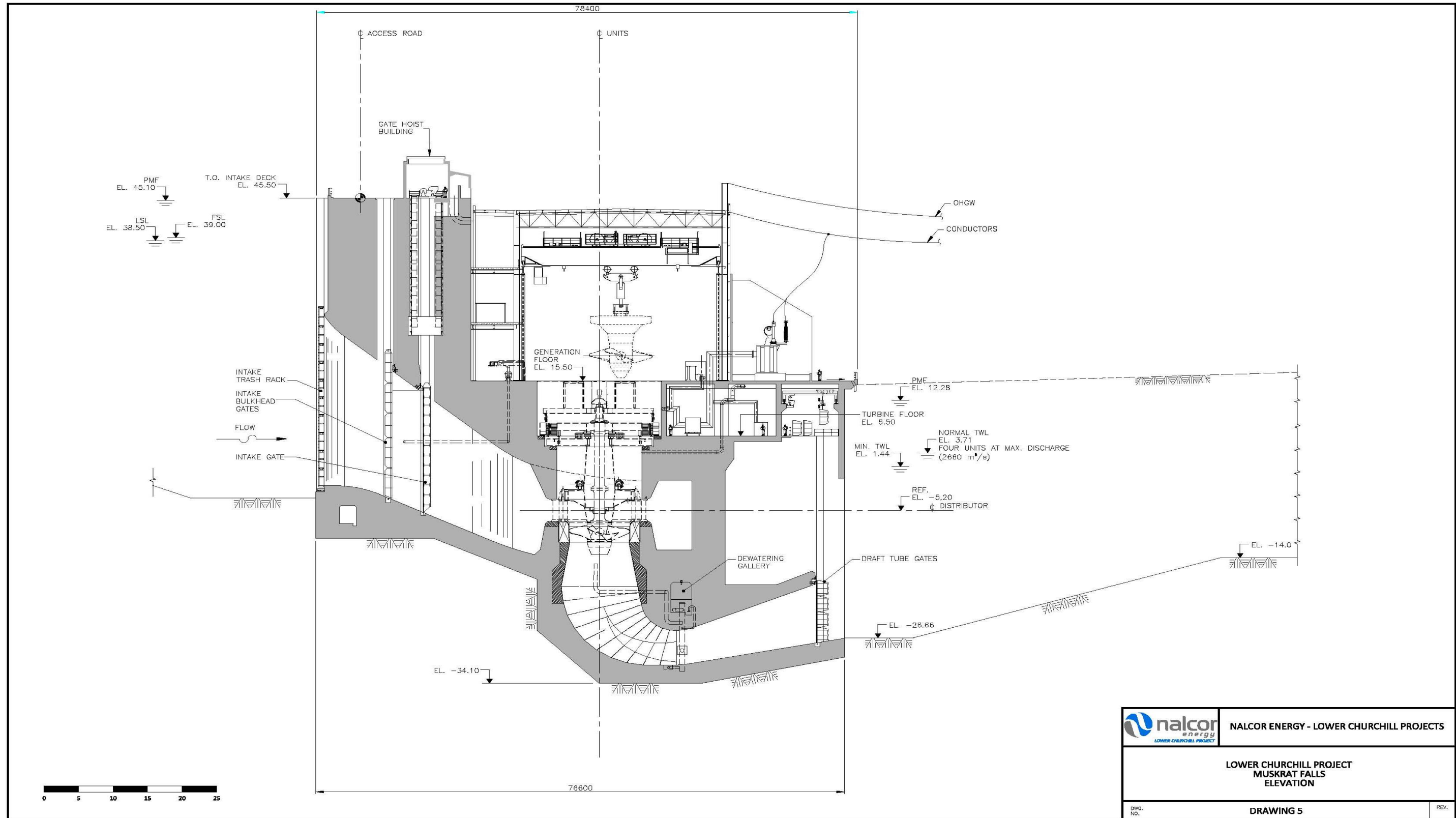













	NALCOR ENERGY - LOWER CHURCHILL PROJECTS	
	LOWER CHURCHILL PROJECT MUSKRAT FALLS ELEVATION	
DWG. NO.	DRAWING 5	REV.





**SCHEDULE "BB"**

**BASE EQUITY COMMITMENT**

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

Executed as of \_\_\_\_\_.

Yours truly,

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

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "CC"**

**FUNDING REQUEST SUPPORTING DOCUMENTATION**

(See attached)

<b>Lower Churchill Project October 2013 Cash Call</b>			
<b>CCA</b>	<b>Company</b>	<b>Net Funds Required</b>	
		<b>CDN</b>	<b>USD</b>
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	-
<b>Total</b>		<b>96,799,830.60</b>	<b>95,616.24</b>

<b>Consolidated Amounts Above Were Compiled From The Following</b>		
Derived From PM+ Cash Call Report (Page 2 - 3)	<b>85,174,773.83</b>	<b>36,000.00</b>
Derived From Prism Cash Call Report (Page 4 - 12)	<b>11,625,056.77</b>	<b>59,616.24</b>
<b>Total</b>	<b>96,799,830.60</b>	<b>95,616.24</b>

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
<b>Total Cash Call PM+ CAD - October</b>					\$	<b>85,174,773.83</b>		
<b>Total Cash Call PM+ USD - October</b>					\$	<b>36,000.00</b>		

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	F4S056258	4-Oct-13	14708-OB	5.1	\$ 2,556.12	\$ 2,262.05	CAD	AP
Greco	102	4-Oct-13	LCP01600	5.1	\$ 340.71	\$ 301.51	CAD	AP
Puglisevich	IN14449	4-Oct-13	LC-PM-101	5.1	\$ 21,560.40	\$ 19,080.00	CAD	AP
DND	1800164690	4-Oct-13	LCP00080	5.1	\$ 452.78	\$ 400.69	CAD	AP
MPS	23637	4-Oct-13	LCP00027	5.1	\$ 28.25	\$ 25.00	CAD	AP
Xerox	F4S068820	4-Oct-13	14708-OB	5.1	\$ 497.28	\$ 440.07	CAD	AP
Noramtec	179891	4-Oct-13	LCP00772	5.1	\$ 6,821.00	\$ 6,036.28	CAD	AP

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	LCO01450	5.1	\$ 6,736.61	\$ 5,961.60	CAD	AP
Air Resources	SIN722686	4-Oct-13	LCP00785	5.1	\$ 4,992.11	\$ 4,417.80	CAD	AP
Bren-kir Industrial Supplies	MP-00392428	4-Oct-13	LCP01525	5.1	\$ 1,101.63	\$ 28.74	CAD	AP
Bren-kir Industrial Supplies	MP-00392430	4-Oct-13	LCP01525	5.1	\$ 350.74	\$ 310.39	CAD	AP
RJP Services	2013-09	5-Oct-13	LC-PM-005	5.1	\$ 31,396.82	\$ 27,784.80	CAD	AP
A Taste of Class	4866	5-Oct-13	LCP01119	5.1	\$ 161.01	\$ 142.49	CAD	AP
A Taste of Class	4885	5-Oct-13	LCP01119	5.1	\$ 20.89	\$ 18.49	CAD	AP
A Taste of Class	4880	5-Oct-13	LCP01119	5.1	\$ 568.77	\$ 503.34	CAD	AP
Triware	144935	5-Oct-13	LCP01635	5.1	\$ 847.50	\$ 750.00	CAD	AP
Executive Coffee	108702	5-Oct-13	LCP00029	5.1	\$ 253.91	\$ 224.70	CAD	AP
Bell Aliant	August 27/13	5-Oct-13	LCP01042	5.1	\$ 2,712.00	\$ 2,400.00	CAD	AP
Triware	144908	5-Oct-13	LC-PM-130	5.1	\$ 8,044.47	\$ 7,119.00	CAD	AP
Corporate Express	33609573	6-Oct-13	LCP01291	5.1	\$ 102.21	\$ 90.45	CAD	AP
Cahill Business Solution	09C-13-033	6-Oct-13	LC-PM-04B	5.1	\$ 29,462.69	\$ 26,073.18	CAD	AP
Dillon	113441	9-Oct-13	LCP01009	5.1	\$ 19,788.56	\$ 17,512.00	CAD	AP
Grand & Toy	F102630	9-Oct-13	LCP01290	5.1	\$ 4,139.97	\$ 3,663.69	CAD	AP
Kathel Consulting	13-012	9-Oct-13	LC-PM-003	5.1	\$ 22,543.50	\$ 19,950.00	CAD	AP
Rosanne Williams Visa	July25/13	10-Oct-13	PCard	5.1	\$ 4,069.50	\$ 3,601.33	CAD	AP
Rosanne Williams Expense Claim	Sept6/13	10-Oct-13	Tclaim	5.1	\$ 79.10	\$ 70.00	CAD	AP
USI	USI-8580	10-Oct-13	LCP00864	5.1	\$ 9,929.99	\$ 8,787.60	CAD	AP
USI	USI-8549	10-Oct-13	LCP01334	5.1	\$ 19,324.40	\$ 17,101.24	CAD	AP
USI	USI-8578	10-Oct-13	LCP00793	5.1	\$ 27,499.68	\$ 24,336.00	CAD	AP
Valley Business Equipment Inc	26169	10-Oct-13	LCP01475	5.1	\$ 15,944.30	\$ 14,110.00	CAD	AP
Transcontinental	1142	10-Oct-13	LCP01663	5.1	\$ 111.87	\$ 99.00	CAD	AP
J&H Food Services	2361	10-Oct-13	LCP00902	5.1	\$ 45.05	\$ 39.87	CAD	AP
Provincial Airlines	S0022050	10-Oct-13	LCP00829	5.1	\$ 382.35	\$ 2,112.50	CAD	AP
Provincial Airlines	S0022273	10-Oct-13	LCP00829	5.1	\$ 253.70	\$ 224.51	CAD	AP
A Taste of Class	4890	11-Oct-13	LCP01119	5.1	\$ 38.45	\$ 34.03	CAD	AP
A Taste of Class	4888	11-Oct-13	LCP01119	5.1	\$ 109.86	\$ 97.22	CAD	AP
SJR Consulting Inc		11-Oct-13	LC-PM-128	5.1	\$ 18,977.73	\$ 16,794.45	CAD	AP
EM&I Stantec Ltd	32	11-Oct-13	LC-PM-050	5.1	\$ 29,937.94	\$ 26,493.75	CAD	AP
Bugden's	6205	11-Oct-13	LCP00012	5.1	\$ 287.49	\$ 254.42	CAD	AP
Grenfell Foundation	0141	11-Oct-13	TBD	5.1	\$ 565.00	\$ 500.00	CAD	AP
Project Solutions Inc	LCP-2013-16	11-Oct-13	15011-OB	5.1	\$ 34,741.70	\$ 30,744.87	CAD	AP
Acquaint	13-942	11-Oct-13	LCP01333	5.1	\$ 7,038.18	\$ 6,228.48	CAD	AP
Acquaint	13-943	11-Oct-13	LCP01409	5.1	\$ 12,945.60	\$ 11,456.28	CAD	AP
Acquaint	13-944	11-Oct-13	LCP01534	5.1	\$ 13,866.91	\$ 12,271.60	CAD	AP
LIL GP/ Intercompany	0017	11-Oct-13	72	5.1	\$ 107.70	\$ 95.31	CAD	AP

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LIL Hold Co/ Intercompany	0018	11-Oct-13	74	5.1	\$ 107.70	\$ 95.31	CAD	AP
Noramtec	180372	12-Oct-13	LCP00772	5.1	\$ 41,438.18	\$ 36,670.96	CAD	AP
Noramtec	180370	12-Oct-13	LCP00768	5.1	\$ 33,140.64	\$ 29,328.00	CAD	AP
The Telegram	TE0442421	12-Oct-13	LCP01463	5.1	\$ 1,863.31	\$ 1,648.95	CAD	AP
Noramtec	180147	12-Oct-13	LCP01431	5.1	\$ 37,149.43	\$ 32,875.60	CAD	AP
The Telegram	TE00443032	12-Oct-13	LCP01463	5.1	\$ 342.90	\$ 303.45	CAD	AP
Contract Land Staff, LLC	2099.13.01-0069669	12-Oct-13	LC-EN-031	5.1	\$ 2,112.50	\$ 2,112.50	USD	AP
Project Solutions Inc	LCP-2013-15	13-Oct-13	15011-OB	5.1	\$ 21,597.13	\$ 19,112.50	CAD	AP
Provincial Airlines	S0022504	13-Oct-13	LCP00829	5.1	\$ 3,671.10	\$ 3,248.76	CAD	AP
Bell Aliant	INV2901847	13-Oct-13	LCP01042	5.1	\$ (32.08)	\$ (28.39)	CAD	AP
Bell Aliant	INV2902612	13-Oct-13	LCP01042	5.1	\$ 893.72	\$ 790.90	CAD	AP
Eastern Region Business Solutions	687335717	13-Oct-13	LCP01634	5.1	\$ 270.07	\$ 239.00	CAD	AP
Millennium Express	76740	13-Oct-13	LCP01136	5.1	\$ 19.09	\$ 16.89	CAD	AP
Millennium Express	76749	13-Oct-13	LCP01136	5.1	\$ 86,726.37	\$ 76,749.00	CAD	AP
The Telegram	TE00439802	13-Oct-13	LCP01463	5.1	\$ 9,040.00	\$ 8,000.00	CAD	AP
The Telegram	TE00437940	13-Oct-13	LCP01463	5.1	\$ 940.16	\$ 832.00	CAD	AP
Agility Partners	5297	13-Oct-13	LC-PM-133	5.1	\$ 2,475.00	\$ 2,475.00	USD	AP
Brenkir	MP-00392828	13-Oct-13	LCP01525	5.1	\$ 210.75	\$ 186.50	CAD	AP
Brenkir	MP-00392776	13-Oct-13	LCP01525	5.1	\$ 120.82	\$ 106.92	CAD	AP
Brenkir	MP-00392778	13-Oct-13	LCP01525	5.1	\$ 275.44	\$ 243.75	CAD	AP
Brenkir	MP-00392775	13-Oct-13	LCP01525	5.1	\$ 324.95	\$ 287.57	CAD	AP
NL News	2504	13-Oct-13	LCP01041	5.1	\$ 4,054.12	\$ 3,587.72	CAD	AP
Fed Ex	7-232-67209	13-Oct-13	TBD	5.1	\$ 596.82	\$ 528.16	CAD	AP
Xerox	F45132022	16-Oct-13	14708-OB	5.1	\$ 748.87	\$ 662.72	CAD	AP
Intruder Consulting Inc	40	16-Oct-13	LC-PM-073	5.1	\$ 18,645.00	\$ 16,500.00	CAD	AP
M S Peddle Consulting Limited	2013-008	16-Oct-13	15571-OB	5.1	\$ 26,235.27	\$ 23,217.05	CAD	AP
Dovre Canada Ltd.	33404	17-Oct-13	LCP00584	5.1	\$ 13,973.58	\$ 12,366.00	CAD	AP
Dovre Canada Ltd.	33221	17-Oct-13	LCP00585	5.1	\$ 12,638.60	\$ 11,184.60	CAD	AP
Dovre Canada Ltd.	33259	17-Oct-13	LCP00587	5.1	\$ 36,971.34	\$ 32,718.00	CAD	AP
Dovre Canada Ltd.	33362	17-Oct-13	LCP00590	5.1	\$ 20,285.76	\$ 17,952.00	CAD	AP
Dovre Canada Ltd.	33403	17-Oct-13	LCP00595	5.1	\$ 4,101.90	\$ 3,630.00	CAD	AP
Dovre Canada Ltd.	33253	17-Oct-13	LCP00601	5.1	\$ 10,824.91	\$ 9,579.57	CAD	AP
Dovre Canada Ltd.	33408	17-Oct-13	LCP00675	5.1	\$ 6,957.36	\$ 6,156.96	CAD	AP
Dovre Canada Ltd.	33264	17-Oct-13	LCP00727	5.1	\$ 9,478.44	\$ 8,388.00	CAD	AP
Dovre Canada Ltd.	33391	17-Oct-13	LCP01038	5.1	\$ 24,159.68	\$ 21,380.25	CAD	AP
Dovre Canada Ltd.	33392	17-Oct-13	LCP01039	5.1	\$ 22,771.20	\$ 20,151.50	CAD	AP
Dovre Canada Ltd.	33393	17-Oct-13	LCP01049	5.1	\$ 24,437.38	\$ 21,626.00	CAD	AP
Dovre Canada Ltd.	33260	17-Oct-13	LCP01129	5.1	\$ 8,847.90	\$ 7,830.00	CAD	AP
Dovre Canada Ltd.	33266	17-Oct-13	LCP01211	5.1	\$ 4,465.76	\$ 3,952.00	CAD	AP
Dovre Canada Ltd.	33262	17-Oct-13	LCP01279	5.1	\$ 31,891.99	\$ 28,223.00	CAD	AP
Dovre Canada Ltd.	33225	17-Oct-13	LCP01332	5.1	\$ 11,814.69	\$ 10,455.48	CAD	AP
Dovre Canada Ltd.	33255	17-Oct-13	LCP01533	5.1	\$ 23,540.16	\$ 20,832.00	CAD	AP
Dovre Canada Ltd.	33261	17-Oct-13	LCP01538	5.1	\$ 6,221.77	\$ 5,505.99	CAD	AP
Dovre Canada Ltd.	33409	17-Oct-13	LCP01631	5.1	\$ 3,955.00	\$ 3,500.00	CAD	AP
Victoria Stanford Visa	May 27/13	17-Oct-13	PCard	5.1	\$ 526.57	\$ 465.99	CAD	AP
Ian Hickey Visa	Aug 26/13	17-Oct-13	PCard	5.1	\$ 5,926.53	\$ 5,244.72	CAD	AP
Cision	681762	17-Oct-13	LCP00554	5.1	\$ 561.53	\$ 496.93	CAD	AP
NL News	2447	17-Oct-13	LCP00554	5.1	\$ 4,740.70	\$ 4,195.31	CAD	AP
Brenkir	MP-00393134	18-Oct-13	LCP01525	5.1	\$ 106.39	\$ 94.15	CAD	AP
Brenkir	MP-00393027	18-Oct-13	LCP01525	5.1	\$ 305.64	\$ 270.48	CAD	AP

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Brenkir	MP-00393025	18-Oct-13	LCP01525	5.1	\$ 298.74	\$ 264.37	CAD	AP
CBDC Labrador Inc	YV1	18-Oct-13	TBD	5.1	\$ 282.50	\$ 250.00	CAD	AP
MicroAge Computer Centers	IN130438	18-Oct-13	TBD	5.1	\$ 4,271.40	\$ 3,780.00	CAD	AP
Cansel	K04583	18-Oct-13	LCP01443	5.1	\$ 431.66	\$ 382.00	CAD	AP
Cansel	K04845	18-Oct-13	LCP01629	5.1	\$ 576.30	\$ 510.00	CAD	AP
A Taste of Class	4901	18-Oct-13	LCP01119	5.1	\$ 18.50	\$ 16.37	CAD	AP
A Taste of Class	4900	18-Oct-13	LCP01119	5.1	\$ 52.25	\$ 46.24	CAD	AP
A Taste of Class	4908	18-Oct-13	LCP01119	5.1	\$ 68.67	\$ 55,000.00	CAD	AP
A Taste of Class	4906	18-Oct-13	LCP01119	5.1	\$ 269.64	\$ 238.62	CAD	AP
St. John Ambulance	INV000039486	18-Oct-13	TBD	5.1	\$ 235.04	\$ 208.00	CAD	AP
St. John Ambulance	INV000039771	18-Oct-13	LCP01646	5.1	\$ 4,097.80	\$ 3,626.37	CAD	AP
Marine Institue	MI28261	18-Oct-13	LCP01473	5.1	\$ 3,559.50	\$ 3,150.00	CAD	AP
Peter Hatcher Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 6,797.99	\$ 6,015.92	CAD	AP
Margriette Snow Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 8,988.49	\$ 7,954.42	CAD	AP
Mun	GC220-14	19-Oct-13	TBD	5.1	\$ 779.70	\$ 690.00	CAD	AP
Hatch	90461284	19-Oct-13	LCP01511	5.1	\$ 32,019.68	\$ 28,336.00	CAD	AP
Corporate Express	33712860	19-Oct-13	LCP01291	5.1	\$ 81.48	\$ 72.11	CAD	AP
J&H Food Services	2285	19-Oct-13	LCP00902	5.1	\$ 143.46	\$ 126.96	CAD	AP
Executive Coffee	109438	19-Oct-13	LCP00029	5.1	\$ 437.08	\$ 386.80	CAD	AP
Greco	286	19-Oct-13	LCP01600	5.1	\$ 181.64	\$ 160.74	CAD	AP
Brenda Anstey Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 4,146.92	\$ 3,669.84	CAD	AP
Cahill Business Solution	Est	27-Oct-13	LC-PM-048	5.1	\$ 29,380.00	\$ 26,000.00	CAD	AP
SRL Consulting	Est	30-Oct-13	LC-PM-071	5.1	\$ 42,940.00	\$ 38,000.00	CAD	AP
AMP Consulting	Est	30-Oct-13	LC-PM-052	5.1	\$ 27,685.00	\$ 24,500.00	CAD	AP
International Safety Mgmt	Est	30-Oct-13	LC-PM-056	5.1	\$ 23,730.00	\$ 21,000.00	CAD	AP
Van Ness Feldman	est	30-Oct-13	14829-OB	5.1	\$ 55,000.00	\$ 55,000.00	USD	AP
Commercial Project Services	est	30-Oct-13	15012-OB	5.1	\$ 33,900.00	\$ 30,000.00	CAD	AP
Hewitt Consulting	est	30-Oct-13	LC-PM-046	5.1	\$ 31,075.00	\$ 27,500.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.1	\$ 50,300.00	\$ 44,513.27	CAD	AP
Corporate - Overhead	130859	31-Oct-13	TBD	5.1	\$ 152,256.00	\$ 134,739.82	CAD	AP
Corporate - Cell Comm	Est	31-Oct-13	TBD	5.1	\$ 16,500.00	\$ 14,601.77	CAD	AP
Corporate - PCard	Est	31-Oct-13	TBD	5.1	\$ 175,000.00	\$ 154,867.26	CAD	AP
Van Ness	103337	1-Oct-13	14829-OB	5.1	\$ (55,700.72)	\$ (55,700.72)	USD	Carry forward last cash call
SCI Resource	SCI-Nalcor-13-04	1-Oct-13	LCP00728	5.1	\$ (3,169.65)	\$ (2,805.00)	CAD	Carry forward last cash call
Triware	143307	1-Oct-13	TBD	5.1	\$ (112.50)	\$ (99.56)	CAD	Carry forward last cash call
Bell Aliant	INV2252717	1-Oct-13	LCP01042	5.1	\$ (167.01)	\$ (147.80)	CAD	Carry forward last cash call
Bell Aliant	June27/13	1-Oct-13	LCP01042	5.1	\$ (421.51)	\$ (373.02)	CAD	Carry forward last cash call
McInnes Cooper	2013016997	1-Oct-13	15168-OB	5.1	\$ (1,945.86)	\$ (1,722.00)	CAD	Carry forward last cash call
The Telegram	TE00438533	1-Oct-13	TBD	5.1	\$ (1,544.20)	\$ (1,366.55)	CAD	Carry forward last cash call
Bell Aliant	INV40408576	1-Oct-13	LCP01539	5.1	\$ (43,595.29)	\$ (38,579.90)	CAD	Carry forward last cash call
Bell Aliant	INV2442025	1-Oct-13	LCP01042	5.1	\$ (12,044.05)	\$ (10,658.45)	CAD	Carry forward last cash call
The Telegram	TE00439276	1-Oct-13	TBD	5.1	\$ (383.71)	\$ (339.57)	CAD	Carry forward last cash call
Van Ness	104675	1-Oct-13	14829-OB	5.1	\$ (69,602.50)	\$ (69,602.50)	USD	Carry forward last cash call
Hatch	90456549	1-Oct-13	LCP01511	5.1	\$ (37,268.56)	\$ (32,981.03)	CAD	Carry forward last cash call
Noramtec	179442	1-Oct-13	LCP00772	5.1	\$ (1,564.01)	\$ (1,384.08)	CAD	Carry forward last cash call
Coulson Hydrotech Inc	673	1-Oct-13	LC-PM-126	5.1	\$ (29,461.46)	\$ (26,072.09)	CAD	Carry forward last cash call
The Telegram	TE00441076	1-Oct-13	TBD	5.1	\$ (443.75)	\$ (392.70)	CAD	Carry forward last cash call
Hatch	90455333	25-Aug-13	15074-OB	5.2	\$ 44,873.86	\$ 39,711.38	CAD	AP
Fasken	751056	26-Sep-13	14672-OB	5.2	\$ 12,857.83	\$ 11,378.61	CAD	AP
Fasken	751035	26-Sep-13	14672-OB	5.2	\$ 38,930.59	\$ 34,451.85	CAD	AP

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McInnes Cooper	2013021525	4-Oct-13	15168-OB	5.2	\$ 8,642.14	\$ 7,647.91	CAD	AP
McInnes Cooper	2013021522	4-Oct-13	15168-OB	5.2	\$ 7,176.52	\$ 6,350.90	CAD	AP
Navigant	402271	5-Oct-13	15366-OB	5.2	\$ 2,260.00	\$ 2,000.00	CAD	AP
Hatch	90458928	5-Oct-13	15074-OB	5.2	\$ 38,200.78	\$ 33,806.00	CAD	AP
Kathel Consulting	13-012	9-Oct-13	LC-PM-003	5.2	\$ 1,610.25	\$ 1,425.00	CAD	AP
Ann James Visa	July 25/13	9-Oct-13	PCard	5.2	\$ 50.96	\$ 45.10	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.2	\$ 51,500.00	\$ 45,575.22	CAD	AP
Hatch	90455333	1-Oct-13	15074-OB	5.2	\$ (44,873.86)	\$ (39,711.38)	CAD	Carry forward last cash call
Hatch	90454133	21-Aug-13	LCP01315	5.3	\$ 28,289.48	\$ 25,034.94	CAD	AP
Hatch	90454030	21-Aug-13	LCP01402	5.3	\$ 36,681.25	\$ 32,461.28	CAD	AP
Hatch	90454031	21-Aug-13	LCP01401	5.3	\$ 33,116.31	\$ 29,306.47	CAD	AP
McInnes Cooper	2013016216	23-Aug-13	15168-OB	5.3	\$ 46,356.05	\$ 41,023.05	CAD	AP
Orion Holdings	NAL-003	25-Aug-13	LC-PM-129	5.3	\$ 37,021.87	\$ 32,762.72	CAD	AP
EFCO Enterprises	25549	10-Sep-13	LC-MF-003	5.3	\$ 157,635.00	\$ 139,500.00	CAD	AP
Hatch	90456550	12-Sep-13	LCP01549	5.3	\$ 16,805.36	\$ 14,872.00	CAD	AP
Hatch	90456548	12-Sep-13	LCP01510	5.3	\$ 23,617.00	\$ 20,900.00	CAD	AP
Hatch	90456545	12-Sep-13	LCP01414	5.3	\$ 16,953.70	\$ 15,003.27	CAD	AP
Hatch	90456544	12-Sep-13	LCP01401	5.3	\$ 28,360.01	\$ 25,097.35	CAD	AP
Hatch	90456543	12-Sep-13	LCP01402	5.3	\$ 46,145.12	\$ 40,836.39	CAD	AP
Hatch	90456542	12-Sep-13	LCP01384	5.3	\$ 26,035.20	\$ 23,040.00	CAD	AP
Hatch	90456541	12-Sep-13	LCP01383	5.3	\$ 30,916.80	\$ 27,360.00	CAD	AP
Hatch	90456540	12-Sep-13	LCP01385	5.3	\$ 37,734.09	\$ 33,393.00	CAD	AP
Hatch	90456539	12-Sep-13	LCP01382	5.3	\$ 3,227.28	\$ 2,856.00	CAD	AP
Hatch	90456538	12-Sep-13	LCP01324	5.3	\$ 38,608.71	\$ 34,167.00	CAD	AP
Hatch	90456535	12-Sep-13	LCP01316	5.3	\$ 3,034.05	\$ 2,685.00	CAD	AP
Hatch	90456551	12-Sep-13	LCP01552	5.3	\$ 34,949.89	\$ 30,929.11	CAD	AP
Orion Holdings	NAL-004R1	15-Sep-13	LC-PM-129	5.3	\$ 47,628.70	\$ 42,149.29	CAD	AP
EFCO Enterprises	25446-2	18-Sep-13	LC-MF-003	5.3	\$ 17,978.30	\$ 15,910.00	CAD	AP
Newfound Recruiting	130815-1241	25-Sep-13	LCP01544	5.3	\$ 2,169.60	\$ 1,920.00	CAD	AP
Peter Hewlett Visa	July 25/13	27-Sep-13	PCard	5.3	\$ 2,188.38	\$ 1,936.62	CAD	AP
Tier One Consultants	TOC-LCP-07	3-Oct-13	LC-PM-116	5.3	\$ 31,640.00	\$ 28,000.00	CAD	AP
DHB Consulting	NE-1308	3-Oct-13	15432-OB	5.3	\$ 20,715.22	\$ 18,332.05	CAD	AP
Gemini	4	3-Oct-13	LC-PM-136	5.3	\$ 41,923.00	\$ 37,100.00	CAD	AP
Pardy's Waste Managemenet	41938	3-Oct-13	LCP01587	5.3	\$ 25,697.61	\$ 22,741.25	CAD	AP
Gate4	G4-LCP-08	4-Oct-13	LC-PM-115	5.3	\$ 21,441.75	\$ 18,975.00	CAD	AP
McInnes Cooper	2013021528	4-Oct-13	15168-OB	5.3	\$ 72,532.68	\$ 64,188.21	CAD	AP
McInnes Cooper	2013021552	4-Oct-13	15168-OB	5.3	\$ 47,497.99	\$ 42,033.62	CAD	AP
NSB Energy Inc	2013-574	4-Oct-13	LCP01557	5.3	\$ 573.26	\$ 507.31	CAD	AP
NSB Energy Inc	2013-582	4-Oct-13	LCP01490	5.3	\$ 16,305.90	\$ 14,430.00	CAD	AP
NSB Energy Inc	2013-583	4-Oct-13	LCP01503	5.3	\$ 24,176.35	\$ 21,395.00	CAD	AP
SRO Consulting	2013-008	5-Oct-13	LC-PM-058	5.3	\$ 42,866.55	\$ 37,935.00	CAD	AP
Fircroft	10215671R	6-Oct-13	LCP01275	5.3	\$ 14,905.30	\$ 13,190.53	CAD	AP
USI	USI-8581	10-Oct-13	LCP00947	5.3	\$ 26,781.88	\$ 23,700.78	CAD	AP
Jenso	1309001	10-Oct-13	LCP01223	5.3	\$ 2,911.68	\$ 2,576.71	CAD	AP
Micmac Fire and Safety Source Ltd	NS-00811698	10-Oct-13	LCP01569	5.3	\$ 5,282.70	\$ 4,674.96	CAD	AP
Micmac Fire and Safety Source Ltd	NS-00811809	10-Oct-13	LCP01569	5.3	\$ 565.61	\$ 500.54	CAD	AP
Vigilant Management	161	11-Oct-13	LC-PM-138	5.3	\$ 20,784.38	\$ 18,393.26	CAD	AP
Canadian Helicopters	GBI-3004856	11-Oct-13	LCP01588	5.3	\$ 167,905.68	\$ 148,589.10	CAD	AP
Canadian Helicopters	GBI-3004857	11-Oct-13	LCP01556	5.3	\$ 60,811.88	\$ 53,815.82	CAD	AP
Canadian Helicopters	GBI-3004858	11-Oct-13	LCP01550	5.3	\$ 3,022.34	\$ 2,674.64	CAD	AP

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NSB Energy Inc	2013-587	11-Oct-13	LCP01575	5.3	\$ 7,627.50	\$ 6,750.00	CAD	AP
NSB Energy Inc	2013-606	11-Oct-13	LCP01489	5.3	\$ 909.97	\$ 805.28	CAD	AP
Dwayne Wells Visa	August 26/13	11-Oct-13	PCard	5.3	\$ 3,717.51	\$ 3,289.83	CAD	AP
Matthew Hillier	August 26/13	11-Oct-13	PCard	5.3	\$ 4,404.40	\$ 3,897.70	CAD	AP
Patrick Keough	August 26/13	11-Oct-13	PCard	5.3	\$ 5,322.28	\$ 4,709.98	CAD	AP
Darren Paddock	August 26/13	11-Oct-13	PCard	5.3	\$ 841.47	\$ 744.66	CAD	AP
Chris Dunphy	August 26/13	11-Oct-13	PCard	5.3	\$ 1,162.49	\$ 1,028.75	CAD	AP
Alemdar Construction Management Services	1304	11-Oct-13	LC-PM-145	5.3	\$ 9,161.16	\$ 8,107.22	CAD	AP
Northern Oil Ltd	13427	12-Oct-13	LCP01406	5.3	\$ 1,266.99	\$ 1,121.23	CAD	AP
Northern Oil Ltd	725427	12-Oct-13	LCP01406	5.3	\$ 1,365.82	\$ 1,208.69	CAD	AP
Northern Oil Ltd	725573	12-Oct-13	LCP01406	5.3	\$ 226.67	\$ 200.59	CAD	AP
Northern Oil Ltd	13582	12-Oct-13	LCP01406	5.3	\$ 1,440.86	\$ 1,275.10	CAD	AP
Northern Oil Ltd	726067	12-Oct-13	LCP01406	5.3	\$ 2,262.49	\$ 2,002.20	CAD	AP
Northern Oil Ltd	13571	12-Oct-13	LCP01406	5.3	\$ 1,735.94	\$ 1,536.23	CAD	AP
Northern Oil Ltd	726078	12-Oct-13	LCP01406	5.3	\$ 1,819.41	\$ 1,610.10	CAD	AP
Northern Oil Ltd	13559	12-Oct-13	LCP01406	5.3	\$ 958.58	\$ 848.30	CAD	AP
Alantra Leasing Inc	35770	12-Oct-13	LCP01576	5.3	\$ 1,237.35	\$ 1,095.00	CAD	AP
Alantra Leasing Inc	35769	12-Oct-13	LCP01576	5.3	\$ 1,237.35	\$ 1,095.00	CAD	AP
Capital Crane	70407	12-Oct-13	LCP01653	5.3	\$ 1,708.84	\$ 1,512.25	CAD	AP
Bio-Green Waste Water Ltd.	21	13-Oct-13	LC-PM-112	5.3	\$ 4,356.56	\$ 3,855.36	CAD	AP
Bio-Green Waste Water Ltd.	22	13-Oct-13	LC-PM-112	5.3	\$ 2,373.00	\$ 2,100.00	CAD	AP
Bio-Green Waste Water Ltd.	20	13-Oct-13	LC-PM-113	5.3	\$ 50,624.00	\$ 44,800.00	CAD	AP
Dept of Environment & Conservation	22012271	13-Oct-13	LCP01270	5.3	\$ 30.45	\$ 26.95	CAD	AP
Newfound Recruiting	130904-1292	13-Oct-13	LCP01544	5.3	\$ 2,115.36	\$ 1,872.00	CAD	AP
Dovre Canada Ltd.	33444	17-Oct-13	LCP00578	5.3	\$ 43,179.36	\$ 38,211.82	CAD	AP
Dovre Canada Ltd.	33410	17-Oct-13	LCP00581	5.3	\$ 29,992.81	\$ 26,542.31	CAD	AP
Dovre Canada Ltd.	33224	17-Oct-13	LCP00602	5.3	\$ 43,638.32	\$ 38,617.98	CAD	AP
Dovre Canada Ltd.	33450	17-Oct-13	LCP00660	5.3	\$ 31,684.50	\$ 28,039.38	CAD	AP
Dovre Canada Ltd.	33265	17-Oct-13	LCP01064	5.3	\$ 27,322.84	\$ 24,179.50	CAD	AP
Dovre Canada Ltd.	33223	17-Oct-13	LCP01540	5.3	\$ 27,844.90	\$ 24,641.50	CAD	AP
Dovre Canada Ltd.	33220	17-Oct-13	LCP01542	5.3	\$ 21,675.75	\$ 19,182.08	CAD	AP
Goose Bay Airport Corporation	VP08-13	18-Oct-13	LCP01397	5.3	\$ 169.50	\$ 150.00	CAD	AP
CGI Development Inc	2452	18-Oct-13	LCP01581	5.3	\$ 95,943.78	\$ 84,906.00	CAD	AP
Maderra	1485	18-Oct-13	LCP01131	5.3	\$ 43,916.30	\$ 38,863.98	CAD	AP
Maderra	1486	18-Oct-13	LCP01131	5.3	\$ 1,865.86	\$ 1,651.20	CAD	AP
Campbell Scientific	108640	18-Oct-13	LCP01606	5.3	\$ 2,740.25	\$ 2,425.00	CAD	AP
Stassinu Stantec	1396	19-Oct-13	LC-EV-102	5.3	\$ 276,577.67	\$ 244,759.00	CAD	AP
Stassinu Stantec	1397	19-Oct-13	LC-EV-102	5.3	\$ 367,171.35	\$ 324,930.40	CAD	AP
Cyril French Visa	July 25/13	19-Oct-13	Pcard	5.3	\$ 3,457.25	\$ 3,059.51	CAD	AP
Hatch	90461698	19-Oct-13	15074-OB	5.3	\$ 16,840.21	\$ 14,902.84	CAD	AP
Hatch	90461769	19-Oct-13	LCP01510	5.3	\$ 35,458.96	\$ 31,379.61	CAD	AP
Hatch	90461409	19-Oct-13	LCP01552	5.3	\$ 66,715.20	\$ 59,040.00	CAD	AP
Hatch	90461285	19-Oct-13	LCP01549	5.3	\$ 35,138.48	\$ 31,096.00	CAD	AP
Hatch	90461283	19-Oct-13	LCP01468	5.3	\$ 29,696.40	\$ 26,280.00	CAD	AP
Hatch	90461282	19-Oct-13	LCP01414	5.3	\$ 24,432.55	\$ 21,621.73	CAD	AP
Hatch	90461281	19-Oct-13	LCP01401	5.3	\$ 42,955.56	\$ 38,013.77	CAD	AP
Hatch	90461279	19-Oct-13	LCP01384	5.3	\$ 7,322.40	\$ 6,480.00	CAD	AP
Hatch	90461278	19-Oct-13	LCP01385	5.3	\$ 38,344.00	\$ 33,932.74	CAD	AP
Hatch	90461277	19-Oct-13	LCP01382	5.3	\$ 24,742.48	\$ 21,896.00	CAD	AP
Hatch	90461276	19-Oct-13	LCP01324	5.3	\$ 47,188.78	\$ 41,759.98	CAD	AP

Lower Churchill Project  
PRISM Cash Call Report  
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Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
Hatch	90461274	19-Oct-13	LCP01316	5.3	\$ 25,064.03	\$ 22,180.56	CAD	AP
Raj Kaushik Visa	Aug 26/13	19-Oct-13	PCard	5.3	\$ 2,704.85	\$ 2,393.67	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.3	\$ 433,700.00	\$ 383,805.31	CAD	AP
Corporate - PHH	Est	31-Oct-13	TBD	5.3	\$ 30,000.00	\$ 26,548.67	CAD	AP
CF(L)co	130843	31-Oct-13	TBD	5.3	\$ 4,706.45	\$ 4,165.00	CAD	AP
CF(L)co	130842	31-Oct-13	TBD	5.3	\$ 10,277.35	\$ 9,095.00	CAD	AP
CF(L)co	130837	31-Oct-13	TBD	5.3	\$ 106,568.80	\$ 94,308.67	CAD	AP
CF(L)co	130836	31-Oct-13	TBD	5.3	\$ 97,451.49	\$ 86,240.26	CAD	AP
Hatch	90454133	1-Oct-13	LCP01315	5.3	\$ (28,289.48)	\$ (25,034.94)	CAD	Carry forward last cash call
Hatch	90454030	1-Oct-13	LCP01402	5.3	\$ (36,681.25)	\$ (32,461.28)	CAD	Carry forward last cash call
Hatch	90454031	1-Oct-13	LCP01401	5.3	\$ (33,116.31)	\$ (29,306.47)	CAD	Carry forward last cash call
McInnes Cooper	2013016216	1-Oct-13	15168-OB	5.3	\$ (46,356.05)	\$ (41,023.05)	CAD	Carry forward last cash call
Orion Holdings	NAL-003	1-Oct-13	LC-PM-129	5.3	\$ (37,021.87)	\$ (32,762.72)	CAD	Carry forward last cash call
Hatch	90456550	1-Oct-13	LCP01549	5.3	\$ (16,805.36)	\$ (14,872.00)	CAD	Carry forward last cash call
Hatch	90456548	1-Oct-13	LCP01510	5.3	\$ (23,617.00)	\$ (20,900.00)	CAD	Carry forward last cash call
Hatch	90456545	1-Oct-13	LCP01414	5.3	\$ (16,953.70)	\$ (15,003.27)	CAD	Carry forward last cash call
Hatch	90456544	1-Oct-13	LCP01401	5.3	\$ (28,360.01)	\$ (25,097.35)	CAD	Carry forward last cash call
Hatch	90456543	1-Oct-13	LCP01402	5.3	\$ (46,145.12)	\$ (40,836.39)	CAD	Carry forward last cash call
Hatch	90456542	1-Oct-13	LCP01384	5.3	\$ (26,035.20)	\$ (23,040.00)	CAD	Carry forward last cash call
Hatch	90456541	1-Oct-13	LCP01383	5.3	\$ (30,916.80)	\$ (27,360.00)	CAD	Carry forward last cash call
Hatch	90456540	1-Oct-13	LCP01385	5.3	\$ (37,734.09)	\$ (33,393.00)	CAD	Carry forward last cash call
Hatch	90456539	1-Oct-13	LCP01382	5.3	\$ (3,227.28)	\$ (2,856.00)	CAD	Carry forward last cash call
Hatch	90456538	1-Oct-13	LCP01324	5.3	\$ (38,608.71)	\$ (34,167.00)	CAD	Carry forward last cash call
Hatch	90456535	1-Oct-13	LCP01316	5.3	\$ (3,034.05)	\$ (2,685.00)	CAD	Carry forward last cash call
Hatch	90456551	1-Oct-13	LCP01552	5.3	\$ (34,949.89)	\$ (30,929.11)	CAD	Carry forward last cash call
Orion Holdings	NAL-004R1	1-Oct-13	LC-PM-129	5.3	\$ (47,628.70)	\$ (42,149.29)	CAD	Carry forward last cash call
EFCO Enterprises	25446-2	1-Oct-13	LC-MF-003	5.3	\$ (17,978.30)	\$ (15,910.00)	CAD	Carry forward last cash call
Hatch	90454170	21-Aug-13	LCP01471	5.4	\$ 53,251.58	\$ 47,125.29	CAD	AP
Nexus Energy Inc	NEI-NEL-T0005	10-Sep-13	LC-PM-102	5.4	\$ 899.33	\$ 795.87	CAD	AP
Hatch	90460830	10-Sep-13	LC-5B-008	5.4	\$ 39,556.22	\$ 35,005.50	CAD	AP
Hatch	90456546	12-Sep-13	LCP01471	5.4	\$ 37,787.20	\$ 33,440.00	CAD	AP
Hatch	90456537	12-Sep-13	LCP01305	5.4	\$ 27,653.36	\$ 24,472.00	CAD	AP
Hatch	90456536	12-Sep-13	LCP01295	5.4	\$ 26,244.79	\$ 23,225.48	CAD	AP
LGL	13576	19-Sep-13	LC-EV-049	5.4	\$ 1,002.34	\$ 887.03	CAD	AP
Newfound Recruiting	130815-1240	25-Sep-13	LCP01547	5.4	\$ 6,102.00	\$ 5,400.00	CAD	AP
Amec	G44453	27-Sep-13	LC-EV-108	5.4	\$ 50,940.40	\$ 45,080.00	CAD	AP
Robco	13-08	28-Sep-13	LC-PM-059	5.4	\$ 29,829.18	\$ 26,397.50	CAD	AP
SFO Subsea Inc	2013 08	29-Sep-13	LC-PM-051	5.4	\$ 26,103.00	\$ 23,100.00	CAD	AP
VF Solutions	VFS-NLCP-AUG13-001	29-Sep-13	LC-PM-053	5.4	\$ 31,462.03	\$ 27,842.50	CAD	AP
Whelan Engineering	29	29-Sep-13	LC-PM-140	5.4	\$ 25,425.00	\$ 22,500.00	CAD	AP
SRL Consulting	2013-16	3-Oct-13	LCP00638	5.4	\$ 20,272.20	\$ 17,940.00	CAD	AP
Maria Veitch Expense	Aug 28/13	3-Oct-13	Tclaim	5.4	\$ 606.65	\$ 536.86	CAD	AP
Osler	11562909	3-Oct-13	15089-OB	5.4	\$ 1,060.96	\$ 938.90	CAD	AP
McInnes Cooper	2013021557	4-Oct-13	15168-OB	5.4	\$ 11,449.16	\$ 10,132.00	CAD	AP
McInnes Cooper	2013021556	4-Oct-13	15168-OB	5.4	\$ 33,100.19	\$ 29,292.20	CAD	AP
NSB Energy Inc	2013-581	4-Oct-13	LCP01304	5.4	\$ 37,742.00	\$ 33,400.00	CAD	AP
Nexus Energy Inc	NEI-NEL-0019	5-Oct-13	LC-PM-102	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEP13-001	9-Oct-13	LC-PM-053	5.4	\$ 8,336.02	\$ 7,377.01	CAD	AP
Rosanne Williams Expense Claim	Sept6/13	10-Oct-13	Tclaim	5.4	\$ 42.02	\$ 37.19	CAD	AP
DeBourke Enterprises	2013-009	10-Oct-13	LC-PM-110	5.4	\$ 20,136.60	\$ 17,820.00	CAD	AP



Lower Churchill Project  
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Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
Inmarsat	R101079201308	11-Oct-13	LCPO0983	5.4	\$ 28.74	\$ 28.74	USD	AP
Golder Associates	566179	11-Oct-13	LC-EV-088	5.4	\$ 14,141.95	\$ 12,515.00	CAD	AP
SFO Subsea Inc	TE20130922	11-Oct-13	LC-PM-051	5.4	\$ 6,486.21	\$ 5,740.01	CAD	AP
3266195 Nova Scotia	201308	11-Oct-13	LC-PM-108	5.4	\$ 28,928.00	\$ 25,600.00	CAD	AP
LIL LP/ Intercompany	0002	11-Oct-13	75	5.4	\$ 1,130.00	\$ 1,000.00	CAD	AP
LIL LP/ Intercompany	0015	11-Oct-13	75	5.4	\$ 5,215,472.11	\$ 4,615,462.04	CAD	AP
Noramtec	180373	12-Oct-13	LCP01611	5.4	\$ 11,390.40	\$ 10,080.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Provincial Aerospace	C0001142	12-Oct-13	LC-SB-002	5.4	\$ 30,433.16	\$ 26,932.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-002	13-Oct-13	LC-PM-053	5.4	\$ 3,399.80	\$ 3,008.67	CAD	AP
Nexus Energy Inc	NEI-NEL-T0006	13-Oct-13	LC-PM-102	5.4	\$ 761.29	\$ 673.71	CAD	AP
Newfound Recruiting	130904-1290	13-Oct-13	LCP01547	5.4	\$ 18,306.00	\$ 16,200.00	CAD	AP
Nexans	195153294	16-Oct-13	LC-SB-003	5.4	\$ 4,307,633.53	\$ 3,812,065.07	CAD	AP
Dovre Canada Ltd.	33222	17-Oct-13	LCP00582	5.4	\$ 16,800.28	\$ 14,867.50	CAD	AP
Dovre Canada Ltd.	33257	17-Oct-13	LCP00586	5.4	\$ 14,530.67	\$ 12,859.00	CAD	AP
Dovre Canada Ltd.	33449	17-Oct-13	LCP00763	5.4	\$ 22,475.70	\$ 19,890.00	CAD	AP
Dovre Canada Ltd.	33288	17-Oct-13	LCP01410	5.4	\$ 19,933.20	\$ 17,640.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-003	18-Oct-13	LC-PM-053	5.4	\$ 760.22	\$ 672.76	CAD	AP
Amec	G85208	18-Oct-13	LC-SB-017	5.4	\$ 76,026.40	\$ 67,280.00	CAD	AP
Yankee Point - Hydro	12-Sep	19-Oct-13	LCP00128	5.4	\$ 116.62	\$ 103.20	CAD	AP
Hatch	90461410	19-Oct-13	LCP01647	5.4	\$ 9,944.00	\$ 8,800.00	CAD	AP
Hatch	90461405	19-Oct-13	LCP01305	5.4	\$ 44,790.70	\$ 39,637.79	CAD	AP
Hatch	90461337	19-Oct-13	LCP01295	5.4	\$ 33,462.40	\$ 29,612.74	CAD	AP
Direct Horizontal Drilling	est	20-Oct-13	LC-SB-022	5.4	\$ 39,550.00	\$ 35,000.00	CAD	AP
SRL Consulting	Est	30-Oct-13	LC-PM-071	5.4	\$ 25,990.00	\$ 23,000.00	CAD	AP
VF Solutions	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
SFO Subsea Inc	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
Robco	Est	30-Oct-13	LC-PM-059	5.4	\$ 35,030.00	\$ 31,000.00	CAD	AP
Nexus Energy Inc	Est	30-Oct-13	LC-PM-102	5.4	\$ 15,255.00	\$ 13,500.00	CAD	AP
Whelan Engineering	Est	30-Oct-13	LC-PM-140	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
C&T Enterprises	est	31-Oct-13	LC-SB-021	5.4	\$ 158,200.00	\$ 140,000.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.4	\$ 26,300.00	\$ 23,274.34	CAD	AP
Nalcor Energy	August	31-Oct-13	TBD	5.4	\$ (5,216,817.51)	\$ (4,616,652.66)	CAD	AP
Hatch	90454170	1-Oct-13	LCP01471	5.4	\$ (53,251.58)	\$ (47,125.29)	CAD	Carry forward last cash call
Hatch	90456546	1-Oct-13	LCP01471	5.4	\$ (37,787.20)	\$ (33,440.00)	CAD	Carry forward last cash call
Hatch	90456537	1-Oct-13	LCP01305	5.4	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
Hatch	90456536	1-Oct-13	LCP01295	5.4	\$ (26,244.79)	\$ (23,225.48)	CAD	Carry forward last cash call
LGL	13576	1-Oct-13	LC-EV-049	5.4	\$ (1,002.34)	\$ (887.03)	CAD	Carry forward last cash call
Amec	G44453	1-Oct-13	LC-EV-108	5.4	\$ (50,940.40)	\$ (45,080.00)	CAD	Carry forward last cash call
McInnes Cooper	2013006697	3-May-13	15168-OB	5.5	\$ 89,015.30	\$ 78,774.60	CAD	AP
McInnes Cooper	2013010325	1-Jun-13	15168-OB	5.5	\$ 3,995.68	\$ 3,536.00	CAD	AP
McInnes Cooper	2013013391	5-Jul-13	15168-OB	5.5	\$ 960.50	\$ 850.00	CAD	AP
McInnes Cooper	2013016181	23-Aug-13	15168-OB	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-OB	5.5	\$ 67,589.30	\$ 59,813.54	CAD	AP
McInnes Cooper	2013021554	4-Oct-13	15168-OB	5.5	\$ 50,680.26	\$ 44,849.79	CAD	AP
McInnes Cooper	2013021530	4-Oct-13	15168-OB	5.5	\$ 48,040.03	\$ 42,513.30	CAD	AP
A Taste of Class	4841	11-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
A Taste of Class	4839	11-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP

Lower Churchill Project  
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Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
TransGrid Solution	2382	11-Oct-13	LC-EN-027	5.5	\$ 16,272.00	\$ 2,475.00	CAD	AP
TransGrid Solution	2383	11-Oct-13	LC-EN-027	5.5	\$ 1,349.38	\$ 1,194.14	CAD	AP
A Taste of Class	4836	19-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.5	\$ 6,100.00	\$ 5,398.23	CAD	AP
McInnes Cooper	2013006697	1-Oct-13	15168-OB	5.5	\$ (89,015.30)	\$ (78,774.60)	CAD	Carry forward last cash call
McInnes Cooper	2013010325	1-Oct-13	15168-OB	5.5	\$ (3,995.68)	\$ (3,536.00)	CAD	Carry forward last cash call
McInnes Cooper	2013013391	1-Oct-13	15168-OB	5.5	\$ (960.50)	\$ (850.00)	CAD	Carry forward last cash call
McInnes Cooper	2013016181	1-Oct-13	15168-OB	5.5	\$ (67,191.03)	\$ (59,461.09)	CAD	Carry forward last cash call
BWC Consulting	25	1-Oct-13	LC-PM-072	5.5	\$ (19,364.40)	\$ (17,136.64)	CAD	Carry forward last cash call
CBCL Ltd	424101	26-Jul-13	LC-EN-042	5.6	\$ 51,541.45	\$ 45,611.90	CAD	AP
CBCL Ltd	424434	17-Aug-13	LC-EN-042	5.6	\$ 21,277.30	\$ 18,829.47	CAD	AP
Hatch	90456534	12-Sep-13	LCP01312	5.6	\$ 27,653.36	\$ 24,472.00	CAD	AP
CBCL Ltd	424869	18-Sep-13	LC-EN-042	5.6	\$ 1,822.13	\$ 1,612.50	CAD	AP
McInnes Cooper	2013021549	4-Oct-13	15168-OB	5.6	\$ 22,556.04	\$ 19,961.10	CAD	AP
NSB Energy Inc	2013-584	4-Oct-13	LCP01558	5.6	\$ 58.31	\$ 51.60	CAD	AP
PF Collins	01IN0000683753	13-Oct-13	LC-PM-124	5.6	\$ 540.14	\$ 478.00	CAD	AP
PF Collins	01IN0000683805	13-Oct-13	LC-PM-124	5.6	\$ 2,316.50	\$ 2,050.00	CAD	AP
Hatch	90461273	19-Oct-13	LCP01312	5.6	\$ 32,019.68	\$ 28,336.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.6	\$ 20,000.00	\$ 17,699.12	CAD	AP
CBCL Ltd	424101	1-Oct-13	LC-EN-042	5.6	\$ (51,541.45)	\$ (45,611.90)	CAD	Carry forward last cash call
CBCL Ltd	424434	1-Oct-13	LC-EN-042	5.6	\$ (21,277.30)	\$ (18,829.47)	CAD	Carry forward last cash call
Hatch	90456534	1-Oct-13	LCP01312	5.6	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
CBCL Ltd	424869	1-Oct-13	LC-EN-042	5.6	\$ (1,822.13)	\$ (1,612.50)	CAD	Carry forward last cash call
McInnes Cooper	2013016185	25-Sep-13	15168-OB	5.9	\$ 12,177.56	\$ 10,776.60	CAD	AP
Fasken	751516	26-Sep-13	14672-OB	5.9	\$ 378,170.73	\$ 334,664.36	CAD	AP
Fasken	751051	26-Sep-13	14672-OB	5.9	\$ 32,307.10	\$ 28,590.35	CAD	AP
James Meaney Visa	June25/13	27-Sep-13	PCard	5.9	\$ 910.45	\$ 805.71	CAD	AP
McInnes Cooper	2013021539	4-Oct-13	15168-OB	5.9	\$ 25,819.47	\$ 22,849.09	CAD	AP
McInnes Cooper	2013021544	4-Oct-13	15168-OB	5.9	\$ 5,707.40	\$ 5,050.80	CAD	AP
McInnes Cooper	2013021559	4-Oct-13	15168-OB	5.9	\$ 9,400.47	\$ 8,319.00	CAD	AP
Cassels Brock	1897636	19-Oct-13	LCP01512	5.9	\$ 206,744.63	\$ 182,959.85	CAO	AP
Blair Franklin	134	19-Oct-13	LCP01513	5.9	\$ 54,682.70	\$ 48,391.77	CAD	AP
Blair Franklin	133	19-Oct-13	LCP01513	5.9	\$ 15,396.25	\$ 13,625.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.9	\$ 100.00	\$ 88.50	CAD	AP

Total Cash Call Prism CAD - October

\$ 11,625,056.77

Total Cash Call Prism USD - October

\$ 59,616.24

**MASTER DEFINITIONS AGREEMENT**

**AMONG**

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

**AND**

**TD SECURITIES INC.,  
and  
GOLDMAN, SACHS & CO.,  
as Lead Arranger**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as Issuer Trustee of  
LABRADOR - ISLAND LINK FUNDING TRUST,  
as a GAA Finance Party**

**AND**

**COMPUTERSHARE TRUST COMPANY OF CANADA,  
as the LIL Security Trustee, the IT Security Trustee and the FV Security Trustee**

**AND**

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

**AND**

**NALCOR ENERGY,  
as a Contributing Party**

**AND**

**LABRADOR-ISLAND LINK HOLDING CORPORATION,  
as a Contributing Party**

**AND**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF  
NEWFOUNDLAND AND LABRADOR,  
as Guarantor of the Contributing Parties**

**AND**

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

**AND**

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

**AND**

**LABRADOR-ISLAND LINK GENERAL PARTNER CORPORATION,  
as an Obligor**

**DATED AS OF NOVEMBER 29, 2013**

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**THIS MASTER DEFINITIONS AGREEMENT** is made as of November 29, 2013

- AMONG:**           **THE TORONTO-DOMINION BANK**, as Collateral Agent and as Paying Agent
- AND:**             **TD SECURITIES INC.** and **GOLDMAN, SACHS & CO.**, as Lead Arranger
- AND:**             **BNY TRUST COMPANY OF CANADA**, as Issuer Trustee of **LABRADOR - ISLAND LINK FUNDING TRUST**, as a GAA Finance Party
- AND:**             **BNY TRUST COMPANY OF CANADA**, as IT Trustee of **LIL CONSTRUCTION PROJECT TRUST**, as a GAA Finance Party and an Obligor
- AND:**             **COMPUTERSHARE TRUST COMPANY OF CANADA**, as the LIL Security Trustee, IT Security Trustee and FV Security Trustee
- AND:**             **NALCOR ENERGY**, as a Contributing Party
- AND:**             **LABRADOR-ISLAND LINK HOLDING CORPORATION**, as a Contributing Party
- AND:**             **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR**, as Guarantor of the Contributing Parties
- AND:**             **LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**, acting by its general partner, **LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION**, as an Obligor
- AND:**             **LABRADOR - ISLAND LINK OPERATING CORPORATION**, as an Obligor

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

**WITNESSETH THAT:**

**WHEREAS** the parties hereto have entered into the Project Finance Documents and the Guarantee Transaction Documents to which they are respectively party and have agreed to consolidate the definitions required for such documents in this Agreement;

**AND WHEREAS** it is a condition precedent under the LIL Project Finance Agreement, the IT Project Finance Agreement and the GAA that the parties hereto execute and deliver this Agreement;

**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

Unless a clear contrary intention appears in a Project Finance Document or a Guarantee Transaction Document, the capitalized terms used in each Project Finance Document and Guarantee Transaction Document shall have the following meanings:

"**Additional Cost Overrun**" has the meaning ascribed to it in paragraph 10.28.2.2 of the LIL Project Finance Agreement;

"**Additional Debt**" means (i) an operating line of credit up to a maximum principal amount of CDN\$10,000,000 for the Partnership and (ii) other Debt for Borrowed Money to finance by the Partnership realized Cost Variances prior to Commissioning and Sustaining Costs following Commissioning;

"**Additional Debt Concurrent Contribution**" has the meaning ascribed to it in Section 2.7 of the ESA;

"**Additional Material Project Documents**" means the contracts and agreements listed in Part III of Schedule "B" of the LIL Project Finance Agreement;

"**Administration Agreement**" means the administration agreement to be entered into among the Funding Vehicle, the Administrator, Canada and the Partnership;

"**Administrator**" means the Person that will act as administrator to the Funding Vehicle pursuant to the terms of the Administration Agreement;

"**Advance**" means any amount of money advanced or to be advanced (as the context requires) to the Partnership pursuant to the LIL Project Finance Agreement;

"**Affiliate**" means, with respect to any Person, any other Person, who directly or indirectly, Controls, is Controlled by or is under direct or indirect common Control with, such Person; provided, however, that NL Crown shall be deemed not to be an Affiliate of Nalcor, Nalcor LP or any Credit Party;

"**Aggregate Account Balances**" means as at the Effective Date of the Final Funding Request, the aggregate amount of the Aggregate Partnership Project Funding Account and Operating Account Balances and the Working Capital Reserve Account Balance;

"**Aggregate Partnership Project Funding Account and Operating Account Balances**" means, as at any time, the aggregate of (i) the balance on deposit at such time in the Partnership Project Funding Account, following the application of paragraphs 8.1.1.2, 8.1.1.3, 8.1.1.4, 8.1.1.5 and 8.1.1.6 of the LIL Project Finance Agreement including, for greater certainty, any LIL Income on Account Balances deriving therefrom, and (ii) the portion of the balance on deposit at such time in the Partnership Project Operating Account following the application of paragraph 8.2.2.2 and 8.2.2.3 of the LIL Project Finance Agreement that (a) is comprised of LIL Income on Account Balances deriving from any amounts deposited in the Partnership Project Operating Account pursuant to a previous Funding Request or (b) is comprised of the balance of any amounts deposited into the Partnership Project Operating Account pursuant to a previous Funding Request, and that had been so deposited for purposes of funding Project Costs that have since been fully satisfied for a lesser amount at the time of calculation of the Aggregate Partnership Project Funding Account and Operating Account Balances;

"**AML Legislation**" has the meaning ascribed to it in subsection 10.26 of the LIL Project Finance Agreement;

"**Annual Cost Overrun Instalment Payment**" has the meaning ascribed thereto in paragraph 10.28.2.2 of the LIL Project Finance Agreement;

"**Annual Maintenance Plan**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Annual O&M Budget**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Applicable Interest Rate**" means (i) with respect to interest payable on the Tranche A Construction Loan, the FV Bond - Series A Interest Rate; (ii) with respect to interest payable on the Tranche B Construction Loan, the FV Bond - Series B Interest Rate; and (iii) with respect to interest payable on the Tranche C Construction Loan, the FV Bond - Series C Interest Rate;

"**Applicable Law**" means any Law applicable or relating to any specified Person, property, transaction or event or any of such Person's Assets, and any judgment or award

of any Governmental Authority in any proceeding or action to which the Person in question is a party or by which such Person or any of its Assets is bound;

**"Assets"** means the property and assets, whether tangible or intangible, personal or real, of a specified Person and (to the extent the context so admits) also includes its business and operations. Wherever reference is made to the Partnership's Assets, such reference shall include the Project and all rights of the Partnership relative thereto;

**"Assignment"** or **"Assign"** means the sale, assignment, transfer or other disposition of the Indebtedness owed to the Intermediary Trust under the LIL Project Finance Agreement or any portion thereof and the equivalent portion of the corresponding LIL Construction Facility and other obligations of the Intermediary Trust thereunder and **"Assigning"**, **"Assignor"** and **"Assignee"** have the correlative meanings;

**"Attributable Debt"** means, with respect to any Person, in connection with any Sale and Leaseback Transaction, at any date as of which the amount thereof is to be determined, the lesser of **(i)** the fair market value of the property subject to such Sale and Leaseback Transaction (as determined in good faith by the board of directors of such Person) and **(ii)** the total net amount of rent required to be paid by such Person under the lease which is the subject of such Sale and Leaseback Transaction during the remaining term thereof (including the initial term and any period for which such lease may be renewed or extended) discounted from the respective due dates thereof to such date at the debt rate implicit in such lease per annum compounded annually. The net amount of rent required to be paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, Taxes, assessments, water rates and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated;

**"Authorization"** means any authorization, approval, consent, exemption, licence, permit, franchise or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's Assets or from any Person in connection with any contractual right;

**"Available Base Equity Commitment"** means, as at any time, the amount, if any, by which the Base Equity Commitment exceeds the Base Equity Contributions made as at such time;

**"Available LIL Construction Facility"** means, as at any time, as determined by the Collateral Agent, the lesser of **(i)** the difference between the LIL Construction Facility then in effect and the LIL Construction Loan then outstanding, and **(ii)** the balance on deposit at such time in the Intermediary Trust Proceeds Account;

**"Base Cash Flow"** means, for any period, Contracted Revenues for such period less all Cash Operating Costs;



**"Base Equity Commitment"** means the commitment of Nalcor to invest in the Partnership, directly or through one or more of its Subsidiaries, in order to fund the Equity Rateable Share of the Project Costs, the amount of such investment to be indicated in Schedule "BB" of the LIL Project Finance Agreement;

**"Base Equity Contribution"** means the amounts invested from time to time by Nalcor in the Partnership, directly or through one or more of its Subsidiaries, under the Base Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Partnership Project Funding Account by NL Crown pursuant to the provisions of the NL Crown Guarantee in connection with the Base Equity Commitment;

**"Basis of Design"** means the basis of design described in Schedule "AA" to the extent it relates to the Project;

**"Business Day"** means a day other than a Saturday, Sunday or statutory holiday in NL or the Province of Ontario or any other day on which banking institutions in St. John's, NL or Toronto, Ontario are not open for the transaction of business;

**"CA Indemnified Parties"** means the Collateral Agent, its Affiliates, directors, officers, employees, advisers, representatives and agents;

**"Canada"** means Her Majesty the Queen in Right of Canada;

**"Canada Project Costs and Expenses"** means the reasonable costs and expenses (including all reasonable costs and expenses incurred by Canada under any enforcement proceeding instituted pursuant to any of the Funding Transaction Documents, the IT Project Finance Documents or the LIL Project Finance Documents) due and payable, as well as any indemnity obligations due and payable by Canada to the Collateral Agent pursuant to the Collateral Agency Agreement or by the Funding Vehicle to Canada pursuant to the Funding Transaction Documents, other than with respect to the reimbursement obligations of the Funding Vehicle set forth in Section 3.01(a)(1) of the GAA;

**"Canadian Dollars"** or **"CDN\$"** means the lawful currency of Canada;

**"Capital Account"** has the meaning ascribed to it from time to time in the LIL LP Agreement, provided, however, that for all purposes of calculating the DER, following the Available LIL Construction Facility being nil and the amounts on deposit in the Working Capital Reserve Account being nil, the amounts deposited into the Cost Overrun Escrow Account shall be deemed to form part of the Capital Account, but not before;

**"Capital Lease"** means, with respect to any Person, any lease or other arrangement relating to property or assets which, in accordance with GAAP, would be accounted for as a capital lease obligation on a balance sheet of such Person. The amount of any Capital Lease at any date shall be the amount of the obligation in respect thereof which would be included within such balance sheet;

"**Capital Stock**" means common shares, preferred shares or other equivalent equity interests (howsoever designated) of capital stock of a body corporate, equity preferred or common interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent such ownership interest;

"**Cash Call Notice**" has the meaning ascribed to it in Section 2.2 of the ESA;

"**Cash Operating Costs**" means, for any period, all cash costs of the Partnership relating to the operation of the Project during such period including any Taxes, insurance premiums, management and service fees, professional fees and expenses but excluding Total Debt Service paid during such period;

"**Change in Law**" means (i) the adoption or the coming into force of any Law, directive, guideline (whether or not having the force of law) or the interpretation or the administration thereof by a court or a Governmental Authority or other authority charged with such interpretation or administration, (ii) any change in any Law, directive or guideline whether or not having the force of law, or in the interpretation or administration thereof by any court or Governmental Authority or other authority charged with the interpretation or administration thereof, (iii) any reversal by any court or Governmental Authority or other authority of an interpretation of any Law, directive or guideline whether or not having the force of Law or (iv) any change in GAAP or any requirement, guideline, directive, interpretation or administrative position with respect to GAAP, in each case, which becomes effective after the Closing Date;

"**Change Order**" means any modification to the scope of work or the contract price pursuant to any Material Project Document which under the terms of subsection 3.1.1 of the PDMA requires the consent of the Partnership;

"**Class B Limited Partner**" means the holder of the Class B Limited Units (as such expression is in the LIL LP Agreement);

"**Clean-Up**" means the remediation, containment, removal, treatment, elimination or disposal of any Hazardous Material;

"**Clearing Agency**" means (i) CDS or, if a successor is appointed, a successor organization recognized by the Ontario Securities Commission as a "clearing agency" pursuant to the *Securities Act* (Ontario), or (ii) if permitted under the Supplemental Indenture for a Series of FV Bonds, an organization performing similar functions in another jurisdiction, including The Depository Trust Company (DTC) and Central Securities Depositories which are members of the Euroclear group;

"**Closing Date**" means the date that the LIL Initial Conditions Precedent, the IT Initial Conditions Precedent and the Muskrat/LTA Initial Conditions Precedent are met to the satisfaction of the Collateral Agent or waived by it;

"**Collateral Agency Agreement**" means the collateral agency agreement dated the date hereof entered into among the Collateral Agent, the LIL Security Trustee, the Lead Arranger, the GAA Finance Parties and the Obligors;

**"Collateral Agent"** means The Toronto-Dominion Bank, in its capacity as collateral agent for the GAA Finance Parties pursuant to the Collateral Agency Agreement, and includes any successor thereof in such capacity;

**"Collateral Agent's Counsel"** means (i) in Canada (other than in NL), McCarthy Tétrault LLP, (ii) in NL, Stewart McKelvey LLP, and (iii) in the United States of America, Sullivan Cromwell;;

**"Collateral Agent's Office"** means generally, the office of the Collateral Agent located at 140 Water Street, St. John's, NL A1C 6H6 or such other office as the Collateral Agent with the agreement of the Partnership may specify from time to time;

**"Collateral Agent Standard"** means based on the experience of the Collateral Agent in project financing transactions of nature and magnitude similar to the Project and taking into account the covenants of Nalcor and NL Crown under the Equity Agreements and as if the Collateral Agent was a direct lender to the Partnership or the Intermediary Trust, as the case may be;

**"Collateral Mortgage Bond"** means a senior secured bond issued by an Obligor pursuant to a Security Document;

**"Collateral Mortgage Bond Pledge"** means any pledge agreement in favour of a GAA Finance Party or the Collateral Agent pursuant to the terms of which a Collateral Mortgage Bond is pledged;

**"Commissioning"** means the commissioning deemed to have occurred upon the issuance by the Collateral Agent of the Commissioning Confirmation;

**"Commissioning Certificate"** means a certificate, substantially in the form of the one attached as Schedule "L" to the LIL Project Finance Agreement, executed by a Responsible Officer of Devco and a Responsible Officer of the General Partner, in each case in his capacity as an officer of, respectively, Devco and the General Partner and without personal liability, addressed to the Collateral Agent and the Independent Engineer, in form and substance satisfactory to the Collateral Agent, attesting:

- (i) the realized Cost Variances, if any;
- (ii) the Punch List Costs and Demobilization Costs;
- (iii) that the static and dynamic commissioning inspections and tests have been achieved in accordance with the approved commissioning procedures and that the Project has 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;
- (iv) that all Commissioning Tests, interconnection and reliability tests necessary to demonstrate that the Project meets the specifications and

the operating objectives for the Project pursuant to the Project Plans and the Basis of Design have been successfully completed save for any Punch List Items and Demobilization List Items; and

- (v) that he has no reason to believe that, assuming the proper operation and maintenance of the plant and related equipment and devices forming part of the Project, it will not be able to maintain such required specifications and operating objectives for a period of at least forty (40) years;

and shall be accompanied with all such supporting documentation and information as will permit the Collateral Agent and the Independent Engineer, in their judgment, to verify the information and calculations given and made in such certificate;

**"Commissioning Confirmation"** means the confirmation to be issued by the Collateral Agent pursuant to Section 7.7 of the LIL Project Finance Agreement, and which shall be in the form attached in Schedule "M";

**"Commissioning Date"** means the date and time specified on the Commissioning Confirmation, as the date the Conditions Precedent to Commissioning are met to the satisfaction of the Collateral Agent or waived by it;

**"Commissioning Tests"** means the successful completion of the specified static and dynamic commissioning tests and inspections in accordance with the approved commissioning procedures and the specified reliability and Performance Testing, in order to demonstrate that the Projects are able to meet the requirements of the Basis of Design;

**"Commitment Letter"** means the commitment letter relating to the financing contemplated in the Funding Transaction Documents executed as of November 5, 2013 among the Lead Arranger, the Funding Vehicle, the Partnership and Nalcor;

**"Concurrent Contribution"** has the meaning ascribed to it in Section 2.6 of the ESA;

**"Conditions Precedent to Commissioning"** has the meaning ascribed thereto in Section 7.7 of the LIL Project Finance Agreement;

**"Consolidated Transaction Documents"** refers collectively to the Funding Transaction Documents, the Guarantee Transaction Documents, the Project Finance Documents, the Administration Agreement and the IT Administration Agreement;

**"Construction Period"** means the period commencing on the Closing Date and terminating on the earlier of:

- (i) the day immediately preceding the Commissioning Date;
- (ii) the Date Certain;

- (iii) the date that the LIL Construction Facility is terminated and cancelled in its entirety under the provisions of Section 14.2 of the LIL Project Finance Agreement; and
- (iv) the date of any other cancellation of the LIL Construction Facility in its entirety;

**"Construction Report"** has the meaning ascribed thereto in Section 11.3 of the LIL Project Finance Agreement;

**"Contingency Equity Commitment"** means the commitment of Nalcor to invest in the Partnership, directly or through one or more Subsidiaries, all amounts necessary to fund the Equity Rateable Share of any Project Costs to be paid following the exhaustion of the Base Equity Commitment in order to achieve Commissioning of the Project;

**"Contingency Equity Contribution"** means the amounts invested from time to time by Nalcor in the Partnership, directly or through one or more of its Subsidiaries, under the Contingency Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Partnership Project Funding Account by NL Crown pursuant to the provisions of the NL Crown Guarantee in connection with the Contingency Equity Commitment;

**"Contracted Revenues"** means, for any period, all amounts payable by Opco to the Partnership pursuant to the LIL Lease or, as the case may be, as contemplated by the LIL Remedies Agreement, all such amounts as may be payable by NLH to the Partnership;

**"Contributed Surplus"** means \$10,000, being a contribution made by shareholder Nalcor Energy to Opco, which amount is in excess of amounts allocated to the stated capital of Opco;

**"Contributing Parties"** means collectively Nalcor and Nalcor LP;

**"Control"** of a Person means the possession, direct or indirect, of the power to elect or appoint a majority of such Person's board of directors or similar governing body, or to direct or cause the direction of the management, business and/or policies of such Person, whether through ownership of Voting Capital Stock, by contract or otherwise, and, without limiting the generality of the foregoing, a Person shall be deemed to **"Control"** any partnership of which, at the time, the Person is a general partner or Controls the general partner, in the case of a limited partnership, or is a partner who, under the partnership agreement, has authority to bind the partnership in all other cases (and the terms **"Controlled by"** and **"under common Control with"** have a correlative meaning);

**"Cost to Complete"** means, as at any date, the estimate of the Hard Costs and Soft Costs which will be required to be incurred to attain Commissioning by the Date Certain (including the Punch List Costs and the Demobilization Costs), it being understood that the Project Costs incurred on or prior to such date, and whether already financed or

requested to be financed pursuant to any Funding Request or the Final Funding Request, shall not form part of the Cost to Complete;

**"Costs Overruns"** means in respect of the Project, on any date, an amount equal to: (A) the aggregate remaining project costs to achieve completion of the Project including (i) the remaining costs and payment obligations payable pursuant to the contracted items of the Project Budget including the cost of work completed but not yet paid for, *plus* (ii) any amounts set out in the Project Budget for non-contracted items of the Project Budget, *plus* (iii) all other remaining project costs including owners costs (included in the Project Budget but not covered by contract costs) and (iv) any appropriate contingencies and adjustments to such contingencies and escalation amounts and reasonably expected savings payable pursuant to the contracted items and non-contracted items of the Project Budget all as determined by the Partnership and as reviewed by the Independent Engineer as being reasonable, *plus* (iv) finance costs estimated to be payable to the Commissioning Date in excess of the amount specified for that item in the Project Budget *less* (B) (i) total project costs in the Project Budget less cumulative Project Costs incurred to date by the Project *plus* (ii) any cash deposits contained in the Cost Overrun Escrow Account;

**"Cost Overruns Certificate"** has the meaning ascribed thereto in Section 10.28 of the LIL Project Finance Agreement;

**"Cost Overrun Escrow Account"** has the meaning ascribed thereto in Section 8.18 of the LIL Project Finance Agreement;

**"Cost Variances"** means, with regard to any particular construction phase or component of construction and start-up of the Project, the amount by which costs in respect of such construction phase or component is expected to exceed amounts allocated thereto in the Project Budget;

**"Credit Parties"** as at any time, refers collectively to the Partnership, the General Partner and Opco and **"Credit Party"** refers to either one thereof;

**"Current LIL Assets and Rights"** means such of the LIL Assets and Rights that are in existence on the Closing Date;

**"Date Certain"** means February 28, 2019 as extended as hereinafter provided. The Partnership may request that the Date Certain be extended twice only, each time for a period of up to six (6) months by issuing to the Collateral Agent a written request at least thirty (30) days but no more than sixty (60) days prior to, in the case of the first request, February 28, 2019 and, in the case of the second request, the Date Certain as extended pursuant to the first request, which request shall:

- (i) state that no LIL Event of Default (other than a LIL Event of Default which has occurred as a direct result of an event of Force Majeure) has occurred and is continuing;
- (ii) designate the date to which the Date Certain is requested to be extended;

- (iii) be accompanied by written evidence satisfactory to the Collateral Agent that (a) no Material Project Document shall terminate as a result of such extension and each Material Project Document which as of the date of the request has not been terminated shall continue to be in effect until such extended Date Certain except to the extent already terminated as a consequence of a scheduled termination and (b) that such extension would not result in a Material Adverse Effect; and
- (iv) demonstrate to the satisfaction of the Collateral Agent and the Independent Engineer that Commissioning can be reasonably expected to occur during the period of such extension;

With respect to each such request, in the event that such request shall comply with the requirements set forth above and that the Collateral Agent shall be satisfied that the information set forth in such request is true and accurate in all material respects and that it is appropriate that the Date Certain be extended to the date set forth in the Partnership's request, and subject to the further requirement that no LIL Event of Default shall have occurred and be continuing on February 28, 2019 or, as the case may be, the Date Certain as previously extended, the Date Certain shall be extended to the date set forth in such request; provided, however, that, if at any time during the period of any such extension any of the conditions set forth above relating to such extension ceases to be true, upon delivery of written notice to the Partnership by the Collateral Agent, such period of extension shall terminate on the date specified in such written notice;

"**DBRS**" means DBRS Limited and its successors;

"**Debt for Borrowed Money**" means, with respect to any Person, without duplication, such Person's:

- (i) obligations for borrowed money;
- (ii) obligations under letters of credit or letters of guarantee or obligations to financial institutions who issued such letters of credit or letters of guarantee for the account of such Person;
- (iii) obligations under banker's acceptances, depository bills or depository notes (as these latter two expressions are defined in the *Depository Bills and Notes Act* (Canada));
- (iv) Purchase Money Obligations;
- (v) obligations evidenced by bonds, debentures or promissory notes;
- (vi) redeemable shares of its Capital Stock which are either redeemable at the option of the holder thereof, are redeemable at a fixed date or are redeemable during fixed intervals. The amount of Debt for Borrowed Money of any such Capital Stock shall be the maximum fixed redemption or repurchase price therefor;

- (vii) Attributable Debt with respect to Sale and Leaseback Transactions;
- (viii) the mark to market exposure of such Person under Derivative Instruments; and
- (ix) obligations under Guarantees with respect to obligations referred to in paragraphs (i) to (viii) inclusively;

**"Debt Rateable Share"** means:

- (i) prior to the date on which DER first becomes equal to 75%, 100%; and
- (ii) following the date on which DER first becomes equal to 75%:
  - (A) at all times prior to the LIL Construction Facility being fully disbursed, with respect to any Project Costs that are to be funded at any particular time, and in relation to which an Advance is to be made or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the LIL Project Finance Documents, the percentage equal to the lesser of:
    - (1) 100%; and
    - (2) (a) 75%, plus (b) the difference, if any, between 75% and the DER at the date of calculation (without taking into account such Advance or Additional Debt, as the case may be, in the calculation of DER); and

unless, as a result of the calculations in part (A) of this definition, the Partnership is unable to fund such Debt Rateable Share in its entirety by reason of (a) the Available LIL Construction Facility being exhausted further to the Advance requested to fund such Debt Rateable Share and (b) the Partnership not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of such Debt Rateable Share (the "**Debt Funding Deficiency**"), in which case the percentage calculated above shall be reduced by a percentage equal to (x) the Debt Funding Deficiency, divided by (y) such Project Costs, minus the portion of the Aggregate Partnership Project Funding Account and Operating Account Balances and the Working Capital Reserve Account Balance used to fund such Project Costs, and multiplied by (z) 100;

- (B) at all times thereafter, with respect to any Project Costs that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the LIL Project Finance Documents, the percentage equal to the lesser of:



- (I) the lesser of:
  - (1) 100%; and
  - (2) (a) 75%, plus (b) the difference, if any, between 75% and the DER at the date of calculation (without taking into account such Additional Debt in the calculation of DER); and

- (II) the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred to fund such Project Costs}}{\text{such Project Costs}} \times 100 ;$$

**"Deemed Principal Repayments"** means, with respect to any Additional Debt of the Partnership that, by its terms, is repayable in its entirety only at maturity, the amount of the deemed principal repayments calculated as a level dollar principal amortization over the term of such Additional Debt and fully amortizing the principal amount thereof with annual instalments, and shall apply to and be deemed to be required to be made by the Partnership;

**"Demobilization Costs"** means the costs required to complete work on all Demobilization List Items;

**"Demobilization Costs Drawdown"** means the single LIL Drawdown under the LIL Construction Facility to be made pursuant to the provisions of Section 7.5 of the LIL Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xvi) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the Demobilization Costs, the whole subject to the LIL Available LIL Construction Facility at such time;

**"Demobilization List Items"** has the meaning ascribed to it in Section 10.20 of the LIL Project Finance Agreement;

**"Demobilization Work"** means the work, including incomplete or outstanding any Performance Testing, associated with the dismantling of facilities and associated environmental remedial work, disposal and disposition of tools, machinery, equipment and materials, removal of temporary systems, demobilization of personnel, close out of leases, payments of fees, licences, legal fees, close-out teams and offices, computers, support systems and personnel, information systems and information technology, performance testing personnel and equipment, final documentation close-out and transfer to operations in accordance with the provisions of the MSA.

**"DER"** means:

- (i) in connection with the incurrence test for Additional Debt contemplated in subsection 12.2.6 of the LIL Project Finance Agreement, (a) the sum of the principal amount of the LIL Loan, the principal amount of all

outstanding Additional Debt and the principal amount of all the Additional Debt proposed to be incurred, less the amount of the balance on deposit in the Sinking Fund Account, divided by (b) the sum of the total under clause (i)(a) of this definition plus the aggregate outstanding balance of the Capital Accounts of the Partnership and any equity proposed to be invested concurrently with the incurrence of the proposed Additional Debt, expressed as a percentage;

- (ii) for all other purposes, (a) the sum of the principal amount of the LIL Loan and the principal amount of all outstanding Additional Debt, less the amount of the balance on deposit in the Sinking Fund Account, divided by (b) the sum of the total under clause (ii)(a) of this definition and the aggregate outstanding balance of the Capital Accounts of the Partnership, expressed as a percentage;

**"Derivative Instruments"** means any "Swap Transaction" as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. and/or any agreement evidencing such transaction;

**"Devco"** means Lower Churchill Management Corporation, a NL corporation, and includes any successor thereto;

**"Distribution Certificate"** means the certificate to be issued by the Partnership pursuant to Section 11.4 of the LIL Project Finance Agreement, and which shall be in the form attached in Schedule "N";

**"Distribution Conditions"** means, as at any proposed Distribution Date, the following:

- (i) the LIL Compliance Certificate delivered pursuant to Section 11.1 or 11.2 of the LIL Project Finance Agreement on or immediately prior to such Distribution Date shall demonstrate, to the satisfaction of the Collateral Agent, that the Partnership achieved a Retrospective DSCR and a Prospective DSCR of at least 1.20:1;
- (ii) the DSRA is funded with an amount equal to the Minimum DSRA Requirement as at such Distribution Date; and
- (iii) no LIL Event of Default then exists;

**"Distribution Date"** means a Business Day after the sixth (6<sup>th</sup>) month following the first day of the Operating Period which can occur (i) no more frequently than once per quarter, (ii) no earlier than five (5) Business Days following the delivery to the Collateral Agent of a Distribution Certificate and (iii) in any particular month, only after the date on which the Collateral Agent, on behalf of the Intermediary Trust, is scheduled to receive payment of all amounts due and payable by the Partnership in respect of the LIL Loan during such month, including Sinking Fund Payments;

**"Distribution Funds"** means the amount, determined on a Distribution Date, of (i) cash in the Partnership Project Funding Account after application of all amounts in the Partnership Project Funding Account pursuant to paragraphs (a) to (i) of clause 8.1.2.2 of the LIL Project Finance Agreement and (ii) cash in the Partnership Distribution Reserve Account;

**"Distributions"** with respect to any Person, means:

- (i) the payment or declaration of any dividend or the making of any distribution of any kind or character (whether in cash or property, but expressly excluding any such distribution by way of the payment of dividends by the issuance of Capital Stock of such Person) in respect of any class of the Capital Stock of such Person or to the holders of any class of its Capital Stock;
- (ii) the purchase, redemption or other acquisition or retirement for value of any of its Capital Stock or of any options, warrants or rights to purchase or acquire shares of its Capital Stock;
- (iii) the payment of management fees, commission fees, guarantee fees and other fees or amounts to any holder of Capital Stock of such Person other than in accordance with or pursuant to the provisions of the Material Project Documents; and
- (iv) the setting aside of any funds for any of the foregoing purposes;

**"DSCR"** is the collective reference to Retrospective DSCR and Prospective DSCR;

**"DSCR Consultation Period"** has the meaning ascribed to it in Section 10.25 of the LIL Project Finance Agreement;

**"DSRA"** has the meaning ascribed to it in Section 8.3 of the LIL Project Finance Agreement;

**"DSRA Drawdown"** means the single LIL Drawdown under the LIL Construction Facility to be made pursuant to the provisions of Section 7.6 of the LIL Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xiv) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the DSRA Drawdown, the whole subject to the LIL Available LIL Construction Facility at such time;

**"DSRA Equity Commitment"** means the commitment of Nalcor to invest in the Partnership, directly or through one or more of its Subsidiaries, in order to fund the Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or as at the date of the DSRA Prefunding, as the case may be;

**"DSRA Equity Contribution"** means the amount invested by Nalcor in the Partnership, directly or through one or more of its Subsidiaries, under the DSRA Equity Commitment

together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the DSRA by NL Crown pursuant to the provisions of the NL Crown Guarantee in connection with the DSRA Equity Commitment;

**"DSRA Prefunding"** has the meaning ascribed to it in Section 10.27 of the LIL Project Finance Agreement;

**"Easements"** means all easements, rights-of-way, rights in the nature of easements, rights of ownership, rights of first refusal or otherwise to acquire same, necessary for the development, maintenance or operation of the Project;

**"Effective Date"** means the date as of which financial information relating to the Project is being provided, it being understood that with respect to:

- (i) any Funding Request or the Final Funding Request, such date shall be the day immediately preceding the date of such Funding Request or Final Funding Request; and
- (ii) any Construction Report, such date shall be:
  - (a) with respect to the first Construction Report, **(A)** where the twentieth (20<sup>th</sup>) day of the month preceding the month during which such Construction Report is delivered is a Business Day, the Business Day immediately following the twentieth (20<sup>th</sup>) day of such month, and **(B)** where the twentieth (20<sup>th</sup>) day of the month preceding the month during which such Construction Report is delivered is not a Business Day, the second Business Day immediately following the twentieth (20<sup>th</sup>) day of such month, and
  - (b) with respect to every Construction Report thereafter, the first Business Day immediately following the date of delivery of the preceding Construction Report;

**"Eligible Project Costs"** means, as at any Effective Date, as determined by the Collateral Agent in consultation with the Partnership, the aggregate amount required by the Partnership to defray Project Costs incurred to and invoiced by such date or, as supported by supporting documentation for the relevant Funding Request or the Final Funding Request in the form attached as Schedule "CC" of the LIL Project Finance Agreement, expected to be incurred to and invoiced by the relevant LIL Drawdown Date with respect to work done and goods delivered prior to such dates or with respect to deposits on contracts and in each case with respect to which no previous Funding Request has been issued;

**"Emera Guarantee"** means the guarantee agreement to be entered into between Emera Incorporated and Canada pursuant to which Emera will provide certain guarantees in connection with the Maritime Link;

"**Emera LP**" means ENL Island Link Incorporated, a corporation incorporated pursuant to the laws of the Province of NL, and includes its successors;

"**Emera Sanction Resolution**" means the resolution of July 3, 2013 of the board of directors of Emera Incorporated for purposes of, *inter alia*, confirming, approving, authorizing and ratifying the sanction of the Maritime Link;

"**Enforcement Event**" means:

(i) each one of the LIL Events of Default set forth below:

1. a LIL Event of Default under Section 13.6 of the LIL Project Finance Agreement resulting from an Insolvency Event other than an Insolvency Event under clause (v) of the definition of "Insolvency Event";
2. a LIL Event of Default under Section 13.7 of the LIL Project Finance Agreement;
3. a LIL Event of Default under Section 13.10 of the LIL Project Finance Agreement;
4. a LIL Event of Default under Section 13.12 of the LIL Project Finance Agreement;
5. a LIL Event of Default under Section 13.19 of the LIL Project Finance Agreement, but only to the extent that it relates to the LIL Lease or the TFA;
6. a LIL Event of Default under Section 13.23 of the LIL Project Finance Agreement;
7. a LIL Event of Default under Section 13.27 of the LIL Project Finance Agreement, but only to the extent that the Muskrat/LTA Event of Default giving rise to such a LIL Event of Default has not triggered a concurrent Remedies Consultation Period (as defined in the Muskrat/LTA Master Definitions Agreement); or

(ii) a LIL Event of Default other than a LIL Event of Default described in clause (i) above, but, in the case of clause (ii), only to the extent that the Remedies Consultation Period relating to such LIL Event of Default has expired and such LIL Event of Default continues following such expiry of the Remedies Consultation Period.

"**Enforcement Proceeding**", with respect to any Person, refers to:

- (i) any right granted to such Person against another Person or the Assets of such other Person as a result of such first Person holding, directly or beneficially, Liens on the Assets of such other Person including: (a) the right to require the surrender of the Assets subject to such Liens; (b) the

right to exercise any power of sale over or to foreclose on the Assets subject to such Liens; (c) the right to appoint a receiver for such Person or its Assets; (d) the right to withdraw any authorization to collect accounts subject to such Liens; (e) the right to vote any Capital Stock subject to such Liens or to withdraw any power of attorney to vote any such Capital Stock; and (f) the right to take possession, administer, sell or lease any of the Assets subject to such Liens;

- (ii) the right to seize or request the seizure of the Assets of any other Person; and
- (iii) the right to institute or prosecute any judicial proceeding seeking injunctive relief, the appointment of a receiver, the sale of any Assets or for foreclosure;

**"Environmental Law"** means, with respect to any Person, any Applicable Law relating to the environment and to such Person or any of its Assets;

**"Environmental Losses"** has the meaning ascribed to it in Section 15.3 of the LIL Project Finance Agreement;

**"EPCM"** means the agreement for engineering, procurement and construction management services for the Project entered into effective as of February 1, 2011 between Nalcor and SNC Lavalin Inc., as assigned to Devco on or about November 29, 2013;

**"Equity Agreements"** refers collectively to the ESA and the ESG;

**"Equity Contribution Release Conditions"** means, during any period of time that Excluded Deposits are outstanding in any Partnership Project Account, either (i) where the LIL Construction Facility has not been fully disbursed, the Collateral Agent exercises its rights under subsection 14.2.1 and declares the LIL Construction Facility to be cancelled or terminated, or (ii) where the LIL Construction Facility has been fully disbursed and following the exercise by the Collateral Agent of any Right, Recourse and/or Remedy under Section 14.2, the GAA Finance Parties advise the Partnership that they have determined not to proceed to have Commissioning of the Project achieved;

**"Equity Rateable Share"** means at all times, with respect to any Project Costs that are to be funded at any particular time, the difference between 100% and the Debt Rateable Share applicable with respect to such Project Costs;

**"ESA"** means the equity support agreement to be entered into among Nalcor, Nalcor LP, the General Partner, the Partnership and the Collateral Agent;

**"ESG"** means the guarantee for the ESA to be entered into between NL Crown and the Collateral Agent.

"**Event of Default**" means a FV Event of Default, an IT Event of Default, a LIL Event of Default and a GAA Event of Default;

"**Excise Tax Act**" means the *Excise Tax Act* (Canada);

"**Excluded Deposits**" is, at any time, the collective reference to any amount deposited into any Partnership Project Account that represents a Base Equity Contribution, a Contingency Equity Contribution or a DSRA Equity Contribution, including, without limitation, any amounts on deposit in the Cost Overrun Escrow Account, the release of which for purposes of funding Project Costs cannot be made in accordance with Section 2.9 of the ESA and Section 2.4 of the ESG;

"**Expropriation Event**" means any compulsory transfer or taking by condemnation, expropriation, eminent domain or exercise of a similar power, or transfer under threat of such compulsory transfer or taking, of any part of the Assets of a Person by any Governmental Authority;

"**Federal Environmental Assessment**" means the approval from His Excellency the Governor General in Council, on the recommendation of the Minister of Natural Resources, pursuant to subsection 37(1.3) of the *Canadian Environmental Assessment Act* (Canada) that Canada take the course of action under paragraph 37(1)(a) of the *Canadian Environmental Assessment Act* (Canada), with respect to the Project, on the basis that the Project is likely to cause significant adverse environmental effects that can be justified in the circumstances;

"**Federal Loan Guarantee**" means the guarantee agreement to be executed by Canada in favour of the Indenture Trustee with respect to, *inter alia*, the payment obligations of the Funding Vehicle under the MTI, each Supplemental Indenture and the FV Bonds and the Underlying Pledge Bond Documents;

"**Final Eligible Project Costs**" means the Eligible Project Costs remaining unpaid as at the Effective Date of the Final Funding Request, other than the Minimum DSRA Requirement, the Punch List Costs and the Demobilization Costs;

"**Final Funding Rateable Share**" means, in respect of the funding of each of the DSRA, the Punch List Costs Account, the Demobilization Costs Account and the Final Eligible Project Costs on the Commissioning Date, the rateable share of the aggregate amount of Funding Requirements requested pursuant to the Final Funding Request attributable to such funding;

"**Final Funding Request**" means a request, substantially in the form of Schedule "O" of the LIL Project Finance Agreement, addressed by the Partnership to the Collateral Agent and the Independent Engineer, specifying:

- (i) the Final Eligible Project Costs;
- (ii) the Punch List Costs;

- (iii) the Demobilization Costs;
- (iv) that no LIL Event of Default has occurred and is continuing;
- (v) for purposes of funding the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date, the Final Funding Rateable Share of the Aggregate Account Balances attributable to such funding of the Final Eligible Project Costs;
- (vi) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to the Minimum DSRA Requirement on the Commissioning Date, the Final Funding Rateable Share of the Aggregate Account Balances attributable to such funding of the DSRA;
- (vii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date, the Final Funding Rateable Share of the Aggregate Account Balances attributable to such funding of the Punch List Costs Account;
- (viii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date, the Final Funding Rateable Share of the Aggregate Account Balances attributable to such funding of the Demobilization Costs Account;
- (ix) for purposes of funding the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available Base Equity Commitment or the Contingency Equity Commitment, as the case may be, and representing the Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Account Balances calculated in paragraph (v) of this definition, minus **(b)** the Final Funding Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Final Eligible Project Costs, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (x) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to the Minimum DSRA Requirement on the Commissioning Date, **(a)** the aggregate amount to be invested under the DSRA Equity Commitment and representing the Equity Rateable Share of the difference between the Funding Requirements



necessary in connection with the funding of the DSRA on the Commissioning Date and the portion of the Aggregate Account Balances calculated in paragraph (vi) of this definition, minus **(b)** the Final Funding Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the DSRA, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available Base Equity Commitment or the Contingency Equity Commitment, as the case may be, and representing the Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Account Balances calculated in paragraph (vii) of this definition, minus **(b)** the Final Funding Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Punch List Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available Base Equity Commitment or the Contingency Equity Commitment, as the case may be, and representing the Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Account Balances calculated in paragraph (viii) of this definition, minus **(b)** the Final Funding Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Demobilization Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xiii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date, the aggregate amount requested to be Advanced under the LIL Construction Facility and representing the Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Account Balances calculated in paragraph (v) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xiv) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to the Minimum DSRA Requirement on the Commissioning Date, the aggregate amount requested to be Advanced under the LIL Construction Facility and representing the Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the DSRA on the Commissioning Date and the portion of the Aggregate Account Balances calculated in paragraph (vi) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xv) for purposes of funding the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date, the aggregate amount requested to be Advanced under the LIL Construction Facility and representing the Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Account Balances calculated in paragraph (vii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xvi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date, the aggregate amount requested to be Advanced under the LIL Construction Facility and representing the Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Account Balances calculated in paragraph (viii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xvii) for purposes of the prefunding of the Sinking Fund Account pursuant to Section 2.9 of the LIL Project Finance Agreement, the Aggregate Account Balances, minus the amounts thereof applied as per the foregoing paragraphs of this definition;
- (xviii) a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request provided during the prior month;
- (xix) Soft Costs incurred as at the Effective Date of the Construction Report delivered in the same month as the Final Funding Request by major expense category and compared as against the original Project Budget;

**"Financial Statements"** means, with respect to any Person, for any period, all prepared in accordance with GAAP, the balance sheet of such Person as at the end of such period and the related statements of income, retained earnings, shareholders' or partners' equity and cash flows for such period, setting forth in each case, in comparative form, the figures for the corresponding period of the previous fiscal quarter or for the previous fiscal year, as the case may be;

**"Financing Structure"** has the meaning ascribed to it from time to time in the recitals to the Collateral Agency Agreement;

**"First LIL Drawdown Conditions Precedent"** has the meaning ascribed thereto in Section 7.2 to the LIL Project Finance Agreement;

**"Fiscal Agent"** means the Indenture Trustee, the depositaries of the FV Funds or FV Accounts required under the MTI or any sub-account thereof, any Paying Agent, or any or all of them as the context may require;

**"Fiscal and Paying Agency Agreement"** means the fiscal and paying agency agreement entered into among the FV, the Indenture Trustee and The Toronto-Dominion Bank, as Fiscal Agent and Paying Agent;

**"Force Majeure"** has the meaning ascribed thereto in the LIL Lease;

**"Fraudulent Conveyances Law"** means the *Fraudulent Conveyances Act* (NL), or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign;

**"Fund"** means any fund, reserve fund or account required to be established pursuant to the MTI;

**"Funding Duties"** means the FV Trust Activities with respect to (i) the borrowing of money and the issuance of FV Bonds from time to time pursuant to the MTI and the other Funding Transaction Documents in a manner that enables the Funding Vehicle to lend money to the Intermediary Trust and meet all its obligations as direct secured lender to the Intermediary Trust pursuant to the Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Funding Vehicle under the Funding Transaction Documents and Guarantee Transaction Documents, (iii) subject to fulfilling the Funding Duty Requirement, the execution of all Funding Transaction Documents and Guarantee Transaction Documents on behalf of the Funding Vehicle, and (iv) all matters incidental or ancillary to the activities described in clauses (i), (ii) and (iii) of this definition including the matters contemplated in Sections 3.1 and 3.4 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Funding Vehicle and Canada, each acting reasonably;

**"Funding Duty Requirement"** has the meaning ascribed to it from time to time in Section 4.1 of the Collateral Agency Agreement;

**"Funding Request"** means a request, substantially in the form of Schedule "P" of the LIL Project Finance Agreement, addressed by the Partnership to the Collateral Agent and the Independent Engineer, specifying:

- (i) the amount of Eligible Project Costs remaining unpaid as at the Effective Date thereof;
- (ii) the Permitted Investments made with the funds in the LIL Project Accounts;
- (iii) that no LIL Event of Default has occurred and is continuing;
- (iv) for purposes of funding the Funding Requirements, the Aggregate Partnership Project Funding Account and Operating Account Balances as at the Effective Date;
- (v) for purposes of funding the Funding Requirements, (a) the aggregate amount to be invested under either the Available Base Equity Commitment or the Contingency Equity Commitment, as the case may be, and representing the Equity Rateable Share of the difference between the Funding Requirements and the Aggregate Partnership Project Funding Account and Operating Account Balances as at the Effective Date, minus (b) the amount determined in clause (iii) of the definition of Funding Requirements;
- (vi) for purposes of funding the Funding Requirements, the aggregate amount requested to be Advanced under the LIL Construction Facility and representing the Debt Rateable Share of the difference between the Funding Requirements and the Aggregate Partnership Project Funding Account and Operating Account Balances as at the Effective Date;
- (vii) a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request provided during the prior month;
- (viii) Soft Costs incurred as at the Effective Date of the Construction Report delivered in the same month as the relevant Funding Request by major expense category and compared as against the original Project Budget;

**"Funding Requirements"** means, as at any date, as determined by the Collateral Agent, the aggregate of:

- (i) the Eligible Project Costs as at the Effective Date of the Funding Request or Final Funding Request;
- (ii) if at the Effective Date of the Funding Request pertaining to such Funding Requirements, the amount on deposit in the Working Capital Reserve Account is less than the Minimum WCR Requirement, the amount of such

difference provided, however, that where the conditions precedent set forth in Section 7.9 of the LIL Project Finance Agreement apply to the relevant LIL Drawdown, the amount determined under this paragraph (ii) shall be deemed to be nil; and

- (iii) if at any time following the Effective Date of the Funding Request immediately preceding such Funding Request or Final Funding Request, as the case may be, an equity Investment contemplated in paragraph 7.8.1.2 of the LIL Project Finance Agreement has been made, the amount of such equity Investment;

**"Funding Transaction Documents"** means the agreements entered into from time to time with respect to such portion of the FV Trust Activities as pertains to the borrowings to be made by or for the benefit of the Funding Vehicle for purposes of onlending to the Intermediary Trust and the Partnership pursuant to the Project Finance Documents, including the MTI, the FV Bonds, any other loan and debt documents and any security documents executed by the Funding Vehicle in order to secure its obligations under the foregoing;

**"Funding Vehicle"** means Labrador - Island Link Funding Trust, a trust formed under the Laws of NL pursuant to the FV Declaration of Trust;

**"Funding Vehicle Project Costs and Expenses"** means costs and expenses due and payable by the Funding Vehicle to its advisors in connection with the Funding Transaction Documents or the IT Project Finance Documents, including the Independent Engineer and legal advisors including all reasonable costs and expenses incurred by the Funding Vehicle under any Enforcement Proceedings instituted pursuant to any of the Funding Transaction Documents or the IT Project Finance Documents;

**"Future LIL Assets and Rights"** means such of the LIL Assets and Rights that will be acquired by the Partnership following the Closing Date as and when required in order to proceed with construction of the Project in accordance with the Project Schedule, and includes the SOBI Lease;

**"FV Account"** means any fund, reserve fund or account required to be established pursuant to the MTI;

**"FV Bond"** means any evidence of indebtedness of the Funding Vehicle authenticated and delivered by the Indenture Trustee under and pursuant to the MTI and each Supplemental Indenture, whether such evidence of indebtedness is a FV Obligation Bond or a FV Pledge Bond thereunder;

**"FV Bond Acceleration Date"** means the date on which the FV Bonds are called for payment as a result of the FV Bonds being accelerated pursuant to the MTI and the Supplemental Indentures;

**"FV Bondholder"** or **"holder"** or words of similar import, when used with reference to a FV Bond, means any Person who is, at the relevant time, the Person whose name is

entered in the FV Bond Registers as the holder of such FV Bond, including any Person in whose name a FV Pledge Bond is registered as trustee, security holder or in a fiduciary capacity;

**"FV Bond Make-Whole Amount"** means the aggregate make-whole amount or premium that would be payable by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be, pursuant to the MTI and the Supplemental Indentures in respect of the FV Bonds being all redeemed or accelerated at such time prior to their stated maturity;

**"FV Bond Redemption Date"** means the redemption date under the MTI and the Supplemental Indentures;

**"FV Bond Registers"** means, collectively, the one or more registers of FV Bondholders which the Indenture Trustee is required to maintain pursuant to Section 3.3 of the MTI;

**"FV Bond - Series A"** means the FV Bonds designated as "Series A Bonds" pursuant to a Supplemental Indenture;

**"FV Bond - Series A Interest Rate"** means the interest rate per annum applicable to the FV Bond - Series A pursuant to the MTI and the relevant Supplemental Indenture;

**"FV Bond - Series B"** means the FV Bonds designated as "Series B Bonds" pursuant to a Supplemental Indenture;

**"FV Bond - Series B Interest Rate"** means the interest rate per annum applicable to the FV Bond - Series B pursuant to the MTI and the relevant Supplemental Indenture;

**"FV Bond - Series C"** means the FV Bonds designated as "Series C Bonds" pursuant to a Supplemental Indenture;

**"FV Bond - Series C Interest Rate"** means the interest rate per annum applicable to the FV Bond - Series C pursuant to the MTI and the relevant Supplemental Indenture;

**"FV Collateral Trust Deed"** means the collateral trust deed executed by the Funding Vehicle in favour of the FV Security Trustee and dated on or about the date hereof;

**"FV Consultants"** means the Insurance Consultant, the Independent Engineer, FV Counsel and any other experts, advisors or professionals retained or appointed from time to time to advise the GAA Finance Parties;

**"FV Counsel"** means McInnes Cooper and any successor thereof;

**"FV Declaration of Trust"** means the declaration of trust dated as of November 1, 2013 made by BNY Trust Company of Canada, as Issuer Trustee for the Funding Vehicle as amended, supplemented, restated or otherwise changed from time to time;

**"FV Event of Default"** means the **"Event of Default"** as defined in the MTI;

**"FV Obligation Bond"** means a FV Bond issued as direct evidence of the Indebtedness of the Funding Vehicle to the holder thereof;

**"FV Payment"** means any payment of principal, interest, fees or other amounts payable by the Funding Vehicle on a FV Bond, in accordance with its terms and the terms of the applicable Supplemental Indenture, or under any other Funding Transaction Document;

**"FV Payment Account"** means account number 58003-5230416 of the Funding Vehicle maintained at the Collateral Agent's Office for purposes of payments to be made to it initially by the Intermediary Trust and following the Assignment, by the Partnership, and payments to be made by the Funding Vehicle to the Fiscal Agents;

**"FV Payment Date"** means one (1) Business Day prior to any date on which a FV Payment is payable by the Funding Vehicle;

**"FV Pledge"** means, in respect of a FV Bond, a pledge, deposit or delivery of such FV Bond or other agreement between the Funding Vehicle and a FV Bondholder in respect of such FV Bond, in each case made in accordance with Section 4.1 of the MTI;

**"FV Pledge Bond"** means a FV Bond which is subject to a FV Pledge;

**"FV Proceeds Account"** means account number 58003-5230408 of the Funding Vehicle maintained at the Collateral Agent's Office for purposes of receiving the proceeds of all FV Bonds issued by it;

**"FV Security Trustee"** means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain GAA Security Documents;

**"FV Trust Activities"** means the activities of the Funding Vehicle permitted under the FV Declaration of Trust;

**"FV Trust Property"** means as of any particular time, any and all assets of the Funding Vehicle and any and all property, real, personal or otherwise, tangible or intangible, movable or immovable which has been transferred, conveyed or paid to, or acquired or originated by, the Funding Vehicle including all of the rights, title and interest of the Funding Vehicle in and to the Consolidated Transaction Documents, including all income, earnings, profits and gains therefrom, and all proceeds deriving therefrom or related thereto and which at such time is owned or held by the Funding Vehicle;

**"GAA"** means the guarantee assurance agreement dated as of the date hereof, 2013 entered into among, *inter alios*, Canada, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, the Credit Parties;

**"GAA Duties"** means performing all duties and functions required of the Collateral Agent pursuant to the GAA and the other Guarantee Transaction Documents including performing the Funding Duties and Project Financing Duties, providing the reports, advice, confirmations and certificates to Canada and including the matters contemplated in Sections 3.3 and 3.4 of the Collateral Agency Agreement, acting reasonably in

accordance with the Collateral Agent Standard and the instructions of Canada, acting reasonably;

**"GAA Event of Default"** means any of the events described in Section 4.01 of the GAA;

**"GAA Finance Parties"** means (i) in reference to the LIL Project Finance Documents, the Intermediary Trust and the Funding Vehicle, in their capacity as lenders under the Project Finance Documents, and Canada in accordance with the provisions of the GAA, provided, however, that upon the Assignment by the Intermediary Trust contemplated in Section 2.6 of the IT Project Finance Agreement, the Intermediary Trust will no longer be a GAA Finance Party, (ii) in reference to the IT Project Finance Documents, the Funding Vehicle, in its capacity as lender under the IT Project Finance Documents, and Canada in accordance with the provisions of the GAA, and (iii) in reference to the Funding Transaction Documents, Canada in accordance with the GAA;

**"GAA Security Documents"** means the security documents executed by the Funding Vehicle pursuant to the terms of the GAA;

**"GAAP"** means generally accepted accounting principles as defined by the Canadian Institute of Chartered Accountants or its successors, as amended or replaced by international financial reporting standards or as otherwise amended from time to time;

**"General Partner"** means Labrador - Island Link General Partner Corporation, a NL corporation, in its capacity as general partner of the Partnership, and includes any successor thereto in such capacity;

**"GIA"** means the generator interconnection agreement to be entered into among NLH, Muskrat and Labrador Transco;

**"Good Utility Practice"** means those project management, design, procurement, construction, operation, maintenance, repair, removal and disposal practices, methods and acts that are engaged in by a significant portion of the electric utility industry in Canada during the relevant time period, or any other practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be the optimum practice, method, or act to the exclusion of others, but rather to be a spectrum of acceptable practices, methods or acts generally accepted in such electric utility industry for the project management, design, procurement, construction, operation, maintenance, repair, removal and disposal of electric utility facilities in Canada. Notwithstanding the foregoing references to the electric utility industry in Canada, in respect solely of Good Utility Practice regarding subsea HVdc transmission cables, the standards referenced shall be the internationally recognized standards for such practices, methods and acts generally accepted with respect to subsea HVdc transmission cables. Good Utility Practice shall not be determined after the fact in light of the results achieved by the practices, methods or acts undertaken but rather shall be determined based upon the consistency of the practices, methods or acts



when undertaken with the standard set forth in the first two sentences of this definition at such time;

**"Governmental Authority"** means, in relation to any Person, property, transaction or event, any (i) federal, provincial, state, territorial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), (ii) agency, authority, commission, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, (iv) private regulatory entity, self-regulatory organization or other similar Person, or (v) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, property, transaction or event;

**"Guarantees"** means, with respect to any Person, any Indebtedness of another Person which such guaranteeing Person has guaranteed or in respect of which such guaranteeing Person is liable, contingently or otherwise, including liable by way of agreement to purchase property or services, to provide funds for payment, to supply funds to or otherwise invest in such other Person, or otherwise, in all cases to assure a creditor of such other Person against loss, other than endorsements for collection or deposit in the ordinary course of business. Furthermore, **"Guarantee"** and **"Guaranteeing"** shall have correlative meanings. For the purposes of determining compliance with various provisions in any Project Finance Document or Guarantee Transaction Document relating to Guarantees, the amount of any Guarantee shall be deemed to be the lesser of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made (for greater clarity where such primary obligation is to be incurred pursuant to a revolving credit facility, the amount of the aggregate commitments under such a facility shall constitute the stated amount of the primary obligation) and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of such Guarantee shall be deemed to be such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as reasonably determined by the Collateral Agent in good faith;

**"Guarantee Transaction Documents"** or **"GAA Transaction Documents"** means the agreements entered into from time to time with respect to such portion of the FV Trust Activities as pertains to the contractual arrangements between, *inter alia*, Canada and the Funding Vehicle in connection with the issuance of the Federal Loan Guarantee, including the Federal Loan Guarantee, the GAA, the Collateral Agency Agreement and the GAA Security Documents;

"**Hard Costs**" means all of the project management, design, procurement, construction, acquisition and other similar costs identified in the Project Budget, including, without duplication:

- (i) the cost of designing, equipping, procuring, constructing, Commissioning, starting up and testing the Project;
- (ii) the cost of acquiring any of the LIL Assets and Rights;
- (iii) real and personal property taxes (but excluding recoverable ad valorem taxes and Sales Taxes) and insurance premiums payable with respect to the Project during the Construction Period;
- (iv) initial working capital requirements of the Project as set forth in the Project Budget;
- (v) the costs of acquiring Authorizations for the Project;
- (vi) the cost of establishing a spare parts inventory specifically for execution of the Project;
- (vii) amounts spent out of the contingency allowances set forth in the Project Budget;
- (viii) all amounts payable under Material Project Documents relating to the construction of the Project, as well as any other agreements with any other contractors supplying goods or services to the Project;
- (ix) the cost of funding the Demobilization Costs;

"**Hazardous Material**" means any contaminant, pollutant, toxic substances, hazardous material, residual material, waste, dangerous goods, hazardous substances or other similar terms as such terms are defined in any Environmental Law;

"**Holder**" means "holder" as defined in the *Muskrat Falls Project Land Use and Expropriation Act* (NL);

"**HST**" means all amounts exigible pursuant to Part IX of the Excise Tax Act, including, for greater certainty, the Taxes commonly referred to as the goods and services tax (GST) and the harmonized sales tax (HST);

"**IE Contract**" means the agreement number LC-PM-082 for independent engineer and operating and maintenance services dated as of August 27, 2012 entered into between Nalcor and the Independent Engineer, as assigned to the Partnership on or about November 29, 2013;

"**IGA**" means the intergovernmental agreement to be entered into between NL Crown and Canada in connection with the Project, the MF Plant and the LTA;

**"Income on Prepaid Rent"** has the meaning ascribed thereto in the LIL LP Agreement;

**"Indebtedness"** includes, without duplication, for any Person:

- (i) obligations representing the deferred purchase price of property or services;
- (ii) obligations, whether or not assumed, secured by Liens on, or payable out of the proceeds or production from, property owned by such Person;
- (iii) Debt for Borrowed Money of such Person;
- (iv) any obligation described above or any Guarantee, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any Assets of such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and
- (v) obligations under Guarantees;

**"Indemnified Parties"** means the Collateral Agent, the GAA Finance Parties, each of their Affiliates as well as their respective directors, officers, employees, advisors, representatives and agents;

**"Indenture Trustee"** means Computershare Trust Company of Canada, a trust company, and includes any successor thereto;

**"Independent Engineer"** means MWH Canada Inc. and any successor thereof and any other engineering consultants appointed from time to time for the Project, with the consent of the Partnership by the Collateral Agent or any other Person from time to time to advise the GAA Finance Parties in replacement thereof, it being understood that only one engineering consultant or firm can occupy this role at any one time;

**"Independent Engineer's Confirmation"** means a certificate from the Independent Engineer substantially in the form of the one attached as Schedule "Q" of the LIL Project Finance Agreement, addressed to the Collateral Agent in connection with any Construction Report and/or Funding Request or Final Funding Request;

**"Initial Cost Overrun Instalment Payment"** has the meaning ascribed thereto in paragraph 10.28.2.1 of the LIL Project Finance Agreement;

**"Initial Material Project Documents"** means the contracts, agreements and Authorizations described or referred to in Part II of Schedule "B" of the LIL Project Finance Agreement;

"**Insolvency Event**" means, in relation to any Person, the occurrence of one or more of the following:

- (i) an order is made, or an effective resolution passed, for the winding-up, liquidation or dissolution of such Person;
- (ii) such Person voluntarily institutes proceedings for its winding up, liquidation or dissolution, or to authorize or enter into an arrangement under the *Corporations Act* (NL) or similar legislation in any other jurisdiction affecting any of its creditors, or takes action to become bankrupt, or consents to the filing of a bankruptcy application against it, or files an assignment, a proposal, a notice of intention to make a proposal, an application, or answer or consent seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar Applicable Law, including the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), or consents to the filing of any such application for a bankruptcy order, or consents to the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or, trustee in bankruptcy of all or substantially all of the property of such Person or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they come due or commits any other act of bankruptcy or insolvency, or suspends or threatens to suspend transaction of its usual business, or any action is taken by such Person in furtherance of any of the foregoing;
- (iii) a court having jurisdiction enters a judgment or order adjudging such Person a bankrupt or an insolvent person, or approving as properly filed an application or motion seeking an arrangement under the *Corporations Act* (NL) or similar legislation in any other jurisdiction affecting any of its creditors or seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar Applicable Law, or an order of a court having jurisdiction for the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or, trustee in bankruptcy of all or substantially all of the undertaking or property of such Person, or for the winding up, liquidation or dissolution of its affairs, is entered and such order is not contested and the effect thereof stayed, or any material part of the property of such Person is sequestered or attached and is not returned to the possession of such Person or released from such attachment within 30 days thereafter;
- (iv) any proceeding or application is commenced respecting such Person without its consent or acquiescence pursuant to any Applicable Law relating to bankruptcy, insolvency, reorganization of debts, winding up, liquidation or dissolution, and such proceeding or application (i) results in a bankruptcy order or the entry of an order for relief and a period of 30

days has elapsed since the issuance of such order without such order having been reversed or set aside or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the commencement of such proceeding or application; or

- (v) such Person has ceased paying its current obligations in the ordinary course of business as they generally become due;

**"Insolvency Law"** means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any plan of arrangement law or any corporations statute permitting a corporation to propose a compromise or an arrangement with respect to creditors or any class of creditors of the corporation or any other like, equivalent or analogous laws of any jurisdiction, domestic or foreign;

**"Insolvency Proceeding"** refers to any proceeding relating to or arising in connection with or as a result of an Insolvency Event, including:

- (i) an assignment for the benefit of creditors, the filing of an application for a bankruptcy order, a proposal or a notice of intention under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or any other similar Law of any other jurisdiction;
- (ii) the adjudication of any Person as insolvent or bankrupt;
- (iii) the petition or application to any tribunal for any receiver, trustee, liquidator or sequestrator of any Person or for any portion of such Person's property; or
- (iv) anything analogous or having a substantially similar effect to any of the events specified above happens under the Law of any other applicable jurisdiction;

**"Insurance Consultant"** means Moore McNeil, LLC;

**"Intellectual Property Rights"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Intermediary Trust"** means LIL Construction Project Trust, a trust formed under the Laws of NL pursuant to the IT Declaration of Trust;

**"Intermediary Trust Activities"** means the activities of the Intermediary Trust permitted under the IT Declaration of Trust;

**"Intermediary Trust Guarantee"** means the Guarantee granted by the Partnership and Opco in favour of the Funding Vehicle with respect to the obligations of the Intermediary Trust under the IT Project Finance Agreement;

**"Intermediary Trust Payment Account"** has the meaning ascribed thereto in Section 8.2 of the IT Project Finance Agreement;

**"Intermediary Trust Proceeds Account"** has the meaning ascribed thereto in Section 8.1 of the IT Project Finance Agreement;

**"Intermediary Trust Proceeds Account Balance"** means, as at any time, the amount standing to the credit of the Intermediary Trust Proceeds Account at such time including, for greater certainty, any IT Income on Account Balances deriving therefrom;

**"Intermediary Trust Project Costs and Expenses"** means costs and expenses due and payable by the Intermediary Trust to its advisors in connection with the IT Project Finance Documents or the LIL Project Finance Documents, including the Independent Engineer and legal advisors including all reasonable costs and expenses incurred by the Intermediary Trust under any Enforcement Proceedings instituted pursuant to any of the IT Project Finance Documents or the LIL Project Finance Documents;

**"Investment"** means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business) or contribution of capital to any other Person or any acquisition of Capital Stock, deposit accounts, certificates of deposit, mutual funds, bonds, notes, debentures or other securities of any other Person or any structured notes, and **"Invest"** and **"Invested"** shall have the correlative meaning;

**"Island Interconnected System"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Issuer Trustee"** means BNY Trust Company of Canada, in its capacity as trustee of the Funding Vehicle, and includes any successor thereto in such capacity;

**"IT Accounts"** refers collectively to the Intermediary Trust Proceeds Account and the Intermediary Trust Payment Account;

**"IT Administration Agreement"** means the administration agreement to be entered into among the Intermediary Trust, the IT Administrator, Canada and the Partnership;

**"IT Administrator"** means the Person that will act as administrator to the Intermediary Trust pursuant to the terms of the IT Administration Agreement;

**"IT Advance"** means any amount of money advanced or to be advanced (as the context requires) to the Intermediary Trust pursuant to the IT Project Finance Agreement;

**"IT Affected Funds"** has the meaning ascribed to it in Section 15.2 of the IT Project Finance Agreement;

**"IT Applicable Interest Rate"** means (i) with respect to interest payable on the IT Tranche A Construction Loan, the FV Bond - Series A Interest Rate; (ii) with respect

to interest payable on the IT Tranche B Construction Loan, the FV Bond - Series B Interest Rate; and (iii) with respect to interest payable on the IT Tranche C Construction Loan, the FV Bond - Series C Interest Rate;

**"IT Assignment Agreement"** means the assignment agreement substantially in the form attached to the IT Project Finance Agreement as Schedule "G", to be entered into among the Funding Vehicle, the Intermediary Trust and the other Obligors on or about the Scheduled Assignment Date and evidencing the Assignment;

**"IT Blocked Account Agreement"** means the blocked account agreement to be entered into among The Toronto-Dominion Bank, as account holder, the IT Security Trustee, the Intermediary Trust, as debtor, and the Collateral Agent;

**"IT Collateral Trust Deed"** has the meaning ascribed to it in paragraph 6.1.1.1 of the IT Project Finance Agreement;

**"IT Construction Loan"** refers collectively to the IT Tranche A Construction Loan, IT Tranche B Construction Loan and IT Tranche C Construction Loan;

**"IT Declaration of Trust"** means the declaration of trust dated as of November 25, 2013 made by BNY Trust Company of Canada, as IT Trustee, for the Intermediary Trust, as amended, supplemented, restated or otherwise changed from time to time;

**"IT Disgorged Amount"** has the meaning ascribed thereto in Section 5.15 of the IT Project Finance Agreement;

**"IT Drawdown"** means the single IT Advance made under the IT Project Finance Agreement;

**"IT Drawdown Conditions Precedent"** has the meaning ascribed to it in Section 7.2 of the IT Project Finance Agreement;

**"IT Drawdown Date"** means the day on which the IT Drawdown is made;

**"IT Draw Request"** means a notice, substantially in the form of the one attached as Schedule "F" of the IT Project Finance Agreement, issued by the Intermediary Trust to the Collateral Agent in connection with the IT Drawdown requested by the Intermediary Trust under the IT Project Finance Agreement;

**"IT Due Date"** means, with respect to any payment due by the Intermediary Trust under any IT Project Finance Document, the date on which such payment is required to be made by the Intermediary Trust pursuant to the provisions of that IT Project Finance Document (without taking into account any grace period granted to the Intermediary Trust to cure any failure to pay) and, where any amount is payable on demand made by the Collateral Agent, the date that the Collateral Agent makes such a demand;

**"IT Event of Default"** means any of the events described in Article 13 of the IT Project Finance Agreement;

**"IT Facility"** means the credit facility which the Funding Vehicle has agreed to make available to the Intermediary Trust in three (3) IT Tranches (namely IT Tranche A, IT Tranche B and IT Tranche C) pursuant to the IT Project Finance Agreement;

**"IT Final Funds Release"** means the final IT Funds Release of all of the Intermediary Trust Proceeds Account Balance in order to permit the Intermediary Trust to fund the Punch List Costs LIL Drawdown, the Demobilization Costs LIL Drawdown and the DSRA LIL Drawdown and the Advance referred to in subsection 2.9.2 of the LIL Project Finance Agreement;

**"IT Funding Period"** means the period commencing on the Closing Date and terminating on the earlier of:

- (i) the Scheduled IT Assignment Date;
- (ii) the date that the IT Facility is terminated and cancelled in its entirety under the provisions of Section 14.2 of the IT Project Finance Agreement; and
- (iii) the date of any other cancellation of the IT Facility in its entirety;

**"IT Funds Release"** means a release of all or a portion of the Intermediary Trust Proceeds Account Balance in an amount equal to the lesser of (A) the Intermediary Trust Proceeds Account Balance and (B) the amount requested by the Partnership in the LIL Draw Request to which such IT Funds Release relates;

**"IT Funds Release Date"** means any day on which a IT Funds Release occurs;

**"IT Guaranteed Obligations"** has the meaning ascribed thereto in Section 5.1 of the IT Project Finance Agreement;

**"IT Guarantors"** refers collectively to the Partnership and Opco acting jointly and severally as Guarantors;

**"IT Income on Account Balances"** means, with respect to any IT Account, any interest or other income earned by the Intermediary Trust from investment of any sums on deposit in such IT Account, including any interest or other income earned on the re-investment of such interest or other income so earned;

**"IT Initial Conditions Precedent"** has the meaning ascribed thereto in Section 7.1 of the IT Project Finance Agreement;

**"IT Interest Payment Date"** refers to (i) with respect to interest payable on the IT Tranche A Construction Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the FV Bond - Series A, pursuant to the MTI and the relevant Supplemental Indenture, (ii) with respect to interest payable on the IT Tranche B Construction Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the FV Bond - Series B, pursuant to the MTI and the relevant



Supplemental Indenture, and **(iii)** with respect to interest payable on the IT Tranche C Construction Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the FV Bond - Series C, pursuant to the MTI and the relevant Supplemental Indenture;

**"IT Loan"** refers collectively to the IT Tranche A Loan, IT Tranche B Loan and IT Tranche C Loan;

**"IT Loan Acceleration"** means any acceleration of the IT Loan made pursuant to Section 2.7 of the IT Project Finance Agreement;

**"IT Loss Event"** has the meaning ascribed to it in Section 15.2 of the IT Project Finance Agreement;

**"IT Make-Whole Amount"** means, with respect to any IT Voluntary Prepayment or IT Loan Acceleration, as the case may be, an amount equal to the FV Bond Make-Whole Amount required to be paid by the Funding Vehicle on the FV Bond Voluntary Prepayment Date or the FV Bond Redemption Date, as the case may be;

**"IT Payment"** means any payment of principal, interest, fees or other amounts payable by the Intermediary Trust to the Funding Vehicle under the IT Project Finance Agreement;

**"IT Payment Demand"** has the meaning ascribed thereto in Section 5.3 of the IT Project Finance Agreement;

**"IT Project Finance Agreement"** means the financing agreement dated as of the date hereof entered into among the Intermediary Trust, as borrower, the Funding Vehicle, as lender, the Partnership and Opco, as Guarantors, and the Collateral Agent;

**"IT Project Finance Documents"** refers collectively to the IT Project Finance Agreement, the IT Security Documents, the Collateral Agency Agreement and each document, instrument or agreement, including any security agreement, entered into by or between the Funding Vehicle, the Intermediary Trust, the Partnership, Opco and the Collateral Agent or any other Person in connection with the Funding Vehicle lending funds to the Intermediary Trust or which is supplemental to the IT Project Finance Agreement;

**"IT Project Financing Duties"** means the FV Trust Activities with respect to **(i)** the lending of money obtained pursuant to the Funding Transaction Documents from time to time, to the Intermediary Trust as direct secured lender pursuant to the IT Project Finance Documents, **(ii)** the performance of all obligations and the exercise of all rights of the Funding Vehicle, in its capacity as secured lender under the IT Project Finance Documents, and **(iii)** all matters incidental or ancillary to the activities described in clauses (i) and (ii) of this definition including the matters contemplated in Sections 3.2, 3.4 and 3.5 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Funding Vehicle and Canada, each acting reasonably;

**"IT Secured Obligations"** refers collectively to all the obligations of the Obligors under the IT Project Finance Documents, including the obligation of the Intermediary Trust to repay the IT Loans upon the terms and conditions provided for under the IT Project Finance Agreement and the IT Guaranteed Obligations;

**"IT Security Documents"** is the collective reference to the agreements and documents referred to in Article 6 of the IT Project Finance Agreement;

**"IT Security Trustee"** means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain IT Security Documents;

**"IT Tranche"** refers to any of IT Tranche A, IT Tranche B or IT Tranche C of the IT Facility;

**"IT Tranche A"** means the IT Tranche of the IT Facility referred to as such in Article 2 of the IT Project Finance Agreement;

**"IT Tranche A Loan"** means the aggregate of the IT Tranche A Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Intermediary Trust in respect of the IT Tranche A of the IT Facility;

**"IT Tranche A Construction Loan"** means, as at any time, the aggregate of the principal amount of the IT Advance then outstanding under the IT Tranche A of the IT Facility;

**"IT Tranche B"** means the IT Tranche of the IT Facility referred to as such in Article 2 of the IT Project Finance Agreement;

**"IT Tranche B Loan"** means the aggregate of the IT Tranche B Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Intermediary Trust in respect of the IT Tranche B of the IT Facility;

**"IT Tranche B Construction Loan"** means, as at any time, the aggregate of the principal amount of the IT Advance then outstanding under the IT Tranche B of the IT Facility;

**"IT Tranche C"** means the IT Tranche of the IT Facility referred to as such in Article 2 of the IT Project Finance Agreement;

**"IT Tranche C Loan"** means the aggregate of the IT Tranche C Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Intermediary Trust in respect of the IT Tranche C of the IT Facility;

**"IT Tranche C Construction Loan"** means, as at any time, the aggregate of the principal amount of the IT Advance then outstanding under the IT Tranche C of the IT Facility;

**"IT Trustee"** means BNY Trust Company of Canada, a trust company, in its capacity as trustee of the Intermediary Trust, and includes any successor thereto in such capacity;

**"IT Voluntary Prepayment"** means any voluntary prepayment of the IT Construction Loan made in accordance with Section 2.7 of the IT Project Finance Agreement;

**"IT Voluntary Prepayment Date"** means the date which is two (2) Business Days prior to the FV Bond Redemption Date;

**"IT Voluntary Prepayment Notice"** means a notice, substantially in the form of the one attached as Schedule "F" of the IT Project Finance Agreement, issued by the Intermediary Trust to the Collateral Agent in connection with any voluntary prepayment of the IT Project Finance Loan under the IT Project Finance Agreement;

**"Knowledge"** means in the case of any Obligor, as applicable, the actual knowledge of any of the executive officers of such Obligor and **"Know"** and **"Known"** shall have correlative meanings;

**"Labrador Transco"** means Labrador Transmission Corporation, a NL corporation, and includes any successor thereto;

**"Law"** means any international treaty, any domestic or foreign constitution or any federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation or order (including any consent, decree or administrative order) or any directive, guideline, policy or Authorization of any Governmental Authority;

**"LCP"** means the Project together with the "Projects" as such term is defined in the Muskrat/LTA Project Finance Documents;

**"Lead Arranger"** means, collectively, TD Securities Inc. and Goldman, Sachs & Co., in their capacities as the lead arrangers with respect to the Funding Transaction Documents;

**"Lien"** means (i) any right of set-off or combination of accounts intended to secure the payment or performance of an obligation, (ii) any interest in property securing an obligation owed to, or a claim by, a Person other than the owner (which for the purposes hereof shall include a possessor under a title retention agreement and a lessee under a Capital Lease or in a Sale and Leaseback Transaction), including by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, hire purchase agreement, conditional sale agreement, deposit arrangement, deemed trust, title retention, Capital Lease, discount, factoring or securitization arrangement, deemed trust, on recourse terms, (iii) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property, and (iv) any agreement to grant any of the foregoing rights or interests;

"**LIL Affected Funds**" has the meaning ascribed to it in Section 15.2 of the LIL Project Finance Agreement;

"**LIL Assets Agreement**" means the agreement entered into as of November 29, 2013 between the Partnership and Opco relating, among other things, to the lease, assignment and licence, as applicable, of the LIL Assets and Rights by the Partnership to Opco, and the assumption by Opco of the operation and maintenance of the LIL Assets and Rights;

"**LIL Assets and Rights**" has the meaning ascribed to it from time to time in the LIL Lease;

"**LIL Collateral Trust Deed**" has the meaning ascribed to it in subsection 6.1.1 of the LIL Project Finance Agreement;

"**LIL Compliance Certificate**" means a certificate, substantially in the form of the one attached as Schedule "R" of the LIL Project Finance Agreement, signed by a Responsible Officer of the General Partner in his capacity as an officer of the General Partner and without personal liability:

- (i) setting forth the calculations required to establish the Retrospective DSCR and the Prospective DSCR, provided, however, that no such calculations shall be provided in any LIL Compliance Certificate delivered during the Construction Period;
- (ii) attesting that all of the terms, covenants and conditions of the LIL Project Finance Agreement and each of the other LIL Project Finance Documents to be performed or complied with by the Credit Parties at or prior to the date thereof have been performed or complied with;
- (iii) attesting that no LIL Event of Default has occurred and is continuing on the date thereof; and
- (iv) attesting that, to the Knowledge of said officer, except as otherwise disclosed to the Collateral Agent in writing, the representations and warranties set forth in Article 9 of the LIL Project Finance Agreement are still true and correct in all material respects as of the date of such 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;

"**LIL Construction Facility**" means the credit facility which the Intermediary Trust has agreed to make available to the Partnership in three (3) Tranches (namely Tranche A, Tranche B and Tranche C) pursuant to the LIL Project Finance Agreement;

"**LIL Construction Loan**" refers collectively to the Tranche A Construction Loan, Tranche B Construction Loan and Tranche C Construction Loan;

"**LIL Disgorged Amount**" has the meaning ascribed thereto in Section 5.15 of the LIL Project Finance Agreement;

"**LIL Draw Request**" means a notice, substantially in the form of the one attached as Schedule "S" of the LIL Project Finance Agreement, issued by the Partnership to the Collateral Agent in connection with any LIL Drawdown requested by the Partnership under the LIL Project Finance Agreement;

"**LIL Drawdown**" an Advance under the LIL Construction Facility;

"**LIL Drawdown Date**" means any day on which a LIL Drawdown is made, provided, however, that (i) in the case of each LIL Drawdown made pursuant to a Funding Request or Final Funding Request, as the case may be, delivered other than in May or November, the LIL Drawdown Date shall occur on the first (1st) Business Day of the month that immediately follows the month during which delivery of such Funding Request or Final Funding Request, as the case may be, occurred and (ii) in the case of each LIL Drawdown made pursuant to a Funding Request or Final Funding Request, as the case may be, delivered in May or November, the LIL Drawdown Date shall occur on the second to last Business Day of the month during which delivery of such Funding Request or Final Funding Request, as the case may be, occurred;

"**LIL Due Date**" means, with respect to any payment due by the Partnership under any LIL Project Finance Document, the date on which such payment is required to be made by the Partnership pursuant to the provisions of that LIL Project Finance Document (without taking into account any grace period granted to the Partnership to cure any failure to pay) and, where any amount is payable on demand made by the Collateral Agent, the date that the Collateral Agent makes such a demand;

"**LIL Event of Default**" means any of the events described in Article 13 of the LIL Project Finance Agreement;

"**LIL Guaranteed Obligations**" has the meaning ascribed thereto in Section 5.1 of the LIL Project Finance Agreement;

"**LIL Income on Account Balances**" means, with respect to any LIL Project Account, any interest or other income earned by the Partnership from investment of any sums on deposit in such LIL Project Account, including any interest or other income earned on the re-investment of such interest or other income so earned;

"**LIL Indemnified Parties**" means the Collateral Agent, the GAA Finance Parties, each of their Affiliates as well as their respective directors, officers, employees, advisors, representatives and agents;

"**LIL Indicative Credit Ratings**" refers collectively to (i) the letter dated November 27, 2012 addressed to Nalcor by Moody's confirming a "Aa3" indicative credit rating for the "MF/LTA Debt and LIL Debt" referred to therein, (ii) the letters dated November 27, 2012 addressed to Nalcor by DBRS confirming a "A(low)" indicative credit rating for the "MF&LTA issuer" and "LIL issuer" referred to in such

letters, and **(iii)** the report of S&P dated November 23, 2012 confirming a "A or A+ Stable" indicative credit rating for the "Nalcor SPVs" referred to therein;;

**"LIL Initial Conditions Precedent"** has the meaning ascribed to such expression in Section 7.1 of the LIL Project Finance Agreement;

**"LIL Interest Payment Date"** refers to **(i)** with respect to interest payable on the Tranche A Construction Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the FV Bond - Series A, pursuant to the MTI and the relevant Supplemental Indenture, **(ii)** with respect to interest payable on the Tranche B Construction Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the FV Bond - Series B, pursuant to the MTI and the relevant Supplemental Indenture, and **(iii)** with respect to interest payable on the Tranche C Construction Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the FV Bond - Series C, pursuant to the MTI and the relevant Supplemental Indenture;

**"LIL Land Area"** has the meaning ascribed to it from time to time in the LIL Lease;

**"LIL Lease"** means the agreement entered into as of November 29, 2013 between the Partnership and Opco (and NLH for certain limited purposes) by which the LIL Assets and Rights are to be leased, assigned or licenced, as applicable, by the Partnership to Opco;

**"LIL Loan"** refers collectively to the Tranche A Loan, Tranche B Loan and Tranche C Loan;

**"LIL Loan Acceleration"** means any acceleration of the LIL Loan made pursuant to Section 14.2 of the LIL Project Finance Agreement;

**"LIL Loss Event"** has the meaning ascribed to it in Section 15.2 of the LIL Project Finance Agreement;

**"LIL LP Agreement"** means the limited partnership agreement dated July 31, 2012 establishing the Partnership entered into between the General Partner, as general partner, and Nalcor LP, as limited partner;

**"LIL Make-Whole Amount"** means, with respect to any LIL Voluntary Prepayment or LIL Loan Acceleration, as the case may be, occurring: **(i)** at any time during the Construction Period, an amount equal to the FV Bond Make-Whole Amount required to be paid by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be; and **(ii)** at any time during the Operating Period, an amount equal to the FV Bond Make-Whole Amount required to be paid by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be;

**"LIL Opco Guarantee"** means the Guarantee of Opco pursuant to the provisions of Article 5 of the LIL Project Finance Agreement;

"**LIL Parties**" means collectively the Contributing Parties, the GP and the Partnership;

"**LIL Payment**" means any payment of principal, interest, fees, Sinking Fund Payments or other amounts payable by the Partnership under the LIL Project Finance Agreement;

"**LIL Payment Demand**" has the meaning ascribed thereto in Section 5.3 of the LIL Project Finance Agreement;

"**LIL Project Accounts**" refers collectively to the Partnership Project Funding Account, the Opco Project Funding Account, the Partnership Project Operating Account, the Opco Project Operating Account, the DSRA, the Prepaid Rent Reserve Account, the Partnership Distribution Reserve Account, the Opco Distribution Reserve Account, the Partnership Demobilization Costs Account, the Opco Demobilization Costs Account, the Partnership Punch List Costs Account, the Opco Punch List Costs Account, the Partnership Insurance Reserve Account, the Opco Insurance Reserve Account, the Working Capital Reserve Account, the Sinking Fund Account, the Prepaid Debt Service Escrow Account and the Cost Overrun Escrow Account;

"**LIL Project Description**" has the meaning ascribed to it from time to time in the LIL Lease;

"**LIL Project Finance Agreement**" means the financing agreement dated as of the date hereof entered into among the Partnership, as borrower, the Intermediary Trust, as lender, Opco and the General Partner, as Credit Parties, and the Collateral Agent;

"**LIL Project Finance Documents**" means the LIL Project Finance Agreement, the LIL Security Documents, the Equity Agreements, the Collateral Agency Agreement and each document, instrument or agreement entered into by or between the Intermediary Trust, the Partnership, Opco, the Collateral Agent or any other Person in connection with the Intermediary Trust lending funds to the Partnership or which is supplemental to the LIL Project Finance Agreement but expressly excludes the Material Project Documents;

"**LIL Project Financing Duties**" means the Intermediary Trust Activities with respect to (i) the lending of money obtained pursuant to the IT Project Finance Documents from time to time, to the Partnership as direct secured lender pursuant to the LIL Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Intermediary Trust, in its capacity as secured lender under the LIL Project Finance Documents, and (iii) all matters incidental or ancillary to the activities described in clauses (i) and (ii) of this definition including the matters contemplated in Sections 3.2 and 3.4 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Intermediary Trust, the Funding Vehicle and Canada, each acting reasonably;

"**LIL Real Property Interests**" has the meaning ascribed thereto in the LIL Assets Agreement;

"**LIL Remedies Agreement**" means an agreement entered into as of November 29, 2013 between the Partnership, Opco and NLH setting forth certain specific remedies associated with the TFA and the LIL Lease;

"**LIL Secured Obligations**" refers collectively to all the obligations of the Credit Parties under the LIL Project Finance Documents, including the obligation of the Partnership to repay the LIL Loan upon the terms and conditions provided for under the LIL Project Finance Agreement;

"**LIL Security Documents**" is the collective reference to the agreements and documents referred to in Article 6 of the LIL Project Finance Agreement;

"**LIL Security Trustee**" means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain LIL Security Documents;

"**LIL Stand-By Fee**" has the meaning ascribed to it in Section 3.2.1 of the LIL Project Finance Agreement;

"**LIL Voluntary Prepayment**" means any voluntary prepayment of the LIL Loan made in accordance with Section 2.7 of the LIL Project Finance Agreement;

"**LIL Voluntary Prepayment Date**" means the date which is two (2) Business Days prior to the FV Bond Redemption Date;

"**LIL Voluntary Prepayment Notice**" means a notice, substantially in the form of the one attached as Schedule "W" of the LIL Project Finance Agreement, issued by the Partnership to the Collateral Agent in connection with any voluntary prepayment of the LIL Loan under the LIL Project Finance Agreement;

"**Limited Partners**" means Nalcor LP and Emera LP, as limited partners of the Partnership, and "**Limited Partner**" refers to any one thereof, as the context requires;

"**Limited Partnership Units**" refers collectively to all of the units of the Partnership issued and outstanding and held by the General Partner, Nalcor LP and Emera LP;

"**LTA**" has the meaning ascribed to it from time to time in the LIL Lease;

"**LTAMP**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Maritime Link**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Material Adverse Effect**" means:

- (i) any material adverse change in the Assets or financial condition, of the Credit Parties taken as a whole;
- (ii) any material impairment in the ability of the Credit Parties to fulfill any payment covenant or obligation to the Intermediary Trust and the



Collateral Agent under the LIL Project Finance Documents or to any Material Project Participant under the Material Project Documents; and

- (iii) any material impairment of the Rights, Recourses and/or Remedies of the Collateral Agent or any of the GAA Finance Parties under the LIL Security Documents;

**"Material Project Documents"** refers collectively to the Initial Material Project Documents and the Additional Material Project Documents;

**"Material Project Participants"** means (i) the Partnership; (ii) Opco; and (iii) each other Person party to a Material Project Document or an Additional Material Project Document;

**"MF Plant"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Minimum DSRA Requirement"**, with respect to any Minimum DSRA Requirement Fixing Date, has the meaning ascribed thereto in Schedule "T" of the LIL Project Finance Agreement;

**"Minimum DSRA Requirement Fixing Date"** means each of the dates identified in Schedule "T" as constituting a Minimum DSRA Requirement Fixing Date;

**"Minimum WCR Requirement"** means \$75,000,000;

**"Moody's"** means Moody's Investors Service, Inc. and its successors;

**"MSA"** means the management and support services agreement to be entered into prior to Commissioning among a wholly-owned subsidiary of Nalcor, Opco and the Partnership;

**"MTI"** means the master trust indenture to be entered into between the Funding Vehicle and the Indenture Trustee;

**"Muskrat"** means Muskrat Falls Corporation, a NL corporation, and includes any successor thereto;

**"Muskrat/LTA Collateral Agency Agreement"** means the collateral agency agreement dated as of November 29, 2013 entered into among, *inter alia*, the Muskrat/LTA Collateral Agent, Canada, the Muskrat/LTA Funding Vehicle, Muskrat and Labrador Transco;

**"Muskrat/LTA Collateral Agent"** means The Toronto-Dominion Bank, in its capacity as collateral agent under the Muskrat/LTA Collateral Agency Agreement;

**"Muskrat/LTA Event of Default"** means any of the events described in Article 13 of the Muskrat/LTA Project Finance Agreement;

"**Muskrat/LTA Funding Vehicle**" has the meaning ascribed to "Funding Vehicle" in the Muskrat/LTA Master Definitions Agreement;

"**Muskrat/LTA Initial Conditions Precedent**" has the meaning ascribed thereto in Section 7.1 of the Muskrat/LTA Project Finance Agreement;

"**Muskrat/LTA Master Definitions Agreement**" means the master definitions agreement entered into among The Toronto-Dominion Bank, as collateral agent, TD Securities Inc. and Goldman, Sachs & Co., as lead arrangers, Muskrat Fall / Labrador Transmission Assets Funding Trust, as lender, Nalcor, Her Majesty The Queen in Right of the Province of Newfoundland and Labrador, Muskrat, as an obligor, and Labrador Transco, as an obligor;

"**Muskrat/LTA Project Finance Agreement**" means the financing agreement dated as of November 29, 2013 entered into between Muskrat and LTA, as borrowers, and Muskrat/LTA Funding Vehicle, as lender, and the Muskrat/LTA Collateral Agent;

"**Nalcor**" means Nalcor Energy, a body corporate existing pursuant to the *Energy Corporation Act* (NL), in its own right and not as an agent of NL Crown, and includes any successor thereto;

"**Nalcor Base Equity Contribution**" has the meaning ascribed to it in subsection 2.3.1 of the ESA;

"**Nalcor Contingency Equity Contribution**" has the meaning ascribed thereto in subsection 2.4.1 of the ESA;

"**Nalcor Contribution**" as the context requires, refers to any one of the Nalcor Base Equity Contribution, Nalcor Contingency Equity Contribution and Nalcor DSRA Equity Contribution;

"**Nalcor DSRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.5.1 of the ESA;

"**Nalcor LP**" means Labrador - Island Link Holding Corporation, a NL corporation, and includes any successor thereto;

"**Nalcor LP Base Equity Contribution**" has the meaning ascribed to it in subsection 2.3.2 of the ESA;

"**Nalcor LP Contingency Equity Contribution**" has the meaning ascribed thereto in subsection 2.4.2 of the ESA;

"**Nalcor LP Contribution**" as the context requires, refers to any one of the Nalcor LP Base Equity Contribution, Nalcor LP Contingency Equity Contribution and Nalcor LP DSRA Equity Contribution;

"**Nalcor LP DSRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.5.2 of the ESA;

"**Nalcor Sanction Resolution**" refers collectively to (i) the sanction resolution of the board of directors of Nalcor of December 5, 2012 with respect to, *inter alia*, the Project, (ii) the sanction resolution of the board of directors of Nalcor of March 22, 2013 with respect to, *inter alia*, the Project and (iii) the sanction resolution of the board of directors of the General Partner of April 11, 2013 with respect to the Project,

"**NEFA**" means the Nalcor Equity Funding Agreement dated as of November 29, 2013 and entered among Nalcor LP, the GP and the Partnership;

"**NL**" means the Province of Newfoundland and Labrador;

"**NL Crown**" means Her Majesty in right of NL;

"**NL Crown Contribution**" means any payment to the Collateral Agent for deposit to the Partnership Project Funding Account or the DSRA, as the case may be (or any direct deposit in the Partnership Project Funding Account or DSRA, as the case may be) required to be made by NL Crown pursuant to Section 2.3 of the ESG;

"**NL Crown Guarantee**" means the guarantee for the ESA entered into as of November 29, 2013 between NL Crown and the Collateral Agent;

"**NL Crown Payment Demand**" means a notice, substantially in the form of the one attached as Schedule "A", Schedule "B" or Schedule "C", as the case may be, to the ESG issued by the Collateral Agent to NL Crown under the provisions of Section 2.3 of the ESG;

"**NL Guaranteed Obligations**" means, collectively, (i) the obligation of Nalcor to pay to Nalcor LP all amounts required to be so paid by Nalcor under and pursuant to the ESA and (ii) the obligation of Nalcor LP to pay to the Partnership all amounts required to be so paid by it under and pursuant to the ESA;

"**NLH**" means Newfoundland and Labrador Hydro, a body corporate existing pursuant to the *Hydro Corporation Act, 2007* (NL), in its own right and not as agent of NL Crown, and includes any successor thereto;

"**NL Payment Conditions**" has the meaning ascribed to it in Section 2.4 of the ESG;

"**Notice**" means a communication required or contemplated to be given by any party to any Project Finance Document or Guarantee Transactions Document to any of the other parties thereto in accordance with the provisions thereof;

"**NS**" means the Province of Nova Scotia;

"**NS IGA**" means the intergovernmental agreement to be entered into between NS and Canada in connection with the Maritime Link;

"**O&M Activities**" has the meaning ascribed to it from time to time in the LIL Lease;

"**O&M Budget**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Obligors**" means each of the Intermediary Trust, the Partnership, the General Partner and Opco, in its capacity as a borrower or guarantor or other designated credit party under the Project Finance Documents;

"**Obligors' Counsel**" means Fasken Martineau DuMoulin LLP and McInnes Cooper LLP and each additional or replacement firm of solicitors of recognized national standing as the Obligors may select from time to time;

"**Obligors' Real Property Counsel**" means McInnes Cooper LLP and each additional or replacement firm of solicitors of recognized national standing as the Partnership may select from time to time;

"**Opco**" means Labrador – Island Link Operating Corporation, a NL corporation, and includes any successor thereto;

"**Opco Accounts**" refers collectively to the Opco Project Funding Account, the Opco Project Operating Account, the Opco Distribution Reserve Account, the Opco Demobilization Costs Account, the Opco Punch List Costs Account and the Opco Insurance Reserve Account;

"**Opco Demobilization Costs Account**" has the meaning ascribed thereto in Section 8.16 of the LIL Project Finance Agreement;

"**Opco Distribution Reserve Account**" has the meaning ascribed thereto in Section 8.13 of the LIL Project Finance Agreement;

"**Opco Insurance Reserve Account**" has the meaning ascribed thereto in Section 8.14 of the LIL Project Finance Agreement;

"**Opco Project Funding Account**" has the meaning ascribed thereto in Section 8.11 of the LIL Project Finance Agreement;

"**Opco Project Operating Account**" has the meaning ascribed thereto in Section 8.12 of the LIL Project Finance Agreement;

"**Opco Punch List Costs Account**" has the meaning ascribed thereto in Section 8.15 of the LIL Project Finance Agreement;

"**Opco Step-In Agreement**" means the step-in agreement relating to Opco in the form attached as Schedule 5 to the TFA;

**"Operating Period"** means the period commencing on the Commissioning Date and terminating on the earlier of:

- (i) the fortieth (40<sup>th</sup>) anniversary of the Closing Date;
- (ii) the date that the LIL Construction Facility is terminated and cancelled in its entirety under the provisions of Section 14.2 of the LIL Project Finance Agreement; and
- (iii) the date of any other cancellation of the LIL Construction Facility in its entirety;

**"Operating Report"** has the meaning ascribed to it in subsection 11.1.3 of the LIL Project Finance Agreement;

**"Operating Year"** has the meaning ascribed to it in the LIL Lease;

**"Organizational Documents"** means, with respect to any Person, that Person's articles of incorporation, articles of association or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement, and any and all other similar formative agreement, documents and instruments integral to that Person's existence;

**"Other Project Costs"** means the Project Costs other than Project Costs comprised of the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Intermediary Trust Project Costs and Expenses;

**"Partner"** means the General Partner, Nalcor LP, Emera LP or any other limited partner of the Partnership from time to time and **"Partners"** means all such Persons;

**"Partnership"** means Labrador - Island Link Limited Partnership, a limited partnership formed under the *Limited Partnership Act* (NL) pursuant to the LIL LP Agreement and includes any successor thereto;

**"Partnership Demobilization Costs Account"** has the meaning ascribed thereto in Section 8.8 of the LIL Project Finance Agreement;

**"Partnership Distribution Reserve Account"** has the meaning ascribed thereto in Section 8.5 of the LIL Project Finance Agreement;

**"Partnership Insurance Reserve Account"** has the meaning ascribed thereto in Section 8.6 of the LIL Project Finance Agreement;

**"Partnership Project Accounts"** refers collectively to the Partnership Project Funding Account, the Partnership Project Operating Account, the DSRA, the Prepaid Rent Reserve Account, the Partnership Distribution Reserve Account, the Partnership Demobilization Costs Account, the Partnership Punch List Costs Account, the Partnership Insurance Reserve Account, the Working Capital Reserve Account, the

Sinking Fund Account, the Prepaid Debt Service Escrow Account and the Cost Overrun Escrow Account;

**"Partnership Project Funding Account"** has the meaning ascribed thereto in Section 8.1 of the LIL Project Finance Agreement;

**"Partnership Project Operating Account"** has the meaning ascribed thereto in Section 8.2 of the LIL Project Finance Agreement;

**"Partnership Punch List Costs Account"** has the meaning ascribed thereto in Section 8.7 of the LIL Project Finance Agreement;

**"Partnership Step-In Agreement"** means the step-in agreement relating to the Partnership in the form attached as Schedule 5 to the LIL Assets Agreement;

**"Paying Agent"** means any bank or trust company or other Person designated as a paying agent for a Series of FV Bonds in any Supplemental Indenture and its successors or permitted assigns, or its successor appointed in the manner provided in the MTI or in such Supplemental Indenture;

**"PDMA"** means, collectively, (i) the amended and restated project development and management agreement dated as of November 29, 2013, entered into between the Partnership, Opco and Devco, and (ii) the project coordination and interface agreement dated as of November 29, 2013, entered into among the Partnership, Opco, Devco, Muskrat and Labrador Transco;

**"Pension Plan"** means any plan, program, arrangement or understanding that provides pension or retirement benefits (whether or not registered under any applicable pension benefits or Tax Laws in Canada), including post-retirement employee benefits, which is maintained or contributed to (or to which there is or may be an obligation to contribute) by a Credit Party in respect of any individual's employment with such Credit Party in Canada or a province or territory thereof;

**"Performance Testing"** means a physical test of the commissioned equipment, system or part of system to demonstrate that the measured performance characteristics met the specified requirements as contained within specific supplier guaranteed performance specifications or, in the case of a complete system, the overall performance and ranges of performance specified in the Basis of Design;

**"Permitted Encumbrances"** means, with respect to any Obligor, as at any time, any one or more of the following:

- (i) Statutory Prior Liens; provided that, the Statutory Prior Claims secured thereby are not yet delinquent (taking into account any relevant grace periods);
- (ii) liens for assessments or governmental charges or levies which are not delinquent (taking into account any relevant grace periods) or, if overdue,

the validity or amount of which is being contested diligently and in good faith by appropriate proceedings and in respect of which adequate reserves in accordance with GAAP have been recorded on the balance sheet of such Person;

- (iii) construction, mechanics', carriers, warehousemen's, storage, repairers' and materialmen's Liens but only if the obligations secured by such Liens are not due and delinquent and no Lien has been registered against title to any Assets of such Person or if a Lien has been registered, same is being defended diligently and in good faith by appropriate proceedings and in respect of which adequate reserves in accordance with GAAP have been recorded on the balance sheet of such Person;
- (iv) easements, encroachments, rights of way, servitudes, licences, reservations, covenants, restrictive covenants or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which easements, encroachments, rights of way, servitudes, licences, reservations, covenants, restrictive covenants, other similar rights and restrictions do not, in the aggregate, materially impair the conduct of the business of such Person;
- (v) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown in right of Canada or any province or territory thereof;
- (vi) title defects or irregularities which are of a minor nature and which do not in the aggregate materially detract from the value of the assets of such Person encumbered thereby or materially interfere with the use thereof in the operation of the business of such Person;
- (vii) Liens, charges or other security interests given to a public utility or any Governmental Authority when required by such utility or other authority; provided that, such Liens do not in the aggregate materially detract from the value of the assets of such Person, or materially interfere with the use thereof in the operation of the business of such Person;
- (viii) servicing agreements, development agreements, site plan agreements, facilities sharing agreements, cost sharing agreements and other similar agreements with Governmental Authorities pertaining to the use or development of any of the assets of such Person; provided that, same have been, are, and continue to be complied with in all material respects, including any obligations to deliver letters of credit and other security as required;

- (ix) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon; provided that, such restrictions have been, are, and continue to be complied with;
- (x) Liens arising from court or arbitral proceedings; provided that, the claims secured thereby are being contested diligently and in good faith by such Person, execution thereon has been stayed and continues to be stayed and such Liens do not, in the aggregate, impair the use of any assets of such Person in the conduct of business;
- (xi) deposits of cash securities in connection with any appeal, review or contestation of any security or Lien, or any matter giving rise to any security or Lien, described in paragraph (ix) above;
- (xii) any agreement or arrangement pursuant to which such Person pledges cash to any insurer, guarantor or third party contractor, made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of debt), leases, customs duties and other similar obligations;
- (xiii) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day-to-day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution (collectively, "**Banker's Liens**"); provided that, such Banker's Liens **(a)** do not relate to any deposit account that is a dedicated cash collateral account which is subject to restrictions against access by the depositor or account holder, **(b)** do not relate to any deposit account intended by the depositor or account holder to provide collateral to the depository institution, and **(c)** in respect of the Partnership only, are not intended directly or indirectly to secure the payment or performance of Indebtedness or any other obligation other than Additional Debt;
- (xiv) in respect of any Credit Party only, any Lien in favour or for the benefit of the Intermediary Trust, the Collateral Agent or the LIL Security Trustee securing the LIL Secured Obligations;
- (xv) in respect of the Intermediary Trust only, any Lien in favour or for the benefit of the Funding Vehicle, the Collateral Agent or the IT Security Trustee securing the IT Secured Obligations;
- (xvi) in respect of any Credit Party only, any Lien securing Purchase Money Obligations permitted to be outstanding under subsection 12.2.5 of the LIL Project Finance Agreement; provided that, each such Lien only affects the property with respect to which the Purchase Money Obligation it secures was incurred;



- (xvii) in respect of the Partnership only, Liens securing Additional Debt permitted to be outstanding under subsection 12.2.6 of the LIL Project Finance Agreement;
- (xviii) exceptions and qualifications in Sections 4, 5, 6, 7, 8 and 15 of the *Lands Act* (NL);
- (xix) in the case of the Partnership following the coming into effect of the LIL Lease, the LIL Lease;
- (xx) in respect of any Credit Party only, any Lien in favour or for the benefit of the Intermediary Trust and the Collateral Agent securing the IT Secured Obligations;
- (xxi) the subordinated Liens provided for in, or pursuant to, the LIL Lease or the LIL Remedies Agreement, if any; and
- (xxii) permits issued pursuant to Section 55(4) of the *Muskrat Falls Project Land Use and Expropriation Act* (NL);

**"Permitted Investments"** means book based securities, negotiable instruments, investments or securities that evidence:

- (i) obligations issued or fully guaranteed by the Government of Canada;
- (ii) obligations issued or fully guaranteed by any Province of Canada which has a long term debt rating of "A+" or better by S&P, "A (high)" or better by DBRS or "A1" or better by Moody's, and has such rating from at least two of the Rating Agencies;
- (iii) demand deposits of depository institutions, term deposits of depository institutions or certificates of deposit of depository institutions, in each case where any such depository institution is either **(a)** one of the five largest (by assets) Canadian Schedule I Banks or **(b)** is a depository institution that has a combined capital and surplus of at least CDN\$1 billion, has a short term debt rating of "A 1+" or better by S&P or "R-1 (middle)" or better by DBRS and is regulated by the Office of the Superintendent of Financial Institutions (Canada);
- (iv) deposits with and notes or bankers' acceptances issued or accepted by any depository institution described in (ii) above;
- (v) money market funds which have a rating of "AAA m" or better by S&P or "R-1 (middle)" or better by DBRS or have otherwise been approved in writing by the Collateral Agent; and
- (vi) any other investments approved in writing by the Collateral Agent;

"**Person**" means an individual, corporation, estate, partnership, trust, joint venture, other legal entity, unincorporated association or Governmental Authority;

"**PPA**" means the power purchase agreement entered into as of November 29, 2013 between NLH and Muskrat relating, among other things, to the sale and delivery of energy from the MF Plant;

"**PPSA**" means the *Personal Property Security Act* (NL);

"**Prepaid Debt Service Escrow Account**" has the meaning ascribed thereto in Section 8.17 of the LIL Project Finance Agreement;

"**Prepaid Rent**" shall have, for purposes of any reference thereto in connection with any period of time occurring during the Construction Period, the meaning ascribed thereto in the LIL Assets Agreement, and, for purposes of any reference thereto in connection with any period of time occurring during the Operating Period, the meaning ascribed thereto in the LIL Lease;

"**Prepaid Rent Reserve Account**" has the meaning ascribed thereto in Section 8.4 of the LIL Project Finance Agreement;

"**Principal Indemnity Claims**" has the meaning ascribed to it from time to time in Section 5.16 of the Collateral Agency Agreement;

"**Principal Indemnified Parties**" means the GAA Finance Parties, the Obligors and their respective Affiliates, directors, officers, employees, advisors, representatives and agents;

"**Proceeding**" means any action, suit, inquiry, investigation, arbitration or dispute settlement procedure, or any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal);

"**Proceeds of Realization**" refers to any and all monies received, collected, generated or that arose from the exercise of any Rights, Remedies and/or Recourses including any monies involved in any operation of set-off;

"**Project**" means the equipment and facilities comprising a HVdc transmission line, and all related components including converter stations, synchronous condensers, and terminal, telecommunications and switchyard equipment, constructed between the LTA and the Island Interconnected System including:

- (i) foundations, underground services, subsea services, roads, buildings, erections and structures, whether temporary or permanent;
- (ii) all other facilities, fixtures, appurtenances and tangible personal property including inventories of any nature whatsoever contained on or attaching to the transmission lines; and

- (iii) all mechanical, electrical and other systems and other technology installed under or upon any of the foregoing;

all real or personal property leased or owned by the Partnership and used in connection with such HVdc transmission line, all to be constructed in accordance with the LIL Project Description;

**"Project Budget"** refers to the budget of Project Costs set forth in Schedule "U" of the LIL Project Finance Agreement;

**"Project Costs"** means collectively, without duplication, the Hard Costs and the Soft Cost and all other costs, fees and expenses relating to the development, construction and closing of financing of the Project, including the capital costs of any structures, and all financial, legal and consulting fees, costs and expenses, including any bonus payable to any Material Project Participant under any Material Project Document and the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Intermediary Trust Project Costs and Expenses, all as described in the Project Budget, whether such Project Costs are incurred by Nalcor prior to the Closing Date or by the Partnership at any time

**"Project Finance Documents"** refers collectively to the IT Project Finance Documents and the LIL Project Finance Documents;

**"Project Financing Duties"** means the IT Project Financing Duties and the LIL Project Financing Duties;

**"Project Financing Duty Requirement"** has the meaning ascribed to it from time to time in Section 4.2 of the Collateral Agency Agreement;

**"Project Plans"** refers collectively to the plans, specifications, drawings, philosophies, design data, purchase order and contract drawings and documents which refer to the Project, produced by various Persons, including the Partnership, suppliers, engineering consultants and contractors, general and construction contractors, commissioning and startup specialists for the purpose of the development of the Project;

**"Project Schedule"** means the schedule for construction and Commissioning of the Project as set forth in Schedule "V" of the LIL Project Finance Agreement;

**"Prospective Debt Service Coverage Ratio"** or **"Prospective DSCR"** means, as at any date of calculation thereof, the Base Cash Flow of the Partnership for the period of twelve (12) calendar months immediately following the date of calculation, divided by:

- (i) where the calculation is being made during the Operating Period for the purposes of subsection 12.2.6 of the LIL Project Finance Agreement in connection with any determination of whether the Partnership may incur Additional Debt, Total Debt Service for the same period, calculated on a rolling basis and including therein the Additional Debt proposed to be

incurred as if such Additional Debt had been incurred on the first day of such period; and

- (ii) where the calculation is being made for any other purpose, Total Debt Service for such period;

**"Provincial Environmental Assessment"** means the Labrador-Island Transmission Link Undertaking Release Order (O.C. 2013-222) issued with respect to the Project under the *Environmental Protection Act*, SNL 2002, c.E14.2, s. 67(3)(a);

**"Punch List Costs"** means the costs required to complete work on all Punch List Items;

**"Punch List Costs Drawdown"** means the single LIL Drawdown under the LIL Construction Facility to be made pursuant to the provisions of Section 7.4 of the LIL Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xv) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the Punch List Costs, the whole subject to the LIL Available LIL Construction Facility at such time;

**"Punch List Items"** has the meaning ascribed to it in Section 10.20 of the LIL Project Finance Agreement;

**"Purchase Money Obligation"** means, with respect to any Person, any indebtedness assumed as part of, or issued or incurred in respect of, the cost of acquisition, including by way of conditional sales contract or leasing by way of a Capital Lease of any property (including shares of Capital Stock) or of the cost of construction, improvement or extension of any property acquired, constructed, improved or extended or leased by way of a Capital Lease, which indebtedness existed at the time of acquisition, construction, improvement or extension or was created, issued, incurred, assumed or Guaranteed contemporaneously with the acquisition, construction, improvement or extension or leasing by way of a Capital Lease or within ninety (90) days after the Commissioning thereof and includes any extension, renewal or refinancing of any such indebtedness if the amount thereof outstanding on the date of such extension, renewal or refinancing is not increased, it being expressly understood that Purchase Money Obligation shall not include any trade payables incurred in the ordinary course of business and for the purpose of carrying on same or any Indebtedness incurred in connection with any Sale and Leaseback Transaction;

**"Rating Agency"** means any of S&P, Moody's and DBRS and its respective successors or, if such rating agencies or their successors do not remain in operation in Canada, such nationally recognized statistical rating agency or other comparable Person designated by the Partnership;

**"Realization Costs"** refers collectively to:

- (i) all costs and expenses incident to the exercise of Rights, Remedies and/or Recourses including reasonable fees and out-of-pocket expenses of counsel, accountants and other professionals, escrow fees, recording fees,

broker's fees, any fees, costs and expenses incurred in connection with any sale or foreclosure of any property or asset, and all applicable transfer taxes that may be imposed by reason of any such sale or foreclosure and the delivery of any and all instruments in connection therewith;

- (ii) any claim or debt, in principal, interest, fees and other amounts which, notwithstanding the provisions of any Project Finance Document, by Law is payable by preference over the LIL Secured Obligations or the IT Secured Obligations, as the case may be; and
- (iii) the fees, costs and expenses of the Funding Vehicle, the Collateral Agent and the Intermediary Trust exercising Rights, Remedies and/or Recourses, including any indemnity paid to any thereof;

**"Redemption Date"** means, with respect to any FV Bonds to be redeemed, in whole or in part, the date (which will be a Business Day) specified in the notice of redemption as the date on which such FV Bonds will be redeemed or, in the case of a redemption pursuant to Section 12.2 of the MTI, the date specified in writing to the Funding Vehicle by the Indenture Trustee;

**"Redemption Notice"** has the meaning ascribed to it in Section 3.5.1 of the Collateral Agency Agreement;

**"Redemption Price"** means, with respect to any FV Bonds to be redeemed, in whole or in part, in any particular circumstance, the redemption price applicable to such FV Bonds in such circumstance that is specified in the Supplemental Indenture creating such FV Bonds;

**"Registration"** means any notice to or filing, publication, recording or registration with any Governmental Authority having jurisdiction with respect to any specified Person, transaction or event, or any of such Person's Assets;

**"Release"** shall mean (i) when used as a verb, release, spill, leak, emit, deposit, discharge, leach, migrate, dump, issue, empty, place, seep, exhaust, abandon, bury, incinerate or dispose into the environment and (ii) when used as a noun, has a correlative meaning;

**"Remedies Consultation Period"** has the meaning ascribed to it in Section 14.1 of the LIL Project Finance Agreement;

**"Rent"** shall have, for purposes of any reference thereto in connection with any period of time occurring during the Construction Period, the meaning ascribed thereto in the LIL Assets Agreement, and, for purposes of any reference thereto in connection with any period of time occurring during the Operating Period, the meaning ascribed thereto in the LIL Lease;

**"Rent Attributable to Debt Service"** means any portion of Rent intended to be used for purposes of funding the debt service obligations of the Partnership;

**"Repair Conditions"** means, in respect of any event giving rise to any insurance proceeds:

- (i) no LIL Event of Default has occurred and is continuing other than a LIL Event of Default resulting solely from such damage or destruction;
- (ii) the Partnership and the Independent Engineer certify, and the Collateral Agent determines in its judgment, that repair or restoration of the Project is technically and economically feasible and that a sufficient amount of funds is or will be available to the Partnership to make such repairs and restorations;
- (iii) the Collateral Agent determines that after repair and restoration the Project will be able to continue to service the LIL Loan and pay all other amounts due to the Intermediary Trust by the Partnership under the LIL Project Finance Agreement, as and when due; and
- (iv) no material Authorization is necessary to proceed with the repair and restoration and no material amendment to the LIL Project Finance Agreement or any of the LIL Project Finance Documents and no other instrument, is necessary for the purpose of effecting the repairs or restorations or subjecting the repairs or restorations to the Liens of the LIL Security Documents or, if any such amendment or instrument is necessary, the Partnership will be able to obtain same as and when required;

**"Replacement Obligor"** means, with respect to any Person party to a Material Project Document (other than the Partnership or Opco), any other Person satisfactory to the Collateral Agent, who, pursuant to any definitive agreement or definitive guarantee satisfactory to the Collateral Agent, assumes the obligations of such first Person or enters into a new contract on terms and conditions no less favourable to the Partnership and Opco, as the case may be, than those which such first Person being replaced is obligated to provide pursuant to the applicable Material Project Document;

**"Required Base Equity Contribution Date"** has the meaning ascribed to it in subsection 2.3.1 of the ESA;

**"Required Contingency Equity Contribution Date"** has the meaning ascribed to it in subsection 2.4.1 of the ESA;

**"Required Contribution Date"** as the context requires, refers to any one of the Required Base Equity Contribution Date, Required Contingency Equity Contribution Date and Required DSRA Equity Contribution Date;

**"Required DSRA Equity Contribution Date"** has the meaning ascribed to it in subsection 2.5.1 of the ESA;

**"Requisite Instructions"** has the meaning ascribed to it from time to time in Section 4.3 of the Collateral Agency Agreement;

**"Responsible Officer"** means the president, the chief executive officer, the chief financial officer, a vice-president, the treasurer, the corporate controller, the corporate secretary and the assistant corporate secretary of such Person, provided that, with respect to the Project, it shall mean any of the foregoing officers of such Person or such other person duly authorized by resolution from time to time to execute any document relating to the Project;

**"Retrospective Debt Service Coverage Ratio"** or **"Retrospective DSCR"** means, as at any date of calculation thereof, the Base Cash Flow of the Partnership for the period of the then most recently completed twelve (12) calendar months divided by Total Debt Service for the same period, calculated on a rolling basis. 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;

**"Rights, Remedies and/or Recourses"** with respect to any Person, refers to any personal action, provisional measure, any other real or personal right, whether same is exercised under the terms of any security or any other recourse whatsoever and including:

- (i) the right to accelerate any Indebtedness owed to such Person or to demand payment of any Indebtedness payable on demand or to demand payment under any Guarantee;
- (ii) the right to institute or prosecute any litigation;
- (iii) the right to set-off;
- (iv) the right to initiate or prosecute Insolvency Proceedings or Enforcement Proceedings; and
- (v) the exercise of the rights of a creditor under any Insolvency Proceeding.

**"S&P"** means Standard & Poor's Rating Service and its successors;

**"Sale and Leaseback Transaction"** means, with respect to any Person, any transaction or series of transactions whereby such Person sells, transfers or otherwise disposes of any of its Assets to another Person and within one (1) year of such sale, transfer or other disposition such Person leases or rents, as lessee, the same Assets under a lease, the term of which (including the initial term and any period for which the lease may be renewed or extended) exceeds two (2) years;

"**Sales Taxes**" means sales, transfer, turnover or value added taxes of any nature or kind, including the HST and federal, state and provincial sales and excise taxes;

"**Scheduled Assignment Date**" has the meaning ascribed to it in Section 13.1 of the IT Project Finance Agreement;

"**Scheduled IT Assignment Date**" has the meaning ascribed to it in Section 2.6.

"**Security Documents**" refers collectively to the GAA Security Documents, the IT Security Documents and the LIL Security Documents;

"**Security Trustee**" means Computershare Trust Company of Canada, in its capacity as LIL Security Trustee, IT Security Trustee, and FV Security Trustee;

"**Senior Secured Bond**" means any Senior Secured Bond issued pursuant to the LIL Collateral Trust Deeds, the IT Collateral Trust Deed and the FV Collateral Trust Deed;

"**Senior Secured Bondholder**" means a person registered as a holder of any of the Senior Secured Bonds;

"**Series**" or "**Series of FV Bonds**" means all of the FV Bonds issued pursuant to or governed by a Supplemental Indenture and designated as a Series therein;

"**Service Life**" has the meaning ascribed to it from time to time in the TFA;

"**Sinking Fund Account**" has the meaning ascribed thereto in Section 8.10 of the LIL Project Finance Agreement;

"**Sinking Fund Deposit Date**" refers to each date referred to as such in Schedule "Y" of the LIL Project Finance Agreement;

"**Sinking Fund Payment**" has the meaning ascribed to it in Section 2.8 of the LIL Project Finance Agreement;

"**SOBI Lease**" means the lease agreement to be entered into in connection with the Strait of Belle Isle among Canada, NL Crown, NS, the Partnership, as lessee, and Opco;

"**Soft Costs**" means all of the financing, administrative and other similar costs identified in the Project Budget, including, without duplication:

- (i) interest payable on the LIL Loan or Additional Debt and financing-related fees and costs, in each case incurred in connection with the LIL Loan or Additional Debt, provided, however, that, if the amortization of the LIL Construction Loan has commenced prior to the Commissioning Date, any Sinking Fund Payment that needs to be made;
- (ii) all general and administrative costs of the Partnership attributable to the Project as well as those of each of the Intermediary Trust and the Funding



Vehicle, and more particularly the payments required to be made by the Administrator under the terms of the Administration Agreement and the IT Administrator under the terms of the IT Administration Agreement;

- (iii) all principal, interest, financing fees and related costs incurred in connection with Purchase Money Obligations and Capital Leases, in each case incurred in connection with the Project;
- (iv) the cost of funding the DSRA with the then applicable Minimum DSRA Requirement, by the Commissioning Date;

**"Statutory Easement"** has the meaning attributed to it by, and grants to a Holder the rights set forth in, the *Muskrat Falls Project Land Use and Expropriation Act* (NL) and includes, for certainty, any property or assets located upon, constructed, erected or affixed to the land encumbered by a Statutory Easement by or on behalf of the Holder of it;

**"Statutory Prior Claims"** relative to any Person, means, claims for unpaid wages, vacation pay, worker's compensation, unemployment insurance premiums, pension plan contributions, employee or non-resident withholding Tax, unremitted Sales Taxes (net of applicable input tax credits, in the case of goods and services, value-added and similar taxes), customs duties, realty taxes (including utility charges and business taxes which are collectable like realty taxes) or similar statutory obligations secured by a Lien on such Person's Assets;

**"Statutory Prior Liens"** means the Liens securing Statutory Prior Claims;

**"Subsidiary"** means, with respect to any Person, any Person (i) which is Controlled, directly or indirectly by such first Person or (ii) a majority of whose Voting Capital Stock, on a fully diluted basis, is owned directly or indirectly, beneficially or otherwise, by such first Person;

**"Supplemental Indenture"** means an indenture supplemental to the MTI entered into by the Funding Vehicle and the Indenture Trustee in accordance with the terms of Section 10.1 of the MTI;

**"Sustaining Activities"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Sustaining Costs"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Tax"** or **"Taxes"** means any tax, fee, levy, rental, duty, charge, royalty or similar charge including, for greater certainty, any federal, state, provincial, municipal, local, aboriginal, foreign or any other assessment, governmental charge, imposition or tariff (other than tariff charges) wherever imposed, assessed or collected, and whether based on or measured by gross receipts, income, profits, sales, use and occupation or otherwise, and including any income tax, capital gains tax, payroll tax, fuel tax, capital tax, Sales Taxes, value added tax, sales tax, withholding tax, property tax, business tax, ad valorem tax,

transfer tax, franchise tax or excise tax, together with all interest, penalties, fines or additions imposed, assessed or collected with respect to any such amounts;

**"Termination Date"** means the date that Commissioning is achieved under the LIL Project Finance Documents;

**"TFA"** means an agreement entered into on or about November 29, 2013 into among NLH, Opco and the Partnership relating, among other things, to the recovery from NLH of costs of the Project incurred by Opco and the Partnership;

**"TFA Payment"** has the meaning ascribed to it from time to time in the TFA;

**"Total Debt Service"** means, for the Partnership, for any period, all interest and stand-by fee payments, Sinking Fund Payments and scheduled principal payments required to be made on the LIL Loan and on all Additional Debt of the Partnership, provided, however, that:

- (i) if any such Additional Debt is only repayable in its entirety at maturity, the amount of Deemed Principal Repayments for such period shall be included in Total Debt Service; and
- (ii) for purposes of the Prospective Debt Service Coverage Ratio and the Retrospective Debt Service Coverage Ratio, 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;

**"Tranche"** refers to any of Tranche A, Tranche B or Tranche C of the LIL Construction Facility;

**"Tranche A"** means the Tranche of the LIL Construction Facility referred to as such in Article 2 of the LIL Project Finance Agreement;

**"Tranche A Commitment"** has the meaning ascribed to it in Section 2.3 of the LIL Project Finance Agreement;

**"Tranche A Construction Loan"** means, as at any time, the aggregate of the principal amount of Advances then outstanding under Tranche A of the LIL Construction Facility;

**"Tranche A Loan"** means the aggregate of the Tranche A Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Partnership in respect of Tranche A of the LIL Construction Facility;

**"Tranche A Maturity Date"** means the date which is two (2) Business Days prior to the maturity date of the FV Bond - Series A, pursuant to the MTI and the relevant Supplemental Indenture;

"**Tranche B**" means the Tranche of the LIL Construction Facility referred to as such in Article 2 of the LIL Project Finance Agreement;

"**Tranche B Commitment**" has the meaning ascribed to it in Section 2.3 of the LIL Project Finance Agreement;

"**Tranche B Construction Loan**" means, as at any time, the aggregate of the principal amount of Advances then outstanding under Tranche B of the LIL Construction Facility;

"**Tranche B Loan**" means the aggregate of the Tranche B Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Partnership in respect of Tranche B of the LIL Construction Facility;

"**Tranche B Maturity Date**" means the date which is two (2) Business Days prior to the maturity date of the FV Bond - Series B, pursuant to the MTI and the relevant Supplemental Indenture;

"**Tranche C**" means the Tranche of the LIL Construction Facility referred to as such in Article 2 of the LIL Project Finance Agreement;

"**Tranche C Commitment**" has the meaning ascribed to it in Section 2.3 of the LIL Project Finance Agreement;

"**Tranche C Construction Loan**" means, as at any time, the aggregate of the principal amount of Advances then outstanding under Tranche C of the LIL Construction Facility;

"**Tranche C Loan**" means the aggregate of the Tranche C Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Partnership in respect of Tranche C of the LIL Construction Facility;

"**Tranche C Maturity Date**" means the date which is two (2) Business Days prior to the maturity date of the FV Bond - Series C, pursuant to the MTI and the relevant Supplemental Indenture;

"**Trust Certificate**" means, in respect of the Funding Vehicle, a certificate in writing signed by any officer of the Issuer Trustee and conforming *mutatis mutandis* to Section 16.17 of the MTI;

"**Underlying Pledge Bond Documents**" means, collectively, all agreements, deeds, instruments and documents evidencing Indebtedness secured under any FV Pledge of a FV Pledge Bond;

"**Underwriting Agreement**" means the underwriting agreement to be entered into among the Lead Arranger, the Funding Vehicle, the Partnership and Nalcor;

**"Various Agent Costs and Expenses"** means (i) the reasonable fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Partnership or Opco to the Collateral Agent, the Intermediary Trust or the LIL Security Trustee pursuant to the LIL Project Finance Documents, (ii) without duplication, the reasonable fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Intermediary Trust or the Partnership, as the case may be, to the Collateral Agent, the IT Administrator, Funding Vehicle or the IT Security Trustee pursuant to the IT Project Finance Documents, and (iii) without duplication, the fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Funding Vehicle or the Partnership, as the case may be, to the Issuer Trustee, the Collateral Agent, the Administrator, the Lead Arranger, the Indenture Trustee or the Fiscal Agent pursuant to the Funding Transaction Documents (including, in each case, the financial, legal and consulting fees, costs and expenses), provided, however, that such fees, costs and expenses in respect of the Lead Arranger shall be limited to the fees, costs and expenses incurred from the acceptance by the Funding Vehicle of the Commitment Letter until the Closing Date, including, for greater certainty, the lead arranger fees payable by the Partnership pursuant to the Commitment Letter and the Underwriting Agreement;

**"Voting Capital Stock"** means Capital Stock of a Person which carries voting rights or the right to Control such Person generally provided that Capital Stock which carries the right to vote or Control conditionally upon the happening of an event shall not be considered Voting Capital Stock until the occurrence of such event and then only during the continuance of such event;

**"WCR Release"** means a release of funds from the Working Capital Reserve Account for purposes of funding Eligible Project Costs, the whole in accordance with Section 7.8 or 7.9 of the LIL Project Finance Agreement;

**"WCR Release and Equity Funding Notice"** means a notice, substantially in the form of the one attached as Schedule "X" of the LIL Project Finance Agreement, issued by the Partnership pursuant to Section 7.8 or 7.9 of the LIL Project Finance Agreement;

**"WCR Release Date"** means a day on which a WC Release is effected;

**"Working Capital Reserve Account"** has the meaning ascribed thereto in Section 8.9 of the LIL Project Finance Agreement;

**"Working Capital Reserve Account Balance"** means, as at the Effective Date of the Final Funding Request, the aggregate of the balance on deposit at such time in the Working Capital Reserve Account including, for greater certainty, any LIL Income on Account Balances deriving therefrom;

**"Written Order", "Written Request, Written Direction"** and **"Written Consent"** of the Funding Vehicle will mean a written order, request or consent signed in the name of the Funding Vehicle by a senior officer of the Issuer Trustee;

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 "**Master Definitions Agreement**", "**this Master Definitions 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. The 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 **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.

1.6 **Time of the Essence**

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

1.7 **Extended Meanings**

In each Project Finance Document and Guarantee Transaction Document, unless a clear contrary intention appears, the following words and expressions shall be given the extended meanings set out opposite them:

- 1.7.1 "asset" means any undertaking, business, property (real, personal or mixed, tangible or intangible) or other asset;
- 1.7.2 "cancel" means cancel, surrender, repudiate, disclaim, terminate or suspend;
- 1.7.3 "change" means change, modify, alter, amend, supplement, restate, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive;
- 1.7.4 "claim" means claim, claim over, cross-claim, counter-claim, defence, demand, liability, proceeding, judgment, order or award of any court, other Governmental Authority, arbitrator or other alternative dispute resolution authority;
- 1.7.5 "final judgment" means a judgment, order, declaration or award of a court, other Governmental Authority, arbitrator or other alternative dispute resolution authority of competent jurisdiction from which no appeal may be made or from which all rights of appeal have expired or been exhausted;
- 1.7.6 "include" means include without limitation, and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters;
- 1.7.7 "losses and expenses" means losses, costs, expenses, damages, penalties and judgments and awards of any court or other Governmental Authority, arbitrator, mediator or other alternative dispute resolution authority, including any applicable awarded costs, and legal fees and disbursements on a full indemnity basis;
- 1.7.8 "paid in full" and "repaid in full" in relation to any payment obligation owing to any person (in this Section 1.7.8, the "obligee") - permanent, indefeasible and irrevocable payment in cash (or other freely available funds transfer as may be expressly provided for in the applicable document creating or evidencing such payment obligation) to the applicable obligee in full of such payment obligation in accordance with the express provisions of the applicable document creating or evidencing such payment obligation, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any bankruptcy, insolvency, fraudulent conveyance, assignment, preference or other similar such laws, any law affecting creditors' rights generally or general principles of equity, and, if applicable, the cancellation or expiry of any commitment of the obligee to lend or otherwise extend credit;

- 1.7.9        "**receiver**" means a privately appointed or court appointed receiver or receiver and manager, interim receiver, liquidator, trustee in bankruptcy, administrator, administrative receiver and any other like or similar official;
- 1.7.10      "**rights**" means rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise;
- 1.7.11      "**set-off**" means any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, abatement, deduction, counter-claim, cross-claim or any similar right or obligation, or (as the context requires) any exercise of any such right or performance of such obligation; and
- 1.7.12      "**written**" and "**in writing**" shall be construed as an original writing, a pdf or facsimile copy of a writing or an e-mail.

1.8        **References to Agreements**

Each reference in each Project Finance Document and Guarantee Transaction Document to any agreement (including this Agreement and any other defined term that is an agreement) shall be construed so as to include such agreement (including all attached schedules, appendices and exhibits) and each change made to it at or before the time in question.

1.9        **References to Statutes**

Each reference in each Project Finance Document and Guarantee Transaction Document to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision thereof) shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each amendment, reenactment, reissuance or replacement thereof made at or before the time in question.

1.10      **Grammatical Variations**

In each Project Finance Document and Guarantee Transaction Document, unless a clear contrary intention appears, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference therein) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference therein shall be construed in like manner.

1.11 **Non-Business Days**

Whenever any payment to be made under a Project Finance Document or Guarantee Transaction Document is required to be made or any other action to be taken thereunder is required to be taken on a day other than a Business Day, such payment will be made or such other action will be taken on the next following Business Day. Any payment made after 1:00 p.m. (St. John's, NL standard time) on a Business Day will be deemed to be made on the next following Business Day.

1.12 **Computation of Time Periods**

In each Project Finance Document and Guarantee Transaction Document, with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "**from**" means "**from and including**" and the words "**to**" and "**until**" mean "**to but excluding**".

1.13 **Accounting Terms; GAAP**

1.13.1 Unless a clear contrary intention appears in a Project Finance Document or Guarantee Transaction Document, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time. For purposes of the calculation of DER and DSCR, such ratios shall be calculated in accordance with the definitions hereof and not in accordance with GAAP, it being understood that the definition of "Capital Account" shall be calculated as provided for in the LIL Project Finance Agreement. All calculations for the purposes of determining compliance with any financial ratios and financial covenants contained in any Project Finance Document or Guarantee Transaction Document shall be made on a basis consistent with GAAP used in the preparation of the first Financial Statements of the Obligors delivered under the Project Finance Agreement. Any financial ratios required to be maintained by the Partnership pursuant to any Project Finance Document or Guarantee Transaction Document shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed in any Project Finance Document or Guarantee Transaction Document and rounding the result up or down to the nearest number (with a round-up if there is no nearest number) to the number of places by which such ratio is expressed therein.

1.13.2 The parties hereto agree that if at any time there is a material change to GAAP, then the Partnership and the Collateral Agent shall use commercially reasonable efforts to negotiate in good faith amendments to the provisions of the applicable Project Finance Document or Guarantee Transaction Document, as the case may be, that are affected by such material change with the intent of having the respective positions of the Partnership and the Collateral Agent after such material change conform as nearly as possible to their respective positions immediately prior to the implementation of such



material change; provided, however, that until any such amendments shall have been agreed upon, the terms, conditions and undertakings of the applicable Project Finance Document or Guarantee Transaction Document shall be interpreted and applied as if such material change did not apply to the Partnership and the accounting principles applicable to the Partnership immediately prior to the implementation of such material change shall continue to apply to the Partnership for the purpose of determining if the Partnership complies with the financial covenants of the applicable Project Finance Document or Guarantee Transaction Document and the Partnership shall continue to provide Financial Statements under the applicable Project Finance Document or Guarantee Transaction Document prepared in accordance with such accounting principles.

## ARTICLE 2

### MISCELLANEOUS

#### 2.1 Amendments

This Agreement may be changed from time to time by all of the parties hereto.

#### 2.2 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, whether owned beneficially by it in its personal capacity or otherwise (other than the Assets of the Funding Vehicle), 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.

#### 2.3 Provisions Regarding Liability of IT Trustee

The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings,

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

2.4 **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.

2.5 **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.

2.6 **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.

2.7 **Provisions Regarding NL Crown**

NL Crown has entered into this Agreement with respect to the Project Finance Documents to which it is a party and the agreements contemplated thereby and definitions which appear in such agreements (“the NL Crown Definitions”), and by entering into this Agreement expresses no view as to the accuracy or suitability of any definitions which appear herein other than the NL Crown Definitions which it hereby approves and adopts.

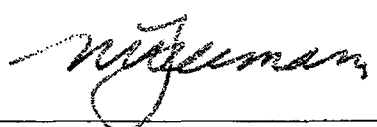
2.8 **Benefit of this Agreement to Canada**

The parties acknowledge and agree that notwithstanding that it has not executed this Agreement, Canada shall benefit therefrom to the same extent as if it were a party hereto for all purposes of the Project Finance Documents to which it is a party.

MASTER DEFINITIONS AGREEMENT (LIL) -- SIGNATURE PAGE

IN WITNESS WHEREOF the parties have executed this Master Definitions Agreement.

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

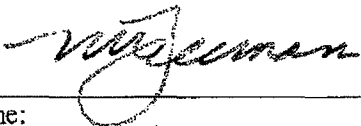


By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

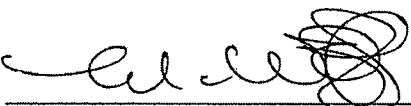
**THE TORONTO-DOMINION BANK,**  
as Paying Agent

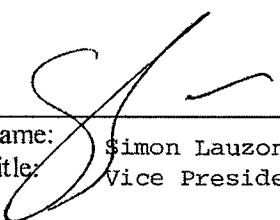
By:   
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

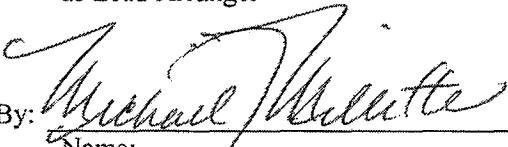
**TD SECURITIES INC.,**  
as Lead Arranger

By:   
Name: Michael Wolff  
Title: Managing Director

By:   
Name: Simon Lauzon  
Title: Vice President

MASTER DEFINITIONS AGREEMENT (LIL) - SIGNATURE PAGE

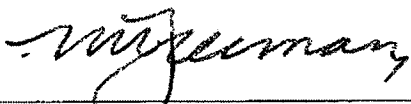
**GOLDMAN, SACHS & CO.,**  
as Lead Arranger

By:   
Name: \_\_\_\_\_  
Title:

By: \_\_\_\_\_  
Name:  
Title:

MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as trustee of  
LABRADOR - ISLAND LINK  
FUNDING TRUST,  
herein acting and represented by THE  
TORONTO-DOMINION BANK,  
as Collateral Agent**

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



MASTER DEFINITIONS AGREEMENT (LIL) - SIGNATURE PAGE

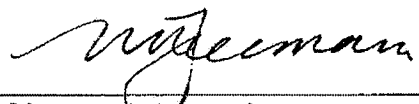
**COMPUTERSHARE TRUST  
COMPANY OF CANADA,**  
as LIL Security Trustee, IT Security  
Trustee and FV Security Trustee

By:   
Name: Sean Pigott  
Title: Corporate Trust Officer

By:   
Name: Raji Sivalingam  
Title: Associate Trust Officer

MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

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

By:   
Name: William A. McNamee  
Title: Vice President, Loan Syndications - Agency

By: \_\_\_\_\_  
Name:  
Title:

MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

NALCOR ENERGY, as a Contributing Party

By:   
Name:  
Title:

By:   
Name:  
Title:

**LABRADOR - ISLAND LINK  
HOLDING CORPORATION,**  
as a Contributing Party

By:  \_\_\_\_\_

Name:  
Title:

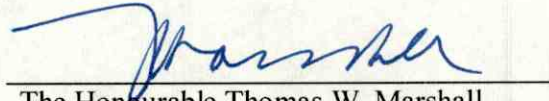
By:  \_\_\_\_\_

Name:  
Title:

MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

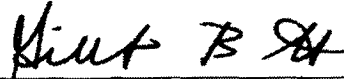
**HER MAJESTY THE QUEEN IN  
RIGHT OF THE PROVINCE OF  
NEWFOUNDLAND AND  
LABRADOR, as represented by the  
Minister of Finance, as Guarantor of the  
Contributing Parties**


By:



The Honourable Thomas W. Marshall,  
Q.C., Minister of Finance

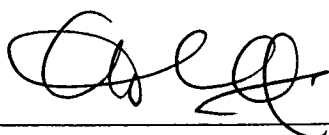
**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP, by its  
general partner,  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,  
as an Obligor**

By:   
Name:  
Title:

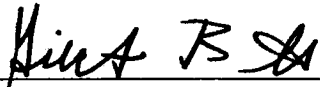
By:   
Name:  
Title:


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

By:   
\_\_\_\_\_  
Name:  
Title:

By:   
\_\_\_\_\_  
Name:  
Title:

**LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,**  
as an Obligor

By:   
Name:  
Title:

By:   
Name:  
Title:



**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<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> 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 (5<sup>th</sup>) 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 (7<sup>th</sup>) 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 (5<sup>th</sup>) 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 (7<sup>th</sup>) 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 (5<sup>th</sup>) 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 (7<sup>th</sup>) 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 (5<sup>th</sup>) 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 (7<sup>th</sup>) 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 (5<sup>th</sup>) 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 (7<sup>th</sup>) 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**

Muskrat 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 7<sup>th</sup> anniversary of the first Funds Release Date, it shall, on the Funds Release Date immediately following such 7<sup>th</sup> 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 (20<sup>th</sup>) day of each month or, where the twentieth (20<sup>th</sup>) day of a month is not a Business Day, the Business Day immediately following the twentieth (20<sup>th</sup>) 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 90<sup>th</sup> 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  
9<sup>th</sup> 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@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

**17.2.1.3 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.

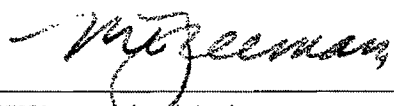
**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

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

By: \_\_\_\_\_  
Name:  
Title:


MF/LTA PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

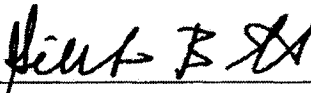
**BNY TRUST COMPANY OF  
CANADA, as trustee of MUSKRAT  
FALLS/LABRADOR  
TRANSMISSION ASSETS FUNDING  
TRUST,**  
as a GAA Finance Party,  
**herein acting and represented by THE  
TORONTO-DOMINION BANK, as  
Collateral Agent**

By:   
Name: M. J. Freeman  
Title: Director, Collateral Agent (A-14, 10/12)


By: \_\_\_\_\_  
Name:  
Title:

MUSKRAT FALLS CORPORATION,  
as a Credit Party

By:   
Name:  
Title:

By:   
Name:  
Title:

**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 (1<sup>st</sup>) 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
<b>Permanent</b>			
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 - Pregoyne 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

**PUB-Nalcor-019, Attachment 3**  
**Rate Mitigation Options and Impacts Reference, Page 125 of 301**

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

**PUB-Nalcor-019, Attachment 3**  
**Rate Mitigation Options and Impacts Reference, Page 126 of 301**

SCHEDULE "B" - PAGE 3  
 MF/LTA PROJECT FINANCE AGREEMENT

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

**PUB-Nalcor-019, Attachment 3**  
**Rate Mitigation Options and Impacts Reference, Page 127 of 301**

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

<b>Permit Number</b>	<b>Permit Name</b>	<b>Service NL File No.</b>
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*

<b>Permit Number</b>	<b>Permit Name</b>	<b>TC File No.</b>
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*

<b>Permit Number</b>	<b>Permit Name</b>	<b>Service NL File No.</b>
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



**PUB-Nalcor-019, Attachment 3**  
**Rate Mitigation Options and Impacts Reference, Page 129 of 301**

SCHEDULE "B" - PAGE 6  
 MF/LTA PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>Service NL File No.</b>
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

**PUB-Nalcor-019, Attachment 3**  
**Rate Mitigation Options and Impacts Reference, Page 130 of 301**

SCHEDULE "B" - PAGE 7  
 MF/LTA PROJECT FINANCE AGREEMENT

*Land*

Tract Name	Application No.	Type	Purpose
<b>Temporary</b>			
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
<b>Permanent</b>			
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 - Fording	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



**PUB-Nalcor-019, Attachment 3**  
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SCHEDULE "B" - PAGE 14  
 MF/LTA PROJECT FINANCE AGREEMENT

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
<b>Temporary</b>			
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 CORPORATION**

2.1. 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 CERTIFICATE

Date:   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 \_\_\_\_\_ (\_\_\_\_<sup>th</sup>) 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 CERTIFICATE

Date:     **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**

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**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\$ <u>    <b>Note 12</b>    </u> |
| 13. the portion of the Aggregate Muskrat Account Balances attributable to the funding of the Muskrat Punch List Costs is:                                     | CDN\$ <u>    <b>Note 13</b>    </u> |
| 14. the portion of the Aggregate Muskrat Account Balances attributable to the funding of the Muskrat Demobilization Costs is:                                 | CDN\$ <u>    <b>Note 14</b>    </u> |

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**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

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**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



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**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**

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**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\$ <u>  <b>Note 11</b>  </u> |
| 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\$ <u>  <b>Note 12</b>  </u> |
| 13. | the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of the Labrador Transco Punch List Costs is:                                     | CDN\$ <u>  <b>Note 13</b>  </u> |
| 14. | the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of the Labrador Transco Demobilization Costs is:                                 | CDN\$ <u>  <b>Note 14</b>  </u> |

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**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**



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**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

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**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: \_\_\_\_\_

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**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**

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**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**

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**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**

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**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

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**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**

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**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**

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**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**

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**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

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**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)<sup>1</sup>.
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):

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<sup>1</sup> 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

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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>  <b>Note 1</b>  </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>  <b>Note 2</b>  </u>
<b>Retrospective DSCR =</b> $\frac{\text{(i)}}{\text{(ii)}}$	CDN\$ _____

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**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>  <b>Note 1</b>  </u>
(c) Cash Operating Costs	CDN\$ _____
(ii) the Total Debt Service for such period:	CDN\$ <u>  <b>Note 2</b>  </u>
 <b>Prospective DSCR = <math>\frac{(i)}{(ii)}</math> =</b>	 CDN\$ _____

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**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: \_\_\_\_\_

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**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
<b>Grand Total</b>	<b>\$ 3,265,277,545</b>

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

**Labrador Transmission Assets**

<b>Description</b>	<b>BUDGET</b>
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
<b>Grand Total</b>	<b>\$ 720,321,928</b>

**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.<sup>1</sup>

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<sup>1</sup> 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: \_\_\_\_\_

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**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 NOTICE

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 [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)

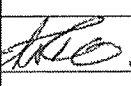
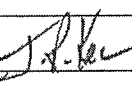
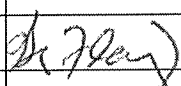
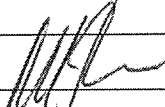

Nalcor Energy – Lower Churchill Project




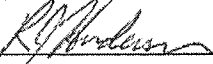



Basis of Design

LCP-PT-ED-0000-EN-RP-0001-01

Comments:  <p style="text-align: center;"><b>Issued for Decision Gate 3</b></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
<b>CONFIDENTIALITY NOTE:</b>			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.

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<b>Cofferdam</b>	A temporary barrier for excluding water from an area that could otherwise be submerged.
<b>Construction Flood</b>	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.
<b>Converter Station</b>	A <i>converter station</i> consists of equipment that converts power from ac to dc (rectifier) and dc to ac (inverter).
<b>Counterpoise</b>	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.
<b>Electrode</b>	A grounded means to provide a return path for unbalanced dc current for HVdc transmission system, enabling it to operate in mono-polar mode.
<b>Electrode Line</b>	A transmission line connecting the <i>electrode</i> site to the <i>converter station</i> .
<b>Fail Safe Design</b>	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.
<b>Fish Compensation Flow</b>	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.
<b>Fish Habitat Compensation</b>	This involves replacing the loss of fish habitat with newly created habitat or improving the productive capacity of some other natural habitat.

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<b>Flip Bucket</b>	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.
<b>Francis Turbine</b>	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> .
<b>Full Supply Level</b>	The maximum normal operating water level, corresponding to the top of the live storage, in a reservoir.
<b>Generator</b>	An assembly of stationary and rotating components coupled to the turbine converting mechanical energy to electrical energy.
<b>Good Utility Practice</b>	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.
<b>Kaplan Turbine</b>	A reaction type, axial flow, adjustable blade turbine that converts hydraulic energy to mechanical energy.
<b>Life Cycle Cost Analysis</b>	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.
<b>Low Supply Level</b>	The minimum normal operating water level, corresponding to the bottom of the live storage, in a reservoir.

<b>Mass Impregnated (MI)</b>	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.
<b>Mitigation</b>	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.
<b>Overhead Ground Wire (OHGW)</b>	Provides lightning protection for the power conductors. When used, direct lightning strikes are minimized, and potential disturbances due to lightning are reduced.
<b>Optical Ground Wire (OPGW)</b>	Performs the same function as <i>Overhead Ground Wire</i> ; however, it also carries a fibre optic communication system within the wire strands.
<b>Penstock</b>	A conduit that conveys water from the intake to the turbine.
<b>Plunge Pool</b>	A deep depression downstream of a spillway into which spilled water “plunges” to dissipate energy.
<b>Probable Maximum Flood (PMF)</b>	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”.
<b>Proven Technology</b>	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).



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<b>Rehabilitation</b>	Measures taken to remedy environmental damage to the environment.
<b>Reliability Level Return Period</b>	A statistical measurement denoting the average recurrence interval over an extended period of time. Used to estimate loads to design transmission lines.
<b>Rotor</b>	The multi-poled rotating component of the <i>generator</i> .
<b>Split Yard</b>	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.
<b>Stoplog</b>	Steel sections used to isolate water passages for inspection or maintenance and are installed and removed under balanced pressures.
<b>Tailrace</b>	A watercourse that carries water away from a turbine or powerhouse.
<b>Terrestrial Habitat Compensation</b>	Specific mitigations that would encourage the development of riparian and wetland habitat.
<b>Trash Boom</b>	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> .
<b>Trash Racks</b>	Equally spaced rectangular bars installed at the entrance to the intake to protect the turbine from impinging objects.
<b>Waste Management</b>	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.
<b>Wicket Gates</b>	Adjustable guide vanes used to regulate the flow of water into a turbine.

#### 4.0 Abbreviations and Acronyms

<b>ac</b>	alternating current
<b>ADSS</b>	All Dielectric Self-Supporting
<b>BCC</b>	Backup Control Center
<b>BMS</b>	Building Management Systems
<b>BOD</b>	<i>Basis of Design</i>
<b>CCTV</b>	Closed Circuit Television
<b>CF</b>	Churchill Falls Generating Facility
<b>CFRD</b>	Concrete Faced Rockfill Dam
<b>CPU</b>	Central Processing Unit
<b>CTS</b>	Cellular Telephone System
<b>dc</b>	direct current
<b>DFO</b>	Department of Fisheries and Oceans
<b>EPP</b>	Environmental Protection Plan
<b>ECC</b>	Energy Control Centre
<b>FSL</b>	<i>Full Supply Level (Reservoir)</i>
<b>GI</b>	Gull Island Generating Facility
<b>HADD</b>	Harmful Alteration Damage or Disruption (Fish Habitat)
<b>HDD</b>	Horizontal Directional Drilling
<b>HVac</b>	High Voltage alternating current
<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>HVdc</b>	High Voltage direct current
<b>HVGB</b>	Happy Valley – Goose Bay
<b>kV</b>	kilovolts
<b>kWs</b>	Kilo Watt Seconds
<b>kVA</b>	Kilo Volt Amp
<b>LCC</b>	Line Commutated Converter
<b>LCP</b>	Lower Churchill Project
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>LITL</b>	Labrador – Island Transmission Link Project
<b>LMRS</b>	Land Mobile Radio System
<b>LSL</b>	<i>Low Supply Level (Reservoir)</i>

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<b>LTA</b>	Labrador Transmission Asset Project
<b>MF</b>	Muskrat Falls Generating Facility
<b>MFL</b>	Maximum Flood Level (Reservoir)
<b>MI</b>	<i>Mass Impregnated</i>
<b>MIS</b>	Mobile Internet System
<b>MVA</b>	Mega Volt Ampere
<b>MVAR</b>	Mega Volt Ampere Reactive
<b>MW</b>	MegaWatt
<b>NE</b>	Nalcor Energy
<b>NMS</b>	Network Management Systems
<b>OHGW</b>	<i>Over-Head Ground Wire</i>
<b>OLTC</b>	On-load Tap Changer
<b>OPGW</b>	<i>Optical Ground Wire</i>
<b>OTN</b>	Optical Transport Network
<b>pf</b>	power factor
<b>PMF</b>	<i>Probable Maximum Flood</i>
<b>RCC</b>	Roller Compacted Concrete
<b>ROW</b>	Right of Way
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SACS</b>	Security and Access Control System
<b>SLD</b>	Single Line Diagram
<b>SOBI</b>	Strait of Belle Isle
<b>SONET</b>	Synchronous Optical Network
<b>TBD</b>	To Be Determined
<b>TL</b>	Transmission Line
<b>TLH</b>	Trans Labrador Highway
<b>Vac</b>	Voltage Alternating Current
<b>Vdc</b>	Voltage Direct Current
<b>VSC</b>	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

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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 m<sup>3</sup>/s based on a 1:20 year return period.
- *Fish Compensation Flow* will be approximately 550 m<sup>3</sup>/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 m<sup>3</sup>/s at 45.1 m without GI and 44.3 m with GI.
- South Dam to be an earth/rockfill dam with a central core crest elevation to be El. 45.5 m.
- North Dam to be a RCC overflow dam, acting as a secondary spillway with a crest elevation of El. 39.3 m over a 430 m long overflow section. The north end of the dam will be rotated slightly downstream in order to improve the north abutment against the rock knoll and eliminate potential erosion during spilling.
- Transition dams to be conventional concrete.
- All concrete dams to be designed with necessary drainage galleries and monitoring equipment.
- All dams are to be founded directly on bedrock.
- *Cofferdams* are to be of the most economical and proven material and technology.

### 2400 Spillway - General

- Primary spillway structure.
- Concrete structure in rock excavation.
- Capacity = PMF in conjunction with North RCC Dam.
- Five surface vertical lift gates on parabolic rollways, 10.5 m wide with top of gate at El. 40.0 m and sill at El. 18.0 m.
- Gates with heating and hoisting mechanisms designed for severe cold climate operation.
- Structure designed to accommodate an automated, hydraulically operated trash removal system explained in detail under "3200 Intake and Penstocks – General". The system includes a permanent hoist capable of lifting the upstream *stoplogs*.
- One set of upstream steel *stoplogs* with a permanent hoist system.
- One set of downstream steel *stoplogs* operated by a mobile crane.
- *Stoplog* storage on site.
- One emergency diesel *generator* set, complete with fuel storage system, for emergency load requirements sufficient for heating and operation of two surface gates only.

### 2800 North Spur - General

- The deep well system installed in 1981 is to be placed in standby mode.
- Measures are required to prevent water infiltration and to physically stabilize the upstream and downstream slopes. Pressure relief wells are to be installed in the downstream section of the North Spur to lower the groundwater pressure.
- Measures are required to prevent groundwater infiltration into the North Spur from the Kettle Lakes region.
- Piezometers are to be outfitted with data loggers to monitor the water table levels in the North Spur.

### 3100 Powerhouse Channels

- Approach channels excavated in bedrock with minimum rock reinforcement required.
- Draft tubes discharge directly into river in rock excavation.
- *Tailrace* channel excavated in bedrock with minimum rock reinforcement required.

### 3200 Intake & Penstocks - General

- Approach channel in open cut earth/rock excavation and designed to eliminate frazil ice.
- Concrete structure in rock excavation.
- Four intakes (one per unit).
- Four sets of vertical lift operating gates with individual wire rope hoists in heated enclosures.
- One set of steel bulkhead *stoplogs* able to close only one single intake passage opening (1 of 12) at any one time.
- Four sets of removable steel *trash racks*.
- An automated, hydraulically operated trash removal system capable of cleaning both the upstream side of the intake and the gated spillway. System is to include interchangeable heads that will enable cleaning of floating debris, submerged debris, debris lodged in *trash racks*, and debris in rock traps. The system will include a permanent hoist capable for removing the intake bulkhead *stoplogs*.
- No *penstocks*; four individual water passages in concrete (close-coupled intake/powerhouse).

### 3300 Powerhouse

- Concrete structure in rock excavation.
- Structural steel super-structure with metal cladding.
- Designed, constructed and operated in accordance with applicable requirements of the Provincial Government's Build Better Buildings policy.
- Four-unit powerhouse with two maintenance bays.
  - The south maintenance bay shall be large enough to assemble one complete turbine/*generator* unit, plus assembly and transfer of one extra *rotor*, and include provision of an unloading area. After completion of turbine/*generator* installation, the south maintenance bay will be reduced in size to accommodate permanent offices and warehousing while leaving space for the dismantling of one entire turbine/*generator* unit.
  - The north maintenance bay shall be used to stage civil works construction and shall become a space for mechanical and electrical auxiliary equipment at the completion of the Project.
- Area for offices, maintenance shops and warehouse. Offices, maintenance shops, and warehouse will occupy the south of the maintenance bay.
- All systems are to be designed using *good utility practice*.
- Two sets of steel draft tube *stoplogs* with a permanent hoist system in a heated enclosure.

3410/3420 Turbines and Generators

- Four 206 MW units, approximately, @ 0.90 pf vertical axis *Generators*.
- Inertia constant H not less than 4.1 kW/kVA.
- Four *Kaplan turbines with Cavitation Resistant Design*.
- Unitized approach from intake to *generator step-up transformer*.
- Failure of any equipment/system of one unit not to affect the operation of the remaining units.

3430 Electrical Ancillary Equipment

- Dual 125 Vdc battery systems with dual chargers per battery system for control and protection.
- Independent 125 Vdc battery system with dual chargers for field flashing and other dc power.
- Dual 48 Vdc battery systems with dual chargers per battery system for telecommunication system.
- A minimum of two independent sources of station service.
- Arc flash category two for all electrical panels of 600 Vac or greater.
- Dual digital protection systems.
- One standby emergency diesel *generator* for the powerhouse essential load auxiliaries, complete with fuel storage systems.

3440 Mechanical Ancillary Equipment

- Water systems, for supply of turbine and *generator* cooling water, fire protection water, domestic water and auxiliary water.
- Separate high and low pressure compressed air systems.
- Domestic waste water to septic tank and disposal field.
- HVAC systems using the *generators'* cooling systems as a source of powerhouse heating.
- Two overhead powerhouse cranes, with the capability to operate in tandem having a combined design capacity to lift a fully assembled *rotor*.
- Elevator access to all levels of powerhouse.
- Dewatering and drainage systems complete with oil interception system.
- Permanent waste hydraulic and lubricating oil storage and handling system complete with a permanent centrifuge filtration system.
- Oil water separator for drainage from *generator* transformer basins, powerhouse diesel room and tank room.
- Permanent hoist system in each turbine pit.

### 3450 Protection, Control & Monitoring

- Redundant protection systems for each element from two different manufacturers.
- Main and backup systems to be installed in two separate panels.
- Protection shall be stable during system transients and operate correctly during system faults.
- A distributed digital control and monitoring system.
- Dual CPU for control system functions.

### 3460 Generator Transformers

- Four step-up transformers (unit voltage to 315 kV), plus one spare step-up transformer, located on powerhouse draft tube deck.
- Each unit will have a *generator* circuit breaker.
- Each transformer will include drainage to a common oil water separator.
- Transformers will be separated from each other by a concrete firewall.

### 6160 Collector Lines – Powerhouse to Switchyard

- Four 315 kV HVac overhead transmission lines to connect the high side of the step up transformers to the switchyard.

### 9112 Fish Habitat Compensation

- *Fish habitat compensation* will include delta enhancements at the Pinus River and Edward's Brook and enhancements of spawning areas located in Gull Lake.

### 9122 Terrestrial Habitat Compensation

- *Terrestrial habitat compensation* will be based on conditions of EA release and *terrestrial habitat compensation* plans to be agreed to with applicable regulatory bodies.

### 9220 Operations Telecommunications System – Muskrat Falls

- Telecommunication System shall be comprised of three separate layers: Optical Transport Network (OTN), Convergence, and Access Layers.
- OTN Layer shall be the telecommunications backbone and utilize the single OPGW, All Dielectric Self Supporting (ADSS) or equivalent fibre optic infrastructure. The OTN Layer equipment nodes shall be designed based upon the least total cost of ownership alternative.
- Convergence layer shall be based on the Synchronous Optical Network (SONET) international standard. It shall be used to create logical point-to-point telecommunication links between all MF locations. It will multiplex and de-multiplex the access layer subsystems for transmission on the OTN.

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- 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  $\pm 350$  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,  $\pm 350$  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,  $\pm 350$  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,  $\pm 350$  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**

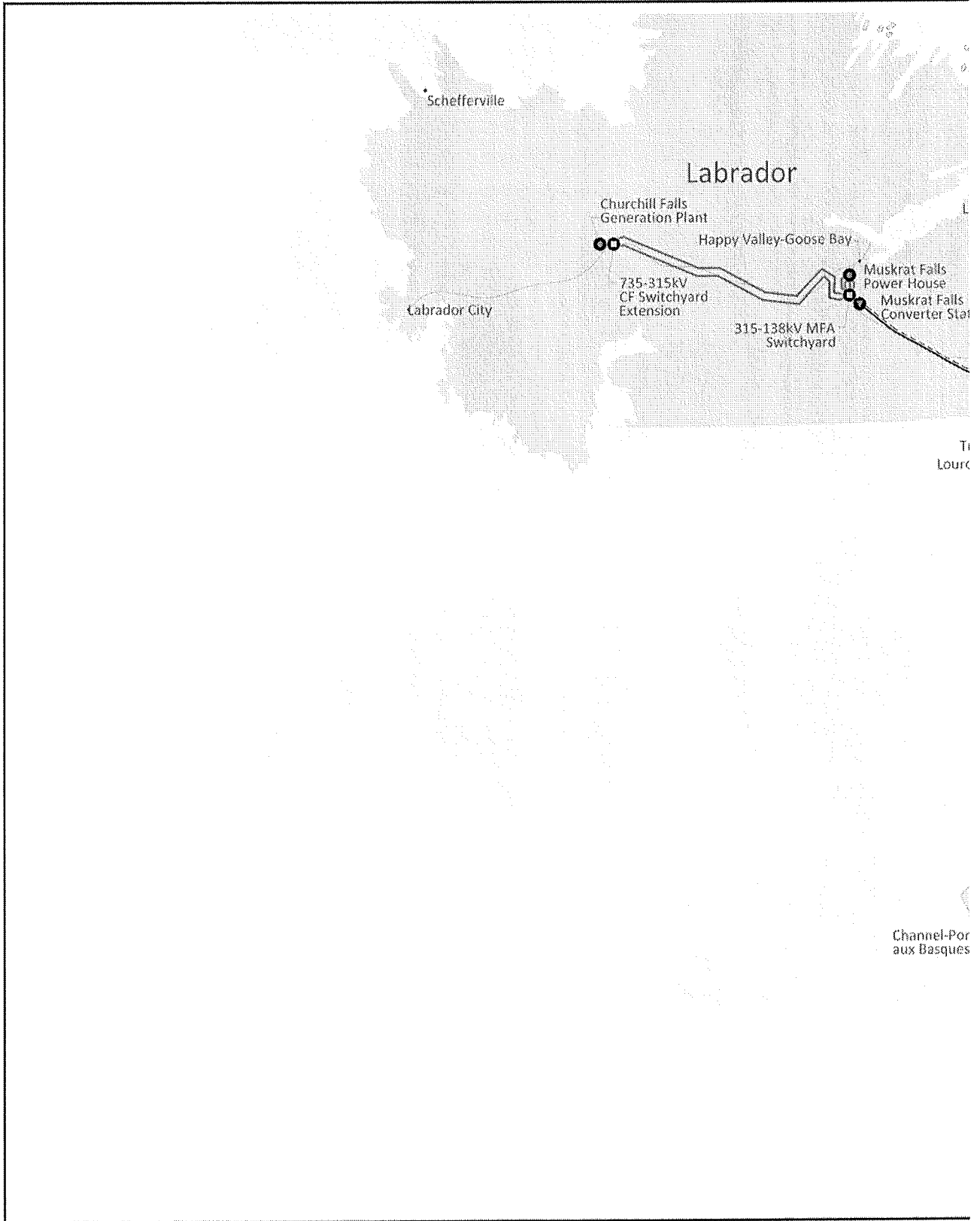
N/A

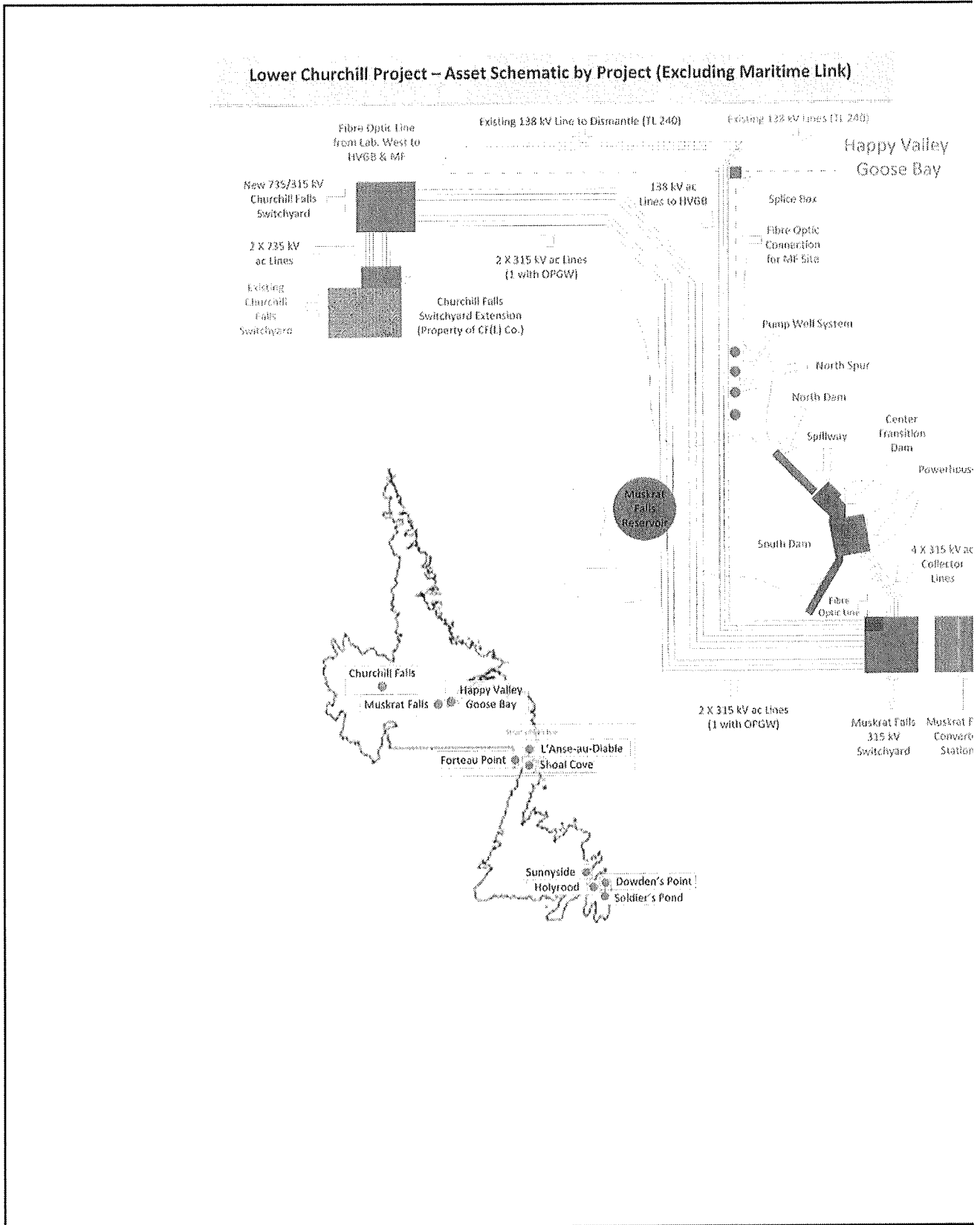
**B.0 Attachments/Appendices**

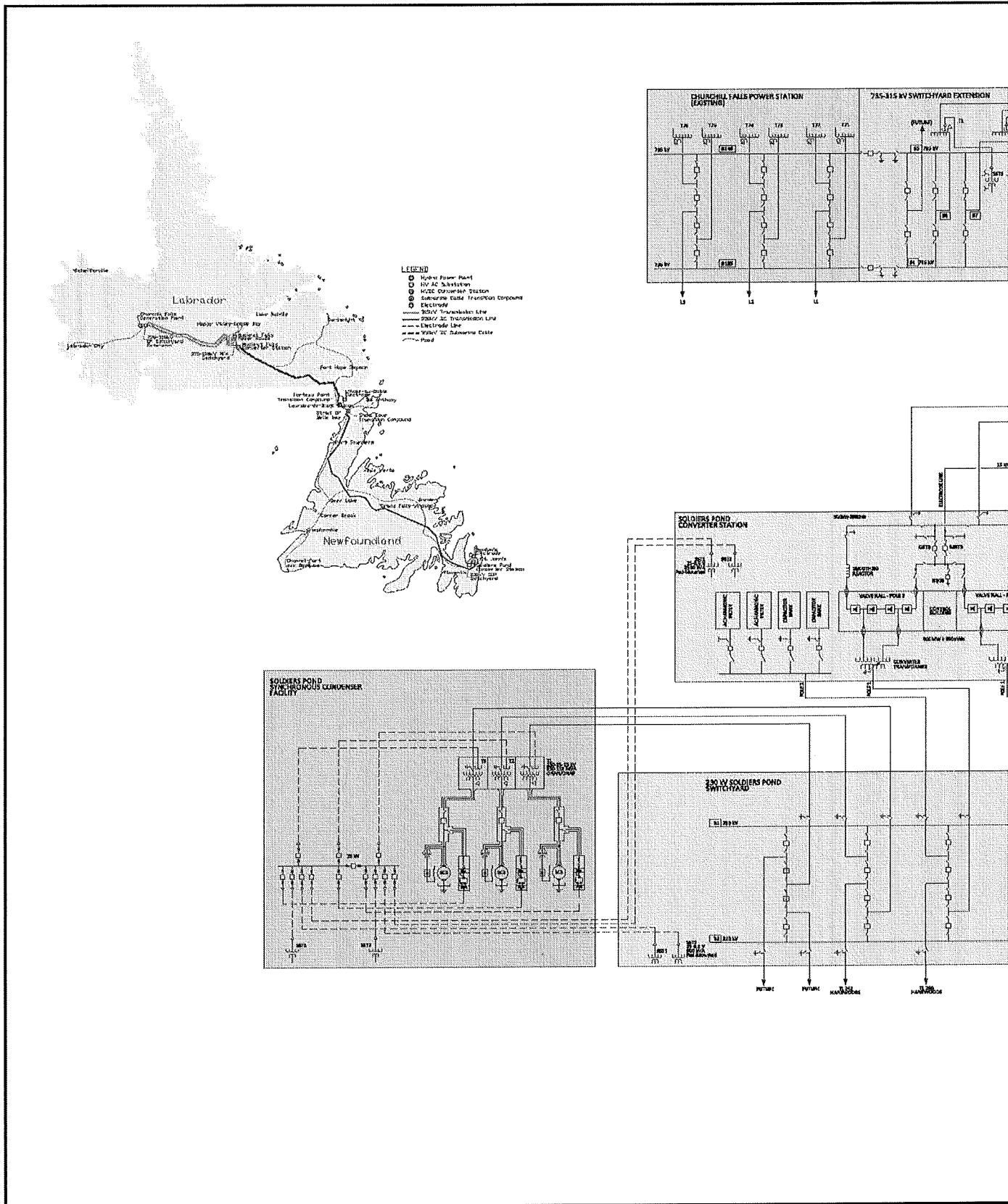
**B.1 DRAWINGS**

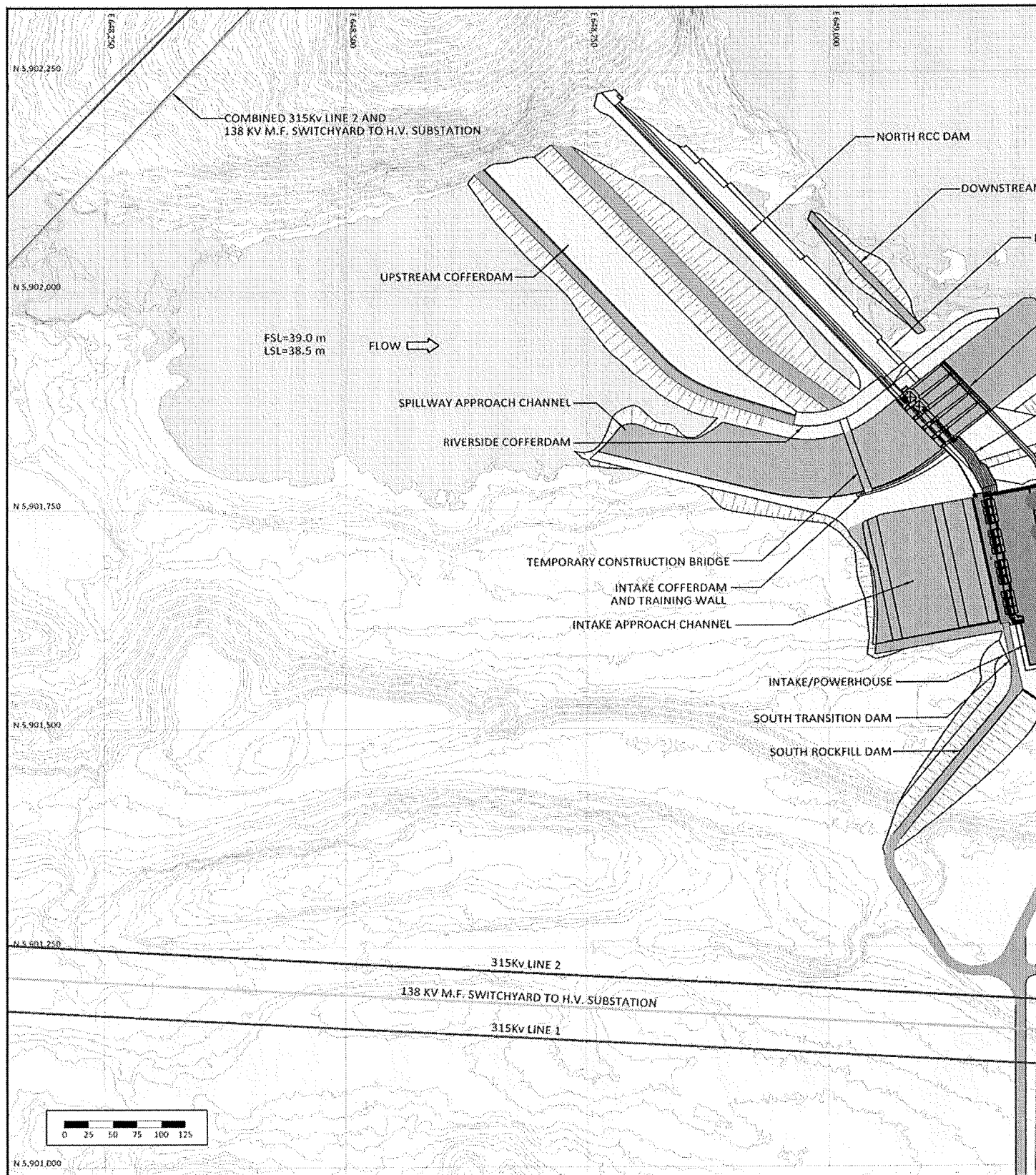
1. Key Plan
2. Schematic
3. Single Line Diagram
4. Muskrat Falls – General Arrangement
5. Muskrat Falls - Elevation
6. Muskrat Falls

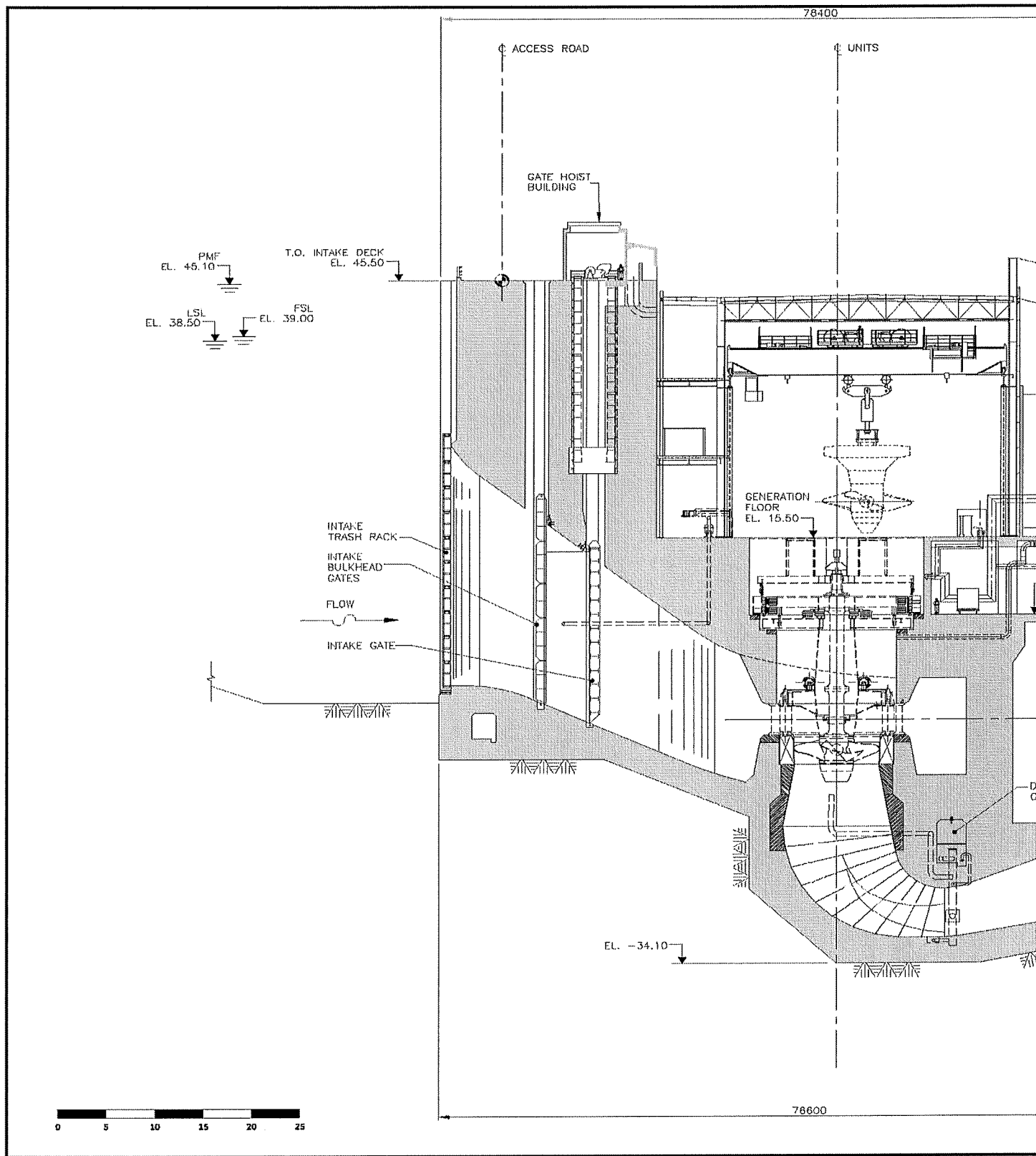




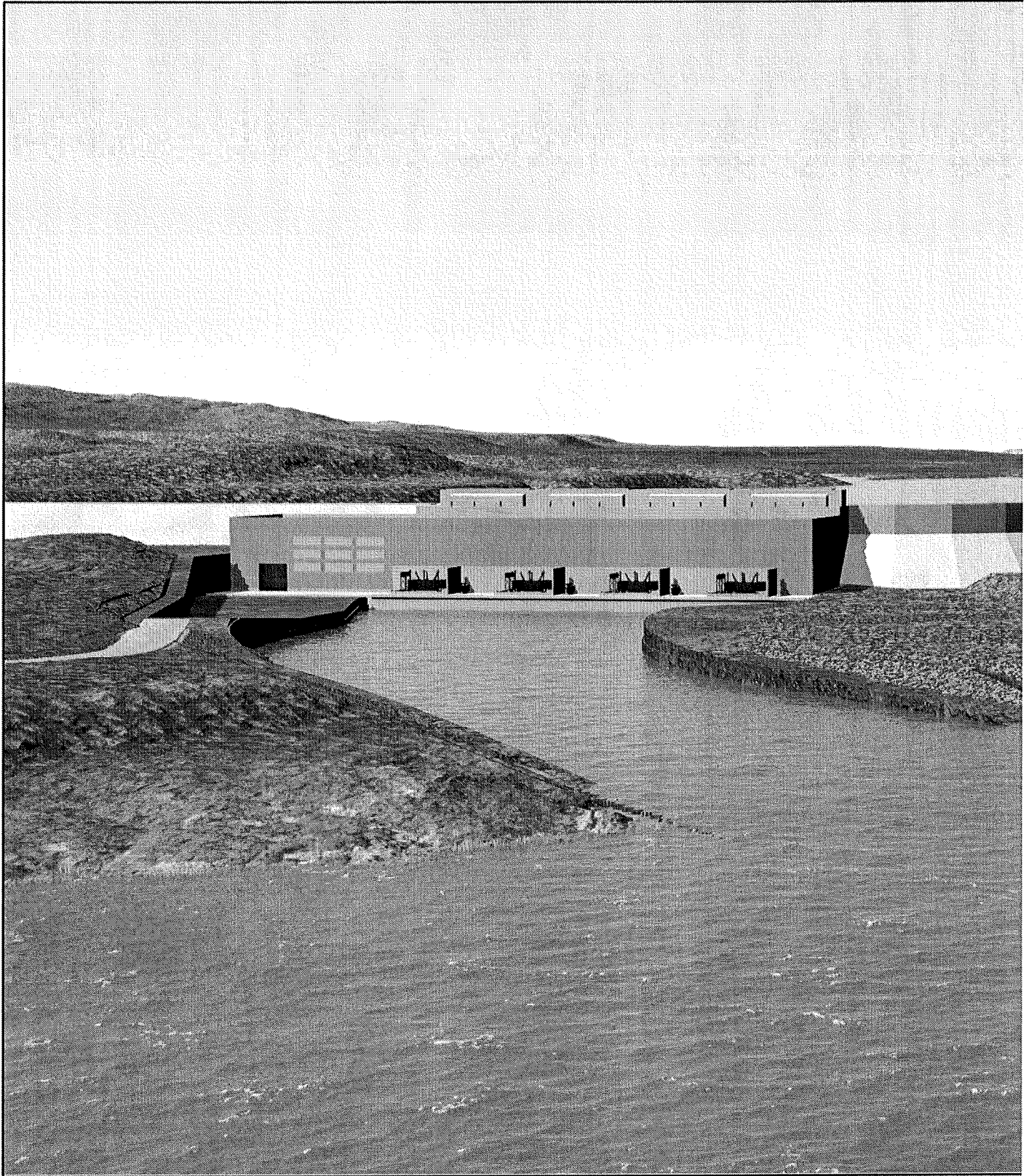








Basis of Design



**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)



<b>Lower Churchill Project October 2013 Cash Call</b>			
<b>CCA</b>	<b>Company</b>	<b>Net Funds Required</b>	
		<b>CDN</b>	<b>USD</b>
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	-
<b>Total</b>		<b>96,799,830.60</b>	<b>95,616.24</b>

<b>Consolidated Amounts Above Were Compiled From The Following</b>		
Derived From PM+ Cash Call Report (Page 2 - 3)	<b>85,174,773.83</b>	<b>36,000.00</b>
Derived From Prism Cash Call Report (Page 4 - 12)	<b>11,625,056.77</b>	<b>59,616.24</b>
<b>Total</b>	<b>96,799,830.60</b>	<b>95,616.24</b>

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
<b>Total Cash Call PM+ CAD - October</b>					\$	<b>85,174,773.83</b>		
<b>Total Cash Call PM+ USD - October</b>					\$	<b>36,000.00</b>		

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	LCO01450	5.1	\$ 6,736.61	\$ 5,961.60	CAD	AP
Air Resources	SIN722686	4-Oct-13	LCP00785	5.1	\$ 4,992.11	\$ 4,417.80	CAD	AP
Bren-kir Industrial Supplies	MP-00392428	4-Oct-13	LCP01525	5.1	\$ 1,101.63	\$ 28.74	CAD	AP
Bren-kir Industrial Supplies	MP-00392430	4-Oct-13	LCP01525	5.1	\$ 350.74	\$ 310.39	CAD	AP
RJP Services	2013-09	5-Oct-13	LC-PM-005	5.1	\$ 31,396.82	\$ 27,784.80	CAD	AP
A Taste of Class	4866	5-Oct-13	LCP01119	5.1	\$ 161.01	\$ 142.49	CAD	AP
A Taste of Class	4885	5-Oct-13	LCP01119	5.1	\$ 20.89	\$ 18.49	CAD	AP
A Taste of Class	4880	5-Oct-13	LCP01119	5.1	\$ 568.77	\$ 503.34	CAD	AP
Triware	144935	5-Oct-13	LCP01635	5.1	\$ 847.50	\$ 750.00	CAD	AP
Executive Coffee	108702	5-Oct-13	LCP00029	5.1	\$ 253.91	\$ 224.70	CAD	AP
Bell Aliant	August 27/13	5-Oct-13	LCP01042	5.1	\$ 2,712.00	\$ 2,400.00	CAD	AP
Triware	144908	5-Oct-13	LC-PM-130	5.1	\$ 8,044.47	\$ 7,119.00	CAD	AP
Corporate Express	33609573	6-Oct-13	LCP01291	5.1	\$ 102.21	\$ 90.45	CAD	AP
Cahill Business Solution	09C-13-033	6-Oct-13	LC-PM-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	LCP01041	5.1	\$ 4,054.12	\$ 3,587.72	CAD	AP
Fed Ex	7-232-67209	13-Oct-13	TBD	5.1	\$ 596.82	\$ 528.16	CAD	AP
Xerox	F45132022	16-Oct-13	14708-OB	5.1	\$ 748.87	\$ 662.72	CAD	AP
Intruder Consulting Inc	40	16-Oct-13	LC-PM-073	5.1	\$ 18,645.00	\$ 16,500.00	CAD	AP
M S Peddle Consulting Limited	2013-008	16-Oct-13	15571-OB	5.1	\$ 26,235.27	\$ 23,217.05	CAD	AP
Dovre Canada Ltd.	33404	17-Oct-13	LCP00584	5.1	\$ 13,973.58	\$ 12,366.00	CAD	AP
Dovre Canada Ltd.	33221	17-Oct-13	LCP00585	5.1	\$ 12,638.60	\$ 11,184.60	CAD	AP
Dovre Canada Ltd.	33259	17-Oct-13	LCP00587	5.1	\$ 36,971.34	\$ 32,718.00	CAD	AP
Dovre Canada Ltd.	33362	17-Oct-13	LCP00590	5.1	\$ 20,285.76	\$ 17,952.00	CAD	AP
Dovre Canada Ltd.	33403	17-Oct-13	LCP00595	5.1	\$ 4,101.90	\$ 3,630.00	CAD	AP
Dovre Canada Ltd.	33253	17-Oct-13	LCP00601	5.1	\$ 10,824.91	\$ 9,579.57	CAD	AP
Dovre Canada Ltd.	33408	17-Oct-13	LCP00675	5.1	\$ 6,957.36	\$ 6,156.96	CAD	AP
Dovre Canada Ltd.	33264	17-Oct-13	LCP00727	5.1	\$ 9,478.44	\$ 8,388.00	CAD	AP
Dovre Canada Ltd.	33391	17-Oct-13	LCP01038	5.1	\$ 24,159.68	\$ 21,380.25	CAD	AP
Dovre Canada Ltd.	33392	17-Oct-13	LCP01039	5.1	\$ 22,771.20	\$ 20,151.50	CAD	AP
Dovre Canada Ltd.	33393	17-Oct-13	LCP01049	5.1	\$ 24,437.38	\$ 21,626.00	CAD	AP
Dovre Canada Ltd.	33260	17-Oct-13	LCP01129	5.1	\$ 8,847.90	\$ 7,830.00	CAD	AP
Dovre Canada Ltd.	33266	17-Oct-13	LCP01211	5.1	\$ 4,465.76	\$ 3,952.00	CAD	AP
Dovre Canada Ltd.	33262	17-Oct-13	LCP01279	5.1	\$ 31,891.99	\$ 28,223.00	CAD	AP
Dovre Canada Ltd.	33225	17-Oct-13	LCP01332	5.1	\$ 11,814.69	\$ 10,455.48	CAD	AP
Dovre Canada Ltd.	33255	17-Oct-13	LCP01533	5.1	\$ 23,540.16	\$ 20,832.00	CAD	AP
Dovre Canada Ltd.	33261	17-Oct-13	LCP01538	5.1	\$ 6,221.77	\$ 5,505.99	CAD	AP
Dovre Canada Ltd.	33409	17-Oct-13	LCP01631	5.1	\$ 3,955.00	\$ 3,500.00	CAD	AP
Victoria Stanford Visa	May 27/13	17-Oct-13	PCard	5.1	\$ 526.57	\$ 465.99	CAD	AP
Ian Hickey Visa	Aug 26/13	17-Oct-13	PCard	5.1	\$ 5,926.53	\$ 5,244.72	CAD	AP
Cision	681762	17-Oct-13	LCP00554	5.1	\$ 561.53	\$ 496.93	CAD	AP
NL News	2447	17-Oct-13	LCP00554	5.1	\$ 4,740.70	\$ 4,195.31	CAD	AP
Brenkir	MP-00393134	18-Oct-13	LCP01525	5.1	\$ 106.39	\$ 94.15	CAD	AP
Brenkir	MP-00393027	18-Oct-13	LCP01525	5.1	\$ 305.64	\$ 270.48	CAD	AP

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Brenkir	MP-00393025	18-Oct-13	LCP01525	5.1	\$ 298.74	\$ 264.37	CAD	AP
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	\$ 43,638.32	\$ 38,617.98	CAD	AP
Dovre Canada Ltd.	33450	17-Oct-13	LCP00660	5.3	\$ 31,684.50	\$ 28,039.38	CAD	AP
Dovre Canada Ltd.	33265	17-Oct-13	LCP01064	5.3	\$ 27,322.84	\$ 24,179.50	CAD	AP
Dovre Canada Ltd.	33223	17-Oct-13	LCP01540	5.3	\$ 27,844.90	\$ 24,641.50	CAD	AP
Dovre Canada Ltd.	33220	17-Oct-13	LCP01542	5.3	\$ 21,675.75	\$ 19,182.08	CAD	AP
Goose Bay Airport Corporation	VP08-13	18-Oct-13	LCP01397	5.3	\$ 169.50	\$ 150.00	CAD	AP
CGI Development Inc	2452	18-Oct-13	LCP01581	5.3	\$ 95,943.78	\$ 84,906.00	CAD	AP
Maderra	1485	18-Oct-13	LCP01131	5.3	\$ 43,916.30	\$ 38,863.98	CAD	AP
Maderra	1486	18-Oct-13	LCP01131	5.3	\$ 1,865.86	\$ 1,651.20	CAD	AP
Campbell Scientific	108640	18-Oct-13	LCP01606	5.3	\$ 2,740.25	\$ 2,425.00	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
Cyril French Visa	July 25/13	19-Oct-13	Pcard	5.3	\$ 3,457.25	\$ 3,059.51	CAD	AP
Hatch	90461698	19-Oct-13	15074-OB	5.3	\$ 16,840.21	\$ 14,902.84	CAD	AP
Hatch	90461769	19-Oct-13	LCP01510	5.3	\$ 35,458.96	\$ 31,379.61	CAD	AP
Hatch	90461409	19-Oct-13	LCP01552	5.3	\$ 66,715.20	\$ 59,040.00	CAD	AP
Hatch	90461285	19-Oct-13	LCP01549	5.3	\$ 35,138.48	\$ 31,096.00	CAD	AP
Hatch	90461283	19-Oct-13	LCP01468	5.3	\$ 29,696.40	\$ 26,280.00	CAD	AP
Hatch	90461282	19-Oct-13	LCP01414	5.3	\$ 24,432.55	\$ 21,621.73	CAD	AP
Hatch	90461281	19-Oct-13	LCP01401	5.3	\$ 42,955.56	\$ 38,013.77	CAD	AP
Hatch	90461279	19-Oct-13	LCP01384	5.3	\$ 7,322.40	\$ 6,480.00	CAD	AP
Hatch	90461278	19-Oct-13	LCP01385	5.3	\$ 38,344.00	\$ 33,932.74	CAD	AP
Hatch	90461277	19-Oct-13	LCP01382	5.3	\$ 24,742.48	\$ 21,896.00	CAD	AP
Hatch	90461276	19-Oct-13	LCP01324	5.3	\$ 47,188.78	\$ 41,759.98	CAD	AP

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Hatch	90461274	19-Oct-13	LCP01316	5.3	\$ 25,064.03	\$ 22,180.56	CAD	AP
Raj Kaushik Visa	Aug 26/13	19-Oct-13	PCard	5.3	\$ 2,704.85	\$ 2,393.67	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.3	\$ 433,700.00	\$ 383,805.31	CAD	AP
Corporate - PHH	Est	31-Oct-13	TBD	5.3	\$ 30,000.00	\$ 26,548.67	CAD	AP
CF(L)co	130843	31-Oct-13	TBD	5.3	\$ 4,706.45	\$ 4,165.00	CAD	AP
CF(L)co	130842	31-Oct-13	TBD	5.3	\$ 10,277.35	\$ 9,095.00	CAD	AP
CF(L)co	130837	31-Oct-13	TBD	5.3	\$ 106,568.80	\$ 94,308.67	CAD	AP
CF(L)co	130836	31-Oct-13	TBD	5.3	\$ 97,451.49	\$ 86,240.26	CAD	AP
Hatch	90454133	1-Oct-13	LCP01315	5.3	\$ (28,289.48)	\$ (25,034.94)	CAD	Carry forward last cash call
Hatch	90454030	1-Oct-13	LCP01402	5.3	\$ (36,681.25)	\$ (32,461.28)	CAD	Carry forward last cash call
Hatch	90454031	1-Oct-13	LCP01401	5.3	\$ (33,116.31)	\$ (29,306.47)	CAD	Carry forward last cash call
McInnes Cooper	2013016216	1-Oct-13	15168-OB	5.3	\$ (46,356.05)	\$ (41,023.05)	CAD	Carry forward last cash call
Orion Holdings	NAL-003	1-Oct-13	LC-PM-129	5.3	\$ (37,021.87)	\$ (32,762.72)	CAD	Carry forward last cash call
Hatch	90456550	1-Oct-13	LCP01549	5.3	\$ (16,805.36)	\$ (14,872.00)	CAD	Carry forward last cash call
Hatch	90456548	1-Oct-13	LCP01510	5.3	\$ (23,617.00)	\$ (20,900.00)	CAD	Carry forward last cash call
Hatch	90456545	1-Oct-13	LCP01414	5.3	\$ (16,953.70)	\$ (15,003.27)	CAD	Carry forward last cash call
Hatch	90456544	1-Oct-13	LCP01401	5.3	\$ (28,360.01)	\$ (25,097.35)	CAD	Carry forward last cash call
Hatch	90456543	1-Oct-13	LCP01402	5.3	\$ (46,145.12)	\$ (40,836.39)	CAD	Carry forward last cash call
Hatch	90456542	1-Oct-13	LCP01384	5.3	\$ (26,035.20)	\$ (23,040.00)	CAD	Carry forward last cash call
Hatch	90456541	1-Oct-13	LCP01383	5.3	\$ (30,916.80)	\$ (27,360.00)	CAD	Carry forward last cash call
Hatch	90456540	1-Oct-13	LCP01385	5.3	\$ (37,734.09)	\$ (33,393.00)	CAD	Carry forward last cash call
Hatch	90456539	1-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	LCP00983	5.4	\$ 28.74	\$ 28.74	USD	AP
Golder Associates	566179	11-Oct-13	LC-EV-088	5.4	\$ 14,141.95	\$ 12,515.00	CAD	AP
SFO Subsea Inc	TE20130922	11-Oct-13	LC-PM-051	5.4	\$ 6,486.21	\$ 5,740.01	CAD	AP
3266195 Nova Scotia	201308	11-Oct-13	LC-PM-108	5.4	\$ 28,928.00	\$ 25,600.00	CAD	AP
LIL LP/ Intercompany	0002	11-Oct-13	75	5.4	\$ 1,130.00	\$ 1,000.00	CAD	AP
LIL LP/ Intercompany	0015	11-Oct-13	75	5.4	\$ 5,215,472.11	\$ 4,615,462.04	CAD	AP
Noramtec	180373	12-Oct-13	LCP01611	5.4	\$ 11,390.40	\$ 10,080.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Provincial Aerospace	C0001142	12-Oct-13	LC-SB-002	5.4	\$ 30,433.16	\$ 26,932.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-002	13-Oct-13	LC-PM-053	5.4	\$ 3,399.80	\$ 3,008.67	CAD	AP
Nexus Energy Inc	NEI-NEL-T0006	13-Oct-13	LC-PM-102	5.4	\$ 761.29	\$ 673.71	CAD	AP
Newfound Recruiting	130904-1290	13-Oct-13	LCP01547	5.4	\$ 18,306.00	\$ 16,200.00	CAD	AP
Nexans	195153294	16-Oct-13	LC-SB-003	5.4	\$ 4,307,633.53	\$ 3,812,065.07	CAD	AP
Dovre Canada Ltd.	33222	17-Oct-13	LCP00582	5.4	\$ 16,800.28	\$ 14,867.50	CAD	AP
Dovre Canada Ltd.	33257	17-Oct-13	LCP00586	5.4	\$ 14,530.67	\$ 12,859.00	CAD	AP
Dovre Canada Ltd.	33449	17-Oct-13	LCP00763	5.4	\$ 22,475.70	\$ 19,890.00	CAD	AP
Dovre Canada Ltd.	33288	17-Oct-13	LCP01410	5.4	\$ 19,933.20	\$ 17,640.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-003	18-Oct-13	LC-PM-053	5.4	\$ 760.22	\$ 672.76	CAD	AP
Amec	G85208	18-Oct-13	LC-SB-017	5.4	\$ 76,026.40	\$ 67,280.00	CAD	AP
Yankee Point - Hydro	12-Sep	19-Oct-13	LCP00128	5.4	\$ 116.62	\$ 103.20	CAD	AP
Hatch	90461410	19-Oct-13	LCP01647	5.4	\$ 9,944.00	\$ 8,800.00	CAD	AP
Hatch	90461405	19-Oct-13	LCP01305	5.4	\$ 44,790.70	\$ 39,637.79	CAD	AP
Hatch	90461337	19-Oct-13	LCP01295	5.4	\$ 33,462.40	\$ 29,612.74	CAD	AP
Direct Horizontal Drilling	est	20-Oct-13	LC-SB-022	5.4	\$ 39,550.00	\$ 35,000.00	CAD	AP
SRL Consulting	Est	30-Oct-13	LC-PM-071	5.4	\$ 25,990.00	\$ 23,000.00	CAD	AP
VF Solutions	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
SFO Subsea Inc	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
Robco	Est	30-Oct-13	LC-PM-059	5.4	\$ 35,030.00	\$ 31,000.00	CAD	AP
Nexus Energy Inc	Est	30-Oct-13	LC-PM-102	5.4	\$ 15,255.00	\$ 13,500.00	CAD	AP
Whelan Engineering	Est	30-Oct-13	LC-PM-140	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
C&T Enterprises	est	31-Oct-13	LC-SB-021	5.4	\$ 158,200.00	\$ 140,000.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.4	\$ 26,300.00	\$ 23,274.34	CAD	AP
Nalcor Energy	August	31-Oct-13	TBD	5.4	\$ (5,216,817.51)	\$ (4,616,652.66)	CAD	AP
Hatch	90454170	1-Oct-13	LCP01471	5.4	\$ (53,251.58)	\$ (47,125.29)	CAD	Carry forward last cash call
Hatch	90456546	1-Oct-13	LCP01471	5.4	\$ (37,787.20)	\$ (33,440.00)	CAD	Carry forward last cash call
Hatch	90456537	1-Oct-13	LCP01305	5.4	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
Hatch	90456536	1-Oct-13	LCP01295	5.4	\$ (26,244.79)	\$ (23,225.48)	CAD	Carry forward last cash call
LGL	13576	1-Oct-13	LC-EV-049	5.4	\$ (1,002.34)	\$ (887.03)	CAD	Carry forward last cash call
Amec	G44453	1-Oct-13	LC-EV-108	5.4	\$ (50,940.40)	\$ (45,080.00)	CAD	Carry forward last cash call
McInnes Cooper	2013006697	3-May-13	15168-08	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	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
A Taste of Class	4839	11-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP

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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: \_\_\_\_\_

**MASTER DEFINITIONS AGREEMENT**

**AMONG**

**THE TORONTO-DOMINION BANK,  
as Collateral Agent and as Paying Agent**

**and**

**TD SECURITIES INC.,  
and  
GOLDMAN, SACHS & CO.,  
as Lead Arranger**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as Issuer Trustee of  
MUSKRAT FALLS/LABRADOR TRANSMISSION ASSETS FUNDING TRUST,  
as a GAA Finance Party**

**AND**

**COMPUTERSHARE TRUST COMPANY OF CANADA,  
as Muskrat/LTA Security Trustee and FV Security Trustee**

**AND**

**NALCOR ENERGY  
as the Contributing Party**

**AND**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
as Guarantor of the Contributing 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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**THIS MASTER DEFINITIONS AGREEMENT** is made as of November 29, 2013

**AMONG:**            **THE TORONTO-DOMINION BANK**, as Collateral Agent and Paying Agent

**AND**                **TD SECURITIES INC. and GOLDMAN, SACHS & CO.**, as Lead Arranger

**AND:**              **BNY TRUST COMPANY OF CANADA**, as Issuer Trustee of **MUSKRAT FALLS/LABRADOR TRANSMISSION ASSETS FUNDING TRUST**, as a GAA Finance Party

**AND:**              **COMPUTERSHARE TRUST COMPANY OF CANADA**, as Muskrat Falls/LTA Security Trustee and FV Security Trustee

**AND:**              **NALCOR ENERGY**, as the Contributing Party

**AND:**              **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR**, as Guarantor of the Contributing Party

**AND:**              **MUSKRAT FALLS CORPORATION**, as a Credit Party

**AND:**              **LABRADOR TRANSMISSION CORPORATION**, as a Credit Party

**WITNESSETH THAT:**

**WHEREAS** the parties hereto have entered into the Muskrat/LTA Project Finance Documents and the Guarantee Transaction Documents to which they are respectively party and have agreed to consolidate the definitions required for such documents in this Agreement;

**AND WHEREAS** it is a condition precedent under the Muskrat/LTA Project Finance Agreement and the GAA that the parties hereto execute and deliver this Agreement;

**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

Unless a clear contrary intention appears in a Muskrat/LTA Project Finance Document or a Guarantee Transaction Document, the capitalized terms used in each Muskrat/LTA Project Finance Document and Guarantee Transaction Document shall have the following meanings:

"**Additional Debt**" means (i) operating lines of credit up to a maximum principal amount of CDN\$10,000,000 for Muskrat and Labrador Transco combined and (ii) other Debt for Borrowed Money to finance realized Cost Variances prior to Commissioning;

"**Additional Labrador Transco Cost Overrun**" has the meaning ascribed thereto in paragraph 10.28.3.2 of the Muskrat/LTA Project Finance Agreement;

"**Additional Material Project Documents**" means the Muskrat Additional Material Project Documents and the LTA Additional Material Project Documents;

"**Additional Muskrat Cost Overrun**" has the meaning ascribed thereto in paragraph 10.28.2.2 of the Muskrat/LTA Project Finance Agreement;

"**Administration Agreement**" means the administration agreement to be entered into among the Funding Vehicle, the Administrator, Canada and the Credit Parties;

"**Administrator**" means the Person that will act as administrator to the Funding Vehicle pursuant to the terms of the Administration Agreement;

"**Advance**" means any amount of money advanced or to be advanced (as the context requires) to the Credit Parties pursuant to the Muskrat/LTA Project Finance Agreement;

"**Affected Funds**" has the meaning ascribed to it in Section 15.2 of the Muskrat/LTA Project Finance Agreement;

"**Affiliate**" means, with respect to any Person, any other Person, who directly or indirectly, Controls, is Controlled by or is under direct or indirect common Control with, such Person; provided, however, that NL Crown shall be deemed not to be an Affiliate of Nalcor or any Credit Party;

"**Aggregate Labrador Transco Account Balances**" means as at the Effective Date of the Final Funding Request, the aggregate amount of the Aggregate Labrador Transco Project Funding Account and Operating Account Balances and Labrador Transco's Project Rateable Share of the Working Capital Reserve Account Balance;

"**Aggregate Labrador Transco Project Funding Account and Operating Account Balances**" means, as at any time, the aggregate of (i) the balance on deposit at such time



in the Labrador Transco Project Funding Account, following the application of paragraphs 8.8.1.2 to 8.8.1.8, inclusively, of the Muskrat/LTA Project Finance Agreement including, for greater certainty, any Income on Account Balances deriving therefrom, and **(ii)** the portion of the balance on deposit at such time in the Labrador Transco Project Operating Account following the application of paragraphs 8.9.2.1 to 8.9.2.4, inclusively, of the Muskrat/LTA Project Finance Agreement 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 time of calculation of the Aggregate Labrador Transco Project Funding Account and Operating Account Balances;

**"Aggregate Muskrat Account Balances"** means as at the Effective Date of the Final Funding Request, the aggregate amount of the Aggregate Muskrat Project Funding Account and Operating Account Balances and Muskrat's Project Rateable Share of the Working Capital Reserve Account Balance;

**"Aggregate Muskrat Project Funding Account and Operating Account Balances"** means, as at any time, the aggregate of **(i)** the balance on deposit at such time in the Muskrat Project Funding Account, following the application of paragraphs 8.2.1.2 to 8.2.1.8, inclusively, of the Muskrat/LTA Project Finance Agreement including, for greater certainty, LIL Income on Account Balances deriving therefrom, and **(ii)** the portion of the balance on deposit at such time in the Muskrat Project Operating Account following the application of paragraphs 8.3.2.1 to 8.3.2.4, inclusively, of the Muskrat/LTA Project Finance Agreement 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 time of calculation of the Aggregate Muskrat Project Funding Account and Operating Account Balances;

**"AML Legislation"** has the meaning ascribed to it in subsection 10.27 of the Muskrat/LTA Project Finance Agreement;

**"Annual Labrador Transco Cost Overrun Instalment Payment"** has the meaning ascribed thereto in paragraph 10.28.3.2 of the Muskrat/LTA Project Finance Agreement;

**"Annual Maintenance Plan"** has the meaning ascribed to it from time to time **(i)** in the PPA with respect to Muskrat and the MF Plant, and **(ii)** in the GIA with respect to Labrador Transco and the LTA;

**"Annual Muskrat Cost Overrun Instalment Payment"** has the meaning ascribed thereto in paragraph 10.28.2.2 of the Muskrat/LTA Project Finance Agreement;

**"Applicable Interest Rate"** means (i) with respect to interest payable on the Tranche A Construction Loan, the FV Bond - Series A Interest Rate; (ii) with respect to interest payable on the Tranche B Construction Loan, the FV Bond - Series B Interest Rate; and (iii) with respect to interest payable on the Tranche C Construction Loan, the FV Bond - Series C Interest Rate;

**"Applicable Law"** means any Law applicable or relating to any specified Person, property, transaction or event or any of such Person's Assets, and any judgment or award of any Governmental Authority in any proceeding or action to which the Person in question is a party or by which such Person or any of its Assets is bound;

**"Assets"** means the property and assets, whether tangible or intangible, personal or real, of a specified Person and (to the extent the context so admits) also includes its business and operations. Wherever reference is made to a Credit Party's Assets, such reference shall include the MF Plant or LTA, as the case may be, and all rights of the applicable Credit Party relative thereto;

**"Attributable Debt"** means, with respect to any Person, in connection with any Sale and Leaseback Transaction, at any date as of which the amount thereof is to be determined, the lesser of (i) the fair market value of the property subject to such Sale and Leaseback Transaction (as determined in good faith by the board of directors of such Person) and (ii) the total net amount of rent required to be paid by such Person under the lease which is the subject of such Sale and Leaseback Transaction during the remaining term thereof (including the initial term and any period for which such lease may be renewed or extended) discounted from the respective due dates thereof to such date at the debt rate implicit in such lease per annum compounded annually. The net amount of rent required to be paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, Taxes, assessments, water rates and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated;

**"Authorization"** means any authorization, approval, consent, exemption, licence, permit, franchise or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's Assets or from any Person in connection with any contractual right;

**"Available LTA Base Equity Commitment"** means, as at any time, the amount, if any, by which the LTA Base Equity Commitment exceeds the LTA Base Equity Contributions made as at such time;

**"Available MF Base Equity Commitment"** means, as at any time, the amount, if any, by which the MF Base Equity Commitment exceeds the MF Base Equity Contributions made as at such time;

"**Base Block Payments**" has the meaning ascribed thereto from time to time in the PPA;

"**Base Block Payments Attributable to Debt Service**" means any portion of Base Block Payments intended to be used for purposes of funding the debt service obligations of Muskrat;

"**Base Cash Flow**" means, for any period, Contracted Revenues for such period plus, at any time prior to the LRA Release Date, the Liquidity Reserves, less all Cash Operating Costs;

"**Basis of Design**" means the basis of design described in Schedule "AA" to the extent it relates to the Projects;

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in NL or the Province of Ontario or any other day on which banking institutions in St. John's, NL or Toronto, Ontario are not open for the transaction of business;

"**CA Indemnified Parties**" means the Collateral Agent, its Affiliates, directors, officers, employees, advisers, representatives and agents;

"**Canada**" means Her Majesty the Queen in Right of Canada;

"**Canada Project Costs and Expenses**" means the reasonable costs and expenses (including all reasonable costs and expenses incurred by Canada under any enforcement proceeding instituted pursuant to any of the Funding Transaction Documents or the Muskrat/LTA Project Finance Documents) due and payable, as well as any indemnity obligations due and payable by Canada to the Collateral Agent pursuant to the Collateral Agency Agreement or by the Funding Vehicle to Canada pursuant to the Funding Transaction Documents other than with respect to the reimbursement obligations of the Funding Vehicle set forth in Section 3.01(a)(1) of the GAA;

"**Canadian Dollars**" or "**CDN\$**" means the lawful currency of Canada;

"**Capital Account**" means, with respect to each Credit Party, the stated capital account maintained by such Credit Party with respect to its Capital Stock, provided, however, that for all purposes of calculating the DER, following the Muskrat/LTA Proceeds Account Balance being nil and the amounts on deposit in the Working Capital Reserve Account being nil, the amounts deposited into the Cost Overrun Escrow Account of such Credit Party shall be deemed to form part of the Capital Account, but not before;

"**Capital Lease**" means, with respect to any Person, any lease or other arrangement relating to property or assets which, in accordance with GAAP, would be accounted for as a capital lease obligation on a balance sheet of such Person. The amount of any Capital Lease at any date shall be the amount of the obligation in respect thereof which would be included within such balance sheet;

"**Capital Stock**" means common shares, preferred shares or other equivalent equity interests (howsoever designated) of capital stock of a body corporate, equity preferred or

common interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent such ownership interest;

**"Cash Operating Costs"** means, for any period, all cash costs of the Credit Parties relating to the operation of the Projects during such period including any Taxes, insurance premiums, management and service fees, professional fees and expenses but excluding Total Debt Service paid during such period;

**"Change in Law"** means (i) the adoption or the coming into force of any Law, directive, guideline (whether or not having the force of law) or the interpretation or the administration thereof by a court or a Governmental Authority or other authority charged with such interpretation or administration, (ii) any change in any Law, directive or guideline whether or not having the force of law, or in the interpretation or administration thereof by any court or Governmental Authority or other authority charged with the interpretation or administration thereof, (iii) any reversal by any court or Governmental Authority or other authority of an interpretation of any Law, directive or guideline whether or not having the force of Law or (iv) any change in GAAP or any requirement, guideline, directive, interpretation or administrative position with respect to GAAP, in each case, which becomes effective after the Closing Date;

**"Change Order"** means any modification to the scope of work or the contract price pursuant to any Material Project Document which under the terms of subsection 3.1.1 of the Muskrat PDMA or the Labrador Transco PDMA requires the consent of either Credit Party;

**"Clean-Up"** means the remediation, containment, removal, treatment, elimination or disposal of any Hazardous Material;

**"Clearing Agency"** means (i) CDS or, if a successor is appointed, a successor organization recognized by the Ontario Securities Commission as a "clearing agency" pursuant to the *Securities Act* (Ontario), or (ii) if permitted under the Supplemental Indenture for a Series of FV Bonds, an organization performing similar functions in another jurisdiction, including The Depository Trust Company (DTC) and Central Securities Depositories which are members of the Euroclear group;

**"Closing Date"** means the date that the Muskrat/LTA Initial Conditions Precedent, the IT Initial Conditions Precedent and the LIL Initial Conditions Precedent are met to the satisfaction of the Collateral Agent or waived by it;

**"Collateral Agency Agreement"** means the collateral agency agreement dated as of the date hereof entered into among, *inter alios*, the Collateral Agent, the Funding Vehicle and the Credit Parties;

**"Collateral Agent"** means The Toronto-Dominion Bank, in its capacity as collateral agent for the GAA Finance Parties pursuant to the Collateral Agency Agreement, and includes any successor thereof in such capacity;

**"Collateral Agent's Counsel"** means (i) in Canada (other than in NL), McCarthy Tétrault LLP, (ii) in NL, Stewart McKelvey LLP, and (iii) in the United States of America, Sullivan Crownwell LLP;

**"Collateral Agent's Office"** means generally, the office of the Collateral Agent located at 140 Water Street, St. John's, NL, A1C 6H6 or such other office as the Collateral Agent with the agreement of the Credit Parties may specify from time to time;

**"Collateral Agent Standard"** means based on the experience of the Collateral Agent in project financing transactions of nature and magnitude similar to the Projects and taking into account the covenants of Nalcor and NL Crown under the Equity Agreements and as if the Collateral Agent was a direct lender to the Credit Parties;

**"Collateral Mortgage Bond"** means a senior secured bond issued by a Credit Party pursuant to a Security Document;

**"Collateral Mortgage Bond Pledge"** means any pledge agreement in favour of a GAA Finance Party or the Collateral Agent pursuant to the terms of which a Collateral Mortgage Bond is pledged;

**"Commissioning"** means, the commissioning deemed to have occurred upon the issuance by the Collateral Agent of the Commissioning Confirmation, and **"Commission"** and **"Commissioning"** shall have correlative meanings;

**"Commissioning Certificate"** means a certificate, substantially in the form of the one attached as Schedule "L" to the Muskrat/LTA Project Finance Agreement, executed by a Responsible Officer of Devco and a Responsible Officer of each Credit Party, in each case in his capacity as an officer of, respectively, Devco and each Credit Party and without personal liability, addressed to the Collateral Agent and the Independent Engineer, in form and substance satisfactory to the Collateral Agent, attesting:

- (i) the realized Cost Variances, if any;
- (ii) the Punch List Costs and Demobilization Costs;
- (iii) that the static and dynamic commissioning inspections and tests have been achieved in accordance with the approved commissioning procedures and that 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;
- (iv) that 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

- (v) that he has no reason to believe that, assuming the proper operation and maintenance of the plant and related equipment and devices forming part of the Projects, it will not be able to maintain such required specifications and operating objectives for a period of at least thirty-five (35) years;

and shall be accompanied with all such supporting documentation and information as will permit the Collateral Agent and the Independent Engineer, in their judgment, to verify the information and calculations given and made in such certificate;

**"Commissioning Confirmation"** means the confirmation to be issued by the Collateral Agent pursuant to Section 7.9 of the Muskrat/LTA Project Finance Agreement, and which shall be in the form attached thereto as Schedule "M";

**"Commissioning Date"** means the date and time specified on the Commissioning Confirmation, as the date the Conditions Precedent to Commissioning are met to the satisfaction of the Collateral Agent or waived by it;

**"Commissioning Tests"** means the successful completion of the specified static and dynamic commissioning tests and inspections in accordance with the approved commissioning procedures and the specified reliability and Performance Testing, in order to demonstrate that the Projects are able to meet the requirements of the Basis of Design;

**"Commitment Letter"** means the commitment letter relating to the financing contemplated in the Funding Transaction Documents executed as of November 5, 2013 among the Lead Arranger, the Funding Vehicle, the Credit Parties and Nalcor;

**"Compliance Certificate"** means a certificate, substantially in the form of the one attached as Schedule "R" to the Muskrat/LTA Project Finance Agreement, signed by a Responsible Officer of each Credit Party in his capacity as an officer of such Credit Party and without personal liability:

- (i) setting forth the calculations required to establish the Retrospective DSCR and the Prospective DSCR, provided, however, that no such calculations shall be provided in any Compliance Certificate delivered during the Construction Period;
- (ii) attesting that all of the terms, 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;
- (iii) attesting that no Muskrat/LTA Event of Default has occurred and is continuing on the date thereof; and
- (iv) attesting that, to the Knowledge of said officer, 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 such 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;

**"Conditions Precedent to Commissioning"** has the meaning ascribed thereto in Section 7.9 of the Muskrat/LTA Project Finance Agreement;

**"Consolidated Transaction Documents"** refers collectively to the Funding Transaction Documents, the Guarantee Transaction Documents, the Muskrat/LTA Project Finance Documents and the Administration Agreement;

**"Construction Period"** means the period commencing on the Closing Date and terminating on the earlier of:

- (i) the day immediately preceding the Commissioning Date;
- (ii) the Date Certain;
- (iii) the date that the Muskrat/LTA Construction Facility is terminated and cancelled in its entirety and payment of the Muskrat/LTA Loan is accelerated under the provisions of Section 14.2 of the Muskrat/LTA Project Finance Agreement; and
- (iv) the date of any other cancellation of the Muskrat/LTA Construction Facility in its entirety and repayment of the entire amount of the Muskrat/LTA Loan;

**"Construction Report"** has the meaning ascribed thereto in Section 11.3 of the Muskrat/LTA Project Finance Agreement;

**"Contracted Revenues"** means, for any period, the sum of the following amounts:

- (i) all Base Block Payments and all other revenues of Muskrat arising from power purchase agreements entered into between it and any Person purchasing power generated by Muskrat and having an Investment Grade Rating, based on total annual energy sales not to exceed the P50 Average Annual Energy Production; and
- (ii) all LTA Payments;

**"Contributing Party"** means Nalcor;

**"Control"** of a Person means the possession, direct or indirect, of the power to elect or appoint a majority of such Person's board of directors or similar governing body, or to direct or cause the direction of the management, business and/or policies of such Person, whether through ownership of Voting Capital Stock, by contract or otherwise, and,

without limiting the generality of the foregoing, a Person shall be deemed to "**Control**" any partnership of which, at the time, the Person is a general partner or Controls the general partner, in the case of a limited partnership, or is a partner who, under the partnership agreement, has authority to bind the partnership in all other cases (and the terms "**Controlled by**" and "**under common Control with**" have a correlative meaning);

"**Cost Overrun Escrow Accounts**" means the Muskrat Cost Overrun Escrow Account and the Labrador Transco Cost Overrun Escrow Account;

"**Costs Overruns**" means in respect of the Projects, on any date, an amount equal to: (A) the aggregate remaining project costs to achieve completion of the Projects including (i) the remaining costs and payment obligations payable pursuant to the contracted items of the Project Budget including the cost of work completed but not yet paid for, *plus* (ii) any amounts set out in the Project Budget for non-contracted items of the Project Budget, *plus* (iii) all other remaining project costs including owners costs (included in the Project Budget but not covered by contract costs) and (iv) any appropriate contingencies and adjustments to such contingencies and escalation amounts and reasonably expected savings payable pursuant to the contracted items and non-contracted items of the Project Budget all as determined by the Credit Parties and as reviewed by the Independent Engineer as being reasonable, *plus* (v) finance costs estimated to be payable to the Commissioning Date in excess of the amount specified for that item in the Project Budget *less* (B) (i) total project costs in the Project Budget less cumulative Project Costs incurred to date by the Projects *plus* (ii) any cash deposits contained in the Cost Overrun Escrow Accounts;

"**Cost Overruns Certificate**" has the meaning ascribed thereto in Section 10.28 of the Muskrat/LTA Project Finance Agreement;

"**Cost to Complete**" means, as at any date, the estimate of the Hard Costs and Soft Costs which will be required to be incurred to attain Commissioning by the Date Certain (including the Punch List Costs and the Demobilization Costs), it being understood that the Project Costs incurred on or prior to such date, and whether already financed or requested to be financed pursuant to any Funding Request or the Final Funding Request, shall not form part of the Cost to Complete;

"**Cost Variances**" means, with respect to each Project, with regard to particular construction phase or component of construction and start-up of such Project, the amount by which costs in respect of such construction phase or component is expected to exceed amounts allocated thereto in the MF Project Budget or the LTA Project Budget, as the case may be;

"**Credit Parties**" as at any time, refers collectively to Muskrat and Labrador Transco and "**Credit Party**" refers to either one thereof;

"**Credit Parties' Counsel**" means Fasken Martineau DuMoulin LLP and McInnes Cooper and each additional or replacement firm of solicitors of recognized national standing as the Obligors may select from time to time;



**"Credit Parties' Real Property Counsel"** means McInnes Cooper and each additional or replacement firm of solicitors of recognized national standing as the Credit Parties may select from time to time;

**"Date Certain"** means February 28, 2019 as extended as hereinafter provided. The Credit Parties may request that the Date Certain be extended twice only, each time for a period of up to six (6) months by issuing to the Collateral Agent a written request at least thirty (30) days but no more than sixty (60) days prior to, in the case of the first request, February 28, 2019 and, in the case of the second request, the Date Certain as extended pursuant to the first request, which request shall:

- (i) state that no Muskrat/LTA Event of Default (other than a Muskrat/LTA Event of Default which has occurred as a direct result of an event of Force Majeure) has occurred and is continuing;
- (ii) designate the date to which the Date Certain is requested to be extended;
- (iii) be accompanied by written evidence satisfactory to the Collateral Agent that **(a)** no Material Project Document shall terminate as a result of such extension and each Material Project Document which as of the date of the request has not been terminated shall continue to be in effect until such extended Date Certain except to the extent already terminated as a consequence of a scheduled termination and **(b)** that such extension would not result in a Material Adverse Effect; and
- (iv) demonstrate to the satisfaction of the Collateral Agent and the Independent Engineer that Commissioning can be reasonably expected to occur during the period of such extension;

With respect to each such request, in the event that such request shall comply with the requirements set forth above and that the Collateral Agent shall be satisfied that the information set forth in such request is true and accurate in all material respects and that it is appropriate that the Date Certain be extended to the date set forth in the Credit Parties' request, and subject to the further requirement that no Muskrat/LTA Event of Default shall have occurred and be continuing on February 28, 2019 or, as the case may be, the Date Certain as previously extended, the Date Certain shall be extended to the date set forth in such request; provided, however, that, if at any time during the period of any such extension any of the conditions set forth above relating to such extension ceases to be true, upon delivery of written notice to the Credit Parties by the Collateral Agent, such period of extension shall terminate on the date specified in such written notice;

**"DBRS"** means DBRS Limited and its successors;

**"Debt for Borrowed Money"** means, with respect to any Person, without duplication, such Person's:

- (i) obligations for borrowed money;

- (ii) obligations under letters of credit or letters of guarantee or obligations to financial institutions who issued such letters of credit or letters of guarantee for the account of such Person;
- (iii) obligations under banker's acceptances, depository bills or depository notes (as these latter two expressions are defined in the *Depository Bills and Notes Act* (Canada));
- (iv) Purchase Money Obligations;
- (v) obligations evidenced by bonds, debentures or promissory notes;
- (vi) redeemable shares of its Capital Stock which are either redeemable at the option of the holder thereof, are redeemable at a fixed date or are redeemable during fixed intervals. The amount of Debt for Borrowed Money of any such Capital Stock shall be the maximum fixed redemption or repurchase price therefor;
- (vii) Attributable Debt with respect to Sale and Leaseback Transactions;
- (viii) the mark to market exposure of such Person under Derivative Instruments; and
- (ix) obligations under Guarantees with respect to obligations referred to in paragraphs (i) to (viii) inclusively;

**"Deemed Principal Repayments"** means, with respect to any Additional Debt of the Credit Parties that, by its terms, is repayable in its entirety only at maturity, the amount of the deemed principal repayments calculated as a lever dollar principal amortization over the entire term of such Additional Debt fully amortizing the principal amount thereof with annual installments and shall apply to and be deemed to be required to be made by the Credit Parties;

**"Demobilization Costs"** means the Muskrat Demobilization Costs and the LTA Demobilization Costs;

**"Demobilization Costs Accounts"** means the Muskrat Demobilization Costs Account and the Labrador Transco Demobilization Costs Account;

**"Demobilization Costs Funds Release"** means the Demobilization Costs Muskrat Funds Release and the Demobilization Costs LTA Funds Release;

**"Demobilization Costs LTA Funds Release"** means the Funds Release to be made to Labrador Transco pursuant to the provisions of Section 7.7 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xxviii) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the LTA Demobilization Costs;

**"Demobilization Costs Muskrat Funds Release"** means the Funds Release to be made to Muskrat pursuant to the provisions of Section 7.7 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xvi) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the Muskrat Demobilization Costs;

**"Demobilization List Items"** has the meaning ascribed to it in Section 10.20 of the Muskrat/LTA Project Finance Agreement;

**"Demobilization Work"** means the work, including any incomplete or outstanding Performance Testing, associated with the dismantling of facilities and associated environmental remedial work, disposal and disposition of tools, machinery, equipment and materials, removal of temporary systems, demobilization of personnel, close out of leases, payments of fees, licences, legal fees, close-out teams and offices, computers, support systems and personnel, information systems and information technology, performance testing personnel and equipment, final documentation close-out and transfer to operations in accordance with the provisions of the MSA;

**"DER"** means:

- (i) during the Construction Period:
  - (A) in connection with the incurrence test for Additional Debt contemplated in subsection 12.2.5 of the Muskrat/LTA Project Finance Agreement, **(a)** the sum of the principal amount of the Funds Releases made to the Credit Parties, the principal amount of all outstanding Additional Debt and the principal amount of all the Additional Debt proposed to be incurred, less the amount of the balance on deposit in the Sinking Fund Account, divided by **(b)** the sum of the total under clause (i)(A)(a) of this definition plus the aggregate outstanding balance of the Capital Accounts of the Credit Parties and any equity proposed to be invested concurrently with the incurrence of the proposed Additional Debt, expressed as a percentage;
  - (B) for all other purposes, **(a)** the sum of the principal amount of Funds Releases made to the Credit Parties and the principal amount of all outstanding Additional Debt, less the amount of the balance on deposit in the Sinking Fund Account, divided by **(b)** the sum of the total under clause (i)(B)(a) of this definition and the aggregate outstanding balance of the Capital Accounts of the Credit Parties, expressed as a percentage;
- (ii) during the Operating Period:
  - (A) in connection with the incurrence test for Additional Debt contemplated in subsection 12.2.5 of the Muskrat/LTA Project Finance Agreement, **(a)** the sum of the Muskrat/LTA

Construction Loan, the principal amount of all outstanding Additional Debt and the principal amount of all the Additional Debt proposed to be incurred, less the amount of the balance on deposit in the Sinking Fund Account, divided by **(b)** the sum of the total under clause (ii)(A)(a) of this definition plus the aggregate outstanding balance of the Capital Accounts of the Credit Parties and any equity proposed to be invested concurrently with the incurrence of the proposed Additional Debt, expressed as a percentage;

- (B) for all other purposes, **(a)** the sum of the Muskrat/LTA Construction Loan and the principal amount of all outstanding Additional Debt, less the amount of the balance on deposit in the Sinking Fund Account, divided by **(b)** the sum of the total under clause (ii)(B)(a) of this definition and the aggregate outstanding balance of the Capital Accounts of the Credit Parties, expressed as a percentage;

**"Derivative Instruments"** means any "Swap Transaction" as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. and/or any agreement evidencing such transaction;

**"Devco"** means Lower Churchill Management Corporation, a NL corporation, and includes any successor thereto;

**"Distribution Certificate"** means the certificate to be issued by a Credit Party pursuant to Section 11.4 of the Muskrat/LTA Project Finance Agreement, and which shall be in the form attached thereto as Schedule "N";

**"Distribution Conditions"** means, as at any proposed Distribution Date, the following:

- (i) the Compliance Certificate delivered pursuant to Section 11.1 or 11.2 of the Muskrat/LTA Project Finance Agreement on or immediately prior to such Distribution Date shall demonstrate, to the satisfaction of the Collateral Agent, that the Credit Parties achieved a Retrospective DSCR and a Prospective DSCR of at least 1.20:1;
- (ii) the DSRA is funded with an amount equal to the Minimum DSRA Requirement as at such Distribution Date; and
- (iii) no Muskrat/LTA Event of Default then exists;

**"Distribution Date"** means a Business Day after the sixth (6<sup>th</sup>) month following the first day of the Operating Period which can occur **(i)** no more frequently than once per quarter, **(ii)** no earlier than five (5) Business Days following the delivery to the Collateral Agent of a Distribution Certificate and **(iii)** in any particular month, only after the date on which the Collateral Agent, on behalf of the Funding Vehicle, is scheduled to receive payment

of all amounts due and payable by the Credit Parties in respect of the Muskrat/LTA Loan, including Sinking Fund Payments;

**"Distribution Funds"** means the amount, determined on a Distribution Date, of:

- (i) with respect to Muskrat: (A) cash in the Muskrat Project Funding Account after application of all amounts in the Muskrat Project Funding Account pursuant to clauses (a) to (i) of paragraph 8.2.2.2 of the Muskrat/LTA Project Finance Agreement) and (B) cash in the Muskrat Distribution Reserve Account; and
- (ii) with respect to Labrador Transco: (A) cash in the Labrador Transco Project Funding Account after application of all amounts in the Labrador Transco Project Funding Account pursuant to clauses (a) to (i) of paragraph 8.8.2.2 of the Muskrat/LTA Project Finance Agreement and (B) cash in the Labrador Transco Distribution Reserve Account;

**"Distribution Reserve Accounts"** means the Muskrat Distribution Reserve Account and the Labrador Transco Distribution Reserve Account;

**"Distributions"** with respect to any Person, means:

- (i) the payment or declaration of any dividend or the making of any distribution of any kind or character (whether in cash or property, but expressly excluding any such distribution by way of the payment of dividends by the issuance of Capital Stock of such Person) in respect of any class of the Capital Stock of such Person or to the holders of any class of its Capital Stock;
- (ii) the purchase, redemption or other acquisition or retirement for value of any of its Capital Stock or of any options, warrants or rights to purchase or acquire shares of its Capital Stock;
- (iii) the payment of management fees, commission fees, guarantee fees and other fees or amounts to any holder of Capital Stock of such Person other than in accordance with or pursuant to the provisions of the Material Project Documents; and
- (iv) the setting aside of any funds for any of the foregoing purposes;

**"Drawdown"** means the single Advance under the Muskrat/LTA Project Finance Agreement;

**"Drawdown Date"** means the day on which the single Drawdown is made under the Muskrat/LTA Project Finance Agreement;

"**Draw Request**" means a notice, substantially in the form of the one attached as Schedule "S" to the Muskrat/LTA Project Finance Agreement, issued by the Credit Parties to the Collateral Agent in connection with the single Drawdown requested by the Credit Parties under the Muskrat/LTA Project Finance Agreement;

"**DSCR**" is the collective reference to Retrospective DSCR and Prospective DSCR;

"**DSCR Consultation Period**" has the meaning ascribed to it in Section 11.26 of the Muskrat/LTA Project Finance Agreement;

"**DSRA**" has the meaning ascribed to it in Section 8.14 of the Muskrat/LTA Project Finance Agreement;

"**DSRA Funds Releases**" means the DSRA Muskrat Funds Release and the DSRA LTA Funds Release;

"**DSRA LTA Funds Release**" means the single Funds Release to be made to Labrador Transco pursuant to the provisions of Section 7.8 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xxvi) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the DSRA LTA Funds Release;

"**DSRA Muskrat Funds Release**" means the Funds Release to be made to Muskrat pursuant to the provisions of Section 7.8 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xiv) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the DSRA Muskrat Funds Release;

"**DSRA Prefunding**" has the meaning ascribed to it in Section 10.27 of the Muskrat/LTA Project Finance Agreement;

"**Easements**" means all easements, rights-of-way, rights in the nature of easements, rights of ownership, rights of first refusal or otherwise to acquire same, necessary for the development, maintenance or operation of the Projects;

"**Effective Date**" means the date as of which financial information relating to the Projects is being provided, it being understood that with respect to:

- (i) any Funding Request or the Final Funding Request, such date shall be the day immediately preceding the date of such Funding Request or Final Funding Request; and
- (ii) any Construction Report, such date shall be:
  - (a) with respect to the first Construction Report, **(A)** where the twentieth (20<sup>th</sup>) day of the month preceding the month during which such Construction Report is delivered in a Business Day, the Business Day immediately following the twentieth (20<sup>th</sup>) day of

such month, and **(B)** where the twentieth (20<sup>th</sup>) day of the month preceding the month during which such Construction Report is delivered is not a Business Day, the second Business Day immediately following the twentieth (20<sup>th</sup>) day of such month; and

- (b) with respect to every Construction Report thereafter, the first Business Day immediately following the date of delivery of the preceding Construction Report;

**"Eligible Project Costs"** means, as at any Effective Date, as determined by the Collateral Agent in consultation with the Credit Parties, the aggregate amount required by a Credit Party to defray the MF Project Costs or LTA Project Costs, as the case may be, incurred to and invoiced by such date or, as supported by supporting documentation for the relevant Funding Request or the Final Funding Request in the form sample attached as Schedule "CC" to the Muskrat/LTA Project Finance Agreement, expected to be incurred to and invoiced by the relevant Funds Release Date with respect to work done and goods delivered prior to such dates or with respect to deposits on contracts and in each case with respect to which no previous Funding Request has been issued;

**"Emera Guarantee"** means the guarantee agreement to be entered into between Emera and Canada pursuant to which Emera Incorporated will provide certain guarantees in connection with the Maritime Link;

**"Emera Sanction Resolution"** means the resolution of July 3, 2013 of the board of directors of Emera Incorporated for purposes of, *inter alia*, confirming, approving, authorizing and notifying the sanction of the Maritime Link;

**"Enforcement Event"** means:

(i) each one of the Muskrat/LTA Events of Default set forth below:

1. a Muskrat/LTA Event of Default under Section 13.6 of the Muskrat/LTA Project Finance Agreement resulting from an Insolvency Event other than an Insolvency Event under clause (v) of the definition of "Insolvency Event";
2. a Muskrat/LTA Event of Default under Section 13.7 of the Muskrat/LTA Project Finance Agreement;
3. a Muskrat/LTA Event of Default under Section 13.10 of the Muskrat/LTA Project Finance Agreement;
4. a Muskrat/LTA Event of Default under Section 13.12 of the Muskrat/LTA Project Finance Agreement;
5. a Muskrat/LTA Event of Default under Section 13.18 of the Muskrat/LTA Project Finance Agreement, but only to the extent that it relates to the PPA or the GIA;

6. a Muskrat/LTA Event of Default under Section 13.22 of the Muskrat/LTA Project Finance Agreement;
7. a Muskrat/LTA Event of Default under Section 13.26 or 13.27 of the Muskrat/LTA Project Finance Agreement, 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); or

(ii) a Muskrat/LTA Event of Default other than a Muskrat/LTA Event of Default described in clause (i) above, but, in the case of clause (ii), only to the extent that the Remedies Consultation Period relating to such Muskrat/LTA Event of Default has expired and such Muskrat/LTA Event of Default continues following such expiry of the Remedies Consultation Period.

**"Enforcement Proceeding"**, with respect to any Person, refers to:

- (i) any right granted to such Person against another Person or the Assets of such other Person as a result of such first Person holding, directly or beneficially, Liens on the Assets of such other Person including: (a) the right to require the surrender of the Assets subject to such Liens; (b) the right to exercise any power of sale over or to foreclose on the Assets subject to such Liens; (c) the right to appoint a receiver for such Person or its Assets; (d) the right to withdraw any authorization to collect accounts subject to such Liens; (e) the right to vote any Capital Stock subject to such Liens or to withdraw any power of attorney to vote any such Capital Stock; and (f) the right to take possession, administer, sell or lease any of the Assets subject to such Liens;
- (ii) the right to seize or request the seizure of the Assets of any other Person; and
- (iii) the right to institute or prosecute any judicial proceeding seeking injunctive relief, the appointment of a receiver, the sale of any Assets or for foreclosure;

**"Environmental Law"** means, with respect to any Person, any Applicable Law relating to the environment and to such Person or any of its Assets;

**"Environmental Losses"** has the meaning ascribed to it in Section 15.3 of the Muskrat/LTA Project Finance Agreement;

**"EPCM"** means the agreement for engineering, procurement and construction management services for the Project entered into effective as of February 1, 2011 between Nalcor and SNC Lavalin Inc. as assigned to Devco on or about November 29, 2013;



"**Equity Agreements**" refers collectively to the ESAs and the ESGs;

"**Equity Contribution Release Conditions**" means, during any period of time that Excluded Deposits are outstanding in any Project Account, either (i) where the Muskrat/LTA Construction Facility has not been fully disbursed, the Collateral Agent exercises its rights under subsection 14.2.1 and declares the Muskrat/LTA Construction Facility to be cancelled or terminated, or (ii) where the Muskrat/LTA Construction Facility has been fully disbursed but the amount then standing to the credit of the Muskrat/LTA Proceeds Accounts has not been released to the Credit Parties and following the exercise by the Collateral Agent of any Right, Recourse and/or Remedy under Section 14.2, the GAA Finance Parties advise the Credit Parties that they have determined not to proceed to have Commissioning of the Project achieved;

"**ESAs**" means the MFESA and the LTAESA;

"**ESGs**" means the MFESG and the LTAESG;

"**Event of Default**" means a FV Event of Default, a Muskrat/LTA Event of Default and a GAA Event of Default;

"**Excise Tax Act**" means the *Excise Tax Act* (Canada);

"**Excluded Collateral**" means (i) all Excluded Deposits, (ii) all GHG Credits, (iii) the proceeds of all NLH External Market Sales deemed to be made by Muskrat on behalf of NLH in accordance with the PPA, and (iv) all of Muskrat's right, title, and interest in the Gull Island Rights and in the Water Lease as they pertain to the Gull Island Rights;

"**Excluded Deposits**" is, at any time, the collective reference to any amount deposited into any Project Account that represents a Base Equity Contribution, a Contingency Equity Contribution or a DSRA Equity Contribution including, without limitation, any amounts on deposit in the Cost Overrun Escrow Accounts, the release of which for purposes of funding Project Costs cannot be made in accordance with Section 2.9 of the applicable ESA and Section 2.4 of the applicable ESG;

"**Expropriation Event**" means any compulsory transfer or taking by condemnation, expropriation, eminent domain or exercise of a similar power, or transfer under threat of such compulsory transfer or taking, of any part of the Assets of a Person by any Governmental Authority;

"**Federal Environmental Assessment**" means the decision made by the Minister of Fisheries in his capacity as responsible authority to release the Lower Churchill Hydroelectric Generation Project from environmental assessment with the approval of the Governor in Council on March 15, 2012 pursuant to Section 37(1) of the Canadian Environmental Assessment Act, S.C. 1992, c. 37 ;

"**Federal Loan Guarantee**" means the guarantee agreement to be executed by Canada in favour of the Indenture Trustee with respect to, *inter alia*, the payment obligations of the

Funding Vehicle under the MTI, each Supplemental Indenture and the FV Bonds and the Underlying Pledge Bond Documents;

**"Final Eligible Project Costs"** means the Muskrat Eligible Project Costs and the Labrador Transco Eligible Project Costs;

**"Final Funding Labrador Transco Rateable Share"** means, in respect of the funding of each of Labrador Transco's Project Rateable Share of the DSRA, the Labrador Transco Punch List Costs Account, the Labrador Transco Demobilization Costs Account and the Labrador Transco Final Eligible Project Costs on the Commissioning Date, the rateable share of the aggregate amount of Funding Requirements requested pursuant to the Final Funding Request attributable to such funding;

**"Final Funding Muskrat Rateable Share"** means, in respect of the funding of each of Muskrat's Project Rateable Share of the DSRA, the Muskrat Punch List Costs Account, the Muskrat Demobilization Costs Account and the Muskrat Final Eligible Project Costs on the Commissioning Date, the rateable share of the aggregate amount of Funding Requirements requested pursuant to the Final Funding Request attributable to such funding;

**"Final Funding Request"** means a request, substantially in the form of Schedule "O" to the Muskrat/LTA Project Finance Agreement, addressed by the Credit Parties to the Collateral Agent and the Independent Engineer, specifying:

- (i) the Final Eligible Project Costs thereof;
- (ii) the Punch List Costs;
- (iii) the Demobilization Costs;
- (iv) that no Muskrat/LTA Event of Default has occurred and is continuing;
- (v) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date, the Final Funding Muskrat Rateable Share of the Aggregate Muskrat Account Balances attributable to the funding of such Final Eligible Project Costs;
- (vi) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Muskrat's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the Final Funding Muskrat Rateable Share of the Aggregate Muskrat Account Balances attributable to such funding of the DSRA;
- (vii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date, the Final Funding Muskrat Rateable

Share of the Aggregate Muskrat Account Balance attributable to such funding of the Muskrat Punch List Costs Account;

- (viii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date, the Final Funding Muskrat Rateable Share of the Aggregate Muskrat Account Balance attributable to such funding of the Muskrat Demobilization Costs Account;
- (ix) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date, **(a)** the aggregate amount to be invested under the Muskrat Available Base Equity Commitment or the Muskrat Contingency Equity Commitment, as the case may be, and representing the Muskrat Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (v) of this definition, minus **(b)** the Final Funding Muskrat Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Muskrat Final Eligible Project Costs, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (x) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Muskrat's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, **(a)** the aggregate amount to be invested under the Muskrat DSRA Equity Commitment and representing the Muskrat Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of Muskrat's Project Rateable Share of the DSRA on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (vi) of this definition, minus **(b)** the Final Funding Muskrat Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of Muskrat's Project Rateable Share of the DSRA, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Muskrat Available Base Equity Commitment or the Muskrat Contingency Equity Commitment, as the case may be, and representing the Muskrat Equity Rateable Share of the difference

between the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (vii) of this definition, minus **(b)** the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Muskrat Punch List Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Muskrat Available Base Equity Commitment or the Muskrat Contingency Equity Commitment, as the case may be, and representing the Muskrat Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (viii) of this definition, minus **(b)** the Final Funding Muskrat Project Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Muskrat Demobilization Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xiii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date, the aggregate amount of the Funds Release requested by Muskrat and representing the Muskrat Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (v) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xiv) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Muskrat's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the aggregate amount of the Funds Release requested by Muskrat and representing the Muskrat Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of Muskrat's Project Rateable Share of the DSRA on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (vi) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xv) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date, the aggregate amount of the Funds Release requested by Muskrat and representing the Muskrat Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (vii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xvi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date, the aggregate amount of the Funds Release requested by Muskrat and representing the Muskrat Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (viii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xvii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date, the Final Funding Labrador Transco Rateable Share of the Aggregate Labrador Transco Account Balances attributable to such funding of the Labrador Transco Final Eligible Project Costs;
- (xviii) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the Final Funding Labrador Transco Share of the Aggregate Labrador Transco Account Balances attributable to such funding of the DSRA;
- (xix) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date, the Final Funding Labrador Transco Share of the Aggregate Labrador Transco Account Balances attributable to such funding of the Labrador Transco Punch List Costs Account;
- (xx) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date, the Final Funding Labrador Transco Share of the Aggregate Labrador Transco Account

Balances attributable to such funding of the Labrador Transco Demobilization Costs Account;

- (xxi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date, **(a)** the aggregate amount to be invested under the LTA Available Base Equity Commitment or the LTA Contingency Equity Commitment, as the case may be, and representing the LTA Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xvii) of this definition, minus **(b)** the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Labrador Transco Final Eligible Project Costs, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
  
- (xxii) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, **(a)** the aggregate amount to be invested under the LTA DSRA Equity Commitment and representing the LTA Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of Labrador Transco's Project Rateable Share of the DSRA on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xviii) of this definition, minus **(b)** the Final Funding Labrador Transco Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of Labrador Transco's Project Rateable Share of the DSRA, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
  
- (xxiii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the LTA Available Base Equity Commitment or the LTA Contingency Equity Commitment, as the case may be, and representing the LTA Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xix) of this definition, minus **(b)** the portion of the amount determined in clause (iii) of the definition of Funding Requirements attributable to

such funding of the Labrador Transco Punch List Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xxiv) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the LTA Available Base Equity Commitment or the LTA Contingency Equity Commitment, as the case may be, and representing the LTA Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xx) of this definition, minus **(b)** the portion of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Labrador Transco Demobilization Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxv) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date, the aggregate amount of the Funds Release requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xvii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxvi) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the aggregate amount of the Funds Release requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of Labrador Transco's Project Rateable Share of the DSRA on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xviii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxvii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs

Account on the Commissioning Date, the aggregate amount of the Funds Release requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xix) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xxviii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date, the aggregate amount of the Funds Release requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xx) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxix) for purposes of the prefunding of the Sinking Fund Account pursuant to Section 3.9 of the Muskrat/LTA Project Finance Agreement, the Aggregate Labrador Transco Account Balances and Aggregate Muskrat Account Balances minus the amounts thereof applied as per the foregoing paragraphs of this definition;
- (xxx) a reconciliation of amounts disbursed from each Project Operating Account to amounts set forth and approved in any Funding Request provided during the prior month;
- (xxxi) Soft Costs for each Project incurred as at the Effective Date of the Construction Report delivered in the same month as the Final Funding Request by major expense category and compared as against the original MF Project Budget or LTA Project Budget, as the case may be;

**"Financial Statements"** means, with respect to any Person, for any period, all prepared in accordance with GAAP, the balance sheet of such Person as at the end of such period and the related statements of income, retained earnings, shareholders' or partners' equity and cash flows for such period, setting forth in each case, in comparative form, the figures for the corresponding period of the previous fiscal quarter or for the previous fiscal year, as the case may be;

**"Financing Structure"** has the meaning ascribed to it from time to time in the recitals to the Collateral Agency Agreement;



"**First LIL Drawdown Conditions Precedent**" has the meaning ascribed to it in the LIL Project Finance Agreement;

"**Fiscal Agent**" means the Indenture Trustee, the depositaries of the FV Funds or FV Accounts required under the MTI or any sub-account thereof, any Paying Agent, or any or all of them as the context may require;

"**Fiscal and Paying Agency Agreement**" means the fiscal and paying agency agreement entered into among the FV, the Indenture Trustee and The Toronto-Dominion Bank, as Fiscal Agent and Paying Agent;

"**Force Majeure**" has the meaning ascribed thereto in the PPA;

"**Fraudulent Conveyances Law**" means the *Fraudulent Conveyances Act* (NL), or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign;

"**Fund**" means any fund, reserve fund or account required to be established pursuant to the MTI;

"**Funding Duties**" means the FV Trust Activities with respect to (i) the borrowing of money and the issuance of FV Bonds from time to time pursuant to the MTI and the other Funding Transaction Documents in a manner that enables the Funding Vehicle to lend money to the Credit Parties pursuant to the Muskrat/LTA Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Funding Vehicle under the Funding Transaction Documents and Guarantee Transaction Documents, (iii) subject to fulfilling the Funding Duty Requirement, the execution of all Funding Transaction Documents and Guarantee Transaction Documents on behalf of the Funding Vehicle, and (iv) all matters incidental or ancillary to the activities described in clauses (i), (ii) and (iii) of this definition including the matters contemplated in Sections 3.1, 3.4 and 3.5 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Funding Vehicle and Canada, each acting reasonably;

"**Funding Duty Requirement**" has the meaning ascribed to it from time to time in Section 4.1 of the Collateral Agency Agreement;

"**Funding Request**" means a request, substantially in the form of Schedule "P" to the Muskrat/LTA Project Finance Agreement, addressed by the Credit Parties to the Collateral Agent and the Independent Engineer, specifying:

- (i) the amount of Eligible Project Costs for each Project remaining unpaid as at the Effective Date thereof;
- (ii) the Permitted Investments made with the funds in the Project Accounts;
- (iii) that no Muskrat/LTA Event of Default has occurred and is continuing;

- (iv) for purposes of funding the Funding Requirements of Muskrat, the Aggregate Muskrat Project Funding Account and Operating Account Balances as at the Effective Date;
- (v) for purposes of funding the Funding Requirements of Labrador Transco, the Aggregate Labrador Transco Project Funding Account and Operating Account Balances as at the Effective Date;
- (vi) for purposes of funding the Funding Requirements of Muskrat, **(a)** the aggregate amount to be invested under either the Muskrat Available Base Equity Commitment or the Muskrat Contingency Equity Commitment, as the case may be, and representing the Muskrat Equity Rateable Share of the difference between the Funding Requirements of Muskrat and the Aggregate Muskrat Project Funding Account and Operating Account Balances as at the Effective Date, minus **(b)** the amount determined in clause (iii) of the definition of Funding Requirements that applies to Muskrat;
- (vii) for purposes of funding the Funding Requirements of Muskrat, the aggregate amount of the Funds Release requested by Muskrat and representing the Muskrat Debt Rateable Share of the difference between the Funding Requirements of Muskrat and the Aggregate Muskrat Project Funding Account and Operating Account Balances as at the Effective Date;
- (viii) for purposes of funding the Funding Requirements of Labrador Transco, **(a)** the aggregate amount to be invested under either the LTA Available Base Equity Commitment or the LTA Contingency Equity Commitment, as the case may be, and representing the LTA Equity Rateable Share of the difference between the Funding Requirements of Labrador Transco and the Aggregate Labrador Transco Project Funding Account and Operating Account Balances as at the Effective Date, minus **(b)** the amount determined in clause (iii) of the definition of Funding Requirements that applies to Labrador Transco;
- (ix) for purposes of funding the Funding Requirements of Labrador Transco, the aggregate amount of the Funds Release requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements of Labrador Transco and the Aggregate Labrador Transco Project Funding Account and Operating Account Balances as at the Effective Date;
- (x) 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;

- (xi) 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;
- (xii) Soft Costs for each Project incurred as at the Effective Date of the Construction Report delivered in the same month as the relevant Funding Request by major expense category and compared as against the original MF Project Budget or LTA Project Budget, as the case may be;

**"Funding Requirements"** means, with respect to each Credit Party, as at any date, as determined by the Collateral Agent, the aggregate of:

- (i) the Eligible Project Costs for the MF Plant or the LTA, as the case may be, as at the Effective Date of the Funding Request or Final Funding Request;
- (ii) if at the Effective Date of the Funding Request pertaining to such Funding Requirements, the amount on deposit in the Working Capital Reserve Account is less than the Minimum WCR Requirement, the amount of such difference attributable to such Credit Party's Project Costs funded therewith, provided, however, that where the conditions precedent set forth in Section 7.11 of the Muskrat/LTA Project Finance Agreement apply to the relevant Funds Release, the amount determined under this paragraph (ii) shall be deemed to be nil;
- (iii) if at any time following the Effective Date of the Funding Request immediately preceding such Funding Request or Final Funding Request, as the case may be, an equity Investment contemplated in paragraph 7.10.1.3 of the Muskrat/LTA Project Finance Agreement has been made in such Credit Party, the amount of such equity Investment;

**"Funding Transaction Documents"** means the agreements entered into from time to time with respect to such portion of the FV Trust Activities as pertains to the borrowings to be made by or for the benefit of the Funding Vehicle for purposes of onlending to the Credit Parties pursuant to the Muskrat/LTA Project Finance Documents, including the MTI, the FV Bonds, any other loan and debt documents, entered into in connection therewith and any security documents executed by the Funding Vehicle in order to secure its obligations under the foregoing;

**"Funding Vehicle"** means Muskrat Falls / Labrador Transmission Assets Funding Trust, a trust formed under the Laws of NL pursuant to the FV Declaration of Trust;

**"Funding Vehicle Project Costs and Expenses"** means costs and expenses due and payable by the Funding Vehicle to its advisors in connection with the Funding Transaction Documents or the Muskrat/LTA Project Finance Documents, including the Independent Engineer and legal advisors including all reasonable costs and expenses

incurred by the Funding Vehicle under any Enforcement Proceedings instituted pursuant to any of the Funding Transaction Documents or the Muskrat/LTA Project Finance Documents;

**"Funds Release"** means a release of all or a portion of the Muskrat/LTA Proceeds Account Balance to a Credit Party;

**"Funds Release Date"** means any day on which a Funds Release occurs, provided, however, that (i) in the case of each Funds Release made pursuant to a Funding Request or Final Funding Request, as the case may be, delivered other than in May or November, the Funds Release Date shall occur on the first (1st) Business Day of the month that immediately follows the month during which delivery of such Funding Request or Final Funding Request, as the case may be, occurred, and (ii) in the case of each Funds Release made pursuant to a Funding Request or Final Funding Request, as the case may be, delivered in May or November, the Funds Release Date shall occur on the second to last Business Day of the month during which delivery of such Funding Request or Final Funding Request, as the case may be, occurred;

**"Funds Release Request"** means a request, substantially in the form of the one attached as Schedule "A" to the Muskrat/LTA Project Finance Agreement, addressed by a Credit Party to the Collateral Agent in connection with any Funds Release pursuant to the terms of which such Credit Party requests a Funds Release in an amount equal to the lesser of (A) the Muskrat/LTA Proceeds Account Balance and (B) the amount of such Credit Party's Funding Requirements to be funded with the proceeds of the requested Funds Release;

**FV Account**" means any fund, reserve fund or account required to be established pursuant to the MTI;

**"FV Bond"** means any evidence of indebtedness of the Funding Vehicle authenticated and delivered by the Indenture Trustee under and pursuant to the MTI and each Supplemental Indenture, whether such evidence of indebtedness is a FV Obligation Bond or a FV Pledge Bond thereunder;

**"FV Bond Acceleration Date"** means the date on which the FV Bonds are called for payment as a result of the FV Bonds being accelerated pursuant to the MTI and the Supplemental Indentures;

**"FV Bondholder"** or **"holder"** or words of similar import, when used with reference to a FV Bond, means any Person who is, at the relevant time, the Person whose name is entered in the FV Bond Registers as the holder of such FV Bond, including any Person in whose name a FV Pledge Bond is registered as trustee, security holder or in a fiduciary capacity;

**"FV Bond Make-Whole Amount"** means the aggregate make-whole amount or premium that would be payable by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be, pursuant to the MTI and the

Supplemental Indentures in respect of the FV Bonds being all redeemed or accelerated at such time prior to their stated maturity;

"**FV Bond Redemption Date**" means the redemption date under the MTI and the Supplemental Indentures;"**FV Bond Registers**" means, collectively, the one or more registers of FV Bondholders which the Indenture Trustee is required to maintain pursuant to Section 3.3 of the MTI;

"**FV Bond - Series A**" means the FV Bonds designated as "Series A Bonds" pursuant to a Supplemental Indenture;

"**FV Bond - Series A Interest Rate**" means the interest rate per annum applicable to the FV Bond - Series A pursuant to the MTI and the relevant Supplemental Indenture;

"**FV Bond - Series B**" means the FV Bonds designated as "Series B Bonds" pursuant to a Supplemental Indenture;

"**FV Bond - Series B Interest Rate**" means the interest rate per annum applicable to the FV Bond - Series B pursuant to the MTI and the relevant Supplemental Indenture;

"**FV Bond - Series C**" means the FV Bonds designated as "Series C Bonds" pursuant to a Supplemental Indenture;

"**FV Bond - Series C Interest Rate**" means the interest rate per annum applicable to the FV Bond - Series C pursuant to the MTI and the relevant Supplemental Indenture;

"**FV Collateral Trust Deed**" means the collateral trust deed executed by the Funding Vehicle in favour of the FV Security Trustee and dated on or about the date hereof;

"**FV Consultants**" means the Insurance Consultant, the Independent Engineer, FV Counsel and any other experts, advisors or professionals retained or appointed from time to time to advise the GAA Finance Parties;

"**FV Counsel**" means McInnes Cooper and any successor thereof;

"**FV Declaration of Trust**" means the declaration of trust dated as of November 1, 2013 made by BNY Trust Company of Canada, as Issuer Trustee for the Funding Vehicle, as amended, supplemented, restated or otherwise changed from time to time;

"**FV Event of Default**" means the "**Event of Default**" as defined in the MTI;

"**FV Obligation Bond**" means a FV Bond issued as direct evidence of the Indebtedness of the Funding Vehicle to the holder thereof;

"**FV Payment**" means any payment of principal, interest, fees or other amounts payable by the Funding Vehicle on a FV Bond, in accordance with its terms and the terms of the applicable Supplemental Indenture, or under any other Funding Transaction Document;

**"FV Payment Account"** means the account number 58003-5230629 of the Funding Vehicle maintained at the Collateral Agent's Office for purposes of payments to be made to it by the Credit Parties and payments to be made by it to the Fiscal Agents;

**"FV Payment Date"** means one (1) Business Day prior to any date on which a FV Payment is payable by the Funding Vehicle;

**"FV Pledge"** means, in respect of a FV Bond, a pledge, deposit or delivery of such FV Bond or other agreement between the Funding Vehicle and a FV Bondholder in respect of such FV Bond, in each case made in accordance with Section 4.1 of the MTI;

**"FV Pledge Bond"** means a FV Bond which is subject to a FV Pledge;

**"FV Proceeds Account"** means the account number 58003-5230610 of the Funding Vehicle maintained at the Collateral Agent's Office for purposes of receiving the proceeds of all FV Bonds issued by it;

**"FV Security Trustee"** means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain GAA Security Documents;

**"FV Trust Activities"** means the activities of the Funding Vehicle permitted under the FV Declaration of Trust;

**"FV Trust Property"** means as of any particular time, any and all assets of the Funding Vehicle and any and all property, real, personal or otherwise, tangible or intangible, movable or immovable which has been transferred, conveyed or paid to, or acquired or originated by, the Funding Vehicle including all of the rights, title and interest of the Funding Vehicle in and to the Consolidated Transaction Documents, including all income, earnings, profits and gains therefrom, and all proceeds deriving therefrom or related thereto and which at such time is owned or held by the Funding Vehicle;

**"GAA"** means the guarantee assurance agreement dated as of the date hereof entered into among, *inter alios*, Canada, the Collateral Agent, the Funding Vehicle and the Credit Parties;

**"GAA Duties"** means performing all duties and functions required of the Collateral Agent pursuant to the GAA and the other Guarantee Transaction Documents including performing the Funding Duties and Project Financing Duties, providing the reports, advice, confirmations and certificates to Canada and including the matters contemplated in Sections 3.3, 3.4 and 3.5 of the Collateral Agency Agreement, acting reasonably in accordance with the Collateral Agent Standard and the instructions of Canada, acting reasonably;

**"GAA Event of Default"** means any of the events described in Section 4.01 of the GAA;

**"GAA Finance Parties"** means (i) in reference to the Muskrat/LTA Project Finance Documents, the Funding Vehicle, in its capacity as lender under the Muskrat/LTA Project Finance Documents, and Canada in accordance with the provisions of the GAA, and

(ii) in reference to the Funding Transaction Documents, Canada in accordance with the GAA;

"GAAP" means generally accepted accounting principles as defined by the Canadian Institute of Chartered Accountants or its successors, as amended or replaced by international financial reporting standards or as otherwise amended from time to time;

"GAA Security Documents" means the security documents executed by the Funding Vehicle pursuant to the terms of the GAA;

"General Partner" means Labrador - Island Link General Partner Corporation, a NL corporation, in its capacity as general partner of the Partnership, and includes any successor thereto in such capacity;

"GHG Credits" has the meaning ascribed thereto from time to time in the PPA;

"GIA" means the generator interconnection agreement entered into on or about November 29, 2013 among NLH, Muskrat and Labrador Transco;

"Good Utility Practice" means those project management, design, procurement, construction, operation, maintenance, repair, removal and disposal practices, methods and acts that are engaged in by a significant portion of the electric utility industry in Canada during the relevant time period, or any other practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be the optimum practice, method, or act to the exclusion of others, but rather to be a spectrum of acceptable practices, methods or acts generally accepted in such electric utility industry for the project management, design, procurement, construction, operation, maintenance, repair, removal and disposal of electric utility facilities in Canada. Good Utility Practice shall not be determined after the fact in light of the results achieved by the practices, methods or acts undertaken but rather shall be determined based upon the consistency of the practices, methods or acts when undertaken with the standard set forth in the first two sentences of this definition at such time;

"Governmental Authority" means, in relation to any Person, property, transaction or event, any (i) federal, provincial, state, territorial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), (ii) agency, authority, commission, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, (iv) private regulatory entity, self-regulatory organization or other similar Person, or (v) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, property, transaction or event;

"**Guarantees**" means, with respect to any Person, any Indebtedness of another Person which such guaranteeing Person has guaranteed or in respect of which such guaranteeing Person is liable, contingently or otherwise, including liable by way of agreement to purchase property or services, to provide funds for payment, to supply funds to or otherwise invest in such other Person, or otherwise, in all cases to assure a creditor of such other Person against loss, other than endorsements for collection or deposit in the ordinary course of business. Furthermore, "**Guarantee**" and "**Guaranteeing**" shall have correlative meanings. For the purposes of determining compliance with various provisions in any Project Finance Document or Guarantee Transaction Document relating to Guarantees, the amount of any Guarantee shall be deemed to be the lesser of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made (for greater clarity where such primary obligation is to be incurred pursuant to a revolving credit facility, the amount of the aggregate commitments under such a facility shall constitute the stated amount of the primary obligation) and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of such Guarantee shall be deemed to be such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as reasonably determined by the Collateral Agent in good faith;

"**Guarantee Transaction Documents**" or "**GAA Transaction Documents**" means the agreements entered into from time to time with respect to such portion of the FV Trust Activities as pertains to the contractual arrangements between, *inter alia*, Canada and the Funding Vehicle in connection with the issuance of the Federal Loan Guarantee, including the Federal Loan Guarantee, the GAA, the Collateral Agency Agreement and the GAA Security Documents;

"**Gull Island Rights**" means the water rights associated with the section of the Lower Churchill River above the Muskrat Falls development attributable to the Gull Island development, which is defined as:

- (i) that part of the Churchill River below the intersection of the Churchill River with the meridian of 63° 40' west of Greenwich, downstream to the intersection of the Churchill River with the meridian of 61° 25' west of Greenwich, and all waters that naturally flow into, or by diversion flow into, the Churchill River between these two points, and
- (ii) that part of the Churchill River upstream of the point of intersection of the Churchill River with the meridian of 63° 40' west of Greenwich that lies below the 425 foot contour line or below elevation 425 feet, as referenced in Appendix A of the *Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961*,

but excludes the area described in Appendix A to the *Churchill Falls (Labrador) Corporation (Lease) Act, 1961* and all waters while they are in that area. The rights



included in the reassignment option that Nalcor may exercise at any time thereby requiring Muskrat to reassign all Gull Island Rights shall include the grant to:

- (i) the exclusive right to harness and make use of the Lower Churchill River above the Muskrat Falls development,
- (ii) all water rights above elevation 39.0 metres referenced from the Canadian Geodetic Vertical Datum 1928 (CGVD28) in, to, and in respect of the Lower Churchill River, and
- (iii) the exclusive right to construct and utilize all dams, tunnels, canals, diversions, power houses and any and all works on the Lower Churchill River above the Muskrat Falls development necessary for the development of hydro electric power, and
- (iv) the exclusive right to store and regulate so much of the Lower Churchill River as may be economic and/or beneficial for the purposes of the development of the Lower Churchill River above Muskrat Falls,

but shall not include any right to divert the Lower Churchill River outside the Churchill River basin;

**"Hard Costs"** means, in relation to each Project, all of the project management, design, procurement, construction, acquisition and other similar costs identified in the MF Project Budget or the LTA Project Budget, as the case may be, including, without duplication:

- (i) the cost of designing, equipping, procuring, constructing, Commissioning, starting up and testing such Project;
- (ii) the cost of acquiring any Assets;
- (iii) real and personal property taxes (but excluding recoverable ad valorem taxes and Sales Taxes) and insurance premiums payable with respect to such Project during the Construction Period;
- (iv) initial working capital requirements of such Project as set forth in the MF Project Budget or the LTA Project Budget, as the case may be;
- (v) the costs of acquiring Authorizations for such Project;
- (vi) the cost of establishing a spare parts inventory specifically for execution of such Project;
- (vii) amounts spent out of the contingency allowances set forth in the MF Project Budget or the LTA Project Budget, as the case may be;

- (viii) all amounts payable under the Material Project Documents relating to the construction of such Project, as well as any other agreements with any other contractors supplying goods or services to such Project;
- (ix) the cost of funding the applicable Demobilization Costs;

**"Hazardous Material"** means any contaminant, pollutant, toxic substances, hazardous material, residual material, waste, dangerous goods, hazardous substances or other similar terms as such terms are defined in any Environmental Law;

**"Holder"** means **"holder"** as defined in the *Muskrat Falls Project Land Use and Expropriation Act* (NL);

**"HST"** means all amounts exigible pursuant to Part IX of the Excise Tax Act, including, for greater certainty, the Taxes commonly referred to as the goods and services tax (GST) and the harmonized sales tax (HST);

**"IE Contract"** means the agreement number LC-PM-082 for independent engineer and operating and maintenance services dated as of August 27, 2012 entered into between Nalcor and the Independent Engineer, as assigned to the Credit Parties on or about November 29, 2013;

**"IGA"** means the intergovernmental agreement to be entered into between NL Crown and Canada in connection with the Project, the MF Plant and the LTA;

**"Income on Account Balances"** means, with respect to any Project Account, any interest or other income earned by either Credit Party from investment of any sums on deposit in such Project Account, including any interest or other income earned on the re-investment of such interest or other income so earned;

**"Indebtedness"** includes, without duplication, for any Person:

- (i) obligations representing the deferred purchase price of property or services;
- (ii) obligations, whether or not assumed, secured by Liens on, or payable out of the proceeds or production from, property owned by such Person;
- (iii) Debt for Borrowed Money of such Person;
- (iv) any obligation described above or any Guarantee, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any Assets of such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and
- (v) obligations under Guarantees;

**"Indemnified Parties"** means the Collateral Agent, the GAA Finance Parties, each of their Affiliates as well as their respective directors, officers, employees, advisors, representatives and agents;

**"Indenture Trustee"** means Computershare Trust Company of Canada, a trust company, and includes any successor thereto;

**"Independent Engineer"** means MWH Canada Inc. and any successor thereof and any other engineering consultants appointed from time to time for the Projects, with the consent of the Credit Parties by the Collateral Agent or any other Person from time to time to advise the GAA Finance Parties in replacement thereof, it being understood that only one engineering consultant or firm can occupy this role at any one time;

**"Independent Engineer's Confirmation"** means a certificate from the Independent Engineer substantially in the form of the one attached as Schedule "Q" to the Muskrat/LTA Project Finance Agreement, addressed to the Collateral Agent in connection with any Construction Report and/or Funding Request;

**"Initial Labrador Cost Overrun Instalment Payment"** has the meaning ascribed thereto in paragraph 10.28.3.1 of the Muskrat/LTA Project Finance Agreement;

**"Initial Material Project Documents"** means the Muskrat Initial Material Project Documents and the LTA Initial Material Project Documents;

**"Initial Muskrat Cost Overrun Instalment Payment"** has the meaning ascribed thereto in paragraph 10.28.2.1 of the Muskrat/LTA Project Finance Agreement;

**"Insolvency Event"** means, in relation to any Person, the occurrence of one or more of the following:

- (i) an order is made, or an effective resolution passed, for the winding-up, liquidation or dissolution of such Person;
- (ii) such Person voluntarily institutes proceedings for its winding up, liquidation or dissolution, or to authorize or enter into an arrangement under the *Corporations Act* (NL) or similar legislation in any other jurisdiction affecting any of its creditors, or takes action to become bankrupt, or consents to the filing of a bankruptcy application against it, or files an assignment, a proposal, a notice of intention to make a proposal, an application, or answer or consent seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar Applicable Law, including the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), or consents to the filing of any such application for a bankruptcy order, or consents to the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or, trustee in bankruptcy of all or substantially all of the property of such Person or makes an assignment

for the benefit of creditors, or admits in writing its inability to pay its debts generally as they come due or commits any other act of bankruptcy or insolvency, or suspends or threatens to suspend transaction of its usual business, or any action is taken by such Person in furtherance of any of the foregoing;

- (iii) a court having jurisdiction enters a judgment or order adjudging such Person a bankrupt or an insolvent person, or approving as properly filed an application or motion seeking an arrangement under the *Corporations Act* (NL) or similar legislation in any other jurisdiction affecting any of its creditors or seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar Applicable Law, or an order of a court having jurisdiction for the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or, trustee in bankruptcy of all or substantially all of the undertaking or property of such Person, or for the winding up, liquidation or dissolution of its affairs, is entered and such order is not contested and the effect thereof stayed, or any material part of the property of such Person is sequestered or attached and is not returned to the possession of such Person or released from such attachment within 30 days thereafter;
- (iv) any proceeding or application is commenced respecting such Person without its consent or acquiescence pursuant to any Applicable Law relating to bankruptcy, insolvency, reorganization of debts, winding up, liquidation or dissolution, and such proceeding or application (i) results in a bankruptcy order or the entry of an order for relief and a period of 30 days has elapsed since the issuance of such order without such order having been reversed or set aside or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the commencement of such proceeding or application; or
- (v) such Person has ceased paying its current obligations in the ordinary course of business as they generally become due;

**"Insolvency Law"** means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any plan of arrangement law or any corporations statute permitting a corporation to propose a compromise or an arrangement with respect to creditors or any class of creditors of the corporation or any other like, equivalent or analogous laws of any jurisdiction, domestic or foreign;

**"Insolvency Proceeding"** refers to any proceeding relating to or arising in connection with or as a result of an Insolvency Event, including:

- (i) an assignment for the benefit of creditors, the filing of an application for a bankruptcy order, a proposal or a notice of intention under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or any other similar Law of any other jurisdiction;
- (ii) the adjudication of any Person as insolvent or bankrupt;
- (iii) the petition or application to any tribunal for any receiver, trustee, liquidator or sequestrator of any Person or for any portion of such Person's property; or
- (iv) anything analogous or having a substantially similar effect to any of the events specified above happens under the Law of any other applicable jurisdiction;

**"Insurance Consultant"** means Moore McNeil LLC;

**"Intellectual Property Rights"** has the meaning ascribed thereto in Section 5.18 of the Muskrat/LTA Project Finance Agreement;

**"Intermediary Trust"** means LIL Construction Project Trust, a trust formed under the Laws of NL pursuant to the IT Declaration of Trust;

**"Investment"** means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business) or contribution of capital to any other Person or any acquisition of Capital Stock, deposit accounts, certificates of deposit, mutual funds, bonds, notes, debentures or other securities of any other Person or any structured notes, and **"Invest"** and **"Invested"** shall have the correlative meaning;

**"Investment Grade Rating"** means a credit rating for long term obligations of "BBB" if assigned by S&P or DBRS or "Baa" if assigned by Moody's;

**"Issuer Trustee"** means, BNY Trust Company of Canada, in its capacity as trustee of the Funding Vehicle, and includes any successor thereto in such capacity;

**"IT Declaration of Trust"** means the declaration of trust dated as of November 25, 2013 made by BNY Trust Company of Canada, as IT Trustee, with respect to the Intermediary Trust, as amended, supplemented, restated or otherwise changed from time to time;

**"IT Event of Default"** means any of the events described in Article 13 of the IT Project Finance Agreement

**"IT Initial Conditions Precedent"** has the meaning ascribed thereto in Section 7.1 of the IT Project Finance Agreement;

**"IT Project Finance Agreement"** means the financing agreement dated as of November 29, 2013 entered into among the LIL Funding Vehicle as lender, the LIL Collateral Agent, the Intermediary Trust, as borrower, the Partnership and Opco;

**"IT Trustee"** means BNY Trust Company of Canada, a trust company, in its capacity as trustee of the Intermediary Trust, and includes any successor thereto in such capacity;

**"Knowledge"** means in the case of either Credit Party, as applicable, the actual knowledge of any of the executive officers of such Credit Party and **"Know"** and **"Known"** shall have correlative meanings;

**"Labrador Transco"** means Labrador Transmission Corporation, a NL corporation, and includes any successor thereto;

**"Labrador Transco Cost Overrun Escrow Account"** has the meaning ascribed thereto in Section 8.21 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco Demobilization Costs Account"** has the meaning ascribed thereto in Section 8.13 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco Distribution Reserve Account"** has the meaning ascribed thereto in Section 8.10 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco Final Eligible Project Costs"** means the Eligible Project Costs relating to the LTA remaining unpaid as at the Effective Date of the Final Funding Request, other than Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement, the Labrador Transco Punch List Costs and the Labrador Transco Demobilization Costs;

**"Labrador Transco Insurance Reserve Account"** has the meaning ascribed thereto in Section 8.11 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco PDMA"** means, collectively, (i) the project development and management agreement dated as of November 29, 2013, entered into between Labrador Transco and Devco, and (ii) the project coordination and interface agreement dated as of November 29, 2013, entered into among the Partnership, Opco, Devco and the Credit Parties;

**"Labrador Transco Prepaid Debt Service Escrow Account"** has the meaning ascribed thereto in Section 8.20 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco Project Accounts"** refers collectively to the Labrador Transco Project Funding Account, the Labrador Transco Project Operating Account, the Labrador Transco Distribution Reserve Account, the Labrador Transco Demobilization Costs Account, the Labrador Transco Punch List Costs Account, the Labrador Transco Insurance Reserve Account, the Labrador Transco Prepaid Debt Service Escrow Account and the Labrador Transco Cost Overrun Escrow Account;

**"Labrador Transco Project Funding Account"** has the meaning ascribed thereto in Section 8.8 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco Project Operating Account"** has the meaning ascribed thereto in Section 8.9 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco Punch List Costs Account"** has the meaning ascribed thereto in Section 8.12 of the Muskrat/LTA Project Finance Agreement;

**"Law"** means any international treaty, any domestic or foreign constitution or any federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation or order (including any consent, decree or administrative order) or any directive, guideline, policy or Authorization of any Governmental Authority;

**"LCP"** means the Projects together with the "Project" as such term is defined in the LIL Project Finance Documents;

**"Lead Arranger"** means collectively TD Securities Inc. and Goldman, Sachs & Co., in their capacities as the lead arrangers with respect to the Funding Transaction Documents;

**"Lien"** means (i) any right of set-off or combination of accounts intended to secure the payment or performance of an obligation, (ii) any interest in property securing an obligation owed to, or a claim by, a Person other than the owner (which for the purposes hereof shall include a possessor under a title retention agreement and a lessee under a Capital Lease or in a Sale and Leaseback Transaction), including by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, hire purchase agreement, conditional sale agreement, deposit arrangement, deemed trust, title retention, Capital Lease, discount, factoring or securitization arrangement, deemed trust, on recourse terms, (iii) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property, and (iv) any agreement to grant any of the foregoing rights or interests;

**"LIL Collateral Agency Agreement"** means the collateral agency agreement dated as of November 29, 2013 entered into among, *inter alia*, the LIL Collateral Agent, Canada, the LIL Funding Vehicle, the Intermediary Trust, the Partnership and Opco;

**"LIL Collateral Agent"** means The Toronto-Dominion Bank, in its capacity as collateral agent under the LIL Collateral Agency Agreement;

**"LIL Event of Default"** means any of the events described in Article 13 of the LIL Project Finance Agreement;

**"LIL Funding Vehicle"** means Labrador - Island Link Funding Trust, a single purpose trust formed under the Laws of NL pursuant to the LIL FV Declaration of Trust;

**"LIL FV Declaration of Trust"** means the declaration of trust dated as of November 1, 2013 made by BNY Trust Company of Canada, as issuer trustee for the LIL

Funding Vehicle, as amended, supplemented, restated or otherwise changed from time to time;

**"LIL Initial Conditions Precedent"** has the meaning ascribed thereto in Section 7.1 of the LIL Project Finance Agreement;

**"LIL LP Agreement"** means the limited partnership agreement dated July 31, 2012 establishing the Partnership entered into between the General Partner, as general partner, and Nalcor LP, as limited partner;

**"LIL Master Definitions Agreement"** means the master definitions agreement dated as of the date hereof entered into among, *inter alios*, The Toronto-Dominion Bank, as collateral agent, TD Securities Inc. and Goldman, Sachs & Co., as lead arrangers, LIL Funding Vehicle, as lender, Nalcor, Her Majesty The Queen in Right of the Province of Newfoundland and Labrador, and the Partnership, as an obligor;

**"LIL Project Finance Agreement"** means the financing agreement dated as of the date hereof entered into among the Partnership, as borrower, the Intermediary Trust, as lender, the Collateral Agent, the General Partner and Opco;

**"Liquidity Reserves"** means all amounts on deposit in the LRA established pursuant to the provisions of the Muskrat/LTA Project Finance Agreement;

**"Loss Event"** has the meaning ascribed to it in Section 15.2 of the Muskrat/LTA Project Finance Agreement;

**"LRA"** has the meaning ascribed thereto in Section 8.15 of the Muskrat/LTA Project Finance Agreement;

**"LRA Release Date"** has the meaning ascribed thereto in subsection 8.15.3 of the Muskrat/LTA Project Finance Agreement;

**"LTA"** has the meaning ascribed thereto from time to time in the GIA;

**"LTA Additional Material Project Documents"** means the contracts and agreements listed in Part B (iii) of Schedule "B" to the Muskrat/LTA Project Finance Agreement;

**"LTA Additional Debt Concurrent Contribution"** has the meaning ascribed to it in Section 2.7 of the LTAESA;

**"LTA Base Equity Commitment"** means the commitment of Nalcor to invest in Labrador Transco, directly or through one or more of its Subsidiaries, in order to fund the LTA Equity Rateable Share of the LTA Project Costs, the amount of such investment to be indicated in Schedule "BB" of the Muskrat/LTA Project Finance Agreement;

**"LTA Base Equity Contribution"** means the amounts invested from time to time by Nalcor in Labrador Transco, directly or through one or more of its Subsidiaries, under the LTA Base Equity Commitment together with the amounts paid from time to time to the



Collateral Agent for deposit or deposited directly, as the case may be, in the Labrador Transco Project Funding Account by NL Crown pursuant to the provisions of the LTAESG in connection with the LTA Base Equity Commitment;

"**LTA Cash Call Notice**" has the meaning ascribed to it in Section 2.2 of the LTAESA;

"**LTA Contingency Equity Commitment**" means the commitment of Nalcor to invest in Labrador Transco, directly or through one or more Subsidiaries, all amounts necessary to fund the LTA Equity Rateable Share of any LTA Project Costs to be paid following the exhaustion of the LTA Base Equity Commitment in order to achieve Commissioning of the Projects;

"**LTA Contingency Equity Contribution**" means the amounts invested from time to time by Nalcor in Labrador Transco, directly or through one or more of its Subsidiaries, under the LTA Contingency Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Labrador Transco Project Funding Account by NL Crown pursuant to the provisions of the LTAESG in connection with the LTA Contingency Equity Commitment;

"**LTA Debt Rateable Share**" means:

- (i) at all times prior to the date on which DER first becomes equal to 65%; 100%; and
- (ii) following the date on which DER first becomes equal to 65%:
  - (A) at all times prior to the Muskrat/LTA Proceeds Account Balance being fully released, 65%;

unless, as a result of the calculation in clause (A) above, Labrador Transco is unable to fund such LTA Debt Rateable Share 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 and (b) not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of such LTA Debt Rateable Share (the "**LTA Debt Funding Deficiency**"), in which case the percentage calculated in clause (A) above shall be reduced by a percentage equal to (x) the LTA Debt Funding Deficiency, divided by (y) the applicable LTA Project Costs less the sum of the Aggregate Labrador Transco Project Funding Account and Operating Account Balances and Labrador Transco's Project Rateable Share of the Working Capital Reserve Account Balance, and multiplied by (z) 100;

- (B) at all times thereafter, with respect to any LTA Project Costs that are to be funded at any particular time, and in relation to

which Additional Debt may be incurred pursuant to the terms of the Muskrat/LTA Project Finance Documents, the lesser of 65% and the percentage resulting from the following calculation: (the amount of Additional Debt incurred by Labrador Transco to fund such LTA Project Costs / such LTA Project Costs);

**"LTA Demobilization Costs"** means the costs required to complete work on all Demobilization List Items related to the LTA;

**"LTA DSRA Equity Commitment"** means the commitment of Nalcor to invest in Labrador Transco, directly or through one or more of its Subsidiaries, in order to fund Labrador Transco's Project Rateable Share of the LTA Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or as at the date of the DSRA Prefunding, as the case may be;

**"LTA DSRA Equity Contribution"** means the amount invested by Nalcor in Labrador Transco, directly or through one or more of its Subsidiaries, under the LTA DSRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the DSRA by NL Crown pursuant to the provisions of the LTAESG in connection with the LTA DSRA Equity Commitment;

**"LTA Equity Rateable Share"** means at all times, with respect to any LTA Project Costs that are to be funded at any particular time, the difference between 100% and the LTA Debt Rateable Share applicable with respect to such LTA Project Costs;

**"LTA Guaranteed Obligations"** means the obligation of Nalcor to pay to Labrador Transco all amounts required to be so paid by Nalcor under and pursuant to the LTAESA;

**"LTAESA"** means the equity support agreement entered into among Nalcor, Labrador Transco and the Collateral Agent;

**"LTAESG"** means the guarantee for the LTAESA entered into between NL Crown and the Collateral Agent;

**"LTA Initial Material Project Documents"** means the contracts, agreements and Authorizations described or referred to in Part B (ii) of Schedule "B" to the Muskrat/LTA Project Finance Agreement;

**"LTA Loans"** means, as at any time, the aggregate principal amount of all Funds Releases made to Labrador Transco and outstanding at such time;

**"LTA LRA Equity Commitment"** means the commitment of Nalcor to invest in Labrador Transco, directly or through one or more of its Subsidiaries, in order to fund 18% of the Minimum LRA Requirement;

**"LTA LRA Equity Contribution"** means the amount invested by Nalcor in Labrador Transco, directly or through one or more of its Subsidiaries, under the LTA LRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the LRA by NL Crown pursuant to the provisions of the LTAESG in connection with the LTA LRA Equity Commitment;

**"LTA Material Project Documents"** refers collectively to the LTA Initial Material Project Documents and the LTA Additional Material Project Documents;

**"LTA NEFA"** means the LTA Equity Funding Agreement dated as of November 29, 2013 and entered into among Nalcor and Labrador Transco;

**"LTA NL Crown Contribution"** means any payment to the Collateral Agent for deposit to the Labrador Transco Project Funding Account, the DSRA or the LRA, as the case may be (or any direct deposit in the Labrador Transco Project Funding Account, DSRA or LRA, as the case may be) required to be made by NL Crown pursuant to Section 2.3 of the LTAESG;

**"LTA NL Crown Payment Demand"** means a notice, substantially in the form of the one attached as Schedule "A", Schedule "B", Schedule "C" or Schedule "D", as the case may be, to the LTAESG issued by the Collateral Agent to NL Crown under the provisions of Section 2.3 of the LTAESG;

**"LTA NL Payment Conditions"** has the meaning ascribed to it in Section 2.4 of the LTAESG.

**"LTA O&M Activities"** has the meaning ascribed to it from time to time in the GIA;

**"LTA Parties"** means collectively Nalcor and Labrador Transco;

**"LTA Payment"** has the meaning ascribed thereto from time to time in the GIA;

**"LTA Payments Attributable to Debt Service"** means any portion of LTA Payments intended to be used for purposes of funding the debt service obligations of Labrador Transco;

**"LTA Project Budget"** refers to the budget of LTA Project Costs set forth in Schedule "U" to the Muskrat/LTA Project Finance Agreement;

**"LTA Project Costs"** means collectively, without duplication, the Hard Costs and the Soft Costs and all other costs, fees and expenses relating to the development, construction and closing of the 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 LTA Material Project Document and Labrador Transco's Credit Party Releable 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;

**"LTA Project Plans"** refers collectively to the plans, specifications, drawings, philosophies, design data, purchase order and contract drawings and documents which refer to with the LTA produced by various Persons, including Labrador Transco, suppliers, engineering consultants and contractors, general and construction contractors, commissioning and startup specialists for the purpose of the development of the LTA;

**"LTA Project Schedule"** means the schedule for construction and Commissioning of the LTA as set forth in Schedule "V" to the Muskrat/LTA Project Finance Agreement;

**"LTA Punch List Costs"** means the costs required to complete work on all Punch List Items related to the LTA;

**"LTA Services"** has the meaning ascribed thereto from time to time in the GIA;

**"LTA Site"** means the premises in respect of which Labrador Transco has ownership, leasehold, statutory easement, easement or other rights of access, use or occupancy on which the LTA is situated;

**"LTA Step-In Agreement"** means the step-in agreement relating to Labrador Transco in the form attached as Schedule 7 to the GIA;

**"Maritime Link"** has the meaning ascribed to it from time to time in the PPA;

**"Material Adverse Effect"** means:

- (i) any material adverse change in the Assets or financial condition, of the Credit Parties taken as a whole;
- (ii) any material impairment in the ability of the Credit Parties to fulfill any payment covenant or obligation to the Funding Vehicle and the Collateral Agent under the Muskrat/LTA Project Finance Documents or to any Material Project Participant under the Material Project Documents; and
- (iii) any material impairment of the Rights, Remedies and/or Recourses of the Collateral Agent or any of the GAA Finance Parties under the Muskrat/LTA Security Documents;

**"Material Project Documents"** refers collectively to the Muskrat Material Project Documents and the LTA Material Project Documents;

**"Material Project Participants"** means (i) Muskrat; (ii) Labrador Transco; and (iii) each other Person party to a Material Project Document or an Additional Material Project Document;

"**MF Additional Debt Concurrent Contribution**" has the meaning ascribed to it in Section 2.7 of the MFESA;

"**MF Base Equity Commitment**" means the commitment of Nalcor to invest in Muskrat, directly or through one or more of its Subsidiaries, in order to fund the MF Equity Rateable Share of the MF Project Costs, the amount of such investment to be indicated in Schedule "BB" of the Muskrat/LTA Project Finance Agreement;

"**MF Base Equity Contribution**" means the amounts invested from time to time by Nalcor in Muskrat, directly or through one or more of its Subsidiaries, under the MF Base Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Muskrat Project Funding Account by NL Crown pursuant to the provisions of the MFESG in connection with the MF Base Equity Commitment;

"**MF Cash Call Notice**" has the meaning ascribed to it in Section 2.2 of the MFESA;

"**MF Contingency Equity Commitment**" means the commitment of Nalcor to invest in Muskrat, directly or through one or more Subsidiaries, all amounts necessary to fund the MF Equity Rateable Share of any MF Project Costs to be paid following the exhaustion of the LTA Base Equity Commitment in order to achieve Commissioning of the Projects;

"**MF Contingency Equity Contribution**" means the amounts invested from time to time by Nalcor in Muskrat, directly or through one or more of its Subsidiaries, under the MF Contingency Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Muskrat Project Funding Account by NL Crown pursuant to the provisions of the MFESG in connection with the MF Contingency Equity Commitment;

"**MF Debt Rateable Share**" means:

- (i) at all times prior to the date on which DER first becomes equal to 65%; 100%; and
- (ii) following the date on which DER first becomes equal to 65%:
  - (A) at all times prior to the Muskrat/LTA Proceeds Account Balance being fully released, 65%;

unless, as a result of the calculation in clause (A) above, Muskrat is unable to fund such MF Debt Rateable Share 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 and (b) not proposing to incur Additional Debt in an amount sufficient to fund the remaining portion of such MF Debt Rateable Share (the "**MF Debt Funding Deficiency**"), in which case the percentage calculated in clause (ii) above shall be reduced by a

percentage equal to (x) the MF Debt Funding Deficiency, divided by (y) the applicable MF Project Costs less the sum of the Aggregate Muskrat Project Funding Account and Operating Account Balances and Muskrat's Project Rateable Share of the Working Capital Reserve Account Balance, and multiplied by (z) 100;

- (B) at all times thereafter, with respect to any MF Project Costs that are to be funded at any particular time, and in relation to which Additional Debt may be incurred pursuant to the terms of the Muskrat/LTA Project Finance Documents, the lesser of 65% and the percentage resulting from the following calculation: (the amount of Additional Debt incurred by Muskrat to fund such MF Project Costs / such MF Project Costs)  $\times$  100;

**"MF DSRA Equity Commitment"** means the commitment of Nalcor to invest in Muskrat, directly or through one or more of its Subsidiaries, in order to fund Muskrat's Project Rateable Share of the MF Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or as at the date of the DSRA Prefunding, as the case may be;

**"MF DSRA Equity Contribution"** means the amount invested by Nalcor in Muskrat, directly or through one or more of its Subsidiaries, under the MF DSRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the DSRA by NL Crown pursuant to the provisions of the MFESG in connection with the MF DSRA Equity Commitment;

**"MF Equity Rateable Share"** means at all times, with respect to any MF Project Costs that are to be funded at any particular time, the difference between 100% and the MF Debt Rateable Share applicable with respect to such MF Project Costs;

**"MFESA"** means the equity support agreement entered into among Nalcor, Muskrat and the Collateral Agent;

**"MFESG"** means the guarantee for the MFESA entered into between NL Crown and the Collateral Agent;

**"MF Guaranteed Obligations"** means the obligation of Nalcor to pay to Muskrat all amounts required to be so paid by Nalcor under and pursuant to the MFESA;

**"MF Loans"** means, as at any time, the aggregate principal amount of all Funds Releases made to Muskrat and outstanding at such time;

**"MF LRA Equity Commitment"** means the commitment of Nalcor to invest in Muskrat, directly or through one or more of its Subsidiaries, in order to fund 82% of the Minimum LRA Requirement;

"**MF LRA Equity Contribution**" means the amount invested by Nalcor in Muskrat, directly or through one or more of its Subsidiaries, under the MF LRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the LRA by NL Crown pursuant to the provisions of the MFESG in connection with the MF LRA Equity Commitment;

"**MF NEFA**" means the MF Equity Funding Agreement dated as of November 29, 2013 and entered into among Nalcor and Muskrat;

"**MF NL Crown Contribution**" means any payment to the Collateral Agent for deposit to the Muskrat Project Funding Account, the DSRA or the LRA, as the case may be (or any direct deposit in the Muskrat Project Funding Account, DSRA or LRA, as the case may be) required to be made by NL Crown pursuant to Section 2.3 of the MFESG;

"**MF NL Crown Payment Demand**" means a notice, substantially in the form of the one attached as Schedule "A", Schedule "B", Schedule "C" or Schedule "D", as the case may be, to the MFESG issued by the Collateral Agent to NL Crown under the provisions of Section 2.3 of the MFESG;

"**MF NL Payment Conditions**" has the meaning ascribed to it in Section 2.4 of the MFESG;

"**MF Parties**" means collectively Nalcor and Muskrat;

"**MF Plant**" has the meaning ascribed thereto from time to time in the PPA;

"**MF Plant Site**" means the premises in respect of which Muskrat has ownership, leasehold, statutory easement, easement or other rights of access, use or occupancy on which the MF Plant is situated;

"**MF Project Budget**" refers to the budget of MF Project Costs set forth in Schedule "U" to the Muskrat/LTA Project Finance Agreement;

"**MF Project Costs**" means collectively, without duplication, the Hard Costs and the Soft Costs and all other costs, fees and expenses relating to the development, construction and closing of the 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;

"**MF Project Plans**" refers collectively to the plans, specifications, philosophies, drawings, design data, purchase order and contract drawings and documents which refer to with the MF Plant produced by various Persons, including Muskrat, suppliers, engineering consultants and contractors, general and construction contractors,

commissioning and startup specialists for the purpose of the development of the MF Plant;

**"MF Project Schedule"** means the schedule for construction and Commissioning of the MF Plant as set forth in Schedule "V" to the Muskrat/LTA Project Finance Agreement;

**"Minimum DSRA Requirement"**, with respect to any Minimum DSRA Requirement Fixing Date, has the meaning ascribed thereto in Schedule "T" of the Muskrat/LTA Project Finance Agreement;

**"Minimum DSRA Requirement Fixing Date"** means each of the dates identified in Schedule "T" as constituting a Minimum DSRA Requirement Fixing Date ;

**"Minimum LRA Requirement"** means the amount of Liquidity Reserves determined by the Credit Parties on or immediately prior to the single Advance hereunder as being required to ensure that the DSCR is equal to or greater than 1.4 as at the Commissioning Date, the amount of such Liquidity Reserves to be indicated in Schedule "DD" of the Muskrat/LTA Project Finance Agreement;

**"Minimum WCR Requirement"** means \$75,000,000;

**"Moody's"** means Moody's Investors Service, Inc. and its successors;

**"MSA"** means the management and support services agreement to be entered into between a wholly-owned Subsidiary of Nalcor and the Credit Parties prior to Commissioning;

**"MTI"** means the master trust indenture dated as of November 29, 2013 between the Funding Vehicle and the Indenture Trustee;

**"Muskrat"** means Muskrat Falls Corporation, a NL corporation, and includes any successor thereto;

**"Muskrat Additional Material Project Documents"** means the contracts and agreements listed in Part A (iii) of Schedule "B" to the Muskrat/LTA Project Finance Agreement;

**"Muskrat Cost Overrun Escrow Account"** has the meaning ascribed thereto in Section 8.19 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Demobilization Costs Account"** has the meaning ascribed thereto in Section 8.7 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Demobilization Costs"** means the costs required to complete works on all Demobilization List Items related to the MF Plant;

**"Muskrat Distribution Reserve Account"** has the meaning ascribed thereto in Section 8.4 of the Muskrat/LTA Project Finance Agreement;



**"Muskrat Final Eligible Project Costs"** means the Eligible Project Costs relating to the MF Plant remaining unpaid as at the Effective Date of the Final Funding Request, other than Muskrat's Project Rateable Share of the Minimum DSRA Requirement, the Muskrat Punch List Costs and the Muskrat Demobilization Costs;

**"Muskrat Initial Material Project Documents"** means the contracts, agreements and Authorizations described or referred to in Parts A (ii) of Schedule "B" to the Muskrat/LTA Project Finance Agreement;

**"Muskrat Insurance Reserve Account"** has the meaning ascribed thereto in Section 8.5 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Collateral Trust Deed"** has the meaning ascribed to it in subsection 6.1.1 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Construction Facility"** means the credit facility which the Funding Vehicle has agreed to make available to the Credit Parties in three (3) Tranches (namely Tranche A, Tranche B and Tranche C) pursuant to the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Construction Loan"** refers collectively to the Tranche A Construction Loan, Tranche B Construction Loan and Tranche C Construction Loan;

**"Muskrat/LTA Drawdown Conditions Precedent"** has the meaning ascribed to it in Section 7.2 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Due Date"** means, with respect to any payment due by the Credit Parties under any Muskrat/LTA Project Finance Document, the date on which such payment is required to be made by the Credit Parties pursuant to the provisions of that Muskrat/LTA Project Finance Document (without taking into account any grace period granted to the Credit Parties to cure any failure to pay) and, where any amount is payable on demand made by the Collateral Agent, the date that the Collateral Agent makes such a demand;

**"Muskrat/LTA Event of Default"** means any of the events described in Article 14 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Indicative Credit Ratings"** refers collectively to (i) the letter dated November 27, 2012 addressed to Nalcor by Moody's confirming a "Aa3" indicative credit rating for the "MF/LTA Debt and LIL Debt" referred to therein, (ii) the letters dated November 27, 2012 addressed to Nalcor by DBRS confirming a "A(low)" indicative credit rating for the "MF&LTA issuer" and "LIL issuer" referred to in such letters, and (iii) the report of S&P dated November 23, 2012 confirming a "A or A+ Stable" indicative credit rating for the "Nalcor SPVs" referred to therein;

**"Muskrat/LTA Initial Conditions Precedent"** has the meaning ascribed to such expression in Section 7.1 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Interest Payment Date"** refers to (i) with respect to interest payable on the Tranche A Construction Loan, each date which is one (1) Business Day prior to each interest payment date in respect of the FV Bond - Series A pursuant to the MTI and the relevant Supplemental Indenture, (ii) with respect to interest payable on the Tranche B Construction Loan, each date which is one (1) Business Day prior to each interest payment date in respect of the FV Bond - Series B, pursuant to the MTI and the relevant Supplemental Indenture, and (iii) with respect to interest payable on the Tranche C Construction Loan, each date which is one (1) Business Day prior to each interest payment date in respect of the FV Bond - Series C, pursuant to the MTI and the relevant Supplemental Indenture;

**"Muskrat/LTA Loan"** refers collectively to the Tranche A Loan, Tranche B Loan and Tranche C Loan;

**"Muskrat/LTA Loan Acceleration"** means any acceleration of the Muskrat/LTA Loan made pursuant to Section 14.2 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Make-Whole Amount"** means, with respect to any Muskrat/LTA Voluntary Prepayment or Muskrat/LTA Loan Acceleration, as the case may be, an amount equal to the FV Bond Make-Whole Amount required to be paid by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be;

**"Muskrat/LTA Payment"** means any payment of Sinking Fund Payments, principal, interest, fees or other amounts payable by the Credit Parties under the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Proceeds Account"** has the meaning ascribed thereto in Section 8.1 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Proceeds Account Balance"** means, as at any time, the amount standing to the credit of the Muskrat/LTA Proceeds Account at such time including, for greater certainty, any Income on Account Balances deriving therefrom;

**"Muskrat/LTA Project Finance Agreement"** means the project finance agreement dated as of November 29, 2013 entered into among the Credit Parties, as borrowers, the Funding Vehicle, as lender, and the Collateral Agent;

**"Muskrat/LTA Project Finance Documents"** means the Muskrat/LTA Project Finance Agreement, the Muskrat/LTA Security Documents, the Equity Agreements, the Collateral Agency Agreement and each document, instrument or agreement entered into by or between the Funding Vehicle, the Credit Parties, the Collateral Agent or any other Person in connection with the Funding Vehicle lending funds to the Credit Parties or which is supplemental to the Muskrat/LTA Project Finance Agreement but expressly excludes the Material Project Documents;

**"Muskrat/LTA Secured Obligations"** refers collectively to all the obligations of the Credit Parties under the Muskrat/LTA Project Finance Documents, including the

obligation of the Credit Parties to repay the Muskrat/LTA Loan upon the terms and conditions provided for under the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Security Documents"** is the collective reference to the agreements and documents referred to in Article 6 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Security Trustee"** means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain Muskrat/LTA Security Documents;

**"Muskrat/LTA Voluntary Prepayment"** means the voluntary prepayment of the Muskrat/LTA Construction Loan made in accordance with Section 3.9 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Voluntary Prepayment Date"** means the date which is one (1) Business Day prior to the FV Bond Redemption Date;

**"Muskrat/LTA Voluntary Prepayment Notice"** means a notice, substantially in the form of the one attached as Schedule "W" of the Muskrat/LTA Project Finance Agreement, issued by the Credit Parties to the Collateral Agent in connection with any voluntary prepayment of the Muskrat/LTA Construction Loan under the Muskrat/LTA Project Finance Agreement;

**"Muskrat Material Project Documents"** refers collectively to the Muskrat Initial Material Project Documents and the Muskrat Additional Material Project Documents;

**"Muskrat PDMA"** means, collectively, (i) the project development and management agreement dated as of November 29, 2013, entered into between Muskrat and Devco, and (ii) the project coordination and interface agreement dated as of November 29, 2013, entered into among the Partnership, Opco, Devco and the Credit Parties;

**"Muskrat Prepaid Debt Service Escrow Account"** has the meaning ascribed thereto in Section 8.18 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Project Accounts"** refers collectively to the Muskrat Project Funding Account, the Muskrat Project Operating Account, the Muskrat Distribution Reserve Account, the Muskrat Demobilization Costs Account, the Muskrat Punch List Costs Account and the Muskrat Insurance Reserve Account, the Muskrat Prepaid Debt Service Escrow Account and the Muskrat Cost Overrun Escrow Account;

**"Muskrat Project Funding Account"** has the meaning ascribed thereto in Section 8.2 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Project Operating Account"** has the meaning ascribed thereto in Section 8.3 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Punch List Costs"** means the costs required to complete work on all Punch List Items related to the MF Plant;

"**Muskrat Punch List Costs Account**" has the meaning ascribed therein in Section 8.6 of the Muskrat/LTA Project Finance Agreement;

"**Muskrat Step-In Agreements**" means the step-in agreement relating to Muskrat in the form attached as Schedule 8 to the GIA and Schedule 8 to the PPA;

"**Nalcor**" means Nalcor Energy, a body corporate existing pursuant to the *Energy Corporation Act* (NL), in its own right and not as an agent of NL Crown, and includes any successor thereto;

"**Nalcor LP**" means Labrador - Island Link Holding Corporation, a NL corporation, and includes any successor thereto;

"**Nalcor LTA Base Equity Contribution**" has the meaning ascribed to it in Section 2.3 of the LTAESA;

"**Nalcor LTA Contingency Equity Contribution**" has the meaning ascribed thereto in subsection 2.4 of the LTAESA;

"**Nalcor LTA Contribution**" as the context requires, refers to any one of the Nalcor LTA Base Equity Contribution, Nalcor LTA Contingency Equity Contribution, Nalcor LTA DSRA Equity Contribution or Nalcor LTA LRA Equity Contribution;

"**Nalcor LTA DSRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.5 of the LTAESA;

"**Nalcor LTA LRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.6 of the LTAESA;

"**Nalcor MF Base Equity Contribution**" has the meaning ascribed to it in Section 2.3 of the MFESA;

"**Nalcor MF Contingency Equity Contribution**" has the meaning ascribed thereto in subsection 2.4 of the MFESA;

"**Nalcor MF Contribution**" as the context requires, refers to any one of the Nalcor MF Base Equity Contribution, Nalcor MF Contingency Equity Contribution, Nalcor MF DSRA Equity Contribution or Nalcor MF LRA Equity Contribution;

"**Nalcor MF DSRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.5 of the MFESA;

"**Nalcor MF LRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.6 of the MFESA;

"**Nalcor Sanction Resolution**" refers collectively to (i) the sanction resolution of the board of directors of Nalcor of December 5, 2012 with respect to, *inter alia*, the Project, (ii) the sanction resolution of the board of directors of Nalcor of March 22, 2013 with

respect to, *inter alia*, the Project and (iii) the sanction resolution of the board of directors of the General Partner of April 11, 2013 with respect to the Project,

"**NL**" means the Province of Newfoundland and Labrador;

"**NL Crown**" means Her Majesty in right of NL;

"**NLH**" means Newfoundland and Labrador Hydro, a body corporate existing pursuant to the *Hydro Corporation Act, 2007* (NL), in its own right and not as agent of the NL Crown, and includes any successor thereto;

"**NLH External Market Sales**" has the meaning ascribed thereto from time to time in the PPA;

"**NS**" means the Province of Nova Scotia;

"**NS IGA**" means the intergovernmental agreement to be entered into between NS and Canada in connection with the Maritime Link;

"**O&M Activities**" has the meaning ascribed to it from time to time in the PPA;

"**O&M Costs**" means, with respect to Muskrat "O&M Costs" as defined from time to time in the PPA and with respect to Labrador Transco, "LTA O&M Costs" as defined from time to time in the GIA;

"**Opc**" means Labrador – Island Link Operating Corporation, a NL corporation, and includes any successor thereto;

"**Operating Period**" means the period commencing on the Commissioning Date and terminating on the earlier of:

- (i) the thirty-fifth (35<sup>th</sup>) anniversary of the Closing Date;
- (ii) the date that the Muskrat/LTA Construction Facility is terminated and cancelled in its entirety and payment of the Muskrat/LTA Loan is accelerated under the provisions of Section 14.1 of the Muskrat/LTA Project Finance Agreement; and
- (iii) the date of any other cancellation of the Muskrat/LTA Construction Facility in its entirety and repayment of the entire amount of the Muskrat/LTA Loan;

"**Operating Report**" has the meaning ascribed to it in subsection 11.1.3 of the Muskrat/LTA Project Finance Agreement;

"**Operating Year**" has the meaning ascribed thereto from time to time in the PPA or the GIA, as the context requires;

**"Organizational Documents"** means, with respect to any Person, that Person's articles of incorporation, articles of association or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement, and any and all other similar formative agreement, documents and instruments integral to that Person's existence;

**"Other Project Costs"** means, with respect to each Project, the MF Project Costs or the LTA Project Costs, as the case may be, other than such Project Costs comprised of the applicable Project Rateable Share of the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Costs and Expenses and the Funding Vehicle Project Costs and Expenses;

**"P50 Average Annual Energy Production"** means the average of the expected annual production forecasted for the MF Plant;

**"Partnership"** means Labrador - Island Link Limited Partnership, a limited partnership formed under the *Limited Partnership Act* (NL) pursuant to the LIL LP Agreement and includes any successor thereto;

**"Paying Agent"** means any bank or trust company or other Person designated as a paying agent for a Series of FV Bonds in any Supplemental Indenture and its successors or permitted assigns, or its successor appointed in the manner provided in the MTI or in such Supplemental Indenture;

**"Pension Plan"** means any plan, program, arrangement or understanding that provides pension or retirement benefits (whether or not registered under any applicable pension benefits or Tax Laws in Canada), including post-retirement employee benefits, which is maintained or contributed to (or to which there is or may be an obligation to contribute) by a Credit Party in respect of any individual's employment with such Credit Party in Canada or a province or territory thereof;

**"Performance Testing"** means a physical test of the commissioned equipment, system or part of system to demonstrate that the measured performance characteristics met the specified requirements as contained within specific supplier guaranteed performance specifications or, in the case of a complete system, the overall performance and ranges of performance specified in the Basis of Design;

**"Permitted Encumbrances"** means, with respect to any Credit Party, as at any time, any one or more of the following:

- (i) Statutory Prior Liens; provided that, the Statutory Prior Claims secured thereby are not yet delinquent (taking into account any relevant grace periods);
- (ii) liens for assessments or governmental charges or levies which are not delinquent (taking into account any relevant grace periods) or, if overdue, the validity or amount of which is being contested diligently and in good faith by appropriate proceedings and in respect of which

adequate reserves in accordance with GAAP have been recorded on the balance sheet of such Person;

- (iii) construction, mechanics', carriers, warehousemen's, storage, repairers' and materialmen's Liens but only if the obligations secured by such Liens are not due and delinquent and no Lien has been registered against title to any Assets of such Person or if a Lien has been registered, same is being defended diligently and in good faith by appropriate proceedings and in respect of which adequate reserves in accordance with GAAP have been recorded on the balance sheet of such Person;
- (iv) easements, encroachments, rights of way, servitudes, licences, reservations, covenants, restrictive covenants or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which easements, encroachments, rights of way, servitudes, licences, reservations, covenants, restrictive covenants, other similar rights and restrictions do not, in the aggregate, materially impair the conduct of the business of such Person;
- (v) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown in right of Canada or any province or territory thereof;
- (vi) title defects or irregularities which are of a minor nature and which do not in the aggregate materially detract from the value of the assets of such Person encumbered thereby or materially interfere with the use thereof in the operation of the business of such Person;
- (vii) Liens, charges or other security interests given to a public utility or any Governmental Authority when required by such utility or other authority; provided that, such Liens do not in the aggregate materially detract from the value of the assets of such Person, or materially interfere with the use thereof in the operation of the business of such Person;
- (viii) servicing agreements, development agreements, site plan agreements, facilities sharing agreements, cost sharing agreements and other similar agreements with Governmental Authorities pertaining to the use or development of any of the assets of such Person; provided that, same have been, are, and continue to be complied with in all material respects, including any obligations to deliver letters of credit and other security as required;

- (ix) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon; provided that, such restrictions have been, are, and continue to be complied with;
- (x) Liens arising from court or arbitral proceedings; provided that, the claims secured thereby are being contested diligently and in good faith by such Person, execution thereon has been stayed and continues to be stayed and such Liens do not, in the aggregate, impair the use of any assets of such Person in the conduct of business;
- (xi) deposits of cash securities in connection with any appeal, review or contestation of any security or Lien, or any matter giving rise to any security or Lien, described in paragraph (x) above;
- (xii) any agreement or arrangement pursuant to which such Person pledges cash to any insurer, guarantor or third party contractor, made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of debt), leases, customs duties and other similar obligations;
- (xiii) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day-to-day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution (collectively, "**Banker's Liens**"); provided that, such Banker's Liens (a) do not relate to any deposit account that is a dedicated cash collateral account which is subject to restrictions against access by the depositor or account holder, (b) do not relate to any deposit account intended by the depositor or account holder to provide collateral to the depository institution, and (c) in respect of any Credit Party only, are not intended directly or indirectly to secure the payment or performance of Indebtedness or any other obligation other than Additional Debt;
- (xiv) any Lien in favour or for the benefit of the Funding Vehicle, the Collateral Agent or the Muskrat/LTA Security Trustee securing the Muskrat/LTA Secured Obligations;
- (xv) any Lien securing Purchase Money Obligations permitted to be outstanding under subsection 12.2.4 of the Muskrat/LTA Project Finance Agreement; provided that, each such Lien only affects the property with respect to which the Purchase Money Obligation it secures was incurred;
- (xvi) Liens securing Additional Debt permitted to be outstanding under subsection 12.2.5 of the Muskrat/LTA Project Finance Agreement;



- (xvii) exceptions and qualifications in Sections 4, 5, 6, 7, 8 and 15 of the *Lands Act* (NL); and
- (xviii) in respect of Muskrat only, any Lien granted on the MF Plant in favour of NLH provided that such Lien is expressly subordinated by its terms to the Liens created pursuant to the Muskrat/LTA Security Documents;
- (xix) any Lien granted on the LTA by Labrador Transco in favour of Muskrat and any assignment thereof or Lien thereon or on the LTA by Muskrat in favour of NLH, in each case, provided that such Liens are expressly subordinated by their terms to the Liens created pursuant to the Muskrat/LTA Security Documents; and
- (xx) permits issued pursuant to Section 55(4) of the *Muskrat Falls Project Land Use and Expropriation Act* (NL);

**"Permitted Investments"** means book based securities, negotiable instruments, investments or securities that evidence:

- (i) obligations issued or fully guaranteed by the Government of Canada;
- (ii) obligations issued or fully guaranteed by any Province of Canada which has a long term debt rating of "A+" or better by S&P, "A (high)" or better by DBRS or "A1" or better by Moody's, and has such rating from at least two of the Rating Agencies;
- (iii) demand deposits of depository institutions, term deposits of depository institutions or certificates of deposit of depository institutions, in each case where any such depository institution is either **(a)** one of the five largest (by assets) Canadian Schedule I Banks or **(b)** is a depository institution that has a combined capital and surplus of at least CDN\$1 billion, has a short term debt rating of "A 1+" or better by S&P or "R-1 (middle)" or better by DBRS and is regulated by the Office of the Superintendent of Financial Institutions (Canada);
- (iv) deposits with and notes or bankers' acceptances issued or accepted by any depository institution described in (iii) above;
- (v) money market funds which have a rating of "AAA m" or better by S&P or "R-1 (middle)" or better by DBRS or have otherwise been approved in writing by the Collateral Agent; and
- (vi) any other investments approved in writing by the Collateral Agent;

**"Person"** means an individual, corporation, estate, partnership, trust, joint venture, other legal entity, unincorporated association or Governmental Authority;

"PPA" means the power purchase agreement entered into on or about November 29, 2013 between NLH and Muskrat relating, among other things, to the sale and delivery of energy from the MF Plant;

"PPSA" means the *Personal Property Security Act* (NL);

"Principal Indemnity Claims" has the meaning ascribed to it from time to time in Section 5.16 of the Collateral Agency Agreement;

"Principal Indemnified Parties" means the GAA Finance Parties, the Credit Parties and their respective Affiliates, directors, officers, employees, advisors, representatives and agents;

"Proceeding" means any action, suit, inquiry, investigation, arbitration or dispute settlement procedure, or any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal);

"Proceeds of Realization" refers to any and all monies received, collected, generated or that arose from the exercise of any Rights, Remedies and/or Recourses including any monies involved in any operation of set-off;

"Project Accounts" means the Muskrat Project Accounts, the Labrador Transco Project Accounts, the Muskrat/LTA Proceeds Accounts, the DSRA, the LRA, the Working Capital Reserve Account and the Sinking Fund Account;

"Project Budget" refers collectively to the MF Project Budget and the LTA Project Budget;

"Project Costs" means the MF Project Costs and the LTA Project Costs;

"Project Financing Duties" means the FV Trust Activities with respect to (i) the lending of money from time to time, to the Credit Parties as direct secured lender pursuant to the Muskrat/LTA Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Funding Vehicle, in its capacity as secured lender under the Muskrat/LTA Project Finance Documents, and (iii) all matters incidental or ancillary to the activities described in clauses (i) and (ii) of this definition including the matters contemplated in Sections 3.2 and 3.4 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Funding Vehicle and Canada, each acting reasonably;

"Project Financing Duty Requirement" has the meaning ascribed to it from time to time in Section 4.2 of the Collateral Agency Agreement;

"Project Funding Accounts" means the Muskrat Project Funding Account and the Labrador Transco Project Funding Account;

"Project Operating Accounts" means the Muskrat Project Operating Account and the Labrador Transco Project Operating Account;

**"Project Plans"** refers collectively to the MF Project Plans and the LTA Project Plans;

**"Project Rateable Share"** means:

- (i) during the Construction Period, when Funds Releases are made concurrently to Muskrat and Labrador Transco:
  - (C) with respect to Muskrat, 82%;
  - (D) with respect to Labrador Transco, 18%;
- (ii) during the Construction Period, when Funds Releases are not made concurrently to Muskrat and Labrador Transco, with respect to each Credit Party, 100%; and
- (iii) during the Operating Period:
  - (A) with respect to Muskrat, the ratio of the MF Loans to the sum of the MF Loans and the LTA Loans; and
  - (B) with respect to Labrador Transco, the ratio of the LTA Loans to the sum of the LTA Loans and the MF Loans;

**"Project Schedule"** means the MF Project Schedule and the LTA Project Schedule;

**"Projects"** means the MF Plant and the LTA, and **"Project"** refers to either one thereof;

**"Prospective Debt Service Coverage Ratio"** or **"Prospective DSCR"** means, as at any date of calculation thereof, calculated on a combined basis for the Credit Parties, the Base Cash Flow for the period of twelve (12) calendar months immediately following the date of calculation, divided by:

- (i) where the calculation is being made during the Operating Period for the purposes of subsection 12.2.5 of the Muskrat/LTA Project Finance Agreement in connection with any determination of whether a Credit Party may incur Additional Debt, Total Debt Service for the same period, calculated on a rolling basis and including therein the Additional Debt proposed to be incurred as if such Additional Debt had been incurred on the first day of such period; and
- (ii) where the calculation is being made for any other purpose, Total Debt Service for such period;

**"Provincial Environmental Assessment"** means the Lower Churchill Hydroelectric Generation Project Undertaking Order (O.C 2012-061) issued with respect to the Projects under the *Environmental Protection Act*, SNL 2002, c.E-14.2, s.67(3)(a);

**"Punch List Costs"** refers collectively to the LTA Punch List Costs and the Muskrat Punch List Costs;

**"Punch List Costs Accounts"** means the Muskrat Punch List Costs Account and the Labrador Transco Punch List Costs Account;

**"Punch List Costs LTA Funds Release"** means the Funds Release to be made to Labrador Transco pursuant to the provisions of Section 7.6 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xxvii) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the LTA Punch List Costs;

**"Punch List Costs Muskrat Funds Release"** means the Funds Release to be made to Muskrat pursuant to the provisions of Section 3.4 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xv) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the Muskrat Punch List Costs;

**"Punch List Items"** has the meaning ascribed to it in Section 10.20 of the Muskrat/LTA Project Finance Agreement;

**"Purchase Money Obligation"** means, with respect to any Person, any indebtedness assumed as part of, or issued or incurred in respect of, the cost of acquisition, including by way of conditional sales contract or leasing by way of a Capital Lease of any property (including shares of Capital Stock) or of the cost of construction, improvement or extension of any property acquired, constructed, improved or extended or leased by way of a Capital Lease, which indebtedness existed at the time of acquisition, construction, improvement or extension or was created, issued, incurred, assumed or Guaranteed contemporaneously with the acquisition, construction, improvement or extension or leasing by way of a Capital Lease or within ninety (90) days after the Commissioning thereof and includes any extension, renewal or refinancing of any such indebtedness if the amount thereof outstanding on the date of such extension, renewal or refinancing is not increased, it being expressly understood that Purchase Money Obligation shall not include any trade payables incurred in the ordinary course of business and for the purpose of carrying on same or any Indebtedness incurred in connection with any Sale and Leaseback Transaction;

**"Rating Agency"** means any of S&P, Moody's and DBRS and its respective successors or, if such rating agencies or their successors do not remain in operation in Canada, such nationally recognized statistical rating agency or other comparable Person designated by the Credit Parties;

**"Realization Costs"** refers collectively to:

- (i) all costs and expenses incident to the exercise of Rights, Remedies and/or Recourses including reasonable fees and out-of-pocket expenses of counsel, accountants and other professionals, escrow fees, recording fees, broker's fees, any fees, costs and expenses incurred in

connection with any sale or foreclosure of any property or asset, and all applicable transfer taxes that may be imposed by reason of any such sale or foreclosure and the delivery of any and all instruments in connection therewith;

- (ii) any claim or debt, in principal, interest, fees and other amounts which, notwithstanding the provisions of any Muskrat/LTA Project Finance Document, by Law is payable by preference over the Muskrat/LTA Secured Obligations; and
- (iii) the fees, costs and expenses of the Funding Vehicle and the Collateral Agent exercising Rights, Remedies and/or Recourses, including any indemnity paid to any thereof;

**"Redemption Date"** means, with respect to any FV Bonds to be redeemed, in whole or in part, the date (which will be a Business Day) specified in the notice of redemption as the date on which such FV Bonds will be redeemed or, in the case of a redemption pursuant to Section 12.2 of the MTI, the date specified in writing to the Funding Vehicle by the Indenture Trustee;

**"Redemption Notice"** has the meaning ascribed to it in Section 3.5.1 of the Collateral Agency Agreement;

**"Redemption Price"** means, with respect to any FV Bonds to be redeemed, in whole or in part, in any particular circumstance, the redemption price applicable to such FV Bonds in such circumstance that is specified in the Supplemental Indenture creating such FV Bonds;

**"Registration"** means any notice to or filing, publication, recording or registration with any Governmental Authority having jurisdiction with respect to any specified Person, transaction or event, or any of such Person's Assets;

**"Release"** shall mean (i) when used as a verb, release, spill, leak, emit, deposit, discharge, leach, migrate, dump, issue, empty, place, seep, exhaust, abandon, bury, incinerate or dispose into the environment and (ii) when used as a noun, has a correlative meaning;

**"Remedies Consultation Period"** has the meaning ascribed to it in Section 14.1 of the Muskrat/LTA Project Finance Agreement;

**"Repair Conditions"** means, in respect of any event giving rise to any insurance proceeds:

- (i) 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;
- (ii) the applicable Credit Party and the Independent Engineer certify, and the Collateral Agent determines in its judgment, 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 such Credit Party to make such repairs and restorations;

- (iii) the Collateral Agent determines that after repair and restoration the applicable Project will be able to continue to service the applicable Project Rateable Share of the Muskrat/LTA Loan and pay all other amounts due to the Funding Vehicle by such Credit Party under the Muskrat/LTA Project Finance Agreement, as and when due; and
- (iv) no material Authorization is necessary to proceed with the repair and restoration and no material amendment to the Muskrat/LTA Project Finance Agreement or any of the Muskrat/LTA Project Finance Documents and no other instrument, is necessary for the purpose of effecting the repairs or restorations or subjecting the repairs or restorations to the Liens of the Muskrat/LTA Security Documents or, if any such amendment or instrument is necessary, the applicable Credit Party will be able to obtain same as and when required;

**"Replacement Obligor"** means, with respect to any Person party to a Material Project Document (other than the Credit Parties), any other Person satisfactory to the Collateral Agent, who, pursuant to any definitive agreement or definitive guarantee satisfactory to the Collateral Agent, assumes the obligations of such first Person or enters into a new contract on terms and conditions no less favourable to the applicable Credit Party, than those which such first Person being replaced is obligated to provide pursuant to the applicable Material Project Document;

**"Required LTA Base Equity Contribution Date"** has the meaning ascribed to it in subsection 2.3 of the LTAESA;

**"Required LTA Contingency Equity Contribution Date"** has the meaning ascribed to it in subsection 2.4 of the LTAESA;

**"Required LTA Contribution Date"** as the context requires, refers to any one of the Required LTA Base Equity Contribution Date, Required LTA Contingency Equity Contribution Date, Required LTA DSRA Equity Contribution Date and Required LTA LRA Contribution Date;

**"Required LTA DSRA Equity Contribution Date"** has the meaning ascribed to it in Section 2.5 of the LTAESA;

**"Required LTA LRA Equity Contribution Date"** has the meaning ascribed to it in Section 2.6 of the LTAESA;

**"Required MF Base Equity Contribution Date"** has the meaning ascribed to it in subsection 2.3 of the MFESA;

**"Required MF Contingency Equity Contribution Date"** has the meaning ascribed to it in subsection 2.4 of the MFESA;

**"Required MF Contribution Date"** as the context requires, refers to any one of the Required MF Base Equity Contribution Date, Required MF Contingency Equity Contribution Date, Required MF DSRA Equity Contribution Date and Required MF LRA Contribution Date;

**"Required MF DSRA Equity Contribution Date"** has the meaning ascribed to it in Section 2.5 of the MFESA;

**"Required MF LRA Equity Contribution Date"** has the meaning ascribed to it in Section 2.6 of the MFESA;

**"Requisite Instructions"** has the meaning ascribed to it from time to time in Section 4.3 of the Collateral Agency Agreement;

**"Responsible Officer"** means the president, the chief executive officer, the chief financial officer, a vice-president, the treasurer, the corporate controller, the corporate secretary and the assistant corporate secretary of such Person; provided that, with respect to the Projects, it shall mean any of the foregoing officers of such Person or such other person duly authorized by resolution from time to time to execute any document relating to the Project;

**"Retrospective Debt Service Coverage Ratio"** or **"Retrospective DSCR"** means, as at any date of calculation thereof, calculated on a combined basis for the Credit Parties, the Base Cash Flow for the period of the then most recently completed twelve (12) calendar months divided by Total Debt Service for the same period, calculated on a rolling basis. 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;

**"Rights, Remedies and Recourses"** with respect to any Person, refers to any personal action, provisional measure, any other real or personal right, whether same is exercised under the terms of any security or any other recourse whatsoever and including:

- (i) the right to accelerate any Indebtedness owed to such Person or to demand payment of any Indebtedness payable on demand or to demand payment under any Guarantee;
- (ii) the right to institute or prosecute any litigation;
- (iii) the right to set-off;
- (iv) the right to initiate or prosecute Insolvency Proceedings or Enforcement Proceedings; and

- (v) the exercise of the rights of a creditor under any Insolvency Proceeding.

"**S&P**" means Standard & Poor's Rating Service and its successors;

"**Sale and Leaseback Transaction**" means, with respect to any Person, any transaction or series of transactions whereby such Person sells, transfers or otherwise disposes of any of its Assets to another Person and within one (1) year of such sale, transfer or other disposition such Person leases or rents, as lessee, the same Assets under a lease, the term of which (including the initial term and any period for which the lease may be renewed or extended) exceeds two (2) years;

"**Sales Taxes**" means sales, transfer, turnover or value added taxes of any nature or kind, including the HST and federal, state and provincial sales and excise taxes;

"**Security Documents**" refers collectively to the GAA Security Documents and the Muskrat/LTA Security Documents;

"**Security Trustee**" means Computershare Trust Company of Canada, in its capacity as Muskrat/LTA Security Trustee and FV Security Trustee;

"**Senior Secured Bond**" means any Senior Secured Bond issued pursuant to the Muskrat/LTA Collateral Trust Deed and the FV Collateral Trust Deed;

"**Senior Secured Bondholder**" means a person registered as a holder of any of the Senior Secured Bonds;

"**Series**" or "**Series of FV Bonds**" means all of the FV Bonds issued pursuant to or governed by a Supplemental Indenture and designated as a Series therein;

"**Sinking Fund Account**" has the meaning ascribed thereto in Section 8.17 of the Muskrat/LTA Project Finance Agreement;

"**Sinking Fund Deposit Date**" refers to each date referred to as such in Schedule "Z" of the Muskrat/LTA Project Finance Agreement;

"**Sinking Fund Payment**" has the meaning ascribed to it in Section 3.9 of the Muskrat/LTA Project Finance Agreement;

"**Soft Costs**" means, with respect to each Project, all of the financing, administrative and other similar costs identified in the MF Project Budget or the LTA Project Budget, as the case may be, including, without duplication:

- (i) the applicable Project Rateable Share of the interest payable on the Muskrat/LTA Construction Loan or Additional Debt and financing-related fees and costs, in each case incurred in connection with the Muskrat/LTA Construction Loan or Additional Debt, provided, however, that, if the amortization of the Muskrat/LTA Construction



Loan has commenced prior to the Commissioning Date, the applicable Project Rateable Share of any Sinking Fund Payment that needs to be made;

- (ii) all general and administrative costs of the applicable Credit Party attributable to such Project as well as the applicable Project Rateable Share of those of the Funding Vehicle and more particularly those required to be made by the Administrator pursuant to the Administration Agreement;
- (iii) all principal, interest, financing fees and related costs incurred in connection with Purchase Money Obligations and Capital Leases, in each case incurred in connection with such Project;
- (iv) the cost of funding the DSRA with the applicable Project Rateable Share of the applicable Credit Party of the then applicable Minimum DSRA Requirement, by the Commissioning Date; and
- (v) in the case of Muskrat only, payments to the Innu Nation pursuant to an Impact and Benefit Agreement entered into by Nalcor with respect to the MF Plant;

**"Statutory Easement"** has the meaning attributed to it by, and grants to a Holder the rights set forth in, the *Muskrat Falls Project Land Use and Expropriation Act* (NL) and includes, for certainty, any property or assets located upon, constructed, erected or affixed to the land encumbered by a Statutory Easement by or on behalf of the Holder of it;

**"Statutory Prior Claims"** relative to any Person, means, claims for unpaid wages, vacation pay, worker's compensation, unemployment insurance premiums, pension plan contributions, employee or non-resident withholding Tax, unremitted Sales Taxes (net of applicable input tax credits, in the case of goods and services, value-added and similar taxes), customs duties, realty taxes (including utility charges and business taxes which are collectable like realty taxes) or similar statutory obligations secured by a Lien on such Person's Assets;

**"Statutory Prior Liens"** means the Liens securing Statutory Prior Claims;

**"Structure Invoices"** has the meaning ascribed to it from time to time in Section 7.5 of the Collateral Agency Agreement;

**"Subsidiary"** means, with respect to any Person, any Person (i) which is Controlled, directly or indirectly by such first Person or (ii) a majority of whose Voting Capital Stock, on a fully diluted basis, is owned directly or indirectly, beneficially or otherwise, by such first Person;

**"Supplemental Indenture"** means an indenture supplemental to the MTI entered into by the Funding Vehicle and the Indenture Trustee in accordance with the terms of Section 10.1 of the MTI;

**"Tax"** or **"Taxes"** means any tax, fee, levy, rental, duty, charge, royalty or similar charge including, for greater certainty, any federal, state, provincial, municipal, local, aboriginal, foreign or any other assessment, governmental charge, imposition or tariff (other than tariff charges) wherever imposed, assessed or collected, and whether based on or measured by gross receipts, income, profits, sales, use and occupation or otherwise, and including any income tax, capital gains tax, payroll tax, fuel tax, capital tax, Sales Taxes, value added tax, sales tax, withholding tax, property tax, business tax, ad valorem tax, transfer tax, franchise tax or excise tax, together with all interest, penalties, fines or additions imposed, assessed or collected with respect to any such amounts;

**"Termination Date"** means the date that Commissioning is achieved under the Muskrat/LTA Project Finance Documents;

**"Total Debt Service"** means, for any period, all interest payments, Sinking Fund Payments and scheduled principal payments required to be made on the Muskrat/LTA Loan and on all Additional Debt of the Credit Parties, provided, however, that:

- (i) if any such Additional Debt is only repayable in its entirety at maturity, the amount of Deemed Principal Repayments for such period shall be included in Total Debt Service; and
- (ii) for purposes of the Prospective Debt Service Coverage Ratio and the Retrospective Debt Service Coverage Ratio, where the period includes the maturity date 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;

**"Tranche"** refers to any of Tranche A, Tranche B or Tranche C of the Muskrat/LTA Construction Facility;

**"Tranche A"** means the Tranche of the Muskrat/LTA Construction Facility referred to as such in Article 3 of the Muskrat/LTA Project Finance Agreement;

**"Tranche A Construction Loan"** means, as at any time, the aggregate of the principal amount of the Advance then outstanding under Tranche A of the Muskrat/LTA Construction Facility;

**"Tranche A Loan"** means the aggregate of the Tranche A Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Credit Parties in respect of Tranche A of the Muskrat/LTA Construction Facility;

**"Tranche A Maturity Date"** means the date which is one (1) Business Day prior to the maturity date of the FV Bond - Series A, pursuant to the MTI and the relevant Supplemental Indenture;

**"Tranche B"** means the Tranche of the Muskrat/LTA Construction Facility referred to as such in Article 3 of the Muskrat/LTA Project Finance Agreement;

**"Tranche B Construction Loan"** means, as at any time, the aggregate of the principal amount of the Advance then outstanding under Tranche B of the Muskrat/LTA Construction Facility;

**"Tranche B Loan"** means the aggregate of the Tranche B Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Credit Parties in respect of Tranche B of the Muskrat/LTA Construction Facility;

**"Tranche B Maturity Date"** means the date which is one (1) Business Day prior to the maturity date of the FV Bond - Series B, pursuant to the MTI and the relevant Supplemental Indenture;

**"Tranche C"** means the Tranche of the Muskrat/LTA Construction Facility referred to as such in Article 3 of the Muskrat/LTA Project Finance Agreement;

**"Tranche C Construction Loan"** means, as at any time, the aggregate of the principal amount of the Advance then outstanding under Tranche C of the Muskrat/LTA Construction Facility;

**"Tranche C Loan"** means the aggregate of the Tranche C Construction Loan together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Credit Parties in respect of Tranche C of the Muskrat/LTA Construction Facility;

**"Tranche C Maturity Date"** means the date which is one (1) Business Day prior to the maturity date of the FV Bond - Series C, pursuant to the MTI and the relevant Supplemental Indenture.

**"Trust Certificate"** means, in respect of the Funding Vehicle, a certificate in writing signed by any officer of the Issuer Trustee and conforming *mutatis mutandis* to Section 16.17 of the MTI;

**"Underlying Pledge Bond Documents"** means, collectively, all agreements, deeds, instruments and documents evidencing Indebtedness secured under any FV Pledge of a FV Pledge Bond;

**"Underwriting Agreement"** means the underwriting agreement to be entered into among the Lead Arranger, the Funding Vehicle, the Credit Parties and Nalcor;

**"Various Agent Costs and Expenses"** means (i) the reasonable fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Credit Parties to the Collateral Agent, the Funding Vehicle or the Muskrat/LTA Security Trustee pursuant to the Muskrat/LTA Project Finance Documents, and (ii) without duplication, the fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Funding Vehicle or the Credit Parties, as the case may be, to the Issuer Trustee, the Collateral Agent, the Administrator, the Lead Arranger, the Indenture Trustee or the Fiscal Agent pursuant to the Funding Transaction Documents (including, in each case, the financial, legal and consulting fees, costs and expenses), provided, however, that such fees, costs and expenses in respect of the Lead Arranger shall be limited to the fees, costs and expenses incurred from the acceptance by the Funding Vehicle of the Commitment Letter until the Closing Date, including, for greater certainty, the lead arranger fees payable by the Credit Parties pursuant to such commitment letter and the Underwriting Agreement;

**"Voting Capital Stock"** means Capital Stock of a Person which carries voting rights or the right to Control such Person generally provided that Capital Stock which carries the right to vote or Control conditionally upon the happening of an event shall not be considered Voting Capital Stock until the occurrence of such event and then only during the continuance of such event;

**"Water Lease"** means the water lease dated March 17, 2009, as amended on October 2, 2009 between NL Crown and Nalcor in respect of water rights in and to the Lower Churchill River, as assigned to Muskrat pursuant to an assignment and assumption agreement made on or about the date hereof among Nalcor, Muskrat and NL Crown;

**"WCR Release"** means a release of funds from the Working Capital Reserve Account for purposes of funding Eligible Project Costs, the whole in accordance with Section 7.10 or 7.11 of the Muskrat/LTA Project Finance Agreement;

**"WCR Release and Equity Funding Notice"** means a notice, substantially in the form of the one attached as Schedule "X" to the Muskrat/LTA Project Finance Agreement, issued by a Credit Party pursuant to Section 7.10 or 7.11 of the Muskrat/LTA Project Finance Agreement;

**"WCR Release Date"** means a day on which a WCR Release is effected;

**"Working Capital Reserve Account"** has the meaning ascribed thereto in Section 8.16 of the Muskrat/LTA Project Finance Agreement;

**"Working Capital Reserve Account Balance"** means, as at the Effective Date of the Final Funding Request, the aggregate of the balance on deposit at such time in the Working Capital Reserve Account including, for greater certainty, any Income on Account Balances deriving therefrom;

**"Written Order", "Written Request, Written Direction" and "Written Consent"** of the Funding Vehicle will mean a written order, request or consent signed in the name of the Funding Vehicle by a senior officer of the Issuer Trustee;

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 "**Master Definitions Agreement**", "**this Master Definitions 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. The 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 **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.

1.6 **Time of the Essence**

Time shall in all respects be of the essence of this Agreement.

1.7 **Extended Meanings**

In each Muskrat/LTA Project Finance Document and Guarantee Transaction Document, unless a clear contrary intention appears, the following words and expressions shall be given the extended meanings set out opposite them:

- 1.7.1 "asset" means any undertaking, business, property (real, personal or mixed, tangible or intangible) or other asset;
- 1.7.2 "cancel" means cancel, surrender, repudiate, disclaim, terminate or suspend;
- 1.7.3 "change" means change, modify, alter, amend, supplement, restate, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive;
- 1.7.4 "claim" means claim, claim over, cross-claim, counter-claim, defence, demand, liability, proceeding, judgment, order or award of any court, other Governmental Authority, arbitrator or other alternative dispute resolution authority;
- 1.7.5 "final judgment" means a judgment, order, declaration or award of a court, other Governmental Authority, arbitrator or other alternative dispute resolution authority of competent jurisdiction from which no appeal may be made or from which all rights of appeal have expired or been exhausted;
- 1.7.6 "include" means include without limitation, and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters;
- 1.7.7 "losses and expenses" means losses, costs, expenses, damages, penalties and judgments and awards of any court or other Governmental Authority, arbitrator, mediator or other alternative dispute resolution authority, including any applicable awarded costs, and legal fees and disbursements on a full indemnity basis;
- 1.7.8 "paid in full" and "repaid in full" in relation to any payment obligation owing to any person (in this Section 1.7.8, the "obligee") - permanent, indefeasible and irrevocable payment in cash (or other freely available funds transfer as may be expressly provided for in the applicable document creating or evidencing such payment obligation) to the applicable obligee in full of such payment obligation in accordance with the express provisions of the applicable document creating or evidencing such payment obligation, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any bankruptcy, insolvency, fraudulent conveyance, assignment, preference or other similar such laws, any law affecting creditors' rights generally or general principles of equity, and, if applicable, the cancellation or expiry of any commitment of the obligee to lend or otherwise extend credit;

- 1.7.9 "receiver" means a privately appointed or court appointed receiver or receiver and manager, interim receiver, liquidator, trustee in bankruptcy, administrator, administrative receiver and any other like or similar official;
- 1.7.10 "rights" means rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise;
- 1.7.11 "set-off" means any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, abatement, deduction, counter-claim, cross-claim or any similar right or obligation, or (as the context requires) any exercise of any such right or performance of such obligation; and
- 1.7.12 "written" and "in writing" shall be construed as an original writing, a pdf or facsimile copy of a writing or an e-mail.

## 1.8 **References to Agreements**

Each reference in each Muskrat/LTA Project Finance Document and Guarantee Transaction Document to any agreement (including this Agreement and any other defined term that is an agreement) shall be construed so as to include such agreement (including all attached schedules, appendices and exhibits) and each change made to it at or before the time in question.

## 1.9 **References to Statutes**

Each reference in each Muskrat/LTA Project Finance Document and Guarantee Transaction Document to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision thereof) shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each amendment, reenactment, reissuance or replacement thereof made at or before the time in question.

## 1.10 **Grammatical Variations**

In each Muskrat/LTA Project Finance Document and Guarantee Transaction Document, unless a clear contrary intention appears, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference therein) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference therein shall be construed in like manner.

1.11 **Non-Business Days**

Whenever any payment to be made under a Muskrat/LTA Project Finance Document or Guarantee Transaction Document is required to be made or any other action to be taken thereunder is required to be taken on a day other than a Business Day, such payment will be made or such other action will be taken on the next following Business Day. Any payment made after 1:00 p.m. (St. John's, NL standard time) on a Business Day will be deemed to be made on the next following Business Day.

1.12 **Computation of Time Periods**

In each Muskrat/LTA Project Finance Document and Guarantee Transaction Document, with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "**from**" means "**from and including**" and the words "**to**" and "**until**" mean "**to but excluding**".

1.13 **Accounting Terms; GAAP**

1.13.1 Unless a clear contrary intention appears in a Muskrat/LTA Project Finance Document or Guarantee Transaction Document, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time. For purposes of the calculation of DER and DSCR, such ratios shall be calculated in accordance with the definitions hereof and not in accordance with GAAP, it being understood that the definition of "Capital Account" shall be calculated as provided for in the Muskrat/LTA Project Finance Agreement. All calculations for the purposes of determining compliance with any financial ratios and financial covenants contained in any Muskrat/LTA Project Finance Document or Guarantee Transaction Document shall be made on a basis consistent with GAAP used in the preparation of the first Financial Statements of the Credit Parties delivered under the Muskrat/LTA Project Finance Agreement. Any financial ratios required to be maintained by the Credit Parties pursuant to any Muskrat/LTA Project Finance Document or Guarantee Transaction Document shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed in any Muskrat/LTA Project Finance Document or Guarantee Transaction Document and rounding the result up or down to the nearest number (with a round-up if there is no nearest number) to the number of places by which such ratio is expressed therein.

1.13.2 The parties hereto agree that if at any time there is a material change to GAAP, then the Credit Parties and the Collateral Agent shall use commercially reasonable efforts to negotiate in good faith amendments to the provisions of the applicable Muskrat/LTA Project Finance Document or Guarantee Transaction Document, as the case may be, that are affected by such material change with the intent of having the respective positions of the Credit Parties and the Collateral Agent after such material change conform as



nearly as possible to their respective positions immediately prior to the implementation of such material change; provided, however, that until any such amendments shall have been agreed upon, the terms, conditions and undertakings of the applicable Muskrat/LTA Project Finance Document or Guarantee Transaction Document shall be interpreted and applied as if such material change did not apply to the Credit Parties and the accounting principles applicable to the Credit Parties immediately prior to the implementation of such material change shall continue to apply to the Credit Parties for the purpose of determining if the Credit Parties comply with the financial covenants of the applicable Muskrat/LTA Project Finance Document or Guarantee Transaction Document and the Credit Parties shall continue to provide Financial Statements under the applicable Muskrat/LTA Project Finance Document or Guarantee Transaction Document prepared in accordance with such accounting principles.

## ARTICLE 2

### MISCELLANEOUS

#### 2.1 Amendments

This Agreement may be changed from time to time by all of the parties hereto.

#### 2.2 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, the beneficiaries 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.

2.3 **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.

2.4 **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.

2.5 **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.

2.6 **Provisions Regarding NL Crown**

NL Crown has entered into this Agreement with respect to the Project Finance Documents to which it is a party and the agreements contemplated thereby and definitions which appear in such agreements (the "NL Crown Definitions"), and by entering into this Agreement expresses no view as to the accuracy or suitability of any definitions which appear herein other than the NL Crown Definitions which it hereby approves and adopts.

2.7 **Benefit of this Agreement to Canada**

The parties acknowledge and agree that notwithstanding that it has not executed this Agreement, Canada shall benefit therefrom to the same extent as if it were a party hereto for all purposes of the Muskrat/LTA Project Finance Documents to which it is a party.

MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

IN WITNESS WHEREOF the parties have executed this Master Definitions Agreement.

THE TORONTO-DOMINION BANK,  
as Collateral Agent




By: \_\_\_\_\_  
Name: Michael A. Freeman  
Title: Vice President, Loan Syndications - Agency

By: \_\_\_\_\_  
Name:  
Title:

MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

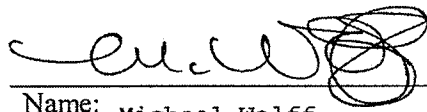
**THE TORONTO-DOMINION BANK,**  
as Paying Agent

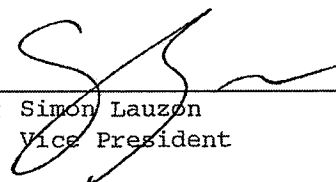
By:   
Name: Michael A. Freeman  
Title: Vice President, Loan Syndications - Agency

By: \_\_\_\_\_  
Name:  
Title:

MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE


**TD SECURITIES INC.,**  
as Lead Arranger

By:   
Name: Michael Wolff  
Title: Managing Director

By:   
Name: Simon Lauzon  
Title: Vice President

MASTER DEFINITIONS AGREEMENT (MF/LTA) - SIGNATURE PAGE

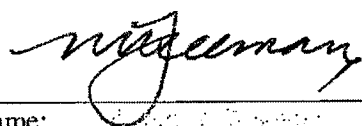
**GOLDMAN, SACHS & CO.,**  
as Lead Arranger

By:   
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

MASTER DEFINITIONS AGREEMENT (MF/LTA) – 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: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

**COMPUTERSHARE TRUST**  
**COMPANY OF CANADA,**  
as Muskrat/LTA Security Trustee and FV  
Security Trustee

By:   
Name: **Sean Pigott**  
Title: **Corporate Trust Officer**

By:   
Name: **Raji Sivalingam**  
Title: **Associate Trust Officer**



MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

NALCOR ENERGY, as the Contributing Party

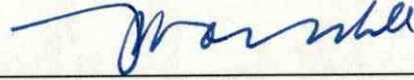
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By:   
Name:  
Title:

MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

**HER MAJESTY THE QUEEN IN  
RIGHT OF THE PROVINCE OF  
NEWFOUNDLAND AND  
LABRADOR, as represented by the  
Minister of Finance, as Guarantor of the  
Contributing Party**

By:



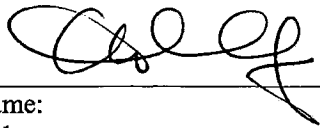
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The Honourable Thomas W. Marshall,  
Q.C., Minister of Finance

MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE


**MUSKRAT FALLS CORPORATION,**  
as a Credit Party

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

**LABRADOR TRANSMISSION  
CORPORATION,**  
as a Credit Party

By:   
Name:  
Title:

By:   
Name:  
Title:

**LABRADOR-ISLAND LINK FUNDING TRUST**

**BY**

**BNY TRUST COMPANY OF CANADA  
AS ISSUER**

**AND**

**COMPUTERSHARE TRUST COMPANY OF CANADA  
AS INDENTURE TRUSTEE**

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**MASTER TRUST INDENTURE**

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**DATED AS OF NOVEMBER 29, 2013**

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**THIS INDENTURE** made as of the 29<sup>th</sup> day of November, 2013

**B E T W E E N:**

**LABRADOR-ISLAND LINK FUNDING TRUST**, a trust established under the laws of NL pursuant to a Declaration of Trust made as of November 1, 2013 (hereinafter called the "**Issuer**") by **BNY TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in the Provinces and Territories of Canada (hereinafter called the "**Issuer Trustee**")

**OF THE FIRST PART**

**AND**

**COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company existing under the laws of Canada and duly authorized to carry on the business of a trust company in the Provinces and Territories of Canada (hereinafter called the "**Indenture Trustee**")

**OF THE SECOND PART**

**WITNESSES THAT:**

**WHEREAS** the Issuer wishes to borrow money from time to time, to enter into credit facility agreements, swaps and other hedging instruments and to engage in other forms of borrowing, all of the foregoing to be guaranteed by the Guarantor;

**AND WHEREAS** the Issuer intends to issue Bonds, either as direct evidence of indebtedness or as collateral security for indebtedness and financial obligations of the Issuer, in Series, each Series of Bonds to be issued pursuant to a Supplemental Indenture (pursuant to which the terms and conditions of such Series of Bonds will be set out);

**AND WHEREAS** all necessary authorizations and consents of the Issuer, the Issuer Trustee and the Indenture Trustee have been duly enacted, passed and obtained, and other proceedings taken and conditions complied with, in connection with the execution and delivery of this Indenture;

**AND WHEREAS** the foregoing recitals are made as representations and statements of fact by the Issuer and not by the Indenture Trustee;

**NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:**

## ARTICLE 1

### DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Indenture, (including the recitals and schedules) unless there is something in the subject matter or context inconsistent therewith:

- 1.1.1 "**Account**" means any fund, reserve fund or account required to be established pursuant to this Indenture;
- 1.1.2 "**Affected Bonds**" has the meaning given to that term in Section 13.2;
- 1.1.3 "**Affiliate**" means, with respect to any Person, any Person directly or indirectly Controlled by, Controlling or under common Control with such Person;
- 1.1.4 "**Amount Due**" has the meaning given to that term in Section 12.1;
- 1.1.5 "**Applicable Accounting Principles**" means GAAP as applied by the Issuer until the point in time when it commences utilizing IFRS as the financial accounting principles applied in the preparation of its interim and annual financial statements, at which time it will mean IFRS, in each case applied on a consistent basis;
- 1.1.6 "**Applicable Law**" means, in respect of any Person, property, transaction or event, (a) all applicable laws, statutes, common law, ordinances, rules, by-laws, treaties and Regulations, (b) all applicable directives, rules, guidelines, standards, requirements, policies, Orders, policies that are binding in nature, codes, judgments, injunctions, awards and decrees of Governmental Authorities having the force of law, and (c) all applicable conditions, terms or restrictions imposed by or contained in any permit issued by a Governmental Authority;
- 1.1.7 "**Arm's Length**" means, with respect to two or more Persons, that such Persons are not related to each other within the meaning of subsections 251(2), (3), (3.1), (3.2), (4), (5) and (6) of the Tax Act or that such Persons, as a matter of fact, deal with each other at a particular time at arm's length;
- 1.1.8 "**Authorized Newspapers**" means not fewer than three newspapers or financial journals customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, two of which are published in the English language and are of general circulation in Toronto, Ontario (a current example of which is The Globe and Mail and in St. John's, NL (a current example of which is The Telegram) and the other of which is published in the French

language and is of general circulation in Montreal, Quebec (a current example of which is La Presse);

- 1.1.9 **"Beneficial Owner"** means, with respect to a Book Entry Bond, the Person who is the beneficial owner of such Book Entry Bond as reflected on the books of the applicable Clearing Agency or on the books of a Person maintaining an account (whether directly or through one or more securities intermediaries) with such Clearing Agency;
- 1.1.10 **"Beneficial Owner Declaration"** means a declaration and agreement substantially in the form of Schedule A, delivered by a Beneficial Owner to the Issuer and the Indenture Trustee, with such modifications as such Beneficial Owner and the Issuer may agree, acting reasonably, and signed, in the case of a Bondholder that is a corporation, by any authorized officer of such corporation;
- 1.1.11 **"Bond"** means any evidence of indebtedness of the Issuer authenticated and delivered by the Indenture Trustee under and pursuant to this Indenture, whether such evidence of indebtedness is an Obligation Bond or a Pledge Bond hereunder;
- 1.1.12 **"Bond Registers"** means, collectively, the one or more registers of Bondholders which the Indenture Trustee is required to maintain pursuant to Section 3.3 and **"Bond Register"** means any one of them;
- 1.1.13 **"Bondholder"** or **"holder"** or words of similar import, when used with reference to a Bond, means any Person who is, at the relevant time, the Person whose name is entered in the Bond Registers as the holder of such Bond, including any Person in whose name a Pledge Bond is registered as trustee, security holder or in a fiduciary capacity;
- 1.1.14 **"Bondholder's Certificate"** means a certificate executed by a holder of a Pledge Bond pursuant to Section 4.2 that specifies the matters therein required and signed, in the case of a Bondholder that is a corporation, by any authorized officer of such corporation;
- 1.1.15 **"Bondholders' Request"** means: (a) an instrument requesting the Indenture Trustee to take or refrain from taking some action or Proceeding as specified therein, signed in one or more counterparts by the holder or holders of Bonds (or Beneficial Owners of Bonds who have delivered Beneficial Owner Declarations) representing 25% or more of the principal amount of all Bonds then Outstanding; (b) a resolution certified as duly passed by holders of Outstanding Bonds representing 25% or more of the votes cast in respect of such resolution at a meeting; (c) an instrument requesting the Indenture Trustee to take or refrain from taking some action or Proceeding as specified therein, signed in one or more counterparts by the holder or holders of Affected Bonds (or Beneficial Owners of Affected Bonds who have delivered

Beneficial Owner Declarations) representing more than 50% of the principal amount of all Affected Bonds then Outstanding; or (d) a resolution certified as duly passed by holders of Outstanding Affected Bonds representing more than 50% of the votes cast in respect of such resolution at a meeting;

1.1.16 "**Book Entry Bond**" means a Bond which is represented by a global certificate registered in the name of a Clearing Agency or its nominee and for which ownership and transfers of beneficial interests therein are made through book entries by such Clearing Agency (and other securities intermediaries) as described in Section 3.9; provided that such Book Entry Bond will cease to exist upon the occurrence of an event whereupon book entry transfers relating to such Bond are no longer permitted and Definitive Bonds have been issued to the Beneficial Owners of such Book Entry Bond;

1.1.17 "**Borrowing**" means (without duplication), with respect to the Issuer, whether recourse is to all or a portion of the Issuer's (or any other Person's) assets and whether or not contingent:

- (a) every obligation for borrowed money;
- (b) subject to Section 4.1.2, every obligation evidenced by bonds, debentures, notes or other similar instruments (including Commercial Paper);
- (c) every reimbursement obligation with respect to letters of credit, letters of guarantee, legally binding comfort letters, bankers' acceptances or similar instruments or indemnities with respect thereto:
  - (i) then due and payable, where such instruments have been issued as assurance of performance of obligations (except for other Borrowings) in the ordinary course of business; and
  - (ii) whether or not then due and payable, where such instruments have been issued in any other circumstance;

expressly excluding all obligations of the Issuer under the Guarantee Assurance Agreement;

- (d) accounts payable by the Person that are greater than 180 days in arrears and which are not being contested in good faith;
- (e) an obligation issued, incurred or assumed in connection with the acquisition of an asset or in respect of the deferred purchase price of services that have been provided (but excluding trade accounts payable, expenses incurred in the ordinary course of business, and amounts payable under any contract for goods or services within 180 days of the service being provided);

- (f) every Financial Instrument Obligation relating to the hedging of a Borrowing (including swaps or hedges in respect of interest or principal or the currency for payment of interest or principal); and
  - (g) a Guarantee Obligation of such Person with respect to the obligations of any other Person of the type referred to in this definition;
- 1.1.18 "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in NL or the Province of Ontario or the State of New York or any other day on which banking institutions in St. John's, NL, Toronto, Ontario or New York, New York are not open for the transaction of business;
- 1.1.19 "**Canada Yield Price**" in relation to any Obligation Bond being redeemed means the price, calculated at 11:30 a.m. (St. John's, NL standard time) on the fifth Business Day preceding the Redemption Date, which is that price that will provide a yield to maturity on such Obligation Bond (determined from the Redemption Date), expressed as a rate per annum, compounded semi-annually and calculated in accordance with generally accepted financial practice, equal to the Government of Canada Yield plus that number of basis points specified in the Supplemental Indenture authorizing such Obligation Bond;
- 1.1.20 "**Canadian Dollars**" or "\$" means lawful money of Canada;
- 1.1.21 "**CDS**" means CDS Clearing and Depository Services Inc. and its successors;
- 1.1.22 "**Central Government Obligations**" means any obligation of or unconditionally guaranteed as to principal and interest by the Government of Canada denominated in the lawful currency of Canada;
- 1.1.23 "**Claims**" has the meaning given to that term in Section 14.4;
- 1.1.24 "**Clearing Agency**" means (i) CDS or, if a successor is appointed, a successor organization recognized by the Ontario Securities Commission as a "clearing agency" pursuant to the *Securities Act* (Ontario), or (ii) if permitted under the Supplemental Indenture for a Series of Bonds, an organization performing similar functions in another jurisdiction, including The Depository Trust Company (DTC) and Central Securities Depositories which are members of the Euroclear group;
- 1.1.25 "**Commercial Paper**" means any short term bond, debenture, note or similar debt instrument of the Issuer that has a term to maturity of less than or equal to 364 days from the date of issue;
- 1.1.26 "**Confidential Information**" means information provided hereunder to a Bondholder or a Beneficial Owner that is proprietary in nature and that is identified as being confidential information by the Issuer; provided that "Confidential Information" will not include any information that (a) is publicly known, (b) is otherwise known to such Bondholder or Beneficial

Owner prior to the time of its disclosure hereunder (without any breach of any confidentiality obligation in respect of such information of which such Bondholder or Beneficial Owner has knowledge after reasonable enquiry), (c) subsequently becomes publicly known through no act or omission by such Bondholder or Beneficial Owner, (d) otherwise becomes known to such Bondholder or Beneficial Owner (without any breach of any confidentiality obligation in respect of such information of which such Bondholder or Beneficial Owner has knowledge after reasonable inquiry) other than through disclosure by the Indenture Trustee or Issuer, or (e) constitutes financial statements or Trust Certificates confirming compliance with this Indenture delivered to a Bondholder or a Beneficial Owner;

- 1.1.27 "**Control**" means, with respect to any Person at any time, (a) the ownership of or power to vote, directly or indirectly, shares, interests, securities or the equivalent representing more than 50% of the power to vote in the election of directors, managers, trustees or Persons performing similar functions for that Person, and (b) the exercise of *de facto* control of that Person, whether directly or indirectly, and whether through the ownership of securities or ownership interests, by contract or trust or otherwise; and (i) in the case of a limited partnership, "Person" in paragraphs (a) and (b) means the limited partnership and each general partner of such limited partnership, and (ii) in the case of a general partnership, "Person" in paragraphs (a) and (b) means each partner who is authorized or has the power to make decisions on behalf of or exercise control over such general partnership; and each of "**Controlled by**" or "**Controlling**" has a corresponding meaning;
- 1.1.28 "**Counsel**" means any firm of solicitors retained by the Indenture Trustee or retained by the Issuer and acceptable to the Indenture Trustee from time to time, acting reasonably, to act on behalf of the Indenture Trustee and the Bondholders, and may be a law firm regularly retained by the Issuer;
- 1.1.29 "**Credit Facility**" means a line of credit (revolving or non-revolving), a standby purchase agreement, a bond insurance policy, a surety bond or other financial instrument which obligates a third party to pay or provide funds to, or at the direction of, the Issuer and in relation to which a related Pledge Bond is issued pursuant to a Supplemental Indenture;
- 1.1.30 "**DBRS**" means DBRS Limited and its successors;
- 1.1.31 "**Declaration of Trust**" means the declaration of trust made as of November 1, 2013 by the Issuer Trustee with respect to the Issuer, as amended, supplemented, restated or otherwise changed from time to time;
- 1.1.32 "**Default Rate**" means in respect of any Series of Bonds, the rate of interest payable on such Series of Bonds after the occurrence of an Event of Default (as specified in the Supplemental Indenture for such Series);



- 1.1.33     **"Defaulting Bondholder"** has the meaning given to that term in Section 4.2;
- 1.1.34     **"Definitive Bonds"** means Bonds other than Book Entry Bonds;
- 1.1.35     **"Event of Default"** means an Event of Default as defined in Section 12.1;
- 1.1.36     **"Extraordinary Resolution"** means a resolution (a) passed at a meeting of the holders of the Bonds or Bonds of a Series, as the context requires, duly convened and held in accordance with the provisions of this Indenture and at which a quorum of holders is present, upon a poll by the affirmative vote of more than 66 $\frac{2}{3}$ % of the votes given upon such poll, or (b) evidenced by an instrument in writing signed by the holder or holders (or Beneficial Owners who have delivered Beneficial Owner Declarations) of outstanding Bonds or Bonds of a Series, as the context requires, of more than 66 $\frac{2}{3}$ % of the outstanding principal amount of such Bonds. An Extraordinary Resolution adopted in accordance with the provisions of this Indenture will be binding upon all Bondholders or all Bondholders of such Series, as applicable, and the Indenture Trustee will be bound to give effect thereto accordingly;
- 1.1.37     **"Federal Loan Guarantee"** means the guarantee agreement executed by the Guarantor in favour of the Indenture Trustee and dated concurrently with the date of this Indenture with respect to, *inter alia*, the payment obligations of the Issuer under this Indenture and the Bonds and the Underlying Pledge Bond Documents;
- 1.1.38     **"Financial Instrument Obligation"** means, with respect to the Issuer, obligations arising under interest swap agreements, basis swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into by the Issuer where the subject matter of the same is interest rates or the price, value, or amount payable thereunder is dependent or based upon interest rates or fluctuations in interest rates in effect from time to time or any other similar transaction, including any option to enter into any of the foregoing or any combination of any of the foregoing, in each case entered into in connection with the Obligation Bonds or the Borrowings secured by any Pledge Bond with a counterparty whose long-term unsecured securities are rated not less than A (high), A+ and A1 respectively by each of the Rating Agencies or such other rating as may be acceptable to the Indenture Trustee, subject to the consent of the Issuer and the Guarantor; provided that in determining the amount outstanding or principal outstanding at any time under a Financial Instrument Obligation, in each case the net amount (positive or negative) that would be carried in the accounts of the Issuer at that time with respect to such Financial Instrument Obligation as a liability in accordance with Applicable Accounting Principles shall be used;

- 1.1.39 "**Fiscal Agent**" means the Indenture Trustee, the depositaries of the Funds or Accounts required under this Indenture or any sub-account thereof, any Paying Agent, or any or all of them as the context may require;
- 1.1.40 "**Force Majeure**" means with respect to any Person, any act, event, cause or condition that prevents such Person from performing its specified obligations or completing a specified action, and that is beyond such Person's control, acting reasonably, including acts of God, earthquakes, fires, explosions, states of emergency, civil disobediences, wars, blockades, acts of terrorism, riots, revolutions or epidemics;
- 1.1.41 "**Fund**" means any fund, reserve fund or account required to be established pursuant to this Indenture;
- 1.1.42 "**GAAP**" means those accounting principles that are recognized as being generally accepted in Canada and which are in effect from time to time, as published in the Handbook of the Canadian Institute of Chartered Accountants, or any successor organization, applied on a consistent basis;
- 1.1.43 "**Government of Canada Bond**" means a non-callable Government of Canada bond issued in Canadian dollars in Canada with interest payable semi-annually, not in advance;
- 1.1.44 "**Government of Canada Yield**" means, on any date, the then current mid-market yield to maturity on such date expressed as a rate per annum, which a Government of Canada Bond would yield if issued at 100% of its principal amount on such date with a term to maturity equal to the remaining average life of the Obligation Bonds being redeemed. The Government of Canada Yield with respect to any proposed redemption will be determined as at a given date by two Investment Dealers selected by the Issuer, who will confer as to such determination and will report jointly to the Issuer and the Indenture Trustee the percentage figure they have agreed upon or, failing such agreement, the arithmetic average of the respective percentages determined by each; such agreed percentage or average, as the case may be, will be the Government of Canada Yield for the purpose of calculating the Canada Yield Price in relation to the redemption of such Obligation Bonds;
- 1.1.45 "**Governmental Authority**" means any government, parliament, legislature or any regulatory authority, tribunal, agency, commission or board of any government, parliament or legislature, or any subdivision thereof, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity, having or purporting to have jurisdiction in the relevant circumstances, or any Person acting under the authority of any of the foregoing (including, without limitation, any arbitrator with the authority to bind the parties at law) or any other authority charged with the administration or enforcement of Applicable Laws;

- 1.1.46 "**Guarantee Assurance Agreement**" means the guarantee assurance agreement to be executed by, *inter alios*, the Guarantor, The Toronto-Dominion Bank, the Issuer, LIL Construction Project Trust, Labrador-Island Link Limited Partnership, Labrador-Island Link General Partner Corporation and Labrador-Island Link Operating Corporation pursuant to the terms of which the Guarantor shall undertake to issue the Federal Loan Guarantee;
- 1.1.47 "**Guarantee Obligation**" means, as to any Person, any obligation (other than an endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person, whether secured or unsecured, guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any Borrowings or other obligations of any other Person in any manner, whether directly or indirectly, including obligations to purchase assets regardless of the delivery or non-delivery thereof and obligations to make advances; provided that for the purposes of all computations made under this Indenture, a Guarantee Obligation in respect of any Borrowing will be deemed, without duplication, to be equal to the principal amount of such Borrowing and any capitalized interest thereon (and any other amount that becomes due and owing) which has been guaranteed or indemnified, and a guarantee or indemnity in respect of any other obligation or liability will be deemed to be a Borrowing equal to the maximum aggregate amount of such obligation or liability unless the guarantee or indemnity provides for a maximum liability, in which case the guarantee or indemnity will be deemed to be equal to such maximum liability;
- 1.1.48 "**Guarantor**" means Her Majesty the Queen in Right of Canada;
- 1.1.49 "**IFRS**" means the International Financial Reporting Standards, being the accounting standards and interpretations adopted or recommended from time to time by the International Accounting Standards Board or any successor organization, applied on a consistent basis;
- 1.1.50 "**Indenture**", "**this Indenture**", "**hereto**", "**herein**", "**hereof**", "**hereby**", "**hereunder**" and similar expressions refer to this trust indenture and not to any particular article, section, paragraph or other portion thereof, and include any and every instrument ancillary hereto or in implementation hereof, including any Supplemental Indenture, and the expressions "**Article**", "**Section**" and "**paragraph**", followed by a number, unless otherwise stated, mean and refer to the specified article, section or paragraph of this trust indenture;
- 1.1.51 "**Indenture Documents**" means, collectively, this Indenture, all Bonds, the Federal Loan Guarantee, the Pledges, all agreements and documents evidencing Guarantee Obligations now or hereafter delivered to the Indenture Trustee and all other documents, agreements, certificates, undertakings and instruments delivered in connection with or pursuant to any of them;

- 1.1.52 "**Indenture Trustee**" means Computershare Trust Company of Canada, in its capacity as trustee for the Bondholders, and includes any successor trustee appointed in accordance with the terms of Section 16.5;
- 1.1.53 "**Independent Accountant**" means a nationally recognized firm of chartered accountants selected by the Issuer and licensed to practice in NL and Ontario, which may be the Issuer's auditors;
- 1.1.54 "**Investment Dealer**" means any of TD Securities Inc. and Goldman Sachs Canada Inc., or any of their respective successors, or any other recognized investment dealer who is a member of the Investment Industry Regulatory Organization of Canada (or any successor association thereto), is Arm's Length with the Issuer, the Guarantor and their respective Affiliates and is selected by the Issuer;
- 1.1.55 "**Issuer**" means Labrador-Island Link Funding Trust, a trust established under the laws of NL pursuant to the Declaration of Trust;
- 1.1.56 "**Issuer Counsel**" means McInnes Cooper LLP or any other firm of solicitors appointed by the Issuer from time to time;
- 1.1.57 "**Issuer Trustee**" means BNY Trust Company of Canada, in its capacity as trustee of the Issuer, and includes any successor trustee appointed in accordance with the provisions of the Declaration of Trust;
- 1.1.58 "**Maturity Date**" means (a) for any Series of Obligation Bonds, the maturity date applicable to such Series of Obligation Bonds as specified in the Supplemental Indenture creating such Bonds, and (b) for any Series of Pledge Bonds, the scheduled expiry or termination date of the Credit Facility or Financial Instrument Obligation secured by such Pledge Bonds (including any date on which the holder of such Pledge Bonds has the right to terminate such Credit Facility or Financial Instrument Obligation for reasons unrelated to a breach or default);
- 1.1.59 "**Moodys**" means Moody's Investors Service, Inc. and its successors;
- 1.1.60 "**NL**" means the Province of Newfoundland and Labrador;
- 1.1.61 "**Non Arm's Length Person**" means any Person who does not deal at Arm's Length with the Issuer;
- 1.1.62 "**Obligation Bond**" means a Bond issued as direct evidence of the indebtedness of the Issuer to the holder thereof;
- 1.1.63 "**Obligations**" means all indebtedness, liabilities and obligations of the Issuer under the Indenture Documents and the Underlying Pledge Bond Documents whether actual or contingent, direct or indirect, matured or not, now or hereafter existing, including the principal, interest (including interest on

amounts in default) and Premiums owing under the Bonds and all other money owing pursuant to the terms of the Indenture Documents, including amounts payable in respect of indemnity obligations;

- 1.1.64 "**Operating Account**" has the meaning given to that term in Section 8.3;
- 1.1.65 "**Opinion of Counsel**" means an opinion or opinions in writing, conforming to the requirements of Section 16.17, signed by Counsel;
- 1.1.66 "**Opinion of Issuer Counsel**" means an opinion in writing, conforming to the requirements of Section 16.17, signed by Issuer Counsel;
- 1.1.67 "**Orders**" means all applicable orders, decisions, directives, declarations, decrees, injunctions, writs, judgments, rulings, awards or requirements made or rendered by any Governmental Authority and having the force of law, and includes, without limitation, any environmental orders;
- 1.1.68 "**Ordinary Resolution**" means a resolution (a) passed at a meeting of the holders of the Bonds or Bonds of a Series, as the context requires, duly convened and held in accordance with the provisions of this Indenture and at which a quorum of holders is present, upon a poll by the affirmative vote of more than 50% of the votes given upon such poll, or (b) evidenced by an instrument in writing signed by the holder or holders (or Beneficial Owners who have delivered Beneficial Owner Declarations) of outstanding Bonds or Bonds of a Series, as the context requires, of more than 50% of the outstanding principal amount of such Bonds. An Ordinary Resolution adopted in accordance with the provisions of this Indenture will be binding upon all Bondholders or all Bondholders of such Series, as applicable, and the Indenture Trustee will be bound to give effect thereto accordingly;
- 1.1.69 "**Outstanding**" has the meaning given to such term in Section 1.12;
- 1.1.70 "**Paying Agent**" means any bank or trust company or other Person designated as a paying agent for a Series of Bonds in any Supplemental Indenture and its successors or permitted assigns, or its successor appointed in the manner provided herein or in such Supplemental Indenture;
- 1.1.71 "**Payment Date**" means any date on which payment of principal and/or interest on a Bond is payable in accordance with its terms and the terms of the applicable Supplemental Indenture;
- 1.1.72 "**Payment Demand**" means a demand for payment of any Amount Due made by any Fiscal Agent on the Guarantor and the Issuer in the form contemplated in the Federal Loan Guarantee;
- 1.1.73 "**Permitted Financial Institution**" means (a) any bank listed on Schedule I of the *Bank Act* (Canada), provided that the senior unsecured indebtedness of such bank is rated at least "A+", "A1" and "A(high)" by each of the Rating

Agencies or, if none of such banks meet such threshold, the Schedule I bank (or one of the Schedule I banks) with the highest ratings (and if no Schedule I bank is clearly the highest rated due to split ratings, any of the Schedule I banks with the highest (or tied for the highest) long term debt rating from any of the Rating Agencies), or (b) any trust company authorized to carry on business in all of the provinces and territories of Canada and having, on a consolidated basis with its parent corporation, combined capital and surplus of at least \$1 billion, or that is otherwise acceptable to the Guarantor and the Bondholders by an Ordinary Resolution;

- 1.1.74 "Person" means any individual, sole proprietorship, partnership, limited partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or Governmental Authority;
- 1.1.75 "Pledge" means, in respect of a Bond, a pledge, deposit or delivery of such Bond or other agreement between the Issuer and a Bondholder in respect of such Bond, in each case made in accordance with Section 4.1;
- 1.1.76 "Pledge Bond" means a Bond which is subject to a Pledge;
- 1.1.77 "Premium" means, in respect of any Bond at any particular time, the excess (if any) of the then applicable Redemption Price of such Bond over the principal amount of such Bond, including any make-whole amounts;
- 1.1.78 "*pro rata*" means, for any particular category of obligations or liabilities, in accordance with the proportional amount of each such obligation or liability to the aggregate amount of all obligations and liabilities of such particular category;
- 1.1.79 "Proceeding" means any action, suit, inquiry, investigation, arbitration or dispute settlement procedure, or any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal);
- 1.1.80 "Qualified Investment" means the book based securities, negotiable instruments, investments or securities which evidence:
- (a) obligations issued or fully guaranteed by the Government of Canada;
  - (b) obligations issued or fully guaranteed by any Province of Canada which has a long term debt rating of "A+" or better by S&P, "A (high)" or better by DBRS or "A1" or better by Moody's, and has such rating from at least two of the Rating Agencies;
  - (c) demand deposits of depository institutions, term deposits of depository institutions or certificates of deposit of depository institutions, in each case where any such depository institution is either (i) one of the five largest (by assets) Canadian Schedule I Banks or (ii) is a depository

institution that has a combined capital and surplus of at least \$1 billion, has a short term debt rating of "A 1+" or better by S&P or "R-1 (middle)" or better by DBRS and is regulated by the Office of the Superintendent of Financial Institutions (Canada);

- (d) deposits with and notes or bankers' acceptances issued or accepted by any depository institution described in (c) above;
- (e) money market funds which have a rating of "AAA m" or better by S&P or "R-1 (middle)" or better by DBRS or have otherwise been approved in writing by the Indenture Trustee; and
- (f) any other investments approved in writing by the Indenture Trustee;

1.1.81 **"Rating Agencies"** means DBRS, Moody's and S&P, provided that: (a) if any of them ceases to rate the Issuer or the Obligation Bonds, **"Rating Agency"** will refer to the others; and (b) if at any time none of them rates the Issuer or the Obligation Bonds, **"Rating Agency"** will refer to such other nationally recognized statistical rating agency operating in Canada as is designated by the Issuer that rates the Issuer or the Obligation Bonds, notice of which designation will be given in writing to the Indenture Trustee, and thereafter, the specific ratings referred to herein will be deemed to refer to the equivalent ratings of the rating agency so designated;

1.1.82 **"Redemption Date"** means, with respect to any Bonds to be redeemed, in whole or in part, the date (which will be a Business Day) specified in the notice of redemption as the date on which such Bonds will be redeemed or, in the case of a redemption pursuant to Section 12.2, the date specified in writing to the Issuer by the Indenture Trustee;

1.1.83 **"Redemption Price"** means, with respect to any Bonds to be redeemed, in whole or in part, in any particular circumstance, the redemption price applicable to such Bonds in such circumstance that is specified in the Supplemental Indenture creating such Bonds;

1.1.84 **"Refunded Bonds"** has the meaning given to that term in Section 2.6.1;

1.1.85 **"Refunding Bonds"** means any Obligation Bonds (or portions thereof), whether in one or more Series that are issued for the purpose of redeeming Outstanding Obligation Bonds;

1.1.86 **"Regulations"** means all rules, regulations, by-laws or any requirement with a similar effect as the foregoing promulgated by Governmental Authorities under or pursuant to Applicable Laws, including, without limitation, environmental regulations and dam safety regulations;

1.1.87 **"S&P"** means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. and its successors;

- 1.1.88 "Series" or "Series of Bonds" means all of the Bonds issued pursuant to or governed by a Supplemental Indenture and designated as a Series therein;
- 1.1.89 "Series Defeasance" has the meaning given to that term in Section 18.1.2;
- 1.1.90 "Special Resolution" means a resolution (a) passed at a meeting of the holders of the Bonds or Bonds of a Series, as the context requires, duly convened and held in accordance with the provisions of this Indenture and at which a quorum of holders is present, upon a poll by the affirmative vote of more than 95% of the votes given upon such poll, or (b) evidenced by an instrument in writing signed by the holder or holders (or Beneficial Owners who have delivered Beneficial Owner Declarations) of outstanding Bonds or Bonds of a Series, as the context requires, of more than 95% of the outstanding principal amount of such Bonds. A Special Resolution, adopted in accordance with the provisions of this Indenture, will be binding upon all Bondholders or all Bondholders of such Series, as applicable, and the Indenture Trustee will be bound to give effect thereto accordingly;
- 1.1.91 "Supplemental Indenture" means an Indenture supplemental to this Indenture entered into by the Issuer and the Indenture Trustee in accordance with the terms of Section 10.1;
- 1.1.92 "Tax Act" means the *Income Tax Act* (Canada);
- 1.1.93 "Taxes" means all taxes, levies, imposts, stamp taxes, sales taxes, assessments, goods and services taxes, capital taxes, duties, fees, deductions, withholdings or other charges and any restrictions or conditions resulting in any taxes or similar charges, in each case levied, imposed by or payable to a Governmental Authority, and all penalty, interest and other payments on or in respect thereof;
- 1.1.94 "Trust Activities" means the activities of the Issuer permitted under the Declaration of Trust;
- 1.1.95 "Trust Certificate" means, in respect of the Issuer, a certificate in writing signed by any officer of the Issuer Trustee and conforming *mutatis mutandis* to Section 16.17;
- 1.1.96 "Trust Indenture Legislation" means, at any time, the provisions of any statute of Canada or any province thereof and the regulations thereunder, relating to trust indentures and the rights, duties and obligations of trustees under trust indentures and of Persons issuing debt obligations under trust indentures, to the extent that such provisions are at such time in force and applicable to this Indenture Trustee;
- 1.1.97 "Underlying Pledge Bond Documents" means, collectively, all agreements deeds, instruments and documents evidencing a Borrowing secured under any Pledge of a Pledge Bond;



1.1.98 "Written Order", "Written Request, Written Direction" and "Written Consent" of the Issuer will mean a written order, request or consent signed in the name of the Issuer by a senior officer of the Issuer Trustee.

## 1.2 Extended Meanings

To the extent the context so admits, in this Indenture, the following words and expressions shall be given the extended meanings set out opposite them:

- 1.2.1 "**asset**" means any undertaking, business, property (real, personal or mixed, tangible or intangible) or other asset;
- 1.2.2 "**cancel**" means cancel, surrender, repudiate, disclaim, terminate or suspend;
- 1.2.3 "**change**" means change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive;
- 1.2.4 "**claim**" means claim, claim over, cross-claim, counter-claim, defence, demand, liability, proceeding, judgment, order or award of any court, other Governmental Authority, arbitrator or other alternative dispute resolution authority;
- 1.2.5 "**final judgment**" means a judgment, order, declaration or award of a court, other Governmental Authority, arbitrator or other alternative dispute resolution authority of competent jurisdiction from which no appeal may be made or from which all rights of appeal have expired or been exhausted;
- 1.2.6 "**include**" means include without limitation, and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters;
- 1.2.7 "**losses and expenses**" means losses, costs, expenses, damages, penalties and judgments and awards of any court or other Governmental Authority, arbitrator, mediator or other alternative dispute resolution authority, including any applicable awarded costs, and legal fees and disbursements on a full indemnity basis.
- 1.2.8 "**paid in full**" and "**repaid in full**" in relation to any payment obligation owing to any person (in this Section 1.2.8, the "**obligee**") - permanent, indefeasible and irrevocable payment in cash (or other freely available funds transfer as may be expressly provided for in the applicable document creating or evidencing such payment obligation) to the applicable obligee in full of such payment obligation in accordance with the express provisions of the applicable document creating or evidencing such payment obligation, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any bankruptcy, insolvency, fraudulent conveyance, assignment, preference or other similar such laws, any law

affecting creditors' rights generally or general principles of equity, and, if applicable, the cancellation or expiry of any commitment of the obligee to lend or otherwise extend credit.

- 1.2.9 "receiver" means a privately appointed or court appointed receiver or receiver and manager, interim receiver, liquidator, trustee in bankruptcy, administrator, administrative receiver and any other like or similar official;
- 1.2.10 "rights" means rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise;
- 1.2.11 "set-off" means any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, abatement, deduction, counter-claim, cross-claim or any similar right or obligation, or (as the context requires) any exercise of any such right or performance of such obligation.

### 1.3 Amounts of Money Expressed in Lawful Money of Canada

Unless specifically otherwise provided herein or in any Supplemental Indenture, all references to dollar amounts herein or other money amounts herein are expressed in terms of Canadian Dollars.

### 1.4 References to Agreements

Each reference in this Indenture to any agreement (including this Indenture and any other defined term that is an agreement) shall be construed so as to include such agreement (including all attached schedules, appendices and exhibits) and each amendment, supplement, amendment and restatement, replacement, novation and other modification made to it at or before the time in question.

### 1.5 Reference to Statutes

Each reference in this Indenture to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision thereof) shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each amendment, reenactment, reissuance or replacement thereof made at or before the time in question.

### 1.6 Headings, etc.

The division of this Indenture 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 Indenture.

## **1.7 Grammatical Variations**

In this Indenture, unless the context otherwise requires, (a) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (b) words in one gender include all genders and (c) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Indenture shall be construed in like manner.

## **1.8 References to Acts of the Issuer**

For greater certainty, where any reference is made in this Indenture, or in any other instrument to which the Issuer or the Issuer Trustee, as trustee of the Issuer, is party, to an act (including for greater certainty the Trust Activities) 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 Issuer) by or with respect to (a) the Issuer; or (b) the Issuer Trustee, such reference shall be construed and applied for all purposes as if 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 Issuer) by or with respect to the Issuer Trustee as trustee of the Issuer. It is hereby acknowledged and agreed that, pursuant to the Declaration of Trust, the Issuer Trustee may appoint any Person to manage any of the assets of the Issuer and to appoint any agent to transact any business on behalf of the Issuer and therefore, any acts to be performed by the Issuer Trustee may be performed by any such Person or agent.

## **1.9 Severability**

If any provision of this Indenture 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 (a) the validity, legality and enforceability in every other jurisdiction of such provision shall not be affected or impaired thereby and (b) the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not be affected or impaired thereby. The parties will negotiate in good faith to replace any invalid or unenforceable provision contained in this Indenture 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 law.

## **1.10 Publication**

In this Indenture, unless the context otherwise requires, any publication to be made under the provisions of this Indenture in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspapers for any or all of the successive publications but may be made in different Authorized Newspapers. If, because of the temporary or permanent suspension of the publication or general circulation of any of the Authorized Newspapers or for any other reason, it is

impossible or impractical to publish any notice pursuant to this Indenture in the manner herein provided, then such publication in lieu thereof as will be made with the approval of the Indenture Trustee will constitute sufficient publication of such notice.

### 1.11 Maximum Rate

Notwithstanding anything herein to the contrary, if at any time the Default Rate payable in respect of any Bond exceeds the maximum lawful rate (in this Section 1.11, the "**Maximum Rate**") that may be contracted for, charged, taken, received or reserved by the Indenture Trustee or any Bondholder in respect of any amount payable under such Bond, this Indenture or any other Indenture Document in accordance with Applicable Law (including, without limitation, Section 8 of the *Interest Act* (Canada)), the Indenture Trustee or Bondholder will be entitled to receive the Maximum Rate in respect of the rate of interest payable in respect of such amounts.

### 1.12 Meaning of "Outstanding" for Certain Purposes

Every Bond certified and delivered by the Indenture Trustee hereunder will be deemed to be "**Outstanding**" until it is cancelled or delivered to the Indenture Trustee for cancellation or money for the payment thereof is set aside or deemed to be set aside as provided in this Indenture, or a new Bond is issued in substitution for, exchange of or in lieu of such Bond pursuant to Section 3.5 provided that:

- (a) where a new Bond has been issued in substitution for, exchange of or in lieu of a Bond which has been lost, stolen or destroyed, only one of such Bonds will be counted for the purpose of determining the aggregate principal amount of Bonds Outstanding;
- (b) Bonds which have been partially redeemed, purchased or repaid will be deemed to be Outstanding only to the extent of the portion of the principal amount thereof that was not redeemed, purchased or repaid;
- (c) Bonds in respect of which the Maturity Date has passed or amounts secured thereunder have been validly demanded and the applicable moneys (including all interest, if any, accrued thereon to the Maturity Date) have been paid by the Issuer will be deemed not to be Outstanding; and
- (d) for the purpose of any provision of this Indenture entitling Bondholders to vote, sign consents, requests or other instruments or take any other action under this Indenture, Bonds owned directly or indirectly, legally or equitably, by the Issuer, the Guarantor or any of their respective Affiliates will be disregarded except that:
  - (i) for the purposes of determining whether the Indenture Trustee is protected in relying on any such vote, consent, requisition or other action, only the Bonds in respect of which the Indenture Trustee has received a Trust Certificate from the Issuer specifying such Bonds as being owned, directly or indirectly,

legally or equitably, by the Issuer, the Guarantor or any of their respective Affiliates will be so disregarded (which Trust Certificate the Issuer agrees to provide to the Indenture Trustee from time to time in respect of any such Bonds); and

- (ii) Bonds so owned which have been pledged in good faith other than to the Issuer, the Guarantor or any of their respective Affiliates will not be so disregarded if the pledgee establishes, to the satisfaction of the Indenture Trustee, the pledgee's right to vote such Bonds in its discretion free from the control of the Issuer, Guarantor or any of their respective Affiliates.

### **1.13 Non-Business Days**

Whenever any payment to be made hereunder is required to be made or any other action to be taken hereunder is required to be taken on a day other than a Business Day, such payment will be made or such other action will be taken on the next following Business Day. Any payment made after 1:00 p.m. (St. John's, NL standard time) on a Business Day will be deemed to be made on the next following Business Day.

### **1.14 Computation of Time Periods**

In this Indenture, with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "**from**" means "**from and including**" and the words "**to**" and "**until**" mean "**to but excluding**".

### **1.15 Interest Payments and Calculation**

For the purposes of this Indenture and the Bonds, whenever interest is expressed to be calculated on the basis of a period that is less than a full calendar year, each rate of interest determined on such basis, pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada), is equivalent to such rate multiplied by the number of days in the calendar year with respect to which the same is to be calculated and divided by the number of days in such period, as the case may be. For the purposes of the *Interest Act* (Canada), (a) the principle of deemed reinvestment of interest will not apply to any interest calculation under this Indenture, and (b) the rates of interest stipulated in this Indenture are intended to be nominal rates and not effective rates or yields.

### **1.16 Applicable Accounting Principles**

All accounting terms not specifically defined herein will be construed in accordance with Applicable Accounting Principles

### **1.17 Governing Law**

This Indenture and the Bonds will be construed in accordance with the laws of NL and the laws of Canada applicable therein and will be treated in all respects as Newfoundland and Labrador contracts. 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.

### **1.18 Schedules**

The following are the Schedules attached to this Indenture and deemed to be part thereof:

- Schedule "A" - Beneficial Owner Declaration
- Schedule "B" - Form of Trust Certificate Re Issuance of Bonds
- Schedule "C" - Form of Federal Loan Guarantee

## **ARTICLE 2**

### **CAPITAL MARKETS PLATFORM BORROWINGS**

#### **2.1 Establishment of Capital Markets Platform**

There is hereby established a facility designated as the "**Capital Markets Platform**" in order to provide a framework for the issuance of Bonds which are necessary, useful or convenient to permit the Issuer to carry out the purposes described in this Indenture and any Supplemental Indenture. The aggregate principal amount of Bonds which may be issued under this Indenture is limited to the amount of Two Billion Four Hundred Million Dollars (\$2,400,000,000).

#### **2.2 Form of Bonds**

- 2.2.1 All Bonds issued hereunder will be subject to the terms and conditions herein provided and will be issued pursuant to or governed by a Supplemental Indenture authorizing or applying to such Series of Bonds. Bonds may be issued:
  - (a) by way of Obligation Bonds to directly evidence the Borrowings of the Issuer to the holder thereof as evidenced thereby; or
  - (b) by way of Pledge Bonds to be held by the holder thereof as continuing collateral security for the Borrowings of the Issuer as is specified in the instrument of Pledge pursuant to which such Bond is pledged.
- 2.2.2 Any Series of Bonds which may at any time be issued hereunder, the coupons (if any) pertaining thereto and the certificate of the Indenture Trustee endorsed on such Bonds may be in such form or forms as the Issuer will determine at the time of the first issue of any Series or part of any Series of such Bonds and as will be approved by the Indenture Trustee and the Guarantor.
- 2.2.3 The Bonds of any Series may be typewritten, engraved, lithographed, printed or photocopied or partly in one form and partly in another as the Issuer may determine.

2.2.4 The Bonds may contain such appropriate insertions, omissions, substitutions and other variations as may be approved by the Issuer, and, in each case, may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as the Indenture Trustee may approve or as may be required to comply with the rules of any Clearing Agency or Applicable Laws. Each Bond issued hereunder shall bear a legend in substantially the following form:

This Bond is subject to the terms and conditions of the Master Trust Indenture dated as of November 29, 2013 between Labrador-Island Link Funding Trust, as Issuer, by BNY Trust Company of Canada, as Issuer Trustee, and Computershare Trust Company of Canada, as Indenture Trustee and all payment obligations of the Issuer under this Bond are guaranteed by the Guarantor pursuant to the Federal Loan Guarantee.

2.2.5 Book Entry Bonds of a Series will be evidenced by one or more global certificates held by the applicable Clearing Agency (or its nominee, or a custodian bank of such Clearing Agency, or its nominee) referred to in Section 3.9, each of which may be typewritten, engraved, lithographed, printed or photocopied, or partly in one form and partly in another, as the Issuer may determine. Definitive Bonds of a Series may be typewritten, engraved, lithographed, printed or photocopied, or partly in one form and partly in another, as the Issuer may determine (as evidenced by its execution of such Bond).

### **2.3 Purpose of Bonds**

The proceeds of Bonds issued by the Issuer, including any Series, will be used exclusively in connection with the purposes set out in Section 2.2 of the Declaration of Trust.

### **2.4 Issuance in Series**

2.4.1 The Bonds will be issued in one or more Series, subject to compliance with the provisions and conditions herein set forth. Bonds of any one Series will be substantially identical except as to denominations and as may otherwise be provided in the Supplemental Indenture authorizing such Bonds. Bonds of any Series may be redeemable before maturity in such manner and subject to payment of such Premiums, will be payable in lawful money of Canada, may contain such provisions for the exchange or transfer of Bonds of differing denominations and forms and may contain such other provisions, not inconsistent with the provisions of this Indenture, as may be determined by the Issuer at or prior to the time of issue thereof and expressed in a Supplemental Indenture providing for the issuance of the Bonds of such Series and (to such extent as the Issuer may deem appropriate) in the Bonds of such Series. At the option of the Issuer, the maximum principal amount of Bonds of

any Series may be limited as may be expressed in a Supplemental Indenture providing for the issuance of the Bonds of such Series and in the Bonds of such Series.

- 2.4.2 Subject to the foregoing provisions, any of the Bonds may be issued as part of any Series of Bonds previously issued, in which case they will bear the same designation and designating letters as have been applied to such similar prior issue and will be numbered consecutively upwards in respect of each denomination of Bonds in like manner and following the numbers of the Bonds of such prior issue.

## **2.5 Conditions Precedent to Issue and Delivery of Bonds**

Bonds may at any time and from time to time (provided no Event of Default will have occurred and be continuing at such time) be created, issued and executed by the Issuer and delivered to the Indenture Trustee, and will be certified by the Indenture Trustee and delivered to or upon the Written Order of the Issuer (without the Indenture Trustee receiving any consideration therefor) but only if the Issuer has furnished to the Indenture Trustee:

- 2.5.1 a Written Order for the certification and delivery of the Bonds, specifying the Series number, the aggregate amount and the attributes to be certified and delivered;
- 2.5.2 a Supplemental Indenture, in form and substance satisfactory to Counsel, creating the Series of Bonds, duly executed by each of the parties thereto, specifying in respect of such Series of Bonds, among other things:
- (a) the Series designation and if applicable, the maximum principal amount of such Bonds;
  - (b) the date or dates of such Bonds and the Maturity Date of Obligation Bonds, or the manner in determining such dates, it being expressly acknowledged that Bonds which are payable on demand may be issued but only if they are Pledge Bonds;
  - (c) the interest rate or discount rate to be borne by such Bonds or the manner of determining such rate, and the Payment Dates for interest and principal (if applicable) on Obligation Bonds;
  - (d) if applicable, the manner of dating, numbering and lettering the Bonds of such Series;
  - (e) the Paying Agent and the place or places for payments under such Series;
  - (f) if applicable, the redemption or repurchase terms for such Bonds, including the number of basis points to be utilized in the calculation of



the Canada Yield Price where the Bonds to be issued are Obligation Bonds;

- (g) if applicable, provisions for the sale of such Bonds;
- (h) whether such Bonds are Obligation Bonds or Pledge Bonds;
- (i) if applicable, any special voting requirements applicable to such Bonds;
- (j) the forms of such Bonds and of the Indenture Trustee's certificate of authentication; and
- (k) any other provision deemed advisable by the Issuer which does not conflict with the provisions hereof;

2.5.3 in the case of Pledge Bonds, a duly executed copy of the related Pledge and of every agreement (but if such agreement has previously been provided to the Indenture Trustee in respect of other Pledge Bonds of a Series, such agreement need not be provided to the Indenture Trustee);

2.5.4 a Trust Certificate in the form of Schedule B:

- (a) stating that all conditions provided for in this Section 2.5 and, if applicable, Section 2.6 relating to the issue, certification and delivery of the Bonds applied for have been complied with in accordance with the terms of this Indenture; and
- (b) stating that so far as is known to the signers, after having made due enquiry in accordance with Section 16.17, no Event of Default has occurred and is continuing;

2.5.5 an Opinion of Issuer Counsel delivered on or prior to the initial issuance of Bonds hereunder with respect to, among other things, the due authorization, execution and delivery, and enforceability (subject to customary qualifications and assumptions) of the Indenture Documents (other than the Federal Loan Guarantee);

2.5.6 an Opinion of Issuer Counsel dated the date of such Written Order to the effect that, among other things:

- (a) all conditions precedent provided for in this Section 2.5 and Section 2.6 (if applicable) relating to the authorization, execution, certification and delivery of the Bonds applied for have been complied with;
- (b) the Bonds applied for have been duly authorized and executed by the Issuer and, upon certification thereof by the Indenture Trustee and delivery thereof by the Indenture Trustee or the Issuer, will be valid

and legally binding obligations of the Issuer, subject to customary qualifications and assumptions;

- (c) the Supplemental Indenture and all documents delivered in connection therewith are valid, binding and enforceable obligations of the Issuer, subject to customary qualifications and assumptions; and
- (d) in the case of Pledge Bonds, the Issuer has the right and power to enter into the Pledge and each Underlying Pledge Bond Document, the Pledge and each such Underlying Pledge Bond Document have been duly authorized, executed and delivered by the Issuer, are in full force and effect and are valid and binding upon the Issuer and enforceable in accordance with their terms, subject to customary assumptions and qualifications, and the terms of the Pledge are not inconsistent with the provisions of Section 4.1; provided that the Opinion of Issuer Counsel may, for this purpose, be the opinion that is issued by the Issuer Counsel to the holder of such Pledge Bonds;

2.5.7 such other materials and documents as may be provided for in the Supplemental Indenture creating such issue of Bonds.

## **2.6 Additional Conditions Precedent to Delivery of Refunding Bonds**

The Issuer will give the Indenture Trustee notice of all Refunding Bonds to be issued and, in addition to the documents required by Section 2.5, the Indenture Trustee will have received prior to authenticating and delivering any Bonds that are designated by the Issuer as Refunding Bonds:

- 2.6.1 if a redemption of Obligation Bonds is to be effected with the proceeds of such Refunding Bonds, due notice of the redemption of the Outstanding Obligation Bonds to be redeemed and the Redemption Date(s) upon which such Obligation Bonds are to be redeemed (collectively in this Section 2.6, the "**Refunded Bonds**");
- 2.6.2 a certificate of an Independent Accountant or Investment Dealer stating either:
  - (a) the amount of money required in order to pay when due the applicable estimated Redemption Price of the Refunded Bonds to be redeemed, which amount will be deposited with the Indenture Trustee at or about the time of the issue of the Refunding Bonds; or
  - (b) the amount of non-callable or non-redeemable Central Government Obligations which, together with the money (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, which will be deposited with the Indenture Trustee at or about the time of the issue of the Refunding Bonds, will be required to be deposited with the Indenture Trustee in order to pay when due the applicable Redemption Price(s) of the Refunded Bonds, calculated by including only the principal and interest that is payable under such Central

Government Obligations (assuming no reinvestment thereof) prior to the Redemption Date(s) of such Refunded Bonds; and

- 2.6.3 if applicable, irrevocable directions of the Issuer to the purchasers of such Refunding Bonds to deposit the proceeds of such Refunding Bonds directly to the Indenture Trustee,

together with a deposit of all money and non-callable or non-redeemable Central Government Obligations that the Independent Accountant or Investment Dealer certified in the certificate delivered pursuant to Section 2.6.2 is required to pay all amounts owing under the Refunded Bonds on their specified Redemption Date(s) (or reasonable arrangements having been made for such deposit to be made to the Indenture Trustee on the same day as the issuance of the applicable Refunding Bonds).

## **2.7 No Bonds to be Issued During Event of Default**

No Bonds will be certified or delivered if at that time, to the knowledge of the Indenture Trustee, an Event of Default has occurred and is continuing. Any certification and delivery of any Bonds by the Indenture Trustee will be conclusive evidence of the absence of knowledge on the part of the Indenture Trustee of any such Event of Default at the time of such certification and delivery.

## **2.8 Concerning Opinions and Certificates**

The Indenture Trustee, prior to the certification and delivery of any Bonds under this Article 2, will not be bound to make any enquiry or investigation as to the correctness of the matters set forth in any of the opinions, certificates or other documents required by the provisions of this Article 2, but will be entitled to accept, act and rely upon such opinions, certificates and other documents. The Indenture Trustee may, in its discretion in cases where it deems further proof desirable and will, upon receipt of a Bondholders' Request, require further proof.

# **ARTICLE 3**

## **GENERAL TERMS AND CONDITIONS OF BONDS**

### **3.1 Interest Not to Accrue**

From and after the date of maturity, redemption, exchange or purchase by the Issuer, as applicable, of any Bonds, or the due date of payment of any part of the principal amount of any Bonds, no further interest will accrue on such Bonds or principal amount, as the case may be, unless payment of the amount then payable will not have been made in accordance with the applicable terms of this Indenture. If payment has not been made in accordance with the applicable terms of this Indenture when due, interest will (a) continue to accrue on such unpaid amount and (b) accrue on overdue interest, all at the same rate as is payable on the principal of the applicable Bonds (including at any applicable Default Rate).

### **3.2 Bonds Equally Ranked and Equally Guaranteed**

All Bonds as soon as issued under a Supplemental Indenture and certified in accordance with this Indenture and at any time Outstanding will rank *pari passu* and benefit equally and rateably with all other Outstanding Bonds, from the guarantee of the Guarantor pursuant to the provisions of the Federal Loan Guarantee, without preference, priority or distinction between Bonds on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds. Each Bond of a Series will in all respects benefit equally and rateably with all other Bonds of such Series and will have the same right and entitlement hereunder established for the benefit of such Series of Bonds. All payments made by the Issuer to Bondholders after the occurrence and during the continuance of an Event of Default will be made equally and rateably in respect of all amounts then due and payable to Bondholders.

### **3.3 Registration; Transfer; Exchange**

3.3.1 The Indenture Trustee will keep or cause to be kept by and at the principal office of the Indenture Trustee in the City of Toronto, Ontario and at such other place or places in Canada or by such other registrar or registrars as the Issuer may designate or appoint, with the approval of the Indenture Trustee, registers in which will be alphabetically entered the names (together with the addresses) of the holders of all Bonds and of all transfers of Bonds. The Indenture Trustee is hereby appointed a registrar for the purpose of registering Bonds and transfers thereof as herein provided.

3.3.2 No transfer of a Bond will be valid unless the transferee is noted by the Indenture Trustee on the registration panel on the Bond and unless made on such registration panel by the registered holder thereof or his or her executors or administrators or other legal representatives or his, her or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Indenture Trustee. The holder of a Bond may, at any time and from time to time, have such Bond transferred or have such Bond exchanged for Bonds of any other authorized denominations in an equivalent aggregate principal amount, at any of the places where a register of transfers is kept, in accordance with such reasonable regulations as the Indenture Trustee may prescribe. No transfer of a Bond, nor any transmission thereof by death, will be valid unless made by the Indenture Trustee upon (a) application by the Bondholder or by his or her executors, administrators or other legal representatives, or his, her or its attorney duly appointed by an instrument in writing, in form and as to execution satisfactory to the Indenture Trustee, (b) compliance with such reasonable requirements as the Indenture Trustee may prescribe, and (c) surrender of the Bond to the Indenture Trustee for cancellation, whereupon a new Bond in the same principal amount and on the same terms as the Bond being transferred will be issued to the transferee. Without limiting the foregoing, any transfer of a Bond must be made in accordance with applicable securities legislation. The Indenture Trustee may act and rely on an opinion of counsel of the transferor that a transfer of a Bond is in accordance with Applicable Law, including securities legislation.

- 3.3.3 Neither the Issuer nor the Indenture Trustee nor any registrar will be required to make:
- (a) a transfer or exchange of any Bonds for a period of 10 Business Days next preceding the date of any scheduled payment of principal and/or interest pertaining to such Bonds;
  - (b) a transfer or exchange of any Bond to reflect an assignment of such Bond in an amount less than \$500,000 unless such lesser amount reflects all of the Bondholder's ownership interest in respect of such Bond;
  - (c) an exchange of any Bonds on the day of any selection by the Indenture Trustee of such Bonds to be redeemed or until the date that the notice of redemption is mailed; or
  - (d) an exchange of any Bonds that have been selected or called for redemption, unless upon due presentation thereof for redemption such Bonds are not redeemed.
- 3.3.4 The Indenture Trustee will, from time to time, when requested to do so in writing by the Issuer, the Guarantor or a Bondholder (including a Beneficial Owner who has delivered a Beneficial Owner Declaration), upon receipt of such reasonable documentation as the Indenture Trustee may require, furnish to the Issuer, the Guarantor or such Bondholder (or Beneficial Owner), within a reasonable period of time, (a) a list of the names alphabetically arranged and the last known address of each Person who is a holder of Bonds or any Series thereof, (b) the principal amount of such Bonds or Series held by each holder, and (c) with respect to Pledge Bonds, the amounts outstanding under such Pledge Bonds determined in accordance with Section 4.1 (in which case the Indenture Trustee will forthwith request such information from the holders of such Pledge Bonds in accordance with Section 4.2). Notice of such request will be provided by the Indenture Trustee to the Issuer and the Guarantor.
- 3.3.5 Such registers will at all reasonable times, upon prior written notice to the Indenture Trustee, be open for inspection by the Issuer, the Guarantor and any Bondholder (including any Beneficial Owner who delivers a Beneficial Owner Declaration) and any other Person entitled thereto by law. Neither the Indenture Trustee nor any registrar for any of the Bonds nor the Issuer will be charged with notice of or be bound to see the execution of any trust, express, implied or constructive, in respect of any Bond and may transfer the same on the direction of the holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.
- 3.3.6 Except as herein otherwise provided, in every case of exchange of Bonds or transfer of Bonds, the Indenture Trustee or other registrar may, subject to Applicable Law, make a sufficient charge to reimburse it for any stamp tax or

other governmental charge required to be paid, and in addition a reasonable charge for its services, for every Bond issued upon such exchange or transfer, and payment of such charges will be made by the Issuer.

- 3.3.7 The Indenture Trustee will note on Bond Registers the redemption of any Bonds where payment has been made without the surrender of the Bonds in accordance with Section 5.5.
- 3.3.8 Notwithstanding the foregoing, the transfer by a Beneficial Owner of an interest in any Bond represented by a Book Entry Bond will be effected only (a) with respect to the interests of Clearing Agency participants, through records maintained by the applicable Clearing Agency or its nominee for the Book Entry Bond, and (b) with respect to interests of Persons other than Clearing Agency participants, through records maintained by the applicable Clearing Agency's participants (and other securities intermediaries).

### **3.4 Cancellation**

All Bonds redeemed, purchased or otherwise acquired by the Issuer or by any other Person on its behalf will be forthwith delivered to the Indenture Trustee and cancelled and will not be re-issued.

### **3.5 Mutilation, Loss or Destruction**

If any Bond issued hereunder becomes mutilated or is lost, destroyed or stolen, provided the Issuer or the Indenture Trustee has no notice that the Bond has been acquired by a *bona fide* purchaser, the Issuer in its discretion may issue, and thereupon the Indenture Trustee will certify and deliver, a new Bond of like date and tenor, with a notation as to the unpaid principal amount outstanding thereunder on the registration panel thereof, upon surrender and cancellation of the mutilated Bond or, in case of a lost or destroyed or stolen Bond, in lieu of and in substitution for the same. The substituted Bond will be in a form approved by the Indenture Trustee and will be entitled to the benefits of this Indenture equally with all other Bonds issued or to be issued hereunder of like tenor. In the case of loss, destruction or theft, the applicant for a substituted Bond will furnish to the Issuer and to the Indenture Trustee evidence satisfactory to the Issuer and to the Indenture Trustee of such loss, destruction or theft (each in its discretion, acting reasonably) and an indemnity or surety bond satisfactory to them (each in its discretion, acting reasonably), will pay any and all expenses incidental to the issue of such substituted Bond, and will satisfy any other reasonable requirements imposed by the Issuer or the Indenture Trustee.

### **3.6 Persons Entitled to Payment**

- 3.6.1 The Person in whose name any Bond is registered will be deemed the owner thereof for all purposes of this Indenture. Payment of or on account of the principal of, and interest and Premium (if any) on, such Bond will be made only to such registered holder and such payment will be good and sufficient discharge of the liability of the Issuer, the Indenture Trustee and each Fiscal Agent for the amounts paid, and none of the Issuer, the Indenture Trustee, any Fiscal Agent or any registrar will be bound to inquire into the title of any such holder (except as

so provided). Where Bonds are registered in more than one name, the principal of, and interest and Premium (if any), from time to time payable on, them may be paid by cheque or wire transfer payable to one of such holders failing written instructions from them to the contrary and the receipt by any one of such holders thereof will be a valid discharge to the Indenture Trustee and any other Fiscal Agent and to the Issuer.

3.6.2 The registered holder for the time being of any Bond will be entitled to the payment of all principal, interest and Premium (if any) payable thereon, free from all equities or rights of set-off or counterclaim between the Issuer and the original or any intermediate holder thereof (except any equities of which the Issuer is required to take notice by statute or by order of a court of competent jurisdiction), and all Persons may act accordingly. A transferee of a Bond will, after the appropriate form of transfer is lodged with the registrar and upon compliance with all other conditions in that behalf required by this Indenture or by any conditions endorsed on the Bond or by law, be entitled to be entered on any one of the Bond Registers as the owner of such Bond, free from all equities or rights of set-off or counterclaim between the Issuer and his, her or its transferor or any previous holder thereof, save in respect of equities of which the Issuer is required to take notice by statute or order of a court of competent jurisdiction.

3.6.3 Delivery of a Bond to the Indenture Trustee by the holder of such Bond will, upon payment thereof, be a good discharge to the Issuer of all obligations evidenced by such Bond. The Indenture Trustee will not be bound to inquire into the title of any such holder, save as ordered by a court of competent jurisdiction or as required by statute and neither the Indenture Trustee nor any Fiscal Agent will be bound to see to the execution of any trust affecting the ownership of any Bond or be affected by notice of any equity that may be subsisting in respect thereof.

### **3.7 Payments**

3.7.1 Subject to Section 3.8 and Section 3.9, unless otherwise provided with respect to any Series of Bonds in the Supplemental Indenture authorizing the creation and issue of such Series of Bonds, as the principal and interest on such Bonds becomes payable (except principal and interest payable at maturity or on redemption, which will be paid on such maturity or redemption upon presentation and surrender of such Bonds for payment), the Issuer will, at the request of the registered holder of Bonds:

- (a) five Business Days preceding the date on which principal and interest on such Bonds becomes due, forward or cause to be forwarded by prepaid post to the holder for the time being, or, in the case of joint holders, to one of such joint holders, at his, her or its address appearing on the appropriate Bond Register, one or more cheques (drawn on a Canadian chartered bank) for such principal or interest (less any tax required to be deducted or withheld plus any gross up required to be

paid pursuant to any Supplemental Indenture) payable to the order of such holder or holders and negotiable at par at each of the places at which interest on the Bonds is payable; or

- (b) effect a wire transfer of immediately available funds to the holder or, in the case of joint holders, to one of such joint holders, based on the wire transfer instructions provided by any such holder to the Issuer in the amount of such principal or interest (less any tax required to be deducted or withheld plus any gross up required to be paid with respect to such Bond);

in each case in immediately available funds for receipt not later than 1:00 p.m. St. John's, NL standard time on the date such payment is due. Any amount received by wire transfer after such time will be deemed received on the next Business Day and interest will accrue on such amount until receipt thereof. The forwarding of such cheque or cheques or implementation of such wire transfer will satisfy and discharge the liability for such payment to the extent of the sums represented thereby unless such cheque is not paid on presentation or is lost, destroyed or stolen or such wire transfer is not received on or prior to the applicable Payment Date. In the event of the non-receipt of any such cheque by the holder, or the loss or destruction thereof, the Issuer or the Indenture Trustee, upon being furnished with evidence of such non-receipt, loss or destruction and indemnity satisfactory to it, acting reasonably, will issue or cause to be issued to such holder a replacement cheque for the same amount. Interest in respect of the principal amount of the Bonds will cease to accrue from the due date thereof unless payment of principal or interest thereon, as the case may be, is improperly withheld or refused.

- 3.7.2 Subject to Section 3.7.3 and Section 3.8, payment of principal and the Premium (if any) due at maturity or repayment in full of any Bond will be made only upon presentation and surrender of the Bond to the Indenture Trustee or Paying Agent for cancellation.
- 3.7.3 The final payment on any Bond will, if such Bond is a Definitive Bond, be made only upon presentation and surrender of such Bond on or after the Payment Date at the principal office of the Indenture Trustee designated in the Supplemental Indenture creating such Bond if the Indenture Trustee acts as a Paying Agent for such Bond or, at the option of the holder, the principal office of any other Paying Agent (if any) designated in such Supplemental Indenture, or, if such Bond has been called for redemption or repayment, at any other place as may be specified in the notice of redemption or repayment. If such Bond is a Book Entry Bond on deposit with a Clearing Agency, such final payment will be deposited with such Clearing Agency and paid to the Beneficial Owners thereof in accordance with such Clearing Agency's practices and procedures.
- 3.7.4 The Issuer, in lieu of forwarding or causing to be forwarded any cheque in payment of principal or interest:



- (a) where banking law and practice permit, may make such payments by electronic funds transfer on the Payment Date; or
- (b) may agree in writing with any holder of Bonds to make payment to or to the order of such holder at any place at which such payment is due pursuant to Section 3.8;

in which case the Issuer may make all such payments by pre-authorized transfer payments or other form of electronic payments acceptable to the Indenture Trustee or holder of the Bond.

### **3.8 Payment Agreement**

Notwithstanding anything to the contrary contained in this Indenture or in any Bond, the Issuer may enter into an agreement with the registered holder of any Bond providing for the payment of principal of, and interest and Premium (if any) on, any of the Bonds held by such holder at a place and in the manner other than the place or in the manner of payment specified herein or in the Supplemental Indentures creating such Bonds for the making of all payments with respect to such Bonds to such Bondholder, without presentation or surrender of such Bonds (in this Section, a "**Payment Agreement**"). Payment of principal of, and interest and Premium (if any) on, any Bond in accordance with this Section 3.8 will absolutely satisfy and discharge the liability of the Issuer with respect to such payment under such Bond unless, in the case of payment by cheque, a cheque for payment thereof is not paid on presentation or is lost, destroyed or stolen. From time to time the Issuer will furnish to the Indenture Trustee and the Guarantor, a Trust Certificate as to the Persons with whom the Issuer has entered into a Payment Agreement.

### **3.9 Book Entry Bonds**

- 3.9.1 Except as may be specified in a Supplemental Indenture, the Bonds of each Series will be issued as one or more Book Entry Bond(s), each in the name of a Clearing Agency maintaining book entry records with respect to the Beneficial Owners of such Bonds.
- 3.9.2 When a Book Entry Bond has been deposited with a Clearing Agency, the rights of the Beneficial Owners of such Book Entry Bond with respect to the principal, interest or other amounts acquired, the time at which such amounts are acquired, the method of transfer and the ability and procedure to enforce payment will be as determined by the rules of the applicable Clearing Agency and Applicable Laws.
- 3.9.3 Payments of principal of, and interest and Premium (if any) on, any Bond represented by a Book Entry Bond will be made in accordance with the rules of the applicable Clearing Agency.
- 3.9.4 Neither the Issuer nor the Indenture Trustee will be under any obligation to deliver, nor will the Beneficial Owner of a Book Entry Bond have any right, other than as provided in Section 3.9.5, to require the delivery of a certificate evidencing the interest of such Beneficial Owner in such Book Entry Bond.

3.9.5 The Issuer will deliver to the Indenture Trustee Definitive Bonds to be issued to the Beneficial Owners of any Book Entry Bond if:

- (a) the Issuer is required to do so by Applicable Law;
- (b) the applicable Clearing Agency service for such Beneficial Owners ceases to exist or is unavailable or is predicted to be unavailable for a reasonable period of time;
- (c) the Issuer determines that the applicable Clearing Agency is no longer willing or able to discharge properly its responsibilities to such Beneficial Owners and the Issuer is unable to find a qualified successor;
- (d) the Issuer elects to terminate its involvement with the applicable Clearing Agency for any reason (including, without limitation, in circumstances where the Issuer considers it impractical or inefficient to effect any distribution or holding of Bonds through the applicable Clearing Agency or through the facilities of the applicable Clearing Agency); or
- (e) after the occurrence and during the continuance of an Event of Default, Beneficial Owners who have delivered Beneficial Owner Declarations and who hold more than 50% of the outstanding principal amount of a Book Entry Bond outstanding determine that continued use of the applicable Clearing Agency is no longer in the interests of such Beneficial Owners and notify the Indenture Trustee and the Issuer in writing to such effect.

3.9.6 Prior to the occurrence of any of the events in Section 3.9.5 and while the Bonds of any Series are represented by a Book Entry Bond, subject to the rights of Beneficial Owners to request and receive information and documentation and to issue Bondholders' Requests directing that specific actions be taken, where specifically provided for in this Indenture, the Issuer and the Indenture Trustee will deal with each applicable Clearing Agency for all purposes, including the delivery of reports and information and the making of payments on such Bonds, as the sole holder of such Bonds and the authorized representative of the Beneficial Owners of such Bonds. In particular, the Indenture Trustee will give only to each applicable Clearing Agency all notices, reports, certificates, financial statements and other communications required to be provided to the holders of such Bonds, (provided that the Indenture Trustee will, while such reports and statements are current, maintain custody of the same).

3.9.7 Upon the occurrence of any of the events described in Section 3.9.5, relative to any Book Entry Bond, the Indenture Trustee will notify all Beneficial Owners of such Book Entry Bond, through the applicable Clearing Agency's

depository system, of the availability of Definitive Bonds for such Series. Upon surrender by the applicable Clearing Agency of the relevant Book Entry Bond and instructions from it for re-registration, the Issuer will deliver to the Indenture Trustee Definitive Bonds of such Series to be issued to the Beneficial Owners of such Book Entry Bonds, the Indenture Trustee will register such Bonds according to the instruction from the applicable Clearing Agency for such re-registration and thereafter the Indenture Trustee and the Issuer will recognize the registered holders of such Definitive Bonds as the holders of such Bonds for all purposes of this Indenture. Payments of principal, interest, Premiums (if any) and other amounts with respect to such Bonds will thereafter be made directly to holders of Definitive Bonds in accordance with the procedures set out in this Indenture to holders in whose names the Definitive Bonds were registered. Any payment by cheque will be made by cheque mailed to the address of each such holder as it appears on the applicable Bond Register. The final payment on any such Definitive Bond, however, will be made only upon presentation and surrender of such Definitive Bond at the office or agency specified in this Indenture.

- 3.9.8 The Indenture Trustee will have no liability whatsoever for:
- (a) any aspect of the records relating to or payments made on account of any Beneficial Owner of any Book Entry Bond;
  - (b) maintaining, supervising or reviewing any records relating to the beneficial ownership of any Book Entry Bond; or
  - (c) any advice or representation made or given by or with respect to a Clearing Agency and made or given herein with respect to rules of such Clearing Agency or any action to be taken by a Clearing Agency or at the direction of a participant or beneficiary of a Clearing Agency.
- 3.9.9 Nothing herein or in a Supplemental Indenture will prevent the Beneficial Owners of a Book Entry Bond from voting any Bonds using duly executed voting instruction forms.

### **3.10 Signature**

Except as otherwise permitted or required with respect to any Bonds by the Supplemental Indenture creating such Bonds, all such Bonds will be signed (either manually or by facsimile signature) by an officer of the Issuer Trustee. If the Indenture Trustee receives a request for the issue of a new Bond pursuant to Section 3.3 or Section 3.5, and the Indenture Trustee has requested the signature by the Issuer Trustee of such new Bond and the Issuer Trustee has not signed and delivered the same to the Indenture Trustee for certification within 10 days of a request by the Indenture Trustee therefor, the Indenture Trustee will be entitled (but not obligated) to sign the same by its duly authorized officers on behalf of the Issuer Trustee, the Issuer Trustee hereby irrevocably appointing the Indenture Trustee its attorney for such purposes. A facsimile signature upon any Bond will, for all purposes of this Indenture, be deemed to be the signature of the Person whose signature it purports to be and to

have been signed at the time such facsimile signature is reproduced and, notwithstanding that any such Person whose signature, either manual or in facsimile, may appear on such Bond is not, at the date of this Indenture or at the date of the Bond or at the date of the certifying and delivery thereof, an officer of the Issuer Trustee, such Bonds will be valid and binding upon the Issuer Trustee and entitled to the benefit hereof and of the Federal Loan Guarantee.

### **3.11 Certification**

No Bond will be issued until it has been certified by or on behalf of the Indenture Trustee in a form referred to in Section 2.2. Such certificate will be conclusive evidence that such Bond is duly issued and is entitled to the benefits hereof and of the Federal Loan Guarantee. The certificate of the Indenture Trustee on any Bond will not be construed as a representation or warranty by the Indenture Trustee as to the validity of this Indenture or of such Bond. The certificate of the Indenture Trustee on any Bond will, however, be a representation and warranty by the Indenture Trustee that such Bond has been duly certified by or on behalf of the Indenture Trustee pursuant to the provisions of this Indenture.

## **ARTICLE 4**

### **SPECIAL PROVISIONS RELATING TO PLEDGE BONDS**

#### **4.1 Mandatory Provisions of Pledge Bonds**

Each Pledge Bond will be subject to the following conditions and restrictions, which will be set out in the Pledge related to such Pledge Bond and will be referenced or legended in such Pledge Bond:

- 4.1.1 such Pledge Bond will not be transferable or negotiable except to an assignee of all of the Borrowings secured by such Pledge Bond, or to an assignee or successor of the facility or security agent or other Person in a similar capacity in respect of the Borrowings secured by such Pledge Bond and only in conjunction with an assignment of the related Pledge or the entering into by the assignee of a Pledge complying with this Section 4.1;
- 4.1.2 notwithstanding the principal amount of such Pledge Bond, or the rate of interest expressed to be payable thereon, or that such Pledge Bond may be expressed to be payable on demand, such Pledge Bond will constitute an obligation of the Issuer to the holder thereof or other Persons in whose favour the Borrowings secured by such Pledge Bond are owed only to the extent of the lesser of:
  - (a) the outstanding Borrowings in principal, interest, premium, fees and other amounts (excluding any undrawn amount under a Credit Facility), provided, however, that for the purposes of this Section 4.1.2(a):

- (i) the amount of any contingent liability under an outstanding letter of credit, letter of guarantee, bankers' acceptance or similar instrument will be considered to be a Borrowing; and
    - (ii) the net marked to market value of a Financial Instrument Obligation which would be payable by the Issuer to a counterparty to such Financial Instrument Obligation will be deemed to be a Borrowing (but disregarding any netting of any rights or obligations of the parties to such Financial Instrument Obligation, or their Affiliates, in accordance with any other Financial Instrument Obligation that does not constitute a Borrowing); and
  - (b) the principal amount of such Pledge Bond and interest accrued thereon; provided, however, that no Pledge Bond will be deemed to have been redeemed only by reason of the Issuer having no indebtedness or liability to the Persons in whose favour any Borrowings are secured by any such Pledge at any time while a Pledge Bond is so Pledged, and will be payable only in accordance with the payment provisions applicable to the relevant Borrowings;
- 4.1.3 notwithstanding the principal amount of such Pledge Bond, the holder or holders thereof will, for the purposes of establishing a quorum under Section 11.1, be deemed to hold Bonds, and will only be entitled to that number of votes at any meeting of Bondholders or in respect of any Ordinary Resolution, Special Resolution, Extraordinary Resolution or Bondholders' Request to which the holder of an Obligation Bond would be entitled to vote or participate, in a principal amount equal to the lesser of:
- (a) the principal amount of all outstanding Borrowings (other than any undrawn amount under a Credit Facility) secured by such Pledge Bond at the time of calculation, provided, however, that for the purposes of this Section 4.1.3(a):
    - (i) the amount of any contingent liability under an outstanding letter of credit, letter of guarantee, bankers' acceptance or similar instrument will be considered to be principal outstanding under a Borrowing; and
    - (ii) in respect of a Financial Instrument Obligation:
      - (A) where no Event of Default then exists, the principal amount deemed to be outstanding in respect of such Financial Instrument Obligation will be such amount as may be determined in accordance with the relevant Supplemental Indenture or Pledge but not to exceed the net marked to market value of such Financial Instrument

Obligation which would be payable by the Issuer to such counterparty (but disregarding the netting of any rights or obligations of the parties to such Financial Instrument Obligation, or their respective Affiliates, in accordance with any other Financial Instrument Obligation that does not constitute a Borrowing); and

(B) while an Event of Default exists, the principal amount deemed to be outstanding will be the net amount which would be payable by the Issuer upon the early termination of such Financial Instrument Obligation in accordance with its terms; and

(b) the principal amount of such Pledge Bond;

4.1.4 all of the rights of the holder or holders of such Pledge Bond (including all voting rights) may be divisible with respect to all Borrowings secured by such Pledge Bond, provided that such rights, other than voting rights, may only be exercised by the holder of such Pledge Bond or its agent and that voting rights relating to such Pledge Bond may only be exercised by the holder thereof or any Person duly appointed as proxy for voting such Pledge Bond; and

4.1.5 upon termination or cancellation of all Credit Facilities, Financial Instrument Obligations and all other Borrowings that are secured by a Pledge Bond and the payment in full of all amounts outstanding under the related Underlying Pledge Bond Documents, the holder of such Pledge Bond will deliver the Pledge Bond to the Indenture Trustee for cancellation by the Indenture Trustee.

## **4.2 Determination of Borrowings Outstanding under Pledge Bonds**

The amounts outstanding under a Pledge Bond will be determined in accordance with Section 4.1. In order to determine the total outstanding Borrowings secured by any Pledge Bond:

4.2.1 for the purposes only of the definitions of "Bondholders' Request", "Ordinary Resolution", "Extraordinary Resolution" and "Special Resolution" and for the purposes of Sections 11.1, each Bondholder holding a Pledge Bond will deliver to the Indenture Trustee and the Guarantor, within five Business Days of receipt of a written request from the Indenture Trustee (or such shorter time as is set out in Section 11.13), a Bondholder's Certificate setting forth the total principal amount outstanding and secured by its Pledge Bond as of the date specified in such written request and the Indenture Trustee will deliver all such Bondholder's Certificates to the Issuer and the Guarantor and will make them available for inspection by any Bondholder for a period of three Business Days after the expiry of the time stated to provide the same in the written request. If any Bondholder fails to provide the Indenture Trustee with a Bondholder's Certificate setting forth such Bondholder's total principal

outstanding within the time stated in the written request (such Bondholder referred to in this Section 4.2 as a "**Defaulting Bondholder**"), the Indenture Trustee will for purposes of any determination required at such time consider such Defaulting Bondholder's total principal amount outstanding and secured by such Pledge Bond to be the amount as stated by the Issuer in a Trust Certificate delivered to the Indenture Trustee. If, within the time allotted for examination of the Bondholder's Certificates, neither a Bondholder nor the Issuer objects to the amount of the total principal amount outstanding set forth in any Bondholder's Certificate, then the Indenture Trustee may rely on such Bondholder's Certificates as conclusive and act thereon, or, to the extent applicable, on such Trust Certificates. If a Bondholder, the Issuer or the Guarantor disputes the amount of the total principal amount outstanding set forth in any Bondholder's Certificate, the Indenture Trustee will be entitled to independently determine directly or by an independent auditor or financial consultant, the amount of the total principal amount outstanding and secured by such Pledge Bond in respect of the disputed Bondholder Certificate and such determination, absent manifest error, will be conclusively binding on the Bondholders and the Issuer; and

- 4.2.2 for all other purposes including for the purposes of Sections 4.1.2 and 13.4, each Bondholder holding a Pledge Bond will deliver to the Indenture Trustee, within five Business Days of receipt of a written request from the Indenture Trustee (or such shorter time as the Indenture Trustee may specify), a Bondholder's Certificate setting forth the total amount outstanding and secured by its Pledge Bond in principal, interest, premium, fees and other amounts, as of the date specified in such written request and identifying each component of such total amount. The Indenture Trustee will deliver all such Bondholder's Certificates to the Issuer and the Guarantor and will make them available for inspection by any Bondholder for a period of three Business Days after the expiry of the time stated to provide the same in the written request. If any Bondholder fails to provide the Indenture Trustee with a Bondholder's Certificate setting forth such Bondholder's total amount outstanding within the time stated in the written request, the Indenture Trustee will for purposes of any determination required at such time consider such Defaulting Bondholder's total amount outstanding and secured by such Pledge Bond to be the amount as stated by the Issuer in a Trust Certificate delivered to the Indenture Trustee (that shall identify each component of such amount in principal, interest, premium, fees and other amounts). If, within the time allotted for examination of the Bondholder's Certificates, neither a Bondholder nor the Issuer objects to the total amount outstanding set forth in any Bondholder's Certificate, then the Indenture Trustee may rely on such Bondholder's Certificates as conclusive and act thereon, or, to the extent applicable, on such Trust Certificates. If a Bondholder, the Issuer or the Guarantor disputes the total amount outstanding set forth in any Bondholder's Certificate, the Indenture Trustee will be entitled to independently determine directly or by an independent auditor or financial consultant, the total amount outstanding and secured by such Pledge Bond in respect of the disputed

Bondholder Certificate and such determination, absent manifest error, will be conclusively binding on the Bondholder and the Issuer.

## ARTICLE 5

### REDEMPTION AND PURCHASE OF BONDS

#### 5.1 General

Provided that no Event of Default has occurred and is then continuing, the Issuer will have the right, at its option, to redeem either in whole at any time or in part from time to time prior to maturity, Bonds issued hereunder of any Series which by their terms are made so redeemable (subject, however, to any applicable restriction on the redemption of Bonds of such Series) with such Premiums (if any), on such date or dates, upon such notice, upon such terms respecting payment and otherwise in the manner that will be expressed in the Supplemental Indenture authorizing or providing for the issue of such Bonds or in such Bonds or otherwise in this Indenture. In the case of any redemption of Bonds (a) prior to the expiration of any applicable restriction on such redemption provided in the terms of such Bonds or elsewhere in this Indenture or in the applicable Supplemental Indenture, or (b) pursuant to an election of the Issuer that is subject to a condition specified in the terms of such Bonds, the Issuer will furnish to the Indenture Trustee a Trust Certificate evidencing compliance with such restriction or condition.

#### 5.2 Partial Redemption of Bonds

If less than all of the outstanding Bonds of any Series are to be redeemed, the Issuer will, in each such case, at least 15 Business Days before the notice of redemption is required to be given, notify the Indenture Trustee in writing of its intention to redeem Bonds of that Series and of the aggregate principal amount of such Bonds to be redeemed. Unless otherwise specified in the applicable Supplemental Indenture, the Bonds to be redeemed will be selected on a pro rata basis (to the nearest multiple of \$1,000 in accordance with the principal amount of Outstanding Bonds of that Series registered in the name of each holder. In the case of a partial redemption, Bonds may be redeemed only in denominations of \$1,000 or any whole multiple thereof. The holder of any Bond called for redemption in part only will surrender such Bond at the principal office of the Indenture Trustee (with, if the Issuer or the Indenture Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Issuer and the Indenture Trustee, duly executed by the holder thereof or its attorney duly authorized in writing) and the Issuer Trustee will execute and the Indenture Trustee will certify and deliver to the holder of such Bond, without charge, a new Bond or Bonds of the same Series and tenor (including a Book Entry Bond, as applicable) of any authorized denomination or denominations as requested by such holder, in the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. In the alternative, payment of the applicable Redemption Price of any portion of any Bond may be made to the registered holder thereof without presentation or surrender thereof to the Indenture Trustee and such registered holder may be requested to make the notation thereon if there will have been filed with the Indenture Trustee a certified copy of, or extract from, an agreement between the Issuer and such registered holder, (or the owner whose nominee the registered holder is), to the effect thereof. The Indenture Trustee will be under no duty to determine that such notations have been made by



such registered holder. Unless the context otherwise requires, the word Bond or Bonds as used in this Article 5 will be deemed to mean and include any part of the principal amount of any Bond which in accordance with the foregoing provisions has become subject to redemption.

### **5.3 Notice of Redemption**

Except as otherwise required or permitted with respect to any Bonds by the Supplemental Indenture creating such Bonds, notice of intention to redeem any Bonds (in whole or in part) prior to their Maturity Dates will be given by or on behalf of the Issuer to the holders of the Bonds which are to be redeemed, not more than 60 days nor less than 30 days prior to the Redemption Date in the manner provided in Section 15.2. Every notice of redemption will, unless all of the Bonds then outstanding are to be redeemed, state the designating numbers of the Bonds called for redemption and, in case a Bond is to be redeemed in part only, state that part of the principal amount thereof to be redeemed. Any notice of intention to redeem will:

- 5.3.1 specify the Redemption Date and the place of payment;
- 5.3.2 include an example of how the Redemption Price (including any Premium) will be calculated;
- 5.3.3 if less than all of the Outstanding Bonds of that Series are to be redeemed, identify (and in the case of partial redemption, specify the principal amount of) the particular Bonds to be redeemed;
- 5.3.4 state that all interest thereon will cease from and after such Redemption Date; and
- 5.3.5 include the name and telephone number of a representative of the Issuer Trustee who can be contacted if a Bondholder has further inquiries.

For purposes of this Section 5.3, if the Bonds of a Series are Book Entry Bonds only, notice to each applicable Clearing Agency will constitute notice to all the Bondholders of that Series. The Issuer will obtain from two Investment Dealers the applicable Canada Yield Price (as such term will be defined in any Supplemental Indenture), if applicable, necessary to determine the Redemption Price prior to the Redemption Date (and will use its commercially reasonable efforts to do so three Business Days immediately preceding the Redemption Date), and forthwith after determining such Redemption Price, the Issuer will provide the Indenture Trustee (by telephone and confirmed in writing) with particulars of the calculation of the Redemption Price. In the case of Book Entry Bonds, the redemption will take place in such manner as may be agreed by each applicable Clearing Agency, the Indenture Trustee and the Issuer.

### **5.4 Bonds Due on Redemption Dates**

Upon notice having been so given, all the Bonds called for redemption (or the portion of such Bonds called for partial redemption) will thereupon be due and payable at the Redemption Price on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the respective Maturity Date or demand date of such Bonds (or such portion being redeemed), anything in the Bonds or herein to the contrary notwithstanding, and from and after such Redemption

Date, if the moneys necessary to redeem (or partially redeem) such Bonds are deposited as hereinafter provided and affidavits or other proof satisfactory to the Indenture Trustee as to the mailing of such notices are lodged with the Indenture Trustee, such Bonds (or portions thereof as will have been redeemed) will not be considered as Outstanding hereunder and interest upon such Bonds (or portions thereof as will have been redeemed) will cease.

If any question arises as to whether any required redemption notice was given or deposit made, such question will be decided by the Indenture Trustee, whose decision will be final and binding upon all parties in interest.

### **5.5 Deposit of Redemption Moneys**

Upon Bonds having been called for redemption (or partial redemption) as provided in this Indenture, the Issuer will (a) deposit with the Indenture Trustee before 1:00 p.m. (St. John's, NL standard time) on the Redemption Date fixed in the applicable notice of redemption, the Redemption Prices of the Definitive Bonds (or portions thereof) to be redeemed, and (b) deposit with each applicable Clearing Agency, in accordance with its book entry only system, before 1:00 p.m. (St. John's, NL standard time) on the Redemption Date fixed in the applicable notice of redemption, the Redemption Prices of the Book Entry Bonds (or portions thereof) to be redeemed and will give written notice to the Indenture Trustee and the Guarantor that such payment has been made. From the sums so deposited, the Indenture Trustee will pay or cause to be paid to the holders of such Definitive Bonds called for redemption, upon surrender of such Definitive Bonds at the principal office of the Indenture Trustee in the City of St. John's, NL, and such other places (if any) as may be specified in the notice of redemption, the Redemption Prices for such Bonds.

### **5.6 Failure to Surrender Bonds Called for Redemption**

If any holder of a Bond called for redemption in whole or in part fails within 30 days after a Redemption Date to surrender its Bond, or does not, within such time, accept payment of the applicable Redemption Price payable in respect thereof or give such receipt therefor (if any) as the Issuer or the Indenture Trustee may require, provided that the Issuer has paid the applicable Redemption Price in accordance with Section 5.5 and directed the Indenture Trustee to set it aside in trust for such holder, either in the deposit department of the Indenture Trustee or an Affiliate of the Indenture Trustee or in a Permitted Financial Institution, such setting aside will, for all purposes, be deemed a payment to such Bondholder of the sum so set aside, and to that extent, such Bond will thereafter not be considered as Outstanding hereunder and the Bondholder will have no other right except (upon surrender and delivery up of his, her or its Bond) to receive payment out of the moneys so deposited of the applicable Redemption Price of such Bond.

Any moneys so set aside and interest thereon (if any) not claimed by or paid to the holder of the Bonds entitled thereto within six years after the date of such setting aside will be repaid to the Issuer by the Indenture Trustee on demand and thereupon the Indenture Trustee will be released from all further liability with respect to such moneys and thereafter the holders of the Bonds in respect of which such moneys were so paid to the Issuer will have no rights in respect thereof except to obtain payment of such moneys from the Issuer, subject to any defense the Issuer may have and to the provisions of this Indenture.

## **5.7 Purchase of Bonds**

With respect to any Series of Bonds, unless otherwise provided herein or in the Supplemental Indenture authorizing the creation and issue of such Series of Bonds, at any time and from time to time, provided that no Event of Default has occurred and is continuing, the Issuer may purchase Bonds:

- 5.7.1 by private agreement or in the open market; or
- 5.7.2 pursuant to a call for tenders given to all holders of the Bonds or the Series of Bonds to be purchased, by notice given in accordance with Section 15.2, which notice will specify the expiration date of the offer, the aggregate principal amount of Bonds offered to be purchased, the purchase date (which will not be earlier than 15 days after the giving of such notice), the purchase price and the place of payment thereof. In the event that an aggregate principal amount of the Bonds, or the Bonds of the Series to be purchased, is tendered which is greater than that offered to be purchased, such tendered Bonds will be purchased on a *pro rata* basis in the proportion, as nearly as practicable, which the principal amount of Bonds or Series of Bonds tendered by each holder bears to the principal amount of Bonds or Series of Bonds offered to be purchased by the Issuer.

## **5.8 Cancellation of Bonds**

All Bonds that are redeemed in whole under this Article 5 or under any Supplemental Indenture, and any Bonds that are purchased by the Issuer, will be forthwith delivered to the Indenture Trustee and will be cancelled by the Indenture Trustee, and no Bonds will be issued in substitution therefor.

## **5.9 Application to All Series of Bonds**

The provisions of Section 5.2 to Section 5.6, inclusive, will apply to each Series of Bonds if by their terms they are redeemable unless otherwise provided in instruments supplemental or ancillary hereto establishing the terms of the Bonds of such Series.

## **5.10 Premium on Acceleration**

The Issuer will pay to each holder of Bonds the Premium (if any) payable (together with any other amounts due under the Bonds) upon payment of such Bonds in any circumstance giving rise in any manner to the repayment of the Bonds prior to the applicable Maturity Date, including, without limitation, acceleration pursuant to Section 12.2 of this Indenture.

## **5.11 Obligation Bonds**

Notwithstanding any other provision hereof, the provisions of Article 5 shall apply only to Obligation Bonds.

## **ARTICLE 6**

### **FEDERAL LOAN GUARANTEE**

#### **6.1 Federal Loan Guarantee**

The Guarantor will guarantee the due and timely payment by the Issuer of all its payment obligations under this Indenture, all Bonds and all Underlying Pledge Bond Documents secured by any Pledge Bond, pursuant to the Federal Loan Guarantee that the Guarantor will execute in favour of the Indenture Trustee, upon execution of the Guarantee Assurance Agreement and no later than the date of execution of this Indenture. The Federal Loan Guarantee shall be delivered to the Indenture Trustee concurrently with the delivery of this Indenture.

The Indenture Trustee is hereby authorized and directed to execute the Federal Loan Guarantee in substantially the form attached as Schedule C.

The Indenture Trustee will not agree to any amendment, modification, waiver or variance of any provision of the Federal Loan Guarantee unless it has been authorized to do so pursuant to a Special Resolution.

## **ARTICLE 7**

### **REPRESENTATIONS AND WARRANTIES**

#### **7.1 Representations and Warranties of the Issuer**

The Issuer hereby represents and warrants to the Indenture Trustee and shall be deemed to represent and warrant to the Indenture Trustee on each issuance of Bonds of any Series that:

- 7.1.1 the Issuer is a trust duly constituted and validly existing under the laws of NL, is duly qualified to carry on the Trust Activities and has the power and authority to enter into and perform its obligations under this Indenture and the other Indenture Documents;
- 7.1.2 the execution, delivery and performance by it of this Indenture and the other Indenture Documents has been duly authorized by all requisite action and this Indenture and the other Indenture Documents have been duly executed and delivered by it and constitute valid and binding obligations of the Issuer enforceable against it in accordance with their respective terms subject to (a) applicable bankruptcy, insolvency, moratorium and similar laws at the time in effect affecting the rights of creditors generally; and (b) equitable principles which may limit the availability of certain remedies, including the remedy of specific performance;
- 7.1.3 neither the execution nor delivery of this Indenture or the other Indenture Documents, the consummation of the transactions herein and therein contemplated, nor compliance with the terms, conditions and provisions

hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, the Declaration of Trust or any Applicable Laws; and

7.1.4 no Event of Default has occurred and is continuing.

## **7.2 Representations and Warranties of the Indenture Trustee**

The Indenture Trustee hereby represents and warrants to the Issuer and shall be deemed to represent and warrant to the Issuer on each issuance of Bonds of any Series that:

7.2.1 it is a valid and subsisting trust company under the laws of Canada or a Province of Canada, is duly qualified to carry on its business in each jurisdiction in which it carries on business, has the power and authority to enter into and perform its obligations under this Indenture and the other Indenture Documents to which it is a party;

7.2.2 the execution, delivery and performance of this Indenture and the other Indenture Documents to which it is a party have been duly authorized by all requisite action and this Indenture and the other Indenture Documents to which it is a party have been duly executed and delivered by the Indenture Trustee; and

7.2.3 neither the execution nor delivery of this Indenture or the other Indenture Documents to which it is a party, the consummation of the transactions herein and therein contemplated, nor compliance with the terms, conditions and provisions hereof or thereof conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under, its constating documents or by-laws.

## **ARTICLE 8**

### **COVENANTS**

#### **8.1 To Pay and Perform Obligations under Indenture Documents**

The Issuer will well, duly and punctually pay or cause to be paid to every Bondholder, without deduction or set-off, the principal of and interest and any other amounts due on the Bonds of which it is the holder (including, without duplication, the Premium (if any) on such Bonds), on the dates, at the places, in the moneys, and in the manner specified herein and in the Bonds and any Supplemental Indentures. In addition, the Issuer will observe and perform all conditions, covenants and requirements of the Indenture Documents.

## **8.2 Maintain Existence**

The Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, and all material rights and franchises where needed or necessary to the operation of the Trust Activities.

## **8.3 Establishment of Operating Account**

The Issuer will establish and at all times maintain an operating account with a Permitted Financial Institution (each an "**Operating Account**") into which it will deposit all payments received by it, and from which it will make all payments owing by it (including payments in respect of the Bonds). Moneys standing to the credit of the Operating Account may be invested in Qualified Investments at the direction of the Issuer where no Event of Default has occurred and is continuing.

## **8.4 To Pay Remuneration and Expenses**

The Issuer will pay to each Fiscal Agent (including the Indenture Trustee) from time to time reasonable compensation for all services rendered by it in respect of the Indenture Documents and all other expenditures whatsoever as such Fiscal Agent may reasonably incur from time to time in connection with the Indenture Documents and, in the case of the Indenture Trustee, its acceptance of the role as Indenture Trustee hereunder (including all costs incurred by the Indenture Trustee in complying with any Applicable Laws as a result of its duties as Indenture Trustee hereunder, and all costs and expenses which may be incurred by the Indenture Trustee in respect of legal expenses or charges on a solicitor and own client basis), together in each case with interest at the rate per annum that is charged by the Fiscal Agent to all of its clients from time to time, from the date of expenditure until repayment, and such moneys and the interest thereon, including the Fiscal Agents' remuneration, are guaranteed under the Federal Loan Guarantee.

# **ARTICLE 9**

## **REPORTING AND NOTIFICATIONS**

### **9.1 Statements, Certificates and Default Notices to be Provided By Indenture Trustee to Bondholders**

Subject to Section 16.9.10 and Section 16.12, the Indenture Trustee will, as soon as possible but in any event within three Business Days of receiving the same, deliver to all Bondholders, with a copy to the Guarantor, a notice of any Event of Default of which it becomes aware.

### **9.2 Information Generally Available to Bondholders**

Each Bondholder (and Beneficial Owner who delivers a Beneficial Owner Declaration) will have the right to obtain from the Indenture Trustee a copy of this Indenture, any Supplemental Indenture, the Federal Loan Guarantee and any Trust Certificate delivered to the Indenture Trustee pursuant to this Indenture (subject to executing a confidentiality agreement in respect of any Confidential Information referred to in any such Trust Certificate, in the form contemplated by Section 9.3.2).

### **9.3 Information Available to Bondholders by Bondholders' Request**

Each Bondholder (and Beneficial Owner who delivers a Beneficial Owner Declaration) will have the right to obtain from the Indenture Trustee a copy of any Indenture Document, written notice, report, certificate or other information that is in the Indenture Trustee's possession or was delivered to the Indenture Trustee in accordance with this Indenture (and is not specifically referred to in Section 9.2) if such Bondholder (or Beneficial Owner) delivers to the Indenture Trustee:

- 9.3.1 a Bondholders' Request in respect of the same, provided that a Bondholders' Request will not be required if any such request is made when an Event of Default exists; and
- 9.3.2 a confidentiality agreement in respect of any requested Confidential Information in a form approved by the Indenture Trustee acting on the advice of Counsel and after consultation with the Issuer.

## **ARTICLE 10**

### **SUPPLEMENTAL INDENTURES**

#### **10.1 Supplemental Indentures**

- 10.1.1 From time to time the Issuer and the Indenture Trustee may, and, when so directed by this Indenture, the Issuer and the Indenture Trustee will, without the prior consent or concurrence of the Bondholders, but subject to the consent of the Guarantor, execute, acknowledge and deliver by their proper officers or representatives, Supplemental Indentures or do and perform any other acts and things, and execute and deliver any other deeds or documents, for any one or more of the following purposes:
  - (a) evidencing the succession, or successive successions, of any other Person to the Issuer and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;
  - (b) providing for the issue of Bonds of any one or more Series and for establishing the terms, provisions and conditions of a Series of Bonds provided, however, that the only event of default that will be permitted for any Series of Bonds is the Event of Default contemplated herein;
  - (c) adding to or altering the provisions hereof in respect of the registration and transfer of Bonds; making provision for the issue of Bonds in denominations other than those provided for in this Indenture or in any Supplemental Indenture and for the exchange of bonds of different denominations; and making any modification in the forms of Bonds, provided that, in each case, in the opinion of Counsel, the rights of Bondholders are not prejudiced thereby in any material respect;

- (d) implementing the provisions of any Bondholders' Request, Extraordinary Resolution, Special Resolution or Ordinary Resolution delivered or passed in accordance with the terms of this Indenture;
- (e) imposing additional limitations or restrictions on the Issuer, including on the ability of the Issuer to issue Bonds hereunder or limitations on any terms of the Bonds that may be issued;
- (f) making any modifications or amendments to any provisions of any Indenture Document that are of a formal, minor or technical nature;
- (g) making any addition to, deletion from or alteration of the provisions of any Indenture Document that the Issuer deems necessary or advisable and which, in the Opinion of Counsel, does not materially and adversely affect the interests of Bondholders or prejudice the rights of the Indenture Trustee hereunder; and
- (h) making any addition to, deletion from or alterations to the provisions of any Indenture Document that may be considered necessary or desirable by the Issuer and the Indenture Trustee to give effect to any Applicable Laws or Trust Indenture Legislation.

10.1.2 The Indenture Trustee may also, without the consent or concurrence of the Bondholders, by Supplemental Indenture or otherwise, concur with the Issuer in making any change or correction in any Indenture Document as to which it will have been advised by Counsel that the same is non-substantive or is required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or clerical omission or mistake or manifest error contained herein or therein or in any Supplemental Indenture or other Indenture Document. The Indenture Trustee will provide to each Bondholder and the Guarantor a copy of any Supplemental Indenture or other document entered into pursuant to the terms of this Section 10.1.

10.1.3 Any Supplemental Indenture referred to and permitted by Section 10.1 will become effective only on the conditions, to the extent and at the time provided in such Supplemental Indenture. The copy of every Supplemental Indenture delivered to the Indenture Trustee will be accompanied by an Opinion of Issuer Counsel stating that such Supplemental Indenture has been duly authorized, executed and delivered by the Issuer and that it constitutes legal, valid and binding obligations of the Issuer enforceable in accordance with its terms, subject to usual and customary exceptions.

10.1.4 No Supplemental Indenture will change or modify any of the rights or obligations of any Fiscal Agent without its prior written consent thereto.



## 10.2 Supplemental Indentures to Prevail

Where any provision of this Indenture is supplemented, modified or amended by the provisions of any Supplemental Indenture that authorizes a Series of Bonds, the provision of this Indenture will be read as so supplemented, modified or amended with respect to all Bonds of such Series. In the event of any conflict or inconsistency between any provision of this Indenture as so supplemented, modified or amended and any other provision of this Indenture, such other provision of this Indenture will be deemed to have been so supplemented, modified or amended to the extent necessary to remove all such conflict or inconsistency, but only with respect to Bonds issued pursuant to such Supplemental Indenture.

## ARTICLE 11

### BONDHOLDERS' MEETINGS

#### 11.1 Conduct of Meetings

Meetings of Bondholders will be convened, held and conducted in the following manner:

- 11.1.1 **Calling of Meetings.** At any time and from time to time the Indenture Trustee or the Issuer may convene a meeting of all Bondholders or the Bondholders of a Series provided that notice of such meeting is given as contemplated in Section 11.1.2. In addition, the Indenture Trustee will call such a meeting (i) if the Indenture Trustee receives a Bondholders' Request to this effect or (ii) if, after the occurrence of an Event of Default, the Indenture Trustee receives a written request to this effect from any one or more Bondholders (and/or Beneficial Owners who have delivered Beneficial Owner Directions) who hold not less than 1% of the principal amount of all Bonds then Outstanding. If the Indenture Trustee fails to give notice to convene a meeting within five Business Days after it has been so requested to convene a meeting by a Bondholders' Request, a Bondholder, a Beneficial Owner or the Issuer may convene such meeting and the notice calling such meeting may be signed by such Person as such Bondholder, Beneficial Owner or the Issuer (as applicable) may specify. Every such meeting will be held at the City of St. John's, NL or at such other place as the Indenture Trustee may, acting reasonably, in any case determine or approve. A meeting of Bondholders may be held by means of such telephone, electronic or other communication facilities as permit all Persons participating in the meeting to communicate with each other simultaneously and instantaneously, and each Bondholder will be permitted, if it so notifies the Indenture Trustee and complies with the requirements of Section 1.12 and provided that such Bondholder provides sufficient proof to the Indenture Trustee that it is a holder of Bonds or a duly appointed proxy therefor, to participate in any meeting of Bondholders by any of the foregoing means as it will elect.
- 11.1.2 **Notice of Meetings.** At least 10 but not more than 30 days' prior notice of any meeting of Bondholders will be given to the applicable Bondholders and

to the Issuer and the Guarantor, and such notice will state the time when, and the place where and the means by which, said meeting is to be held and will specify in general terms the nature of the business to be transacted at such meeting, but it will not be necessary to specify in the notice the text of the resolutions proposed to be passed. Subject to Section 11.1.3, notices must be given in the manner set forth in Article 15 and a copy thereof must be given to the Indenture Trustee (unless it called the meeting). It will not be necessary to specify in the notice of any adjournment of a meeting the nature of the business to be transacted at the adjourned meeting. The non-receipt of any such notice by a Bondholder will not invalidate any resolution passed at such meeting.

- 11.1.3 **Quorum.** At any meeting of Bondholders (or holders of any Series of Bonds, as applicable), subject as herein provided, a quorum will consist of Persons present or represented by proxy holding either personally or as proxies for holders not less than 25% of the total principal outstanding in respect of the Outstanding Bonds (or Series, as the case may be). If a quorum is not present on the date for which the meeting is called within 30 minutes from the time fixed for the holding of such meeting, such meeting, if convened by Bondholders or on a Bondholders' Request, will be dissolved; but in any other case, the meeting will be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place. At the adjourned meeting the Bondholders present in person or by proxy will form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the Outstanding Bonds (or Series, as the case may be).
- 11.1.4 **Chairman.** Some Person, who need not be a Bondholder, nominated in writing by the Indenture Trustee, will be Chairman of the meeting but, if no Person is so nominated or if the Person so nominated is not present within 25 minutes after the time fixed for the holding of the meeting, the Bondholders present or represented by proxy will choose an individual present to be Chairman.
- 11.1.5 **Power to Adjourn.** The Chairman of any meeting at which a quorum of Bondholders is present may, with the consent of the majority of the Bondholders present, adjourn such meeting and no notice of such adjourned meeting need be given except such notice, if any, as the meeting so adjourned may resolve.
- 11.1.6 **Voting.** Each Bondholder present or represented at the meeting will have one vote for every \$1,000 principal amount of Outstanding Bonds of which it is then a holder. A proxy need not be a Bondholder. In the case of joint registered holders of a Bond, any one of them present in person or represented by proxy at the meeting may vote in the absence of the other or others; but if more than one of them is present in person or represented by proxy, they will vote together in respect of the Bonds of which they are joint registered holders. In the case of a Book Entry Bond, the applicable Clearing Agency

may appoint or cause to be appointed a Person or Persons as proxies and will designate the number of votes entitled to each such Person, and each such Person will be entitled to be present at any meeting of Bondholders and will be entitled to vote at such meeting in accordance with the number of votes set out in such Clearing Agency's designation. Subject to the provisions of Section 11.2, in the case of Bonds held by a Person other than an individual, an officer or representative of such Person may vote the Bonds held by it unless there is more than one officer or representative of such Person present at the meeting, and those officers and representatives present do not agree on how the Bonds may be voted, in which case a written proxy will be required to determine who may vote the Bonds and how such Bonds are to be voted.

- 11.1.7 **Poll.** Every question submitted to a meeting of Bondholders, except an Extraordinary Resolution or Special Resolution, will be decided in the first place by a majority of the votes given on a show of hands or, if any of the Bondholders are present by telephone, electronic or other acceptable communication facilities, by any other means by which the vote of such holder may be registered, and will be binding on all Bondholders. Upon the request of any Bondholder present at a meeting in Person or by proxy, a question will be determined by a poll. A poll will be taken on every Extraordinary Resolution or Special Resolution. The result of a poll will be deemed to be the decision of the meeting at which the poll was demanded and will be binding on the Bondholders for whom the meeting was held.
- 11.1.8 **Declaration by Chairman of Result of Vote.** At any meeting of the Bondholders, in cases where no poll is required or requested, a declaration made by the Chairman that a resolution has been carried, or carried by a particular majority, or lost, will be conclusive evidence thereof.

## **11.2 Regulations**

The Indenture Trustee may from time to time make reasonable regulations (and reasonable variations thereof) not inconsistent with the terms of this Indenture as it thinks fit with respect to the conduct of meetings including, without limitation, with respect to:

- 11.2.1 the voting by proxy of Bondholders and the form of instrument appointing proxies in which the same will be executed and with respect to the production of the authority of any Person signing on behalf of the giver of the proxy;
- 11.2.2 the lodging of instruments appointing proxies at any place or places and in such custody as the Indenture Trustee directs and the time, if any, before the holding of the meeting or adjourned meeting by which the same must be deposited;
- 11.2.3 the forwarding by the custodian thereof of particulars of instruments appointing proxies by letter, electronic mail or facsimile before the meeting to the Indenture Trustee; and

11.2.4 the calling of meetings of Bondholders and the conduct of business thereat.

Any regulations so made will be binding and effective and votes given in accordance therewith will be valid and will be counted. Instruments appointing proxies, the particulars of which are forwarded in accordance with the regulations, will confer the same right to vote as though the instruments themselves were produced at the meeting. Save as herein otherwise specified, the only Persons who will be recognized at any meeting of Bondholders as the holders of Bonds or as entitled to vote or be present at the meeting in respect thereof will be the holders of the Bonds in respect of which the meeting has been called or proxies of such holders.

### **11.3 Persons Who May Attend**

The Indenture Trustee, the Issuer Trustee and the Guarantor, by their respective employees, representatives, trustees, officers, partners, directors, agents and legal advisers, may attend any meeting of the Bondholders, but will have no vote as such.

### **11.4 Powers Exercisable by Extraordinary Resolution**

11.4.1 Subject to Sections 11.6 and 11.7 and in addition to all other powers conferred upon them by this Indenture or at law, Bondholders will have the power exercisable from time to time by Extraordinary Resolution to do any of the following provided that, where no Event of Default has occurred and is then continuing, the consent of the Guarantor is obtained:

- (a) sanction any change whatsoever in any of the provisions of this Indenture or any modification, waiver, abrogation, alteration, compromise or arrangement of the rights of the Bondholders against the Issuer or the Guarantor, whether such rights arise under this Indenture or the Bonds or otherwise, and to authorize the Indenture Trustee to concur in and execute any Supplemental Indenture embodying any such change, modification, waiver, abrogation, alteration, compromise or arrangement;
- (b) direct, authorize or require the Indenture Trustee to exercise or refrain from exercising any power, right, remedy or authority given to it by this Indenture, the Bonds or any Indenture Document in any manner specified in such Extraordinary Resolution subject to complying with Section 16.12;
- (c) sanction any scheme for the reorganization, arrangement, reconstruction or recapitalization of the Issuer into or with any other Person or for the consolidation, amalgamation, merger or sale of all or substantially all of the assets of the Issuer into, with or to any other Person;
- (d) file or prove a claim or debt against the Issuer in any Proceedings involving the Issuer and to generally act for and on behalf of Bondholders in any such Proceedings and to consent to any compromise or

arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or securities of the Issuer;

- (e) direct the Indenture Trustee to waive any Event of Default in accordance with Section 12.4, or cancel or annul any declaration made pursuant to Section 12.2, either unconditionally or on such terms as are specified in the Extraordinary Resolution;
- (f) restrain any Bondholder from taking or instituting any Proceeding for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver where Article 12 or Article 13 has not been complied with, and to require such Bondholder to waive any Event of Default on which any Proceeding is founded where such waiver is approved in accordance with this Indenture; and, in case any Proceeding has been brought by a Bondholder or Bondholders pursuant to Section 14.1 after failure of the Indenture Trustee to act, power to direct such holder or holders and the Indenture Trustee to waive the Default in respect of which such Proceeding has been brought where such waiver is approved in accordance with this Indenture, upon payment of the costs, charges and expenses incurred in connection therewith, and to stay or discontinue or otherwise deal with any such Proceeding;
- (g) establish a committee, and to provide for the appointment of members thereof, with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, on behalf of the Bondholders of a Series or, provided the Bondholders of every other Series pass an Extraordinary Resolution to that effect, all Series (or if less than all Series pass such Extraordinary Resolution, the Series in respect of which such Extraordinary Resolution was passed) such of the powers of such Bondholders as are exercisable by Extraordinary Resolution or other resolution as will be included in such appointment, and to remove or dissolve any committee so appointed. The Extraordinary Resolution making such appointment may provide for payment of the expenses and disbursements of and remuneration of such committee and of the Indenture Trustee. Such committee will consist of such number of Persons as may be prescribed in the Extraordinary Resolution appointing it, and the members need not be Bondholders. Every such committee may elect its chairman, and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedures generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by written resolutions signed by a number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it will be binding upon all applicable

Bondholders, and the Issuer, the Guarantor and the Indenture Trustee will be entitled to act and rely on actions taken by such committee. Neither the committee nor any member thereof will be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith, unless such action or omission constitutes gross negligence or wilful misconduct. Any such committee will be indemnified by the Issuer save and except with respect to any action or omission on their part that constitutes gross negligence or wilful misconduct. In addition, any such committee will have the right to cause the Issuer to acquire insurance to protect the committee members against liabilities that might be incurred by them in acting as members of such committee. The Bondholders creating such committee will advise the Indenture Trustee and the Issuer of its creation as soon as practicable following its creation; and

- (h) amend, alter or repeal any Extraordinary Resolution previously passed or any decisions of any committee appointed in accordance with Section 11.4.1(g).

11.4.2 Except as otherwise provided for herein, no action will be taken at a meeting of Bondholders which changes any provision of this Indenture or changes or prejudices the exercise of any right of any Bondholder except by Extraordinary Resolution as hereinbefore provided or by resolution or written instrument as hereafter provided. In addition, no action will be taken at a meeting of Bondholders which changes any entitlement of a Fiscal Agent unless the Fiscal Agent has approved in writing such revision.

## **11.5 Powers Cumulative**

Any one or more of the powers and any combination of the powers of this Indenture stated to be exercisable by Bondholders by Extraordinary Resolution or otherwise will be deemed to be several and cumulative and not dependent on each other, and the exercise of any one or more of such powers, or any combination of such powers from time to time will not exhaust or be deemed to exhaust the rights of the Bondholders to exercise such power or powers, or combination of powers, thereafter from time to time. No powers exercisable by Extraordinary Resolution pursuant to this Indenture will derogate in any way from any rights of the Issuer under or pursuant to this Indenture.

## **11.6 Series Approval**

11.6.1 If in the Opinion of Counsel delivered to the Indenture Trustee, any business to be transacted at a meeting of Bondholders, or any action to be taken or power to be exercised by instrument in writing under Section 11.10, does not adversely affect the rights of the holders of Bonds of any one or more Series under the Indenture Documents, the provisions of this Article 11 will apply as if the Bonds of such Series were not Outstanding with respect to such business, action or power and no notice of any such meeting need be given to the holders of the

Bonds of such Series. Without limiting the generality of the foregoing, a proposal to modify or terminate any covenant or agreement which, by its terms, is effective only so long as Bonds of a Series are Outstanding or which is enacted for the exclusive benefit of the holders of Bonds of one or more Series or which modifies, abrogates, alters, amends or otherwise affects the terms or provisions of only one or more Series will be deemed not to adversely affect the rights of the holders of Bonds of any other Series.

- 11.6.2 If in the Opinion of Counsel delivered to the Indenture Trustee, any business to be transacted at a meeting of Bondholders, or any action to be taken or power to be exercised by instrument in writing under Section 11.10, would affect the rights of the holders of Bonds of any one or more Series under the Indenture Documents (and for the purposes of this Article 11, the word "Series" will be deemed, unless the context otherwise requires, to mean any Series and also any part of a Series) in a manner or to an extent substantially differing from that in or to which it affects the rights of the holders of the Bonds of any other Series (as to which an Opinion of Counsel will be binding on all Bondholders, the Indenture Trustee, the Issuer and the Guarantor for all purposes hereof) then:
- (a) reference to such fact, indicating each Series so especially affected, will be made in the notice of such meeting and the meeting will be and is in this Section 12.6.2 called a "**Series Meeting**"; and
  - (b) the holders of Bonds of a Series so especially affected will not be bound by any action taken or power exercised at a meeting of Bondholders generally, or at a Series Meeting or by instrument in writing unless, in addition to compliance with the other provisions of this Article 11:
    - (i) at such meeting:
      - (A) there are present in Person or by proxyholders at least 50% in principal amount of the Outstanding Bonds of such Series (subject to the provisions of this Article 11 as to adjourned meetings); and
      - (B) the resolution is passed by an Ordinary Resolution or an Extraordinary Resolution of the holders of such Series who voted on the resolution at such meeting, as may be required; or
    - (ii) a written instrument is signed in one or more counterparts by the holders of more than 50% of the aggregate outstanding principal amount of the Bonds of such Series or, in the case of an Extraordinary Resolution, of more than 66<sup>2</sup>/<sub>3</sub>% of the aggregate outstanding principal amount of the Bonds of such Series.

## 11.7 Special Resolution

Notwithstanding any other term of this Indenture, a Special Resolution will be required in order to:

- 11.7.1 sanction the exchange of Bonds for, or the conversion of Bonds into, bonds, debentures, notes, or other securities or obligations of the Issuer or any other Person formed or to be formed and power to sanction the distribution of such bonds, debentures, notes, shares, warrants or other securities or obligations;
- 11.7.2 change the stated maturity of or the date for payment of any installment of interest and/or principal on any Bonds, reduce the principal amount thereof or the rate of interest payable thereon, change the currency in which any Bond or the interest thereon is payable, change the Redemption Price of any Bonds, or repay any principal under any Bonds sooner than permitted by the terms of the Indenture;
- 11.7.3 reduce the percentage in principal amount of Outstanding Bonds the consent of whose holders is required for any Bondholders' Request, Ordinary Resolution, Extraordinary Resolution or Special Resolution or any modification or amendment to this Indenture or to the terms and conditions of such Bonds, or for any waiver of compliance therewith, or reduce the requirements for voting and quorum at any meeting of Bondholders at which a resolution is to be adopted;
- 11.7.4 amend or vary the *pari passu* ranking of the Bonds as provided for in this Indenture;
- 11.7.5 amend or vary the provisions of Section 13.2;
- 11.7.6 modify, amend or waive this Section 11.7; or
- 11.7.7 authorize the Indenture Trustee to agree to any amendment, modification, waiver or variance of any provision of the Federal Loan Guarantee;

provided that, if no Event of Default has occurred and is then continuing, the consent of the Guarantor will also be required for each of the foregoing matters.

## 11.8 Deemed Consent of Bondholders

Subject to the provisions of Section 12.4 and the other provisions of this Indenture, if a Bondholder is entitled to and does, in a Bondholders' Request, request the Indenture Trustee to declare the principal and interest on the Bonds and the other Obligations to be due and payable, or to proceed to enforce the rights as set forth in Article 12 or Article 13, then, unless such Bondholder rescinds such request, the remaining Bondholders will be deemed to have consented to (a) such Bondholder's Request, including, without limitation, any such Bondholder's Request that directs and controls the actions of the Indenture Trustee in a manner that is not inconsistent with this Indenture, and (b) such actions ancillary to such Bondholder's Request as such



Bondholder or the Indenture Trustee may reasonably require in order to give effect to and to implement such Bondholder's Request.

### **11.9 Binding Effect of Resolutions**

Every Ordinary Resolution, Extraordinary Resolution or Special Resolution passed in accordance with the provisions hereof at a meeting of Bondholders or by an instrument in writing in lieu of a meeting of Bondholders will be binding upon all Bondholders, and each Bondholder and the Indenture Trustee will be bound to give effect thereto accordingly.

### **11.10 Signed Instruments**

Any resolution or instrument signed in one or more counterparts by the Bondholders or by holders of a Series of Bonds holding:

- 11.10.1 more than 50% of the aggregate outstanding amount of the Outstanding Bonds or such Series of Bonds, as the case may be, will have the same force and effect as an Ordinary Resolution duly passed at a meeting of the holders of such Bonds or such Series;
- 11.10.2 more than 66 $\frac{2}{3}$ % of the aggregate outstanding amount of the Outstanding Bonds or such Series of Bonds, as the case may be, will have the same force and effect as an Extraordinary Resolution duly passed at a meeting of the holders of the Bonds or such Series; or
- 11.10.3 more than 95% of the aggregate outstanding amount of the Outstanding Bonds or such Series of Bonds, as the case may be, will have the same force and effect as a Special Resolution duly passed at a meeting of the holders of the Bonds or such Series.

Notice of any Extraordinary Resolution, Special Resolution or Ordinary Resolution passed in accordance with this Section 11.10 will be given by the Indenture Trustee to the Bondholders affected thereby, the Issuer and the Guarantor within 30 days of the date on which such resolution was passed.

### **11.11 Exclusion of Bonds**

Subject to Section 1.12(d), Bonds owned or held by or for the account of the Issuer, the Guarantor or any of their respective Affiliates will be deemed not to be Outstanding for the purposes of this Article 11 or other action or any calculation of Outstanding Bonds provided for in this Article 11, and the Issuer, the Guarantor and their respective Affiliates will not be entitled with respect to such Bonds to vote, give any consent or take any other action provided for in this Article 11. At the time of any vote, consent or other action taken under this Article 11, the Issuer will furnish the Indenture Trustee with a Trust Certificate upon which the Indenture Trustee may rely, describing all Bonds to be so excluded.

## 11.12 Minutes

Minutes of all resolutions and proceedings at every meeting of Bondholders will be made and duly entered in books to be provided from time to time for that purpose by the Indenture Trustee at the expense of the Issuer and any such minutes, if signed by the Chairman of the meeting at which such resolutions were passed or proceedings had, or by the Chairman of the next succeeding meeting of Bondholders, will be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes are made will be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed and had.

## 11.13 Emergency Meetings

- 11.13.1 If the Indenture Trustee is aware or has notice of an Event of Default, the Indenture Trustee will deliver written notice of it to the Bondholders, with a copy to the Guarantor, within three Business Days and upon any such occurrence, the Issuer will direct the Indenture Trustee to, the Indenture Trustee may, and any Bondholder or Beneficial Owner who delivers a Beneficial Owner Declaration may direct the Indenture Trustee to, call an emergency meeting of Bondholders (for purposes of this Section 11.13, an "**Emergency Meeting**") to consider the course of action to be taken. Notwithstanding Section 11.1, only five Business Days' notice of an Emergency Meeting will be given to the Bondholders in the manner provided in Section 15.2 and the Indenture Trustee will publish notice of the details of such Emergency Meeting in the Authorized Newspapers. Each such notice will state the time when and the place where the Emergency Meeting is to be held and set out in general terms the nature of the business to be transacted.
- 11.13.2 Notwithstanding the time period set out in Section 11.1, if a quorum of the Bondholders is not present within 30 minutes from the time fixed for the holding of the Emergency Meeting, the meeting will be adjourned without notice for 48 hours at the same time and place (unless such day is not a Business Day, in which case it will stand adjourned to the next following Business Day). Except as provided in this Section 11.13, all of the provisions of this Article 11 will apply to such Emergency Meeting.
- 11.13.3 Beneficial Owners who have delivered Beneficial Owner Declarations prior to such Emergency Meeting may participate and vote at an Emergency Meeting as if they were Bondholders.
- 11.13.4 Notwithstanding the period set out in Section 4.2, in the event of an Emergency Meeting, each holder of a Pledge Bond will deliver to the Indenture Trustee within 48 hours of such meeting the Bondholders' Certificate required pursuant to Section 4.2.

## ARTICLE 12

### EVENTS OF DEFAULT AND ACCELERATION

#### 12.1 Event of Default

An "Event of Default" in respect of the Bonds issued hereunder shall occur if the Issuer fails to pay when due any principal, interest, Premium (if any) or other amount due and payable under any Obligation Bond or under any Underlying Pledge Bond Document secured by any Pledge Bond (an "Amount Due"), and neither the Issuer nor the Guarantor pays such Amount Due within five Business Days following written demand by any Fiscal Agent to the Guarantor and the Issuer in the manner contemplated in the Federal Loan Guarantee.

#### 12.2 Demand for Payment

Each Fiscal Agent that has not received an Amount Due by 1:00 p.m., St. John's, NL standard time on the due date thereof shall issue under the terms hereof and the Federal Loan Guarantee, by email on the due date of such Amount Due, a Payment Demand to the Guarantor and the Issuer demanding payment of the Amount Due. No instructions, consents or documentation shall be required from any Person in order for any Fiscal Agent to send a Payment Demand as aforesaid and the obligation to do so shall arise immediately upon an Amount Due not being received by 1:00 p.m., St. John's, NL standard time on the due date thereof.

#### 12.3 Indenture Trustee May Declare Principal and Interest Due

Subject to the provisions of Section 12.4 and Section 13.2, if an Event of Default occurs, the Indenture Trustee will, upon receipt of a Bondholders' Request, declare the principal of, interest and Premium (if any) and other amounts on the Bonds, all other amounts owing under the provisions of this Indenture and all Obligations to be due and payable and the same (including but not limited to interest accrued thereon from the time of such declaration and to the extent permitted by law at the Default Rate) will forthwith become immediately due and payable to the Indenture Trustee on demand, anything therein or herein contained to the contrary notwithstanding, in each case without presentment, protest or further notice, all of which are hereby waived. The Issuer will pay forthwith to the Indenture Trustee on such demand being made, for the benefit of the Bondholders, the amount of the principal of, interest then accrued and Premium (if any) on all the Bonds, all other amounts owing under the provisions of this Indenture and all Obligations together with interest on all such amounts at the respective rates of interest borne by such amounts (or, to the extent permitted by law, from the date of such declaration at the Default Rate), from the date of such declaration until payment is received by the Indenture Trustee. Such payment when made by the Issuer or the Guarantor will be deemed to have been made on the Bonds and any moneys so received by the Indenture Trustee will be applied in accordance with Section 13.4. The Issuer acknowledges, and the parties hereto agree, that each holder of a Bond has the right to maintain its investment in the Bonds free from prepayment by the Issuer (except as specifically provided for pursuant to the terms of such Bonds or any Supplemental Indenture related thereto) and that the provision for payment of a Premium by the Issuer in the event that the Bonds are prepaid or are accelerated as a result of an

Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

#### **12.4 Waiver of Default**

If an Event of Default occurs, the holders of the Bonds will have the power by Extraordinary Resolution to instruct the Indenture Trustee, at any time, to waive such Event of Default or to annul any declaration made by the Indenture Trustee at the direction of the holders of the Bonds pursuant to Section 12.3 and, thereupon, the Indenture Trustee will waive such Event of Default or annul such declaration upon such terms and conditions as such holders will prescribe; provided always that no act or omission either of the Indenture Trustee or of the holders of Bonds will extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom and no delay or omission of the Indenture Trustee or Bondholders will impair any rights or powers granted to them. Notwithstanding the foregoing, no waiver of an Event of Default or annulment of a declaration by the Indenture Trustee under Section 12.3 will be effective as regards any Affected Bonds unless it has been approved by an Extraordinary Resolution of the holders of such Affected Bonds.

If an Event of Default has occurred and prior to a declaration by the Indenture Trustee under Section 12.3, the Issuer or the Guarantor has cured the default giving rise to such Event of Default (even if the cure periods specified for the purposes of such Event of Default have expired), such Event of Default will be deemed to have ceased to exist for every purpose of the Indenture Documents.

### **ARTICLE 13**

#### **REMEDIES IN CASE OF DEFAULT**

##### **13.1 General**

13.1.1 If and so long as an Event of Default has occurred and is continuing, the Indenture Trustee may, subject to compliance with the provisions of Section 16.12, in its discretion or upon delivery to the Indenture Trustee of a Bondholders' Request, in addition to any rights or remedy provided by law, proceed to protect and enforce its rights and the rights of the Bondholders under this Indenture and the other Indenture Documents, by such appropriate private or judicial proceedings as the Bondholders' Request will provide, in order to protect and enforce such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or the other Indenture Documents or in aid of the exercise of any power granted herein or therein, or to enforce any other proper remedy.

13.1.2 The Indenture Trustee will not exercise the powers contained in this Section 13.1 unless it has received a Bondholders' Request, and subject to compliance with Section 16.12.

- 13.1.3 Subject to the provisions of this Indenture, the Indenture Trustee may following enforcement of its rights hereunder , upon receipt of a Bondholders' Request to this effect: (a) grant extensions of time, (b) accept compositions or compromises, (c) grant releases and discharges, and (d) otherwise deal with the Issuer, the Guarantor, the debtors of the Issuer or the Guarantor, sureties and others as the Indenture Trustee sees fit without prejudice to the liability of the Issuer or the Guarantor to the Indenture Trustee or the Indenture Trustee's rights hereunder.
- 13.1.4 The Indenture Trustee may, subject to Section 13.4, apply any proceeds realized through the enforcement of its rights hereunder to payment of expenses in connection with the preservation and realization of its rights as described above and the Indenture Trustee may apply any balance of such proceeds to payment of the obligations of the Issuer and the Guarantor hereunder and under the Bonds in compliance with the terms hereof and, in the absence of such terms, in such order as the Indenture Trustee sees fit but subject to Applicable Laws.
- 13.1.5 All rights of action hereunder may be enforced by the Indenture Trustee without the possession of any of the Bonds or the production thereof on the Proceedings relative thereto.
- 13.1.6 No course of dealing on the part of the Indenture Trustee or any Bondholder, nor any delay or failure of the Indenture Trustee or of a Bondholder to exercise any remedy referred to in this Section 13.1, will operate as a waiver of any such remedy or will be construed to be a waiver of any Event of Default hereunder or acquiescence therein or will otherwise prejudice any rights, powers or remedies of the Indenture Trustee or such holder.
- 13.1.7 Unless and until it has been required so to do under the terms hereof, the Indenture Trustee will not be bound to give any notice or do or take any act, action or Proceeding by virtue of the powers conferred on it hereby. The Indenture Trustee will not be required to take notice of any Event of Default hereunder, other than in payment of any moneys required by any provision hereof to be paid to it, unless and until such time as it has received notice in writing of such Event of Default hereunder and in the absence of any such notice and subject to the foregoing, the Indenture Trustee may assume that the Issuer and the Guarantor are not in default hereunder.

## **13.2 Right of Holders of Certain Matured and Accelerated Bonds to Commence Enforcement**

Notwithstanding Section 13.1, Bondholders who hold any Series of Bonds (the "**Affected Bonds**") in respect of which:

- 13.2.1 the Maturity Date has passed, and all amounts outstanding in respect of such Bonds have not been repaid in full within five Business Days of such Maturity Date; or

- 13.2.2 all amounts outstanding or secured thereunder have been accelerated in accordance with their terms and the terms of the Supplemental Indenture creating such Bonds as a result of the occurrence of an Event of Default and the Bondholders are specifically entitled under such Bonds or Supplemental Indenture thereupon to direct the Indenture Trustee to commence enforcement in accordance with Section 13.1 of this Indenture if such Bonds are accelerated as a result of such Event of Default;

may issue Bondholders' Requests for the purposes only of directing the Indenture Trustee to declare the principal and interest due under the Affected Bonds and all other Obligations secured by any Pledge of any Pledge Bond that is an Affected Bond to be due and payable, to proceed to protect and enforce the rights of the Bondholders of such Affected Bonds under the Indenture Documents or to take any other action contemplated by Section 13.1 as regards the Affected Bonds only including taking any Proceeding against the Guarantor, subject in each case to compliance with the provisions of Section 16.12.

### **13.3 Bondholders May Direct Indenture Trustee's Action by Bondholders' Requests and Conflicts between Bondholders' Requests and Ordinary Resolution**

Except as herein otherwise expressly provided, Bondholders may, by Bondholders' Request, from time to time, direct and control the action of the Indenture Trustee in any Proceeding under this Article 13. Notwithstanding any Bondholders' Request (whether issued by holders of Bonds or Affected Bonds), subject to Section 12.4, Bondholders may by Ordinary Resolution direct and control the actions of the Indenture Trustee in enforcing the Indenture Trustee's rights under this Indenture and the other Indenture Documents, provided that any acceleration, realization or enforcement that is initiated by a Bondholders' Request is continued. If there is a conflict or inconsistency between any Bondholders' Request issued by the holders of all Bonds, any Bondholders' Request issued by the holders of Affected Bonds or any Ordinary Resolution passed by the holders of all Bonds in respect of the manner in which any remedies, enforcement or realization under the Indenture Documents are to be exercised, the Ordinary Resolution or, if no such resolution has been passed, the Bondholders' Request issued by the holders of all Bonds will govern to the extent of such conflict or inconsistency provided, however, that any acceleration, realization or enforcement initiated by a Bondholders' Request issued by the holders of Affected Bonds is continued as regards the Affected Bonds.

### **13.4 Application of Money**

Whenever money arising from the exercise of any rights provided for in this Article 13 are to be applied by the Indenture Trustee, money will be applied by the Indenture Trustee at such times, and from time to time, as the Indenture Trustee determines pursuant to the terms of this Indenture, having due regard to the amount of such money available for application and the likelihood of additional moneys becoming available for such application in the future. The Indenture Trustee may retain such amounts as it deems appropriate for such purposes as may be required to preserve and protect its rights hereunder. The deposit of such money with any Paying Agent, or otherwise setting aside money in trust for any proper purpose, will constitute a proper application by the Indenture Trustee, and the Indenture Trustee will not have any liability to the Issuer, the Guarantor, any Bondholder or any other Person for any delay in applying any such

money, so long as the Indenture Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies such money in accordance with such provisions of this Indenture as may be applicable at the time of application by the Indenture Trustee. Whenever the Indenture Trustee exercises its rights hereunder in applying such money, it will fix the date upon which such application is to be made and upon such date, interest on the amounts of principal to be paid on such date will cease to accrue. The Indenture Trustee will give such notice as it may deem appropriate for fixing of any such date to the Guarantor and each Bondholder.

13.4.1 For purposes of this Article 13, the amount due on any Pledge Bond will be equal to the lesser of the face amount of such Pledge Bond and the aggregate amount secured by the Pledge Bond (including accrued and unpaid interest thereon) at such time expressed in Canadian Dollars. For purposes of determining such aggregate amount owing, the Indenture Trustee may rely on a Bondholder's Certificate delivered pursuant to Section 4.2.2 setting forth in reasonable detail the aggregate amount owing by the Issuer from time to time for which the Pledge Bond was pledged to such Bondholder.

13.4.2 After an Event of Default and enforcement of the rights of the Indenture Trustee, any money received by the Indenture Trustee or any Bondholder pursuant to the provisions of this Article 13 or as a result of legal or other proceedings against the Issuer or the Guarantor pursuant thereto or from any trustee in bankruptcy, receiver or liquidator of the Issuer, will be applied as follows:

- (a) first, to pay or reimburse to the Indenture Trustee all fees, costs, charges, expenses, advances and remuneration owing to the Indenture Trustee (including any receiver) and any other Fiscal Agent in or about the execution of its trust, or otherwise in relation hereto, with interest thereon as herein provided;
- (b) second, in or towards payment of all interest (other than interest owing on any overdue interest and Premium (if any)) owing under the Bonds, on a *pro rata* basis;
- (c) third, in or towards payment of principal, interest on overdue interest and Premium (if any) and all other amounts (including amounts owing under Financial Instrument Obligations that do not constitute interest) owing under the Bonds, on a *pro rata* basis; and
- (d) fourth, in or towards payment of any other liabilities or obligations of the Issuer or the Guarantor to Bondholders owing hereunder or in connection with the Bonds;

and the surplus (if any) will be paid to the Issuer or its assigns.

### **13.5 Limitation of Indenture Trustee's Liability**

Subject to the provisions of Article 16, none of the Indenture Trustee, any receiver appointed by it or any other Fiscal Agent will be responsible or liable, otherwise than as a trustee, for any debts contracted by it, for damages to Persons or property, or for salaries or non-fulfillment of contracts during any period while the Indenture Trustee, any receiver or any other Fiscal Agent manages the property of the Issuer, nor will the Indenture Trustee, any receiver or any other Fiscal Agent be liable to account for anything except actual receipts, or be liable for any loss on realization or for any default or omission for which they might otherwise be liable other than as a result of gross negligence or wilful misconduct.

### **13.6 Protection of Persons Dealing with Indenture Trustee**

No Person dealing with the Indenture Trustee or its agents shall be required to (a) inquire whether the powers which the Indenture Trustee is purporting to exercise have become exercisable, (b) inquire whether any money remains due upon the Bonds, or (c) see the application of any money paid to it; and, in the absence of fraud on the part of such Person, such dealing will be deemed, so far as regards the safety and protection of such Person, to be within the powers conferred to the Indenture Trustee and to be valid and effectual accordingly.

### **13.7 Remedies Cumulative**

No remedy conferred in any Indenture Document upon or reserved to the Indenture Trustee, or upon or to the holders of Bonds, is intended to be exclusive of any other remedy, but each and every such remedy will be cumulative and will be in addition to every other remedy given under the Indenture Documents or now existing or hereafter to exist by law or by statute.

### **13.8 Indenture Trustees Appointed Attorney**

The Issuer hereby irrevocably appoints the Indenture Trustee to be the attorney in its name and on its behalf, to execute and do any deeds, assurances and things which the Issuer ought to execute and do, and has not executed or done, under the covenants and provisions contained herein and generally to use the name of the Issuer in the exercise of all or any of the powers hereby conferred on the Indenture Trustee. This power of attorney is coupled with an interest and will survive the winding-up, dissolution or bankruptcy of the Issuer and will only be exercisable by the Indenture Trustee following the occurrence and continuance of an Event of Default.

## **ARTICLE 14**

### **SUITS BY BONDHOLDERS AND INDENTURE TRUSTEE**

#### **14.1 Bondholders May Not Sue**

Subject to Section 14.3, no Bondholder has the right to institute any Proceeding for payment of any principal, interest, Premium (if any), fees or any other payment obligations owing on or secured by a Bond (including pursuant to the Underlying Pledge Bond Documents), or for the purposes of exercising any remedy authorized by any Indenture Document or by law or equity,



or for the execution of any trust or power under this Indenture or any other Indenture Document or available at law, or for the appointment of a liquidator or receiver or for a bankruptcy or other order under the *Bankruptcy and Insolvency Act* (Canada) or any other insolvency legislation, or to have the Issuer wound up, or to file or prove a claim in any liquidation or bankruptcy Proceedings, or for any other remedy hereunder, unless a Bondholders' Request to this effect has been issued in accordance with Section 12.3, Section 13.1 or Section 13.2 (as applicable) and the indemnity and funding commitment required by the Indenture Trustee has been delivered to the Indenture Trustee and there is compliance with the provisions of Section 16.12, and the Indenture Trustee has failed to act within 30 days thereafter. If the Indenture Trustee has so failed to act, but not otherwise, any Bondholder, acting on its own behalf and on behalf of all Bondholders, will be entitled to take Proceedings that the Indenture Trustee might have taken hereunder; it being understood and intended that no Bondholder will have the right in any manner whatsoever to adversely affect, disturb or prejudice rights created pursuant to this Indenture by its action, or to enforce any right hereunder or under any Bond, except subject to the conditions and in the manner herein provided, and that all powers and trusts hereunder will be exercised and all Proceedings at law will be instituted, had and maintained by the Indenture Trustee, except only as herein provided, and in any event for the equal benefit of all Bondholders unless the holder of an Affected Bond is instituting a Proceeding as a result of the Indenture Trustee's failure to act in accordance with the provisions of Section 13.2 and this Section 14.1, in which case such powers and trusts will be exercised and Proceedings instituted for the equal benefit of the holders of the Affected Bonds only. Any money received as a result of a Proceeding taken by any Bondholder (other than by the holder of an Affected Bond in accordance with the provisions hereof and, for clarity, any moneys received by such holder of an Affected Bond will not be subject to the provisions of Section 13.4.2) hereunder must be forthwith paid to the Indenture Trustee and will be distributed in accordance with the terms of this Indenture.

#### **14.2 Bondholders May Waive Default**

If any Proceeding is brought by the Indenture Trustee or any Bondholder after failure of the Indenture Trustee to act, Bondholders (where permitted pursuant to Article 12, Article 13 and Section 11.7) may, by Extraordinary Resolution, direct the Indenture Trustee or the Bondholder bringing any such Proceeding to waive the Event of Default in respect of which any such Proceeding has been brought upon payment of the costs, charges and expenses incurred by the Indenture Trustee or the Bondholder, as the case may be, in connection therewith, and to stay or discontinue or otherwise deal with any such Proceeding, and the Indenture Trustee or such Bondholder, as the case may be, will thereupon do so, except that only holders of Affected Bonds may waive any "Event of Default" under the terms of such Bonds or the applicable Supplemental Indenture that would entitle the holders of such Affected Bonds to issue a Bondholders' Request pursuant to Section 13.2.

#### **14.3 Unconditional Right of Bondholders to Receive Principal and Interest**

Each Bondholder will have the right on the terms stated herein, which is absolute and unconditional, to receive payment of the principal of, and interest on, such Bond when due as expressed in such Bond, and, subject to compliance with Section 14.1, to institute suit for the enforcement of any such payment.

#### **14.4 Payment Free from Equities**

A Bond will be paid by the Issuer, and may be assigned by a Bondholder, absolutely free and clear of all equities, rights of set-off, claims, defences, counterclaims, rights or other matters whatsoever (collectively, "**Claims**"), whether existing between a holder and the Issuer and/or any third parties or intermediate holders, and whether now existing or hereafter arising (before or after notice of any assignment to the Issuer) which could impair or adversely affect in any way the entitlement of any present or future holder to enforce the Bonds strictly in accordance with the terms and provisions hereof and of the Bonds, and the Issuer hereby agrees not to assert, as against any assignee or any present or future holder, any Claims arising out of this Indenture or any Bond that it had against a predecessor holder (other than the defence that obligations hereunder have been performed or observed by the Issuer). For greater certainty, but without limiting the generality of the foregoing, the foregoing will apply:

- 14.4.1 notwithstanding that such Claim arises due to any act or omission of any holder of a Bond or any intermediate holder of a Bond or any other party;
- 14.4.2 regardless of how closely or inseparably connected such Claim is to the obligations or whether it flows out of dealings or transactions related thereto; and
- 14.4.3 notwithstanding actual or constructive notice to any assignee or any present or future holder of a Bond, or to any intermediate holder of a Bond or any other third party of such Claim, regardless of when received or deemed to be received.

The foregoing will be without prejudice to the right of the Issuer to subsequently assert any Claim as against the assignor.

### **ARTICLE 15**

#### **NOTICES**

##### **15.1 Notice to Issuer and Guarantor**

Any notice, direction or other communication to the Issuer or the Guarantor under the provisions hereof will be given by personal delivery or courier, or facsimile, or by electronic mail delivery addressed as follows:

- 15.1.1 If to the Issuer:

Labrador-Island Link Funding Trust  
c/o BNY Trust Company of Canada, as Issuer Trustee  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administration

Fax: 416- 360-1711

with a copy to:

Labrador-Island Link General Partner Corporation, as General Partner of  
Labrador-Island Link Limited Partnership  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0M1

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

15.1.2 If to the Guarantor:

Jonathan Will

Director General  
Natural Resources Canada  
Electricity Resources Branch

580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone : 613-947-8236

Fax : 613-947-4205

E-mail : [Jonathan.Will@NRCan-RNCan.gc.ca](mailto:Jonathan.Will@NRCan-RNCan.gc.ca)

with a copy to:

Anoop Kapoor

Director, Renewable and Electrical Division  
Natural Resources Canada  
Renewable and Electrical Energy Division

580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Telephone : 613-996-5762

Fax : 613-947-4205

E-mail : [Anoop.Kapoor@NRCan-RNCan.gc.ca](mailto:Anoop.Kapoor@NRCan-RNCan.gc.ca)

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.

The Issuer may from time to time notify the Indenture Trustee of a change in address in accordance with Section 15.3.

## **15.2 Notice to Bondholders**

Any notice, demand or other document to a Bondholder under the provisions hereof will be valid and effective if it is delivered personally or by courier or mailed postage prepaid to such holder, at his, her or its address appearing in any Bond Register and, except as provided in this Section 15.2, will be deemed to have been received on the date of delivery if delivered personally or by courier or if mailed, subject to Section 15.4, will be deemed to have been received on the fifth Business Day following such mailing. All notices to joint holders of any Bond may be given to any of the holders thereof named in the Bond Registers and any notice so given will be sufficient notice to all holders of such Bond. Any accidental error, omission or failure in delivering or mailing any notice, or the non-receipt of any notice by a Bondholder, will not invalidate or otherwise prejudicially affect any act, action or Proceeding.

### **15.3 Notice to the Indenture Trustee**

Any notice to the Indenture Trustee under the provisions hereof will be given by personal delivery or courier, by facsimile or by electronic delivery addressed to the Indenture Trustee as follows:

Computershare Trust Company of Canada  
100 University Avenue, 11<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1  
Canada

Attention:           Manager, Corporate Trust

Fax:                   416-981-9777

E-mail:               corporatetrust.toronto@computershare.com

with a copy to the Guarantor as set forth in Section 15.1.2.

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 during the recipient's normal business hours or at the beginning of the recipient's next Business Day if sent after such hours.

The Indenture Trustee may from time to time notify the Issuer of a change in address in accordance with Section 15.1.

### **15.4 Postal Interruption**

Notwithstanding the foregoing provisions of this Article 15, a notice will not be sent by first-class or registered mail but will be delivered by hand (or, if applicable, sent by facsimile or electronic mail delivery) if a strike or lockout of postal employees then in effect or generally known to be pending would delay or would be reasonably likely to delay the receipt of such notice by the party to which it is addressed and any such communication sent by registered mail in such circumstances will be deemed not to have been given.

## **ARTICLE 16**

### **THE INDENTURE TRUSTEE AND FISCAL AGENTS**

#### **16.1 Duty of Indenture Trustee**

The Indenture Trustee is hereby appointed as Indenture Trustee hereunder and hereby accepts this trust. In the exercise of the powers, rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Indenture Trustee must exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The Indenture Trustee appointed under this Indenture must at all times be a trust company authorized

to carry on business in all of the provinces and territories of Canada, and authorized by law to perform all the duties imposed upon it by this Indenture.

## **16.2 General**

The Indenture Trustee hereby accepts the trust declared and provided for in this Indenture and agrees to perform its obligations, upon the terms and conditions herein set forth.

## **16.3 Appointment and Duties of Paying Agents**

The Issuer will appoint one or more Paying Agents for the Bonds of a Series in the Supplemental Indenture authorizing such Bonds, or will appoint such Paying Agent by indenture of the Issuer entered into prior to the authentication and delivery of such Bonds, and may at any time or from time to time, appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 16.9 for the appointment of such Paying Agent. The Indenture Trustee may be appointed and may act as a Paying Agent. Each Paying Agent will signify its acceptance of the duties and obligations imposed upon it by this Indenture by written instrument of acceptance executed and delivered to the Issuer and the Indenture Trustee.

## **16.4 Funds held in Trust and Security Therefor**

All money held by any Fiscal Agent, as such, at any time pursuant to the terms of this Indenture will be and are hereby assigned, transferred and set over to such Fiscal Agent in trust for the purposes and upon the terms and conditions of this Indenture. Each Fiscal Agent will acknowledge such trust for the benefit of the Indenture Trustee. All money held by any Fiscal Agent, as such, may be deposited by such Fiscal Agent in its banking department if its banking department is a Permitted Financial Institution or with such other banks or trust companies as may be designated by the Issuer in accordance with the requirements hereof, including an Affiliate of the Indenture Trustee or another Fiscal Agent.

## **16.5 Resignation, etc. and Appointment of New Indenture Trustee**

- 16.5.1 The Indenture Trustee may resign its trust hereunder by giving to the Issuer and the Guarantor not less than 60 days notice in writing or such shorter notice as the Issuer and the Guarantor may accept as sufficient, and, if requested by either the Issuer or the Guarantor, by publishing notice thereof in the Authorized Newspapers, specifying the date on which such resignation will take effect. Subject to any conflict of interest permitted to the Indenture Trustee pursuant to this Indenture, the Indenture Trustee will resign in the event that a material conflict of interest arises in its role as a fiduciary under this Indenture and is not eliminated within 60 days after ascertaining that it has such a material conflict of interest. The Bondholders will also have the right to remove the Indenture Trustee by Ordinary Resolution, subject to the consent of the Guarantor. If the Indenture Trustee is dissolved, becomes bankrupt, is placed in liquidation or otherwise becomes incapable of acting hereunder it shall be deemed to have resigned on the occurrence of any such event. Any resignation by the Indenture Trustee will take effect only upon the appointment of the successor Indenture Trustee in accordance with Section 16.5.2. In each case, upon such resignation being

effective, the Indenture Trustee will be discharged from all further duties and liabilities hereunder.

- 16.5.2 In case of the resignation of the Indenture Trustee or its removal from office or incapacity to act, its successor will be at once appointed by the Issuer, provided that such successor so appointed will be a trust company qualified and authorized to carry on trust business in all Provinces of Canada, as necessary and applicable, there will not exist a material conflict of interest in its role as a fiduciary under this Indenture and the appointment is consented to by the Guarantor. Should the Issuer fail to make such appointment, then the successor will be appointed by a court of competent jurisdiction in NL upon the application of the Indenture Trustee, any Bondholder, any Beneficial Owner who has delivered a Beneficial Owner Declaration or the Guarantor, upon such notice to the Bondholders and given in such manner as will be determined by such court upon the application of the Indenture Trustee, Bondholder, Beneficial Owner or Guarantor. The Issuer will be responsible for all costs and expenses incurred in connection with the appointment of the replacement trustee. Any newly appointed Indenture Trustee will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Indenture Trustee, without any further assurance, conveyance, act or deed, but there will be immediately executed, at the expense of the Issuer, all such instruments (if any) as the new Indenture Trustee may be advised by Counsel are necessary or advisable. The retiring Indenture Trustee will, upon payment in full of its outstanding fees and expenses, duly assign, transfer and deliver to the new Indenture Trustee all property (including its records and registers) and money held and all records kept by the retiring Indenture Trustee, and will, upon the written request of the new Indenture Trustee, the Issuer or the Guarantor, execute and deliver an instrument assigning and transferring to such successor Indenture Trustee, upon the trusts expressed herein, all rights, powers and trusts of the retiring Indenture Trustee (including in its capacity as Indenture Trustee). Should any deed, conveyance or instrument in writing from the Issuer be required by any new Indenture Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing will, on request of the new Indenture Trustee, be made, executed, acknowledged and delivered by the Issuer. The Issuer will notify Bondholders and the Guarantor of such appointment and will publish notice of such appointment in the Authorized Newspapers, such publication to be made within 30 days of such appointment.

## **16.6 Merger, Consolidation or Assignment of Fiscal Agents**

Any company into which any Fiscal Agent may be merged or with which it may be consolidated or amalgamated, or any company resulting from any merger, consolidation or amalgamation to which it is a party, or any company to whom a Fiscal Agent may transfer all or substantially all of its corporate trust business, provided such company is a bank or trust company which is qualified to be a successor to such Fiscal Agent pursuant to Section 16.10.1, and is authorized by

law to perform all of the duties imposed upon it by this Indenture, will be the successor to such Fiscal Agent without the execution of any instrument or any further act unless in the Opinion of Counsel such action would be prudent. The Indenture Trustee will give written notice to the Issuer, the Guarantor and the Bondholders of any such consolidation, amalgamation, succession or transfer by publishing notice of the same (at the expense of the Issuer) in the Authorized Newspapers within 30 days of such consolidation, amalgamation or succession.

### **16.7 Fiscal Agents May Deal in Bonds**

Subject to Section 16.11 and Trust Indenture Legislation, Fiscal Agents may buy, lend upon and deal in the Bonds either with the Issuer or otherwise, and generally contract and enter into financial transactions with the Issuer or otherwise, without being liable to account for any profit made thereby.

### **16.8 Fiscal Agents Not Required to Give Security**

No Fiscal Agent will be required to give security for the execution of the trusts or its conduct or administration hereunder.

### **16.9 Protection of Fiscal Agents**

By way of supplement to the provisions of any law for the time being relating to indenture trustees, it is expressly declared and agreed as follows:

- 16.9.1 a Fiscal Agent will not be liable for or by reason of any statements of facts or recitals in this Indenture or in the Bonds (except the representation contained in Section 16.11 and in the certificate of the Indenture Trustee on the Bonds) or be required to verify the same, but all such statements or recitals are deemed to be made by the Issuer;
- 16.9.2 each Fiscal Agent will be protected in acting and relying upon any notice, resolution, request, consent, order, certificate, report, opinion or other document believed by it to be genuine and to have been signed by the proper parties or party;
- 16.9.3 a Fiscal Agent will have no obligation to calculate the amount due on any interest Payment Date for any Bonds; and, if at any time a Fiscal Agent is asked and if it agrees to make any interest payment, the Issuer covenants to provide to it a Trust Certificate detailing the amount due to each Bondholder on the relevant interest Payment Date, no later than seven Business Days prior to the interest payment due date, and the Fiscal Agent will be able to act and rely absolutely upon the accuracy and completeness of such Trust Certificate;
- 16.9.4 nothing herein contained will impose any obligation on a Fiscal Agent to see or to require evidence of registration or filing (or renewals thereof) of this Indenture or any instrument ancillary or supplemental hereto;



- 16.9.5 the Indenture Trustee will not be bound to give any notice of the execution hereof;
- 16.9.6 no Fiscal Agent will incur any liability or be responsible for the consequence of any breach on the part of the Issuer of any of the covenants herein contained or of any act of the agents or servants of the Issuer;
- 16.9.7 no Fiscal Agent will be obligated to analyze financial statements, auditors' reports or other information relating to the business or financial condition of the Issuer or the Guarantor, or to evaluate, at any time in any manner whatsoever, the performance of the Issuer or the Guarantor;
- 16.9.8 the Indenture Trustee will not be required to analyze or evaluate the insurance coverages of the Issuer and nothing herein will be deemed to make the Indenture Trustee responsible for failure by the Issuer to maintain insurance coverage or for any loss arising out of any want, defect or insufficiency in any insurance policy, or because of failure of any insurer to pay the full amount of any loss or damage insured against;
- 16.9.9 no Fiscal Agent will incur any liability with respect to the delivery or non-delivery of any certificate or certificates whether delivered by hand, mail or other means;
- 16.9.10 provided the Indenture Trustee has used its commercially reasonable efforts to cause the notices contemplated by Section 9.1 (including notice of an Event of Default) to be sent to Bondholders, the Indenture Trustee will not be liable for the failure of a Bondholder to receive any notice delivered by mail;
- 16.9.11 the duties and obligations of a Fiscal Agent will be determined solely by the provisions hereof and, accordingly, a Fiscal Agent will only be responsible for the performance of the duties and obligations it has undertaken herein;
- 16.9.12 save and except with respect to the sending of a Payment Demand in accordance with the provisions of Section 12.2, which each Fiscal Agent is bound to do without any instruction, consent or documentation of any kind from any Person as set forth therein, a Fiscal Agent will retain the right not to act and will not be liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Indenture, provided that such documentation must not require the exercise of any discretion or independent judgment;
- 16.9.13 in the event of any disagreement arising regarding the terms of this Indenture, a Fiscal Agent will be entitled at its option to refuse to comply with any or all demands whatsoever until the dispute is settled either by agreement amongst the various parties or by a court of competent jurisdiction;

- 16.9.14 the Indenture Trustee will not have any liability whatsoever for maintaining, supervising or reviewing any records relating to beneficial ownership interests in the Bonds;
- 16.9.15 a Fiscal Agent will be entitled to rely and act upon any direction, order, instruction, notice or communication provided to it under this Indenture which is sent to it by facsimile transmission or other form of electronic delivery; and
- 16.9.16 no Fiscal Agent (including the Indenture Trustee) will be liable for (a) any consequential, punitive or special damages or (b) not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of Force Majeure.

#### **16.10 Resignation or Removal of Paying Agents**

- 16.10.1 Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days written notice to the Issuer, the Guarantor and the Indenture Trustee. Any Paying Agent may be removed at any time, except during the continuance of an Event of Default, by an instrument to such effect signed by the Issuer and filed with such Paying Agent, the Guarantor and the Indenture Trustee. Any successor Paying Agent will be appointed by the Issuer with the consent of the Guarantor and will be a bank or trust company that meets the requirements of Section 16.1 and has, on a consolidated basis with its parent corporation, a combined capital and surplus of at least \$1 billion, or is otherwise approved by Bondholders by an Ordinary Resolution, and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all of the duties imposed upon it by this Indenture.
- 16.10.2 If a Paying Agent resigns or is removed, it will pay over, assign and deliver any money held by it as Paying Agent to its successor, or if there is no successor then appointed, to the Indenture Trustee. If for any reason there is no Paying Agent at any time, the Indenture Trustee will act as such Paying Agent.

#### **16.11 Conflict of Interest**

The Indenture Trustee represents to the Issuer and the Bondholders that at the time of the execution and delivery hereof no material conflict of interest exists in the Indenture Trustee's role as a fiduciary hereunder and agrees that, subject to any conflict of interest permitted to the Indenture Trustee pursuant to this Indenture, in the event of a material conflict of interest arising hereafter, it will, forthwith upon ascertaining that it has such conflict of interest, either eliminate the same within 60 days or resign in the manner and with the effect specified in Section 16.5.

#### **16.12 Conditions Precedent to Indenture Trustee's Obligation to Act**

- 16.12.1 The Indenture Trustee will not be bound to give any notice or do or take any act, action or Proceeding by virtue of the powers conferred on it hereby unless and until required so to do under the terms hereof; nor will the Indenture

Trustee be required to take any notice of any Event of Default hereunder, other than in payment of any money required by any provision hereof to be paid to it, unless and until notified in writing of such Event of Default, which notice will distinctly specify the Event of Default desired to be brought to the attention of the Indenture Trustee. In the absence of any such written notice, the Indenture Trustee may for all purposes of this Indenture conclusively assume that the Issuer and the Guarantor are not in default hereunder and that no Event of Default has occurred with respect to the payment of principal of or costs, fees, charges, expenses or interest on the Bonds or in the observance or performance of any of the covenants, agreements or conditions contained herein. No such written notice or request will limit any discretion herein given to the Indenture Trustee to determine whether or not the Indenture Trustee will take any action with respect to any Event of Default or take action without any such request.

- 16.12.2 The obligation of the Indenture Trustee to commence or continue any act, action or Proceeding for the purpose of enforcing any rights of the Indenture Trustee or the Bondholders hereunder will be conditional upon the Bondholders furnishing, when required by notice in writing by the Indenture Trustee, (a) sufficient funds to commence or continue such act, action or Proceeding and (b) an indemnity satisfactory to the Indenture Trustee to protect and hold harmless the Indenture Trustee against the costs, charges and expenses and liabilities arising directly or indirectly by reason therefor or to be incurred thereby and any loss and damage it may suffer by reason thereof (save and except for loss or damage resulting from the Indenture Trustee's gross negligence or wilful misconduct) and, without limiting the generality of the foregoing, such indemnity will include a full indemnity referable to any and all environmental liability.
- 16.12.3 None of the provisions contained in this Indenture will require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder.
- 16.12.4 The Issuer and the Guarantor will provide to the Indenture Trustee an incumbency certificate setting out the names and sample signatures of those individuals who are authorized to give instructions to the Indenture Trustee hereunder. The Indenture Trustee will be entitled to rely on any certificate, Written Direction or notice given by any of the individuals so designated by the Issuer and the Guarantor until the Indenture Trustee receives a revised incumbency certificate hereunder. The Indenture Trustee may refuse to act upon any instructions that are given by an individual other than a person identified in the then most current incumbency certificate provided to the Indenture Trustee pursuant to this Section 16.12.4.

### **16.13 Employ Agents**

Each Fiscal Agent may employ such agents and other assistants as it may reasonably require for the proper determination and discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it in the discharge of the trusts hereof. All costs incurred therein will be payable on demand.

### **16.14 Reliance on Evidence of Compliance**

In the exercise of its rights, duties and obligations a Fiscal Agent may, if it is acting in good faith, act and rely, as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or other requirement of this Indenture or required by a Fiscal Agent to be furnished to it in the exercise of its rights and duties under this Indenture where such statutory declarations, opinions, reports or certificates comply with the requirements of this Indenture and the Fiscal Agent examines such evidence and determines that such evidence indicates compliance with the applicable requirements of this Indenture.

### **16.15 Provision of Evidence of Compliance to Indenture Trustee**

In addition to any other provisions of this Indenture, the Issuer will furnish to the Indenture Trustee and the Guarantor evidence of compliance with the conditions precedent provided for in this Indenture relating to:

- 16.15.1 the certification and delivery of Bonds applied for under any Supplemental Indenture;
- 16.15.2 the satisfaction and discharge of this Indenture; and
- 16.15.3 the taking of any other action or step to be taken by the Indenture Trustee at the request of or on the application of the Issuer.

### **16.16 Contents of Evidence of Compliance**

Evidence of compliance required by Section 16.15 will consist of:

- 16.16.1 a Trust Certificate (unless otherwise specifically provided) stating that such conditions precedent have been complied with in accordance with the terms of this Indenture; and
- 16.16.2 in the case of conditions precedent compliance with which are, by this Indenture, made subject to review or examination by a solicitor, an Opinion of Issuer Counsel that such conditions precedent have been complied with in accordance with the terms of this Indenture.

## **16.17 General Provisions as to Certificates, Opinions, Etc.**

- 16.17.1 Each Trust Certificate, Opinion of Counsel, Opinion of Issuer Counsel and certificate of an Investment Dealer required under this Indenture or furnished in connection with any application, Written Order, Written Request, Written Direction or Written Consent made to the Indenture Trustee or any Fiscal Agent pursuant to any provisions of this Indenture will specify the Section under which such application, Written Order, Written Request, Written Direction or Written Consent is being made and will include a statement that the Person signing such certificate or giving such opinion has read and is familiar with those provisions of this Indenture relating to the conditions precedent, with respect to compliance with which such evidence is being given. Each such certificate and opinion will, in addition, include:
- (a) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in the evidence are based;
  - (b) a statement that, in the belief of the Person giving the evidence, he or she has made such examination or investigation as is necessary to enable him or her to make the statements or give the opinions contained or expressed therein;
  - (c) a statement whether in the opinion of such Person the conditions precedent, if any, with respect to compliance with which such evidence is being given have been complied with or satisfied; and
  - (d) a statement that (unless the context otherwise requires), in the case of a Trust Certificate, so far as known to the signer after having made due inquiry pursuant to this Section 16.17, no Event of Default has occurred and is continuing, or if an Event of Default has occurred and is continuing, specifying the same.
- 16.17.2 Whenever the delivery of a certificate, opinion or report is a condition precedent to the taking of any action by the Indenture Trustee hereunder, the truth and accuracy of the facts and opinions stated in such certificate, opinion or report will in each case be conditions precedent to the right of the Issuer to have such action taken.
- 16.17.3 Any application, written demand, statement, request, notice, designation, direction, nomination or other instrument to be made by the Issuer under any of the provisions hereof will, unless otherwise provided, be deemed sufficiently made and executed if executed by any officer of the Issuer Trustee having responsibility for and knowledge of the particular matter at issue.
- 16.17.4 The same officer or director of the Issuer Trustee, or the same Investment Dealer or other Person, as the case may be, may, but need not, certify as to all the matters required to be certified under any provision of this Indenture, but

different officers, directors, Investment Dealers or other Persons may certify different facts, respectively. Where any Person is required to make, give or execute two or more orders, requests, certificates, statutory declarations, opinions or other instruments under this Indenture, any such orders, requests, certificates, statutory declarations, opinions or other instruments may, but need not be, consolidated and form one instrument. Whenever any Trust Certificate or other certificate is required to state that no Event of Default has occurred and is continuing hereunder or to state any such Event of Default, each signer of that certificate may make such statement upon the basis of his or her best knowledge and belief after reasonable inquiry.

- 16.17.5 Any certificate or Opinion of Counsel or Opinion of Issuer Counsel may be based, insofar as it relates to factual matters or information in the possession of the Issuer, or another Person, upon the certificate of an officer or officers of the Issuer or such other Person, unless such Counsel or Issuer Counsel knows that the certificate with respect to the matters upon which its certificate or opinion may be based is untrue.
- 16.17.6 Where it is reasonable in the circumstances so to do:
- (a) the Indenture Trustee may request an Opinion of Counsel or Opinion of Issuer Counsel hereunder; and
  - (b) the Issuer Trustee may request an Opinion of Issuer Counsel hereunder.
- 16.17.7 Counsel or Issuer Counsel in giving any opinion hereunder may act and rely in whole or in part upon the opinions of other counsel provided that Counsel or Issuer Counsel, as applicable, will consider such other counsel as one upon whose opinion it may reasonably rely.
- 16.17.8 Counsel or Issuer Counsel in giving any opinions hereunder, as to matters of interpretation and fact not within the professional competence of Counsel or Issuer Counsel, as applicable, may rely upon other experts' certificates.
- 16.17.9 Any certificate of any expert, insofar as it relates to matters outside such expert's competence or responsibility, may be based upon a certificate or opinion of or upon representations by Counsel or Issuer Counsel or some other qualified expert, unless such first-mentioned expert knows that the certificate or opinion or representations with respect to the matters upon which his, her or its certificate may be based are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.
- 16.17.10 The statements made in all Trust Certificates which may be executed and filed pursuant to the provisions of this Indenture will be true and correct, and the Issuer will duly perform any undertaking set forth on behalf of the Issuer in any such Trust Certificates.

## ARTICLE 17

### INDEMNIFICATION AND LIABILITIES OF THE ISSUER

#### 17.1 Indemnity of Fiscal Agents

The Issuer agrees to indemnify, protect, save and keep harmless each of the Fiscal Agents (including the Indenture Trustee) and their respective officers, directors, employees, agents and their successors and assigns (each of the same being an "**Indemnitee**"), from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses, including reasonable legal expenses, of whatsoever kind and, imposed on, incurred by or asserted against any Indemnitee, in any way, either directly or indirectly, relating to, arising out of or connected with this Indenture, including, without limitation, those arising out of or related to actions taken or omitted to be taken by an Indemnitee contemplated hereby, reasonable legal fees and disbursements on a solicitor and own client basis and costs and expenses incurred in connection with the enforcement of the indemnities contained in this Article 17, which an Indemnitee may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties hereunder, the whole to the complete exoneration of the Indemnitee, but excluding any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses arising out of the gross negligence or wilful misconduct of an Indemnitee; provided that the gross negligence or wilful misconduct of an Indemnitee will not prejudice this indemnity as it applies to any other Indemnitee.

#### 17.2 Survival

The provisions of this Article 17 will survive the termination or discharge of this Indenture and the payment or satisfaction of all Obligations, or the removal or resignation of any Fiscal Agent.

## ARTICLE 18

### DEFEASANCE

#### 18.1 Defeasance

18.1.1 If payment of all principal of, and interest and Premium (if any) on, all Outstanding Bonds in accordance with their terms and this Indenture is made, or is provided for in accordance with Section 18.2.1, and if all other sums payable by the Issuer hereunder or thereunder (including any and all fees and expenses of the Indenture Trustee and all Fiscal Agents) have been paid or provided for, then, subject to the further provisions of this Sections 18.1.1 and 18.2, the Issuer will be promptly and fully discharged and released from all Obligations and all Funds and Accounts will be paid to the Issuer in each case on the date the conditions set forth in Section 18.2 are satisfied (in this Article 18, "**defeasance**"). For this purpose, such defeasance means that the Issuer will be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Bonds, which will thereafter be deemed to be

**"Outstanding"** only for the purposes of Section 18.3 and the other sections of this Indenture referred to in this Section 18.1.1, and to have satisfied all its other obligations under such Bonds and this Indenture insofar as such Bonds are concerned (and the Indenture Trustee, at the expense of the Issuer, will execute and deliver to the Issuer all such instruments as may be necessary to evidence such discharge and satisfaction) except for the following obligations which will survive until otherwise terminated or discharged hereunder:

- (a) the rights of holders of Outstanding Bonds to receive, solely from the trust fund described and as more fully set forth in Section 18.2, payments in respect of the principal of, and interest and Premium (if any) on, such Outstanding Bonds when such payments are due;
- (b) the Issuer's rights of redemption (to the extent such Bonds are redeemable in accordance with their terms) and obligations with respect to such Bonds under Sections 3.3, 3.5, and 3.9;
- (c) the rights, powers, trusts, duties and immunities of each Fiscal Agent hereunder and under the Supplemental Indentures and the obligations of the Issuer under Section 8.4;
- (d) the indemnities under Article 17, and
- (e) this Article 18.

18.1.2 If payment of all principal of, and interest and Premium (if any) on, all Outstanding Bonds of a Series in accordance with their terms, this Indenture and the Supplemental Indenture authorizing such Series is made, or is provided for in accordance with Section 18.2, and if all other sums payable by the Issuer hereunder or thereunder with respect to such Series have been paid or provided for, then, subject to the further provisions of this Section 18.1.2 and Section 18.2, the Issuer will be promptly and fully discharged and released from any and all of its obligations in respect of the Supplemental Indenture authorizing such Series and all Outstanding Bonds of such Series, in each case on the date the conditions set forth in Section 18.2 are satisfied (in this Article 18, a "**Series Defeasance**"). For this purpose, such Series Defeasance means that the Issuer will be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Bonds of such Series, which will thereafter be deemed to be Outstanding only for the purposes of Section 18.3 and the other Sections of this Indenture referred to in this Section 18.1.2, and to have satisfied all its other obligations under such Bonds and the Supplemental Indenture authorizing such Series insofar as such Bonds are concerned (and the Indenture Trustee at the expense of the Issuer will execute and deliver to the Issuer all such instruments as may be necessary to evidence such discharge and satisfaction) except for the following obligations which will survive until otherwise terminated or discharged hereunder:



- (a) the rights of holders of such Series to receive, solely from the trust fund described and as more fully set forth in Section 18.2, payments in respect of the principal of, and interest and Premium (if any) on, such Series when such payments are due;
- (b) the Issuer's rights of redemption (to the extent such Series is redeemable in accordance with its terms) and obligations with respect to such Series under Sections 3.3, 3.5, and 3.9.
- (c) the rights, powers, trusts, duties and immunities of each Fiscal Agent hereunder and under the Supplemental Indenture authorizing such Series with respect to such Series and the obligations of the Issuer under Section 8.4;
- (d) the indemnities under Article 17; and
- (e) this Article 18.

## **18.2 Providing for Payment of Bonds**

Payment of all Outstanding Bonds or all Outstanding Bonds of a Series may be provided for by complying with the following conditions:

- 18.2.1 the Issuer irrevocably deposits or causes to be deposited with the Indenture Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such Bonds, money or non-callable Central Government Obligations which, through the scheduled payment of principal and interest (without reinvestment thereof) in respect of such Central Government Obligations in accordance with their terms, will provide, either alone or in combination with such money and not later than the due date of any payment of principal of, and interest and Premium (if any) on, such Bonds, money in an amount sufficient (after deducting any taxes payable on the income or capital gain generated on any amounts invested), in the opinion of an Independent Accountant expressed in a certificate delivered to the Indenture Trustee, to pay and discharge when due, whether at maturity or upon fixed redemption dates, the principal of, and interest on the applicable interest Payment Dates and the Premium (if any) on, such Bonds, and the Issuer will have irrevocably instructed the Indenture Trustee, in writing, to apply such money and/or proceeds of such Central Government Obligations to such payments with respect to such Bonds. Before making such a deposit, the Issuer may give to the Indenture Trustee a notice of its election to redeem all of such Bonds, to the extent redeemable in accordance with their terms, which notice will be irrevocable. Such irrevocable notice of redemption, if given, will be given effect in applying the foregoing. If any such Bonds are not subject to redemption within 45 days after the making of such a deposit, at the time of making such a deposit, the Issuer will give to the Indenture Trustee, in

form satisfactory to it, irrevocable instructions to notify the holders of such Bonds that payment of such Bonds has been provided for pursuant to this Article 18;

- 18.2.2 the Issuer delivers to the Indenture Trustee an Opinion of Issuer Counsel to the effect that the holders of such Bonds will not recognize a gain or loss for Canadian federal income tax purposes as a result of such deposit, defeasance (or Series Defeasance, as the case may be) or discharge, and will be subject to Canadian federal income tax on the same amount, in the same manner and at the same time as would have been the case if such deposit, defeasance (or Series Defeasance, as the case may be) and discharge had not occurred;
- 18.2.3 no Event of Default has occurred and is continuing on the date such deposit is made;
- 18.2.4 the Issuer delivers to the Indenture Trustee a Trust Certificate and an Opinion of Issuer Counsel, each stating that all conditions precedent provided for relating to the defeasance (or Series Defeasance, as the case may be) under Section 18.1 and this Section 18.2 have been satisfied; and
- 18.2.5 the Issuer delivers to the Indenture Trustee a Trust Certificate stating that, after the deposit is made, the Issuer will not be insolvent and that there is no intent to confer a benefit on the beneficiaries of the trust.

### **18.3 Deposit to Be Held in Trust**

All money and Central Government Obligations (including the proceeds thereof) deposited with the Indenture Trustee pursuant to Section 18.2 in respect of all Outstanding Bonds or all Outstanding Bonds of a Series will be held in trust and applied by the Indenture Trustee in accordance with the provisions of such Bonds, this Indenture and the applicable Supplemental Indentures, to the payment, either directly or through any Fiscal Agent, as the Indenture Trustee may determine, to the holders of such Bonds, when due, of all sums due and to become due in respect of the principal of, and interest and Premium (if any) on, such Bonds.

### **18.4 Reinstatement**

If the Indenture Trustee or any Fiscal Agent is unable to apply any money, any Central Government Obligations or the proceeds thereof in accordance with Section 18.3 by reason of any order or judgment of any Governmental Authority enjoining, restraining or otherwise prohibiting such application, then the Issuer and Guarantor's obligations under this Indenture, the applicable Supplemental Indentures and all Outstanding Bonds or all Outstanding Bonds of the applicable Series will be revived and reinstated as though no deposit had occurred pursuant to Section 18.2, until such time as the Indenture Trustee or such Fiscal Agent is permitted to apply all such money, Central Government Obligations and proceeds in accordance with Section 18.3; provided, however, that if the Issuer makes any payment of principal of, and interest and Premium (if any) on, any such Bond following the reinstatement of its obligations, the Issuer will be subrogated to the rights of the holders of such Bond to receive such payment from the money, Central Government Obligations and proceeds thereof held by the Indenture Trustee.

## **18.5 Indemnity**

The Issuer will pay and indemnify the Indenture Trustee against all Taxes, fees or other charges imposed on or assessed against the Central Government Obligations deposited pursuant to Section 18.2 or the principal and interest received in respect thereof.

## **ARTICLE 19**

### **MISCELLANEOUS AND GENERAL**

#### **19.1 Provisions Regarding Liability**

The Issuer Trustee has entered into this Indenture and the other Indenture Documents in its capacity as trustee of the Issuer. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the Issuer Trustee herein and therein 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 property and assets of the Issuer. No property or assets of the Issuer Trustee, 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 Issuer or the Issuer Trustee under this Indenture or any of the other Indenture Documents. No recourse may be had or taken, directly or indirectly against the Issuer Trustee in its personal capacity, the beneficiaries of the Issuer 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 Trust or the Issuer Trustee under this Indenture and the other Indenture Documents.

#### **19.2 Waiver of Trial by Jury**

The parties hereto hereby waive any right they may have to require a trial by jury of any proceeding commenced in connection herewith.

#### **19.3 Funds Held for Particular Bonds**

- 19.3.1 The amounts held by any Fiscal Agent for the payment of the interest, principal or redemption price or accrued interest or any other amount due on any date with respect to particular Bonds will, on and after such date and pending such payment, be set aside on its books and held in trust by it for the holders of the Bonds entitled thereto, and for the purposes of this Indenture and the applicable Supplemental Indentures, such interest, principal, redemption price or other amount, after the due date thereof, will no longer be considered to be unpaid.

- 19.3.2 If all Outstanding Bonds will have been defeased in accordance with Article 18, at the request of the Issuer, all money held by any Fiscal Agent (other than money held as trust funds for Bondholders' defeasance) will be paid over to the Issuer as its absolute property.
- 19.3.3 Anything in this Indenture to the contrary notwithstanding, any money held by a Fiscal Agent in trust for the payment and discharge of any of the Bonds which remains unclaimed for six years after the date when such Bonds have become due and payable, either at their stated Maturity Dates or by call for earlier redemption will, at the written request of the Issuer, be repaid by the Fiscal Agent to the Issuer, as its absolute property, and the Fiscal Agent will thereupon be released and discharged. Before being required to make any such payment to the Issuer, the Issuer will notify the relevant Bondholders and will cause to be published at least twice, at an interval or not less than seven days between publications, in the Authorized Newspapers, notice that such money remains unclaimed and that, after a date named in such notice, which date will be not less than 10 nor more than 20 days after the date of the first publication of such notice, the balance of such money then unclaimed will be returned to the Issuer.

#### **19.4 Counterparts**

This Indenture may be executed in several counterparts, each of which so executed will be deemed to be an original, and such counterparts together will constitute one and the same instrument.

#### **19.5 Successors and Assigns**

The provisions of this Indenture will enure to the benefit of, and be binding upon, the parties and their respective successors and, in the case of the Indenture Trustee, assigns, including any Person that acquires all or substantially all of the corporate trust business of the Indenture Trustee and assumes its obligations hereunder and under the other Indenture Documents to which it is a party. Any assignment by the Indenture Trustee will be effective without the necessity for any further notice or advice to or approval of the parties hereto and without any further act or formality whatsoever.

#### **19.6 AML Provision**

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline.

**[INTENTIONALLY LEFT BLANK]**

MASTER TRUST INDENTURE (LIL MTT) - SIGNATURE PAGE

**IN WITNESS OF WHICH** the parties to this Indenture have duly executed this Indenture as of the date indicated on the first page of this Indenture.

**BNY TRUST COMPANY OF CANADA**, in its capacity as trustee of **LABRADOR-ISLAND LINK FUNDING TRUST**, as Issuer

Per: \_\_\_\_\_  
Name: *J. Steven Broude*  
Title: *Vice President*

Per: \_\_\_\_\_  
Name:  
Title:

MASTER TRUST INDENTURE (LIL MTI) - SIGNATURE PAGE

**COMPUTERSHARE TRUST COMPANY  
OF CANADA,**  
as Indenture Trustee

Per:   
Name: **Sean Pigott**  
Title: **Corporate Trust Officer**

Per:   
Name: **Michelle Schultz**  
Title: **Associate Trust Officer**

## SCHEDULE A

### FORM OF BENEFICIAL OWNER DECLARATION

<@>, 20<@>

**Labrador-Island Link Funding Trust**  
c/o **BNY Trust Company of Canada**,  
as Issuer Trustee  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administration

**Computershare Trust Company of Canada**

<@>

Attention: <@>

Dear Sirs:

Please be advised that effective <@>, 20<@>, the undersigned became a Beneficial Owner of certain Series <@> Bonds issued by Labrador-Island Link Funding Trust, by its Issuer Trustee BNY Trust Company of Canada (the "**Issuer**") pursuant to a master trust indenture dated as of November 29, 2013 between the Issuer, and Computershare Trust Company of Canada, as further supplemented, modified, amended, restated, replaced or changed from time to time (collectively, the "**Trust Indenture**").

All capitalized terms used but not defined in this declaration will have the meanings attributed to such terms in the Trust Indenture.

#### **Confirmation of Beneficial Ownership**

The undersigned hereby certifies and confirms that it is the Beneficial Owner of \$<@> principal amount of Series <@> Bonds as at the date hereof. **[NOTE TO DRAFT: Confirmations provided by individuals must be accompanied by an affidavit as to the amount of Bonds beneficially owned by such individual, which affidavit must be sworn before a notary public.]**

In accordance with Section <@> of the Trust Indenture, the undersigned hereby requests the following information and agrees that it will maintain the confidentiality of all reports, notices and information delivered to it by the Issuer in accordance with the terms of the Trust Indenture.

**[NOTE TO DRAFT: Evidence of beneficial ownership may be required for multiple reasons under the Trust Indenture, including to establish beneficial ownership in connection with a Bondholders' Request, resolutions and information requests. This declaration would be accompanied with the relevant document contemplated by the Trust Indenture.]**

[<@>NAME OF BENEFICIAL  
OWNER<@>]

By: \_\_\_\_\_

**Address of Beneficial Owner and Contact  
Details for Information Purposes:**

Name: <@>

Address: <@>

Attention: <@>

Facsimile: <@>

E-mail <@>



**SCHEDULE B**  
**FORM OF TRUST CERTIFICATE**  
**(RE: ISSUANCE OF BONDS)**  
**TRUST CERTIFICATE**  
**of**  
**LABRADOR-ISLAND LINK FUNDING TRUST**  
**BY ITS TRUSTEE, BNY TRUST COMPANY OF CANADA**  
**(the "Issuer")**

TO: **COMPUTERSHARE TRUST COMPANY OF CANADA** (the "**Indenture Trustee**")

RE: Issuance of \$<@> Series <@> Bonds (the "**Series <@> Bonds**" pursuant to the master trust indenture dated as of November 29, 2013 between the Issuer and the Indenture Trustee, as amended, supplemented, restated, replaced or changed from time to time (the "**Trust Indenture**")

I, [<@>insert name<@>], the [<@>insert title<@>] of BNY Trust Company of Canada, in its capacity as the Issuer Trustee of the Issuer, hereby certify, for and on behalf of the Issuer, and without personal liability, intending that the same may be relied upon by you without further inquiry, that:

1. This certificate is furnished to you pursuant to Section 2.5, [<@>and Section 2.6<@>] of the Trust Indenture. All capitalized terms used but not defined in this certificate have the meanings attributed to such terms in the Trust Indenture.
2. I have read and am familiar with the provisions of the Trust Indenture (including, without limitation, the provisions of the Trust Indenture relating to the conditions precedent with respect to compliance with which certain statements herein are made) and have personal knowledge of the business and affairs of the Issuer and, in my opinion, have made or have caused to be made such inquiries, examinations and investigations as are necessary to enable me to make the statements or give the opinions contained or expressed herein and to ensure that the information contained herein is correct and accurate.
3. All conditions provided for in Section 2.5 [<@>and Section 2.6<@>] of the Trust Indenture relating to the issue, certification and delivery of the Series <@> Bonds have been complied with in accordance with the terms of the Trust Indenture.

4. To the best of my knowledge, having made due inquiry in accordance with Section 16.17 of the Trust Indenture, no Event of Default has occurred and is continuing or will result from the issuance of the Series <@> Bonds.
5. The proceeds of the Series <@> Bonds will be used for the purposes permitted pursuant to Section 2.3 of the Trust Indenture.
6. The Series <@> Bonds constitute [<@>Obligation/Pledge Bonds<@>] and represent \$<@> of Borrowings by virtue of <@>.

IN WITNESS WHEREOF, the undersigned has executed this certificate effective as of the \_\_\_\_\_ day of \_\_\_\_\_ 20<@>.

Per: \_\_\_\_\_  
Name  
Title:

**SCHEDULE C**  
**FORM OF FEDERAL LOAN GUARANTEE**

**THIS GUARANTEE AGREEMENT** made as of <\*>.

**B E T W E E N:**

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS  
REPRESENTED BY THE MINISTER OF NATURAL  
RESOURCES**

(hereinafter called the "**Guarantor**")

OF THE FIRST PART

- and -

**COMPUTERSHARE TRUST COMPANY OF CANADA**

(hereinafter called the "**Trustee**")

OF THE SECOND PART

**WHEREAS** pursuant to the Declaration of Trust, the Issuer is authorized to enter into the Trust Indenture under which it may borrow funds and in relation thereto issue Bonds;

**WHEREAS** the Guarantor has agreed to provide this Guarantee Agreement to assist in the financing, pursuant to the Trust Indenture, of the Issuer that will use the proceeds of such financing to on-lend funds to the LIL Construction Project Trust, a trust formed under the laws of NL, that will in turn on-lend those funds to Labrador-Island Link Limited Partnership, a NL limited partnership, so that it may finance in part, the costs of the construction and development of its HVdc transmission line and related transmission facilities in NL, in view of the national and regional importance, financial and economic merits and the reduction in greenhouse gases that will result from the operation of that project, by providing its guarantee of all the payment obligations of the Issuer to the Bondholders as to the Bonds in accordance with the provisions of such Bonds, the Supplemental Indentures, the Trust Indenture and any applicable Underlying Pledge Bond Documents (the "**Guaranteed Obligations**");

**WHEREAS** under and pursuant to the authority of the *Oil Substitution and Conservation Act*, R.S.C., c.O-8 and the *Financial Administration Act*, R.S.C. 1985, c. F-11, the Minister of Natural Resources is authorized to guarantee the Guaranteed Obligations, and the Guaranteed Obligations so guaranteed are payable without further authorization by Parliament;

**NOW THEREFORE THIS GUARANTEE AGREEMENT WITNESSETH** that in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## ARTICLE 1

### INTERPRETATION

#### 1.1 Definitions

Each word and expression (capitalized or not) defined or given an extended meaning in the Trust Indenture and not otherwise defined herein, is used in this Guarantee Agreement with the respective defined or extended meaning ascribed to it in the Trust Indenture. In addition, the following expressions shall have the following meanings when used herein:

"**Applicable Law**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bondholder**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bond**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Declaration of Trust**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Disgorged Amount**" is used with the defined meaning ascribed to it in Section 2.15.

"**Due Date**" means, with respect to any payment due by the Issuer under any Financing Document, the date on which such payment is required to be made by the Issuer pursuant to the provisions of that Financing Document (without taking into account any grace period granted to the Issuer to cure any failure to pay) and, where any amount is payable on demand made by a Financing Party, the date that such Financing Party makes such a demand.

"**Financing Documents**" means the Trust Indenture, the Supplemental Indentures, the Bonds, the Pledges and any Underlying Pledge Bond Documents, together with any other documents evidencing any part of the Guaranteed Obligations incurred or to be incurred from time to time by the Issuer.

"**Financing Parties**" means the Bondholders, the creditors under the Underlying Pledge Bond Documents and the Trustee solely in its capacity to receive payment for and on behalf of the Bondholders of the Guaranteed Obligations.

"**Fiscal Agent**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Guarantee Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this guarantee agreement.

"**Guaranteed Obligations**" has the meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Guarantor**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Issuer**" means Labrador- Island Link Funding Trust, a trust established under the laws of NL pursuant to the Declaration of Trust, and includes any successor or assign thereof.

"**NL**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Payment Demand**" has the meaning ascribed to it in Section 2.3.

"**Person**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Pledge**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Supplemental Indenture**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Trustee**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Trust Indenture**" means the master trust indenture dated as of November <@>, 2013, entered into between the Issuer and the Trustee.

"**Underlying Pledge Bond Documents**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

## 1.2 Extended Meanings

To the extent the context so admits, in this Guarantee Agreement the following words and expressions shall be given the following corresponding extended meanings:

"**include**" – include without limitation and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.

"**indebtedness**" – indebtedness (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**obligations**" – indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**rights**" – rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

### **1.3            References to Agreements**

Unless the context otherwise requires, each reference in this Guarantee Agreement to any agreement or document (including this Guarantee Agreement, the Financing Documents and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver made to it at or before the time in question.

### **1.4            Recitals**

The recitals of this Guarantee Agreement shall form an integral part hereof as if at length recited herein.

### **1.5            Headings**

The Article and Section headings in this Guarantee Agreement are included solely for convenience of reference, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Guarantee Agreement.

### **1.6            Grammatical Variations**

In this Guarantee Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (ii) words and expressions in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Guarantee Agreement shall be construed in like manner.

### **1.7            Governing Law**

This Guarantee Agreement shall be governed by and construed in accordance with the laws of NL and the federal laws of Canada applicable therein and all actions, suits and 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.

**1.8**            **Time**

Time shall be of the essence of this Guarantee Agreement.

**ARTICLE 2**

**GUARANTEE**

**2.1**            **Guarantee**

The Guarantor hereby irrevocably, absolutely and unconditionally guarantees to the Trustee the due and timely payment to the Financing Parties of all the Guaranteed Obligations at the times, in the currencies and in the manner provided for in the Trust Indenture, the Bonds and the other Financing Documents.

It is hereby agreed and declared that the obligations of the Guarantor under the foregoing guarantee shall extend (without any further act or formality) to all Guaranteed Obligations, whether heretofore or hereafter issued and the Guaranteed Obligations resulting therefrom.

**2.2**            **Nature of Guarantee**

The obligations of the Guarantor hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, the Guarantor shall irrevocably, absolutely and unconditionally pay to the Trustee all such amounts as shall be required from time to time to ensure that the Financing Parties receive and are paid the full amount of the Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the Guaranteed Obligations or any failure by the Issuer to duly and punctually pay in full the Guaranteed Obligations when due, (b) any loss of any right of the Financing Parties against the Issuer in respect of the Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Trustee or any other Fiscal Agent in connection with the enforcement of any of the rights of the Trustee against the Issuer.

**2.3**            **Payment Demand**

Within five (5) Business Days of its receipt of a written demand from any Fiscal Agent in the form attached as Schedule A (a "**Payment Demand**"), the Guarantor shall pay to the Trustee each amount claimed in the Payment Demand in immediately available funds and as directed by such Fiscal Agent in the Payment Demand. A Payment Demand will not be valid under this Guarantee Agreement unless the amount claimed is due to the Financing Parties and has not been paid by the Issuer by the time provided on the Due Date. Any amount payable by the Guarantor under this Guarantee Agreement which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be payable on the corresponding Guaranteed Obligations owing under the applicable Financing Documents.

**2.4 Withholdings**

All amounts payable by the Guarantor under this Guarantee Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Guarantor is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Guarantor shall pay to the Trustee such additional amount as is necessary to ensure that the Financing Parties receive and retain (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such taxes, charges, fees, levies, duties or withholdings.

**2.5 Statement of Account**

Any statement of account prepared by the Trustee as regards the Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Issuer to the Financing Parties and the Trustee and the Guarantor hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Trustee agrees to provide the Guarantor with the computations and calculations used by the Trustee to prepare each such statement of account promptly following a request therefor.

**2.6 No Requirement to Exhaust Recourse**

None of the Financing Parties shall be bound to seek or exhaust its recourse or remedies against the Issuer, any other guarantor or any other Person nor to enforce, marshal or value any liens before being entitled to payment under this Guarantee Agreement.

**2.7 Postponed Subrogation**

The Guarantor shall not be subrogated to any right of the Financing Parties until (i) indefeasible payment in full of all the Guaranteed Obligations and (ii) none of the Financing Parties has any 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 Financing Documents. Thereafter, the Guarantor (i) shall be subrogated to the rights of the Financing Parties under, pursuant to and otherwise in respect of all the Financing Documents and (ii) may require the Financing Parties to assign to it and each other Person that has made payment of the Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, any of the Financing Parties.

**2.8 Set-Off Acknowledgement**

The Guarantor hereby acknowledges and agrees that vis-à-vis the Financing Parties it has no available remedy of set-off. Accordingly, each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made without regard to any equities between or



among any of the Issuer, the Guarantor and the Financing Parties and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Issuer or the Guarantor may have or have had against any of the Financing Parties or any other Person).

**2.9 Imputation of moneys received in reduction of Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Trustee from the Guarantor pursuant to the provisions of this Article 2 shall be applied in reduction of the Guaranteed Obligations as provided in the Financing Documents.

**2.10 Irregularity in borrowings of no effect on obligations of the Guarantors**

All sums of money, advances, renewals, commitments and undertakings related to the Guaranteed Obligations borrowed or effectively obtained from the Financing Parties by the Issuer pursuant to the Financing Documents shall be considered as being part of the Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, advances, renewals, commitments and undertakings, whether or not any one of the Financing Parties was aware of the same, it being expressly understood that any sum which cannot be recovered from the Guarantor as guarantor hereunder for reasons of voidness of the principal obligation may be recovered from the Guarantor under the indemnity contained in Section 2.2 and shall be payable to the Trustee, for the benefit of the Financing Parties, upon demand therefor by the Trustee.

**2.11 No Release of Guarantor**

Until the Guaranteed Obligations have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Issuer under the Financing Documents have been cancelled and terminated, the obligations of the Guarantor hereunder shall not be reduced, limited or terminated, nor shall the Guarantor be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the Guarantor shall have received notice thereof or assented thereto):

2.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the Guaranteed Obligations or the Financing Documents;

2.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the Guaranteed Obligations;

2.11.3 the release of any liens securing any or all of the Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the Financing Documents;

2.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to any of the Financing Parties, including but not limited to:

- (a) any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
- (b) any election of rights, remedies and/or recourses effected by any of them;
- (c) any subordination by operation of Applicable Law, whether present or future, of any or all of the Guaranteed Obligations;
- (d) any election not to or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any lien on any collateral securing any or all of the Guaranteed Obligations;
- (e) any disallowance, invalidity, illegality, voidness or unenforceability of any or all liens securing any or all of the Guaranteed Obligations; and

2.11.5 any other act or failure to act which varies the risks of the Guarantor hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of the Guarantor from any obligation hereunder.

## **2.12 Certain Waivers**

The Guarantor hereby waives:

2.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Issuer or any other guarantor or any collateral for any of the Guaranteed Obligations;

2.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the Guaranteed Obligations that may at any time be available to the Issuer or any other guarantor. As regards set-offs, the Guarantor confirms the acknowledgement contained in Section 2.8;

2.12.3 any notice of acceptance of the incurrence or renewal of any Guaranteed Obligations;

2.12.4 all notices which may be required by Applicable Law to preserve any rights against the Guarantor hereunder including, but not limited to, any notice of default, demand, dishonour, presentment and protest;

2.12.5 diligence;

2.12.6 any defence based upon, arising out of or in any way related to:

- (a) any claim that any election of remedies by the Financing Parties impaired, reduced, released or extinguished any rights that the Guarantor might otherwise have had against the Issuer or any other guarantor;
- (b) any claim that the Guaranteed Obligations should be strictly construed against the Financing Parties; and
- (c) any and all other defences related to the Guaranteed Obligations save and except for the receipt by the Financing Parties of the full, final and definitive payment of the amount of the Guaranteed Obligations and the cancellation in full of all credit facilities, extensions of credit and other financial services under the Financing Documents.

**2.13 No Release in Event of Bankruptcy**

No settlement or discharge of the Guaranteed Obligations shall be effective if any payment by the Guarantor in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Financing Parties and the Trustee shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

**2.14 Additional Security**

This Guarantee Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by any of the Financing Parties. None of the Financing Parties shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

**2.15 Continuing Liability of Guarantor**

The Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Guarantor hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Issuer or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as the "**Disgorged Amount**"), is recovered from or reimbursed by or for the account of any of the Financing Parties for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Financing Parties (whether or not consented to by the Issuer, the Guarantor or any other guarantor) of any claim for any such recovery or payment over. The Guarantor hereby expressly waives the benefit of any Applicable Law of limitations and agrees that it shall be liable hereunder whenever such a recovery or payment ever occurs.

**2.16 Continuance of Guarantee Agreement**

Subject to Section 2.15, this Guarantee Agreement shall continue in full force and effect until the indefeasible payment, observance and performance in full of the Guaranteed Obligations and the cancellation of all the credit facilities, extensions of credit and financial services to the Issuer, provided, however, that where at any time any of the Financing Parties is required to pay over any Disgorged Amount, such Person shall be permitted to make a claim therefor under the provisions of Section 2.15.

**2.17 Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The Guarantor agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Guarantee Agreement is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**2.18 Authority to Modify Guaranteed Obligations**

The Guarantor expressly authorizes the Financing Parties or any one thereof, at any time and from time to time, without notice and without affecting the liability of the Guarantor hereunder, to:

2.18.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the Guaranteed Obligations and any security and guarantees therefor;

2.18.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the Guaranteed Obligations;

2.18.3 accept partial payments on the Guaranteed Obligations;

2.18.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Trustee (for the benefit of the Financing Parties) in its discretion may determine; and

2.18.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the Financing Documents.

## ARTICLE 3

### THE TRUSTEE

#### 3.1 The Trustee

This Guarantee Agreement is made in favour of the Trustee in its capacity as trustee under the Trust Indenture. Accordingly, in the event of a new trustee being appointed under the Trust Indenture, such new trustee shall thereupon become and be the trustee hereunder, but nevertheless, the Trustee shall forthwith assign, transfer and make over to the new trustee hereunder this Guarantee Agreement. All provisions of the Trust Indenture for the protection of the Trustee or for facilitating the administration of the trusts or otherwise relating to the Trustee solely as to its holding of the guarantee rights hereunder shall apply *mutatis mutandis* to this Guarantee Agreement and the Trustee's duties hereunder.

#### 3.2 Acceptance of Trusts

The Trustee hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new trustee shall be appointed as set forth in Section 3.1.

## ARTICLE 4

### MISCELLANEOUS PROVISIONS

#### 4.1 Amendment

This Guarantee Agreement may not be changed, modified, amended or supplemented except by an agreement in writing executed by both the Guarantor and the Trustee in accordance with the terms of the Trust Indenture. The Trustee shall provide a copy of each such written agreement, within 30 days of its execution, to each rating agency that provided a rating for the indebtedness of the Issuer under the Financing Documents.

#### 4.2 Remedies

No failure on the part of any Financing Party to exercise, and no delay in exercising, any right or remedy shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy under this Guarantee Agreement preclude any other or further exercise thereof or the exercise of any other right or remedy, nor shall any waiver of one provision be deemed to constitute a waiver of any other provision. No waiver of any of the provisions of this Guarantee Agreement by the Trustee shall be effective unless it is in writing duly executed by the Trustee.

#### 4.3 Notices

Any Payment Demand, notice or other communication contemplated to be given by the Trustee, any other Fiscal Agent or the Guarantor under this Guarantee Agreement (collectively, "**Notices**") shall be in writing and delivered personally or by courier or mailed by registered mail, postage prepaid and return receipt requested, or by electronic mail delivery to the

applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

(a) if to the Trustee:

Manager, Corporate Trust

Computershare Trust Company of Canada  
100 University Avenue, 11<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1  
Canada

Fax: 416-981-9777

E-mail: [corporatetrust.toronto@computershare.com](mailto:corporatetrust.toronto@computershare.com)

(b) if to Canada:

*Jonathan Will*

Director General  
Natural Resources Canada  
Electricity Resources Branch

580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone : 613-947-8236

Fax : 613-947-4205

E-mail : [Jonathan.Will@NRCan-RNCan.gc.ca](mailto:Jonathan.Will@NRCan-RNCan.gc.ca)

With a copy to:

*Anoop Kapoor*

*Director, Renewable and Electrical Division  
Natural Resources Canada  
Renewable and Electrical Energy Division*

*580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada*

Telephone : 613-996-5762

Fax : 613-947-4205

E-mail : [Anoop.Kapoor@NRCan-RNCan.gc.ca](mailto:Anoop.Kapoor@NRCan-RNCan.gc.ca)

Notices given by personal delivery, by courier or mail shall be effective upon actual receipt. Notices given by electronic mail shall be deemed to have been duly given and received when sent even if such electronic mail is sent after the recipient's normal business hours.

**4.4 Counterparts**

This Guarantee Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

**4.5 Severability**

Any provision of this Guarantee Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

**4.6 Entire Agreement**

With respect to the obligations of the Guarantor hereunder, this Guarantee Agreement constitutes the entire agreement among the parties hereto.

**4.7 Assignments by the Guarantor**

The rights of the Guarantor hereunder are declared to be purely personal and may therefore not be assigned or transferred, nor can the Guarantor assign or transfer any of its obligations, any such assignment being null and void insofar as the Trustee and the Bondholders are concerned.

**4.8 Expenses**

The Guarantor agrees to pay all duly documented reasonable out-of pocket costs and expenses, including reasonable attorneys' fees, which may be incurred by the Trustee in any effort to collect or enforce any of the Guaranteed Obligations hereunder.

**4.9 Acknowledgement**

The Guarantor hereby acknowledges that it has received and taken cognizance of an original executed copy of the Declaration of Trust and the Financing Documents in force on the date hereof and is familiar with the provisions thereof.

**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the date set out at the commencement of this Guarantee Agreement.

**HER MAJESTY THE QUEEN IN RIGHT  
OF CANADA, as represented by THE  
MINISTER OF NATURAL RESOURCES**

Per: \_\_\_\_\_

Name: <\*>

Title: <\*>



**COMPUTERSHARE TRUST COMPANY  
OF CANADA,  
AS TRUSTEE**

Per: \_\_\_\_\_

**SCHEDULE A**

**PAYMENT DEMAND**

[date]

**CANADA**  
Department of <\*>  
<@>

**LABRADOR-ISLAND LINK FUNDING  
TRUST**  
c/o BNY Trust Company of Canada,  
AS ISSUER TRUSTEE  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: <\*>

Attention: <\*>

Fax No.: <\*>

Fax No.: <\*>

Dear Sirs/Mesdames:

**Re: Guarantee Agreement dated as of November <\*>, 2013 with respect to Labrador-Island Link Funding Trust**

Reference is made to the Guarantee Agreement dated as of November <@>, 2013 given by Her Majesty the Queen in Right of Canada, as represented by the Minister of Natural Resources, in favour of Computershare Trust Company of Canada, with respect to the payment obligations of the Issuer (the "**Guarantee Agreement**"). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Guarantee Agreement.

We hereby demand payment in accordance with the Guarantee Agreement and the Trust Indenture of the sum of \$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid of \$<@>. We hereby certify that the Claimed Amount represents \$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising Guaranteed Obligations that are now due and payable to the Financing Parties and that the Issuer failed to pay such amounts by the time provided on the Due Date.

Failure to pay the Claimed Amount plus the applicable per diem amounts as specified above by the fifth Business Day following the date of this Payment Demand will constitute an Event of Default under the Trust Indenture.

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours very truly,

[<\*>Fiscal Agent<\*>]

By: \_\_\_\_\_

Name:

Authorized Signatory

**[N.B.: A copy of this Payment Demand must be sent to each of the Persons identified in Section 15.1 of the Trust Indenture.]**

**SECOND AMENDED AND RESTATED  
LIL PROJECT FINANCE AGREEMENT**

**AMONG**

**THE TORONTO-DOMINION BANK,  
as Collateral Agent**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as IT Trustee of  
LIL CONSTRUCTION PROJECT TRUST,  
as a GAA Finance Party**

**AND**

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP,  
as an Obligor**

**AND**

**LABRADOR - ISLAND LINK OPERATING CORPORATION,  
as an Obligor**

**DATED AS OF MAY 10, 2017**

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**SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT** made as of May 10, 2017

**AMONG:**                **THE TORONTO-DOMINION BANK**, as Collateral Agent

**AND:**                 **BNY TRUST COMPANY OF CANADA**, as IT Trustee of **LIL CONSTRUCTION PROJECT TRUST**, as a GAA Finance Party

**AND:**                 **LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**, acting by its general partner, **LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION**, as an Obligor

**AND:**                 **LABRADOR - ISLAND LINK OPERATING CORPORATION**, as an Obligor

**WITNESSETH THAT:**

**WHEREAS** the Funding Vehicle intends to borrow funds pursuant to the Funding Transaction Documents by issuing FV Bonds from time to time pursuant to the MTIs for the sole purpose of lending those funds to the Intermediary Trust pursuant to the IT Project Finance Documents and the Intermediary Trust will then onlend all the funds it borrows from the Funding Vehicle to the Partnership pursuant to this Agreement so that the Partnership may finance, in part, the Project Costs;

**WHEREAS** pursuant to and in accordance with the provisions of the Collateral Agency Agreement the Collateral Agent has agreed to perform the various LIL Project Financing Duties;

**WHEREAS** a project finance agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as a GAA Finance Party, Labrador-Island Link Limited Partnership, acting by its general partner, Labrador-Island Link General Partner Corporation, as an Obligor, and Labrador-Island Link Operating Corporation, as an Obligor (the "**Initial LIL Project Finance Agreement**");

**WHEREAS** the Initial LIL Project Finance Agreement was amended and restated pursuant to an amended and restated project finance agreement entered into as of July 16, 2015 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as a GAA Finance Party, Labrador-Island Link Limited Partnership, acting by its general partner, Labrador-Island Link General Partner Corporation, as an Obligor, and Labrador-Island Link Operating Corporation, as an Obligor (the "**Principal LIL Project Finance Agreement**");

**WHEREAS** the parties hereto wish to amend certain provisions of the Principal LIL Project Finance Agreement and to restate the Principal LIL Project Finance Agreement as so amended in its entirety, but without novation, the whole as herein provided;

**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 have agreed that, subject to the satisfaction of the conditions precedent set forth in Section 7.1, the Principal LIL Project Finance Agreement is hereby amended and restated in its entirety, but without novation, 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 second amended and restated master definitions agreement dated the date hereof entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust and the Credit Parties (the "**Master Definitions Agreement**"). The rules of interpretation set forth in Article 1 of the Master Definitions Agreement apply to this Agreement as if at length recited herein.

#### **1.2 Recitals**

The recitals of this Agreement shall form an integral part hereof, as if at length recited herein.

#### **1.3 Headings, etc.**

The division of this Agreement into recitals, Articles, Sections, subsections, Schedules, paragraphs, subparagraphs and clauses and the insertion of headings and titles are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**LIL Project Finance Agreement**", "**this LIL Project Finance Agreement**", "**this Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular recital, Article, Section, subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.

#### **1.4 Severability**

If any provision of this Agreement is determined pursuant to a final judgment to be invalid, illegal or unenforceable in any jurisdiction, the parties hereto agree to the fullest extent they may effectively do so that (i) the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and (ii) the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby. With the consent of the other parties hereto, the Collateral Agent and such other parties hereto shall change

this Agreement to replace any invalid or unenforceable provision contained in this Agreement with a valid and enforceable provision which has the commercial effect as close as possible to that of the invalid and unenforceable provision, to the extent permitted by Applicable Law.

**1.5 References to Acts of the IT Trustee**

For greater certainty, where any reference is made in this Agreement to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a Proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to (a) the Intermediary Trust; or (b) the IT Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by a Proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to the IT Trustee as trustee of the Intermediary Trust. It is hereby acknowledged and agreed that, subject to the IT Declaration of Trust, the IT Trustee may appoint any Person to manage any of the Assets of the Intermediary Trust, respectively, and to appoint any agent to transact any business on behalf of the Intermediary Trust, respectively, and therefore, any acts to be performed by the IT Trustee may be performed by any such Person or agent.

**1.6 Governing Law**

This Agreement will be construed in accordance with the Laws of NL and the federal Laws of Canada applicable therein and will be treated in all respects as a NL contract. All Proceedings arising hereunder shall be determined exclusively by a court of competent jurisdiction in NL, subject to any right of appeal to the Supreme Court of Canada and the parties hereby attorn to the jurisdiction of such courts.

**1.7 Schedules**

The following are the Schedules attached to this Agreement and deemed to be part thereof:

Schedule "A"	LIL Payment Demand
Schedule "B"	Material Project Documents and Authorizations
Schedule "C"	Applicable Laws
Schedule "D"	Environment
Schedule "E"	Sources and Uses of Funds
Schedule "F"	Litigation
Schedule "G"	Corporate Structure and Location of Assets
Schedule "H"	Aboriginal Matters

Schedule "I"	IE Certificate
Schedule "J"	Operating Report
Schedule "K"	Construction Report
Schedule "L"	Commissioning Certificate
Schedule "M"	Commissioning Confirmation
Schedule "N"	Distribution Certificate
Schedule "O"	Final Funding Request
Schedule "P"	Funding Request
Schedule "Q"	Independent Engineer's Confirmation
Schedule "R"	LIL Compliance Certificate
Schedule "S"	LIL Draw Request
Schedule "T"	Minimum DSRA Requirement
Schedule "U"	Initial Project Budget and June 2016 Project Budget
Schedule "V"	Initial Project Schedule
Schedule "W"	LIL Voluntary Prepayment Notice
Schedule "X"	Sinking Fund Payment
Schedule "Y"	Sinking Fund Investments
Schedule "Z"	Basis of Design
Schedule "AA"	Base Equity Commitment
Schedule "BB"	Funding Request Supporting Documentation
Schedule "CC"	Certificate Relating to Transfer of LIL Income on Account Balances from the Sinking Fund Account
Schedule "DD"	IE Cost Overruns Confirmation Certificate
Schedule "EE"	Additional Debt Certificate (Operating Period)
Schedule "FF"	Additional Debt Certificate (Construction Period)
Schedule "GG"	Working Capital Revolving Funding Request
Schedule "HH"	Cost Overruns Certificate
Schedule "II"	FRDN Purchase Request
Schedule "JJ"	Initial Construction Tranches
Schedule "KK"	New Construction Tranches
Schedule "LL"	Working Capital Revolving Tranches

1.8 **Time of the Essence**

Time shall in all respects be of the essence of this Agreement.

1.9 **No Novation**

The parties hereto hereby acknowledge and agree that this Agreement does not novate any of the obligations of the parties pursuant to the Principal LIL Project Finance Agreement and that it is not their intention to effect in any way novation of such obligations. To the extent necessary and for all legal purposes, the Collateral Agent, the Intermediary Trust and the other GAA Finance Parties hereby expressly reserve the security granted in their favour or for their benefit as security for the obligations pursuant to the Principal LIL Project Finance Agreement, including, without limitation, the Security Documents.

**ARTICLE 2**

**LIL FACILITIES**

2.1 **Grant of LIL Construction Facility**

The Intermediary Trust agrees, upon the terms and subject to the conditions of this Agreement, to lend to the Partnership an amount of up to but not exceeding, in the aggregate, the LIL Construction Facility which shall be available in tranches, namely the Initial Construction Tranches and the New Construction Tranches.

2.1A **Grant of Working Capital Revolving Facility**

The Intermediary Trust agrees, upon the terms and subject to the conditions of this Agreement, to lend to the Partnership an amount of up to but not exceeding, in the aggregate, the Working Capital Revolving Facility which shall be available in tranches, namely the Working Capital Revolving Tranches.

2.2 **Purpose**

All Advances under the LIL Facilities shall be used by the Partnership exclusively for the purpose of financing the Project Costs.

2.3 **LIL Construction Facility Limit**

2.3.1 As of the LIL Second Amendment and Restatement Effective Date, the aggregate amount of the LIL Construction Facility is CDN\$3,375,000,000, comprised of the following:

2.3.1.1 as to CDN\$2,400,000,000, the Initial Construction Tranches, each such Initial Construction Tranche being for an amount equal to the aggregate principal amount of FV Bonds issued under the series of FV Bonds listed in Schedule "JJ" under the heading

"Corresponding FV Bonds Series" opposite the name of such Initial Construction Tranche;

2.3.1.2 as to CDN\$975,000,000, the New Construction Tranches, each such New Construction Tranche being for an amount equal to the aggregate principal amount of FV Bonds issued under the series of FV Bonds listed in Schedule "KK" under the heading "Corresponding FV Bonds Series" opposite the name of such New Construction Tranche (minus the portion of CDN\$75,000,000 representing the rateable share of the amount such series of FV Bonds over CDN\$1,050,000,000).

Immediately following the Commissioning Date, the LIL Construction Facility shall automatically be increased by CDN\$75,000,000, such increase to be apportioned as among the New Construction Tranches in accordance with the proportions established in paragraph 2.3.1.2.

2.3.2 Where pursuant to the terms hereof the LIL Construction Facility or any Construction Tranche thereof is cancelled, reduced or terminated, any such cancellation, reduction or termination thereof shall be permanent and, with respect to any reduction, such amount may not be subsequently increased.

#### 2.3A **Working Capital Revolving Facility Limit**

2.3A.1 As of the LIL Second Amendment and Restatement Effective Date, the aggregate amount of the Working Capital Revolving Facility is CDN\$75,000,000, divided as follows as amongst the Working Capital Revolving Tranches, each such Working Capital Revolving Tranche being for an amount equal to the aggregate principal amount of FV Bonds issued under the series of FV Bonds listed in Schedule "LL" under the heading "Corresponding FV Bond Series" opposite the name of such Working Capital Revolving Tranche (minus the portion of CDN\$975,000,000 representing the rateable share of such series of FV Bonds over CDN\$1,050,000,000). Immediately following the Commissioning Date, the Working Capital Revolving Facility shall automatically be cancelled and terminated in full.

2.3A.2 Where pursuant to the terms hereof the Working Capital Revolving Facility or any Working Capital Revolving Tranche thereof is cancelled, reduced or terminated, any such cancellation, reduction or termination thereof shall be permanent and, with respect to any reduction, such amount may not be subsequently increased.

#### 2.4 **Nature and Availability**

2.4.1 The LIL Construction Facility is available on a non-revolving basis such that the Partnership may not reborrow the whole or any part of any Advance previously repaid, any such repayment automatically reducing the LIL



Construction Facility by an amount equal to the amount repaid. Any such reduction of the LIL Construction Facility resulting from (i) a prepayment on any LIL Voluntary Prepayment Date shall result in a rateable reduction of each Initial Construction Tranche or each New Construction Tranche, as the case may be, and (ii) a repayment pursuant to Section 2.6 shall result in a reduction of the Construction Tranche to which such repayment relates by an amount equal to such repayment. Subject to Section 2.7, and, further thereto, the rateable reduction of each Working Capital Revolving Tranche, the Working Capital Revolving Facility is available on a revolving basis such that the Partnership may reborrow the whole or any part of any Advance previously repaid provided, however, that as of and from, and including, the first LIL Drawdown under Section 7.9, the Working Capital Revolving Facility shall cease to be available on a revolving basis.

2.4.2 The parties acknowledge and agree that prior to the date hereof, an amount of CDN\$2,042,288,737.84 was drawn under the LIL Construction Facility, and that accordingly that amount is no longer available for drawdown under the LIL Construction Facility. The LIL Facilities are available in Canadian Dollars only.

2.4.3 LIL Drawdowns under the LIL Construction Facility and the Working Capital Revolving Facility may only be made during the Construction Period.

## 2.5 **Borrowing Procedures**

In order to obtain a LIL Drawdown under the LIL Construction Facility on any LIL Drawdown Date hereunder, the Partnership must deliver to the Collateral Agent a LIL Draw Request at the latest by 10:00 a.m., Newfoundland Time, concurrently with the Funding Request or the Final Funding Request, as the case may be, relating to the proposed LIL Drawdown Date. In order to obtain a LIL Drawdown under the Working Capital Revolving Facility on any LIL Drawdown Date hereunder, the Partnership must deliver a Working Capital Funding Request within the time periods provided in Section 7.8 or 7.9, as the case may be. Any portion of any LIL Drawdown forming part of (i) the aggregate principal amount of CDN\$2,400,000,000 to be first drawn under the LIL Construction Facility shall be apportioned rateably amongst each of the Initial Construction Tranches, (ii) the balance of the aggregate principal amount drawn under the LIL Construction Facility shall be apportioned rateably amongst each of the New Construction Tranches and (iii) any principal amount drawn under the Working Capital Revolving Facility shall be apportioned rateably amongst the Working Capital Revolving Tranches. Once delivered, no LIL Draw Request may subsequently be revoked or withdrawn by the Partnership.

## 2.6 **Repayments of the LIL Construction Loan**

The Partnership hereby agrees to repay in respect of each Construction Tranche on the Corresponding Tranche Maturity Date the sum of (a) the entire amount of the Corresponding Tranche 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 such Construction Tranche, accrued and unpaid up to, but excluding, the Corresponding Tranche Maturity Date.

**2.6A Maintenance of Minimum WCRF Requirement**

The Partnership hereby agrees to:

2.6A.1 request in any Funding Request that immediately follows a LIL Drawdown under the Working Capital Revolving Facility an amount sufficient for purpose of repaying the Working Capital Revolving Loan, such that thereafter the Available Working Capital Revolving Facility shall be equal to the Minimum WCRF Requirement, provided, however, that no such request shall be required to be made in the circumstances contemplated in either one of clauses (a) and (b) of paragraph (ii) of the definition of Funding Requirements; and

2.6A.2 use the proceeds of each such request exclusively for the relevant purpose set forth in Section 2.6A.1.

**2.7 Voluntary Prepayments**

2.7.1 The Partnership may voluntarily and permanently prepay at any time (a) the whole (and the whole only) of the LIL Loan outstanding under the Initial Construction Tranches or (b) the whole (and the whole only) of the LIL Loan outstanding under the New Construction Tranches and Working Capital Revolving Tranches, in each case, by paying to the Collateral Agent, for the account of the Intermediary Trust, and after the Assignment, for the account of the Funding Vehicle, before 1:00 p.m., Newfoundland Time, on the LIL Voluntary Prepayment Date an amount equal to the sum of (i) the aggregate principal amount of the LIL Loan under the Initial Construction Tranches or, as the case may be, under the New Construction Tranches and Working Capital Revolving Tranches; (ii) accrued and unpaid (a) interest on such principal amount, and (b) LIL Stand-By Fee, in an aggregate amount which, together, shall be equal to the aggregate amount of interest accrued on the FV Bonds which will be payable on the FV Bond Redemption Date; and (iii) the LIL Make-Whole Amount.

2.7.2 The Partnership shall issue a LIL Voluntary Prepayment Notice at the latest by 10:00 a.m., Newfoundland Time, at least 35 days prior to the proposed LIL Voluntary Prepayment Date. Once delivered, no LIL Voluntary Prepayment Notice may be revoked or withdrawn by the Partnership.

2.7.3 Upon a LIL Voluntary Prepayment Notice having been so given, the LIL Loan under the Initial Construction Tranches or, as the case may be, under the New Construction Tranches and Working Capital Revolving Tranches will thereupon be due and payable in an amount equal to that set forth in subsection 2.7.1 on the LIL Voluntary Prepayment Date, in the same

manner and with the same effect as if such date were the maturity date of such LIL Loan, anything herein to the contrary notwithstanding, and from and after such LIL Voluntary Prepayment, if the moneys necessary to prepay such LIL Loan are paid as herein provided, such LIL Loan will not be considered outstanding hereunder and interest and Stand-By Fee will cease in respect of the portion of the LIL Facilities relating to such LIL Loan.

**2.8 Sinking Fund Account Payments**

The Partnership hereby agrees to pay to the Collateral Agent for deposit in the Sinking Fund Account, on each Sinking Fund Deposit Date, an amount equal to the amount as is set forth beside each such Sinking Fund Deposit Date in Schedule "X" hereto (each such payment being a "**Sinking Fund Payment**"), less any amount transferred to the Sinking Fund Account pursuant to Section 2.9 and required to be imputed towards such Sinking Fund Payment in accordance with the provisions of Section 2.9. Amounts so deposited in the Sinking Fund Account shall only be released by the Collateral Agent in accordance with Section 8.10. The Partnership shall invest any amounts held in the Sinking Fund Account in accordance with Schedule "Y".

**2.9 Prepayment of Sinking Fund Account**

If as a result of the application of paragraphs (v) to (xvi) of the definition of "Final Funding Request":

- 2.9.1 there remains a balance in the Partnership Project Funding Account or the Partnership Project Operating Account, the aggregate amount of such balance, as calculated pursuant to paragraph (xvii) of the definition of "Final Funding Request", shall on the date of the Advance, Base Equity Contribution or Contingency Equity Contribution relating to the Final Funding Request, be transferred to the Sinking Fund Account;
- 2.9.2 the Available LIL Construction Facility is greater than nil, an Advance shall be deemed to have been requested pursuant to the LIL Draw Request delivered in connection with the Final Funding Request in an amount sufficient to reduce the Available LIL Construction Facility to nil, and such amount shall be deposited into the Sinking Fund Account; and
- 2.9.3 the Available Working Capital Revolving Facility is greater than nil, an Advance shall be deemed to have been requested pursuant to the LIL Draw Request delivered in connection with the Final Funding Request in an amount sufficient to reduce the Available Working Capital Revolving Facility to nil, and such amount shall be deposited into the Sinking Fund Account;

and the amounts contemplated in subsections 2.9.1, 2.9.2 and 2.9.3 shall be imputed, on a proportionate basis, to each of the Sinking Fund Payments set forth in Schedule "X" hereto for each Sinking Fund Deposit Date in the chronological order thereof.

2.10 **Conversion of the Working Capital Revolving Loan**

Immediately following the Commissioning Date, the Working Capital Revolving Loan, in principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, shall automatically be converted into amounts outstanding under the LIL Construction Facility, and shall be allocated on a proportionate basis among the New Construction Tranches.

**ARTICLE 3**

**INTEREST, STAND-BY FEE AND GUARANTEE FEE**

3.1 **Interest**

- 3.1.1 The Partnership hereby covenants and agrees to pay to the Collateral Agent, for the account of the Intermediary Trust, and after the Assignment, for the account of the Funding Vehicle, interest on each Construction Tranche and Working Capital Revolving Tranche at an annual rate equal to the Applicable Interest Rate applicable to such Construction Tranche or Working Capital Revolving Tranche, as the case may be, such interest to be reduced during the Construction Period in accordance with subsection 3.2.1, and during the Operating Period in accordance with subsection 3.1.8.
- 3.1.2 The principal amount of the LIL Loan shall bear interest from and including the date of the first Advance hereunder at a rate equal to the Applicable Interest Rate payable semi-annually in arrears on each LIL Interest Payment Date, such interest to be reduced during the Construction Period in accordance with subsection 3.2.1, and during the Operating Period in accordance with subsection 3.1.8.
- 3.1.3 Interest is payable on each LIL Interest Payment Date (i) in respect of the first LIL Interest Payment Date, in an amount of interest accrued and to accrue from the date of the first Advance hereunder up to and including the second Business Day immediately following such LIL Interest Payment Date, and (ii) in respect of any LIL Interest Payment Date thereafter, in an amount of interest accrued from and including the immediately preceding LIL Interest Payment Date up to and excluding such subsequent LIL Interest Payment Date.
- 3.1.4 Interest on all overdue interest on each Construction Tranche and Working Capital Revolving Tranche shall be calculated, compounded and payable in accordance with the corresponding provisions of the applicable MTI and each relevant Supplemental Indenture as they relate to such Construction Tranche or Working Capital Revolving Tranche, as the case may be, as set forth in the definition of Applicable Interest Rate.

- 3.1.5 Interest payable on each Construction Tranche and Working Capital Revolving Tranche shall be payable after as well as before maturity and after as well as before default and judgement.
- 3.1.6 As additional interest payable on the principal amount of the LIL Loan, the Partnership hereby covenants and agrees to pay to the Collateral Agent (i) prior to the Assignment, for the account of the Intermediary Trust, on an annual basis, by the last Business Day of each calendar year during the Construction Period, commencing on December 31, 2014 an amount equal to CDN\$10,000 and thereafter an amount equal to CDN\$15,000, and (ii) as of and from the Assignment, for the account of the Funding Vehicle, on an annual basis, on the last Business Day of each calendar year during the Operating Period, an amount equal to CDN\$10,000.
- 3.1.7 The Partnership shall have the option to prepay, on the last Business Day of each month of February starting from, and including, February 2015, interest accrued on the principal amount of the LIL Loan from and including the LIL Interest Payment Date of the month of November of the previous year to and including December 31 of such previous year. Such prepayment shall be made to the Collateral Agent, for the account of the Intermediary Trust, and after the Assignment, for the account of the Funding Vehicle, before 1:00 p.m., Newfoundland Time, on the prepayment date indicated in a prepayment notice to be issued by the Partnership at the latest by 10:00 a.m., Newfoundland Time five Business Days immediately preceding the proposed prepayment date. Once delivered, no such prepayment notice may be revoked or withdrawn by the Partnership. Upon such a prepayment notice having been so given, the amount of the interest to be prepaid as indicated in such prepayment notice will thereupon be due and payable on the prepayment date indicated in such prepayment notice, in the same manner and with the same effect as if such date were the LIL Interest Payment Date applicable thereto, anything herein to the contrary notwithstanding, and from and after such prepayment, if the moneys necessary to prepay such interest are paid as herein provided, such interest will not be considered outstanding hereunder.
- 3.1.8 During the Operating Period, the interest payable by the Partnership pursuant to Article 3 at any time shall be reduced by an amount equal to the total of the amount on deposit in the FV Proceeds Account and the FV Payment Account as at such time, including, for greater certainty, the amounts on deposit in the FV Payment Account as at such time and resulting from any prepayment of interest pursuant to subsection 3.1.7 (as such deposits may be reduced following payment of income tax thereon, if any).

### 3.2 **Stand-By Fee**

- 3.2.1 The Partnership hereby covenants and agrees to pay to the Collateral Agent, for the account of the Intermediary Trust, as of and from the date of the first IT Advance, namely, December 13, 2013, up to and including the last day of

the Construction Period, a stand-by fee in an amount equal to, in respect of each LIL Interest Payment Date, the difference between (i) the aggregate amount of interest payable on such date pursuant to Article 3 of the IT Project Finance Agreement by the Intermediary Trust in respect of the portion of the IT Construction Loan that has not served to fund the LIL Loan to that date; and (ii) the sum of (y) the IT Income on Account Balances on deposit as at such date in the Intermediary Trust Proceeds Account and the Intermediary Trust Payment Account and (z) to the extent not already deducted as a result of the application of subsection 3.1.7 of the IT Project Finance Agreement, the amount on deposit at such time in the FV Proceeds Account and the FV Payment Account (subject to the immediately following proviso, such difference being referred to herein as the "**LIL Stand-By Fee**"), provided, however, that if the result of such calculation is less than nil then (a) the LIL Stand-By Fee shall be nil and (b) the absolute value of the result of such calculation shall be applied in reduction of the interest payable by the Partnership pursuant to Article 3 in such year, and to the extent that the absolute value of the result of such calculation has not been fully applied in reduction of the interest payable by the Partnership pursuant to Article 3 in such year, then the remaining portion of the absolute value of the result of such calculation (as reduced following payment of income tax thereon, if any) shall be applied in reduction of the interest payable by the Partnership pursuant to Article 3 in subsequent years until the full amount of such absolute value (as reduced following payment of income tax thereon, if any) has been applied.

- 3.2.2 The LIL Stand-By Fee is payable on each LIL Interest Payment Date.
- 3.2.3 Interest on all overdue LIL Stand-By Fee shall be calculated, compounded and payable in accordance with, *mutatis mutandis*, the provisions of subsection 3.1.4.
- 3.2.4 The LIL Stand-By Fee payable shall be payable after as well as before maturity and after as well as before default and judgement.
- 3.2.5 As an additional stand-by fee payable in respect of the LIL Facilities, the Partnership hereby covenants and agrees to pay to the Collateral Agent, for the account of the Intermediary Trust, on an annual basis, by the last Business Day of each calendar year during the Construction Period, an amount equal to CDN\$5,000.

### 3.3 **Aggregate Interest and Stand-By Fee payable**

The parties hereby acknowledge and agree, for greater certainty, that the sum of the interest (including interest prepaid pursuant to subsection 3.1.7), the LIL Stand-By Fee payable on each LIL Interest Payment Date during the Construction Period pursuant to Article 3, the IT Income on Account Balances on deposit as at such date in the Intermediary Trust Proceeds Account and in the Intermediary Trust Payment Account

and the total of the amounts on deposit in the FV Proceeds Account and the FV Payment Account shall be at least equal to the aggregate amount of interest payable by the Intermediary Trust, on such date, pursuant to Article 3 of the IT Project Finance Agreement. It is the intention of the parties and the parties hereby acknowledge and agree that any payment and prepayment of interest in respect of the LIL Loan and any payment of LIL Stand-By Fee shall be paid or prepaid, as the case may be, from, first, the Equity Rateable Share and, second, the Debt Rateable Share of any amounts funded pursuant to any Funding Request or Final Funding Request, as the case may be.

### 3.4 **Guarantee Fee**

The Partnership hereby covenants and agrees to pay to the Collateral Agent, for the account of Canada, on an annual basis, starting on the LIL Interest Payment Date in May 2018 and on the LIL Interest Payment Date in May of each year thereafter, a guarantee fee on account of the issuance by Canada of the Additional Federal Loan Guarantee equal to 0.5% of the Net FLG2 Debt (the "**Guarantee Fee**").

## **ARTICLE 4**

### **MANNER OF PAYMENTS**

#### 4.1 **Payments to Collateral Agent Only**

4.1.1 All payments or repayments of principal and interest on the LIL Loan and of fees, including the Guarantee Fee, and other amounts due and to become due hereunder with respect to the LIL Loan and the LIL Facilities by the Partnership must be effected by direct payments in Canadian Dollars to the Collateral Agent at the Collateral Agent's Office only. The receipt by the Collateral Agent of such amounts shall be deemed to constitute the receipt of such amounts by the Intermediary Trust, and, after the Assignment, by the Funding Vehicle, in the case of the Guarantee Fee, for the account of and remittance to Canada.

4.1.2 If for any reason any such payment or repayment is made directly to the Intermediary Trust, or, after the Assignment, the Funding Vehicle, the Intermediary Trust or the Funding Vehicle, as the case may be, shall promptly remit any amount so received to the Collateral Agent at the Collateral Agent's Office.

#### 4.2 **Payment on any Business Day by 3:00 p.m., Newfoundland 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., Newfoundland Time, on any Business Day shall be applied to the appropriate payment or repayment which was required to be made on such Business Day, on the next following Business Day. Until so applied,

interest shall continue to accrue as provided in this Agreement on the amount of such payment or repayment.

## ARTICLE 5

### GUARANTEE

#### 5.1 Guarantee

Opco hereby irrevocably, absolutely and unconditionally guarantees to the Collateral Agent, for the benefit of the GAA Finance Parties the due and timely payment of all payment obligations of the Partnership under the LIL Project Finance Documents at the times, in the currencies and in the manner provided for in the LIL Project Finance Documents (the "**LIL Guaranteed Obligations**").

#### 5.2 Nature of Guarantee

The obligations of Opco hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, Opco shall irrevocably, absolutely and unconditionally pay to the Collateral Agent all such amounts as shall be required from time to time to ensure that the Collateral Agent receives and is paid the full amount of the LIL Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the LIL Guaranteed Obligations or any failure by the Partnership to duly and punctually pay in full the LIL Guaranteed Obligations when due, (b) any loss of any right of the Collateral Agent or any GAA Finance Party against the Partnership in respect of the LIL Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Collateral Agent or any GAA Finance Party in connection with the enforcement of any of the rights of the Collateral Agent or any GAA Finance Party against the Partnership.

#### 5.3 Payment Demand

Within five (5) Business Days of its receipt of a written demand from the Collateral Agent in the form attached as Schedule "A" (a "**LIL Payment Demand**"), Opco shall pay to the Collateral Agent each amount claimed in the Payment Demand in immediately available funds and as directed by the Collateral Agent in the Payment Demand. A Payment Demand will not be valid under this Article 5 unless the amount claimed is due to the Intermediary Trust, or, after the Assignment, the Funding Vehicle, and has not been paid by the Partnership by the time provided on the LIL Due Date. Any amount payable by Opco under this Article 5 which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be payable on the corresponding LIL Guaranteed Obligations owing under the applicable LIL Project Finance Documents.



5.4 **Withholdings**

All amounts payable by Opco under this Article 5 shall be made free and clear of and without deduction for or on account of any present or future Taxes, charges, fees, levies, duties or withholdings of any kind. If Opco is obliged to deduct or withhold an amount in respect of any such Taxes, charges, fees, levies, duties or withholdings, then in such event Opco shall pay to the Collateral Agent such additional amount as is necessary to ensure that the Collateral Agent receives and retains (on an after-Tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such Taxes, charges, fees, levies, duties or withholdings.

5.5 **Statement of Account**

Any statement of account prepared by the Collateral Agent as regards the LIL Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Partnership to the Intermediary Trust and the Collateral Agent, or, after the Assignment, the Funding Vehicle and the Collateral Agent, and Opco hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Collateral Agent agrees to provide Opco with the computations and calculations used by the Collateral Agent to prepare each such statement of account following a request therefor.

5.6 **No Requirement to Exhaust Recourse**

The Collateral Agent shall not be bound to seek or exhaust its recourse or remedies against the Partnership, any other guarantor or any other person nor to enforce, marshal or value any Liens before being entitled to payment under this Article 5.

5.7 **Postponed Subrogation**

Opco shall not be subrogated to any right of the Collateral Agent until (i) indefeasible payment in full of all the LIL Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and (ii) the Intermediary Trust, or, after the Assignment, 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 LIL Project Finance Documents.

Thereafter, Opco (i) shall be subrogated to the rights of the Collateral Agent under, pursuant to and otherwise in respect of all the LIL Project Finance Documents and (ii) may require the Collateral Agent to assign to it and each other person that has made payment of the LIL Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the LIL Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, the Collateral Agent.

5.8 **Set-Off Acknowledgement**

Opco hereby acknowledges and agrees that vis-à-vis the Intermediary Trust (or, after the Assignment, the Funding Vehicle), Canada and the Collateral Agent it has no available remedy of set-off. Accordingly, each payment to be made by Opco hereunder in respect of the LIL Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by Opco hereunder in respect of the LIL Guaranteed Obligations shall be made without regard to any equities between or among any of the Partnership, Opco, the Intermediary Trust (or, after the Assignment, the Funding Vehicle) and the Collateral Agent and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Partnership or Opco may have or have had against the Collateral Agent, the Intermediary Trust (or, after the Assignment, the Funding Vehicle) or any other person.

5.9 **Imputation of moneys received in reduction of LIL Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Collateral Agent from Opco pursuant to the provisions of this Article 5 shall be applied in reduction of the LIL Guaranteed Obligations as provided in the LIL Project Finance Documents.

5.10 **Irregularity in borrowings of no effect on obligations of Opco**

All sums of money, Advances, renewals, commitments and undertakings related to the LIL Guaranteed Obligations borrowed or effectively obtained from the Intermediary Trust by the Partnership pursuant to the LIL Project Finance Documents shall be considered as being part of the LIL Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, Advances, renewals, commitments and undertakings, whether or not the Intermediary Trust or the Collateral Agent was aware of the same, it being expressly understood that any sum which cannot be recovered from Opco as guarantor hereunder for reasons of voidness of the principal obligation may be recovered from Opco under the indemnity contained in Section 5.2 and shall be payable to the Collateral Agent, for the benefit of the GAA Finance Parties, upon demand therefor by the Collateral Agent.

5.11 **No Release of Guarantor**

Until the LIL Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Partnership under the LIL Project Finance Documents have been cancelled and terminated, the obligations of Opco hereunder shall not be reduced, limited or terminated, nor shall Opco be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods

longer than the respective periods then specified therefor and whether or not Opco shall have received notice thereof or assented thereto):

- 5.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the LIL Guaranteed Obligations or the LIL Project Finance Documents;
- 5.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the LIL Guaranteed Obligations;
- 5.11.3 the release of any Liens securing any or all of the LIL Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the LIL Project Finance Documents;
- 5.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to the Collateral Agent or any of the GAA Finance Parties, including but not limited to:
  - 5.11.4.1 any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
  - 5.11.4.2 any election of rights, remedies and/or recourses effected by any of them;
  - 5.11.4.3 any subordination by operation of Applicable Law, whether present or future, of any or all of the LIL Guaranteed Obligations;
  - 5.11.4.4 any election not or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any Lien on any collateral securing any or all of the LIL Guaranteed Obligations;
  - 5.11.4.5 any disallowance, invalidity, illegality, voidness or unenforceability of any or all Liens securing any or all of the LIL Guaranteed Obligations; and
- 5.11.5 any other act or failure to act which varies the risks of Opco hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of Opco from any obligation hereunder.

5.12 **Certain Waivers**

Opco hereby waives:

- 5.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Partnership or any other guarantor or any collateral for any of the LIL Guaranteed Obligations;
- 5.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the LIL Guaranteed Obligations that may at any time be available to the Partnership or any other guarantor. As regards set-offs, Opco confirms the acknowledgement contained in Section 5.8;
- 5.12.3 any notice of acceptance of the incurrence or renewal of any LIL Guaranteed Obligations;
- 5.12.4 all notices which may be required by Applicable Law to preserve any rights against Opco hereunder including, but not limited to, any notice of default, demand, dishonour, presentment and protest;
- 5.12.5 diligence;
- 5.12.6 any defence based upon, arising out of or in any way related to:
  - 5.12.6.1 any claim that any election of remedies by the Collateral Agent or any of the GAA Finance Parties impaired, reduced, released or extinguished any rights that Opco might otherwise have had against the Partnership or any other guarantor;
  - 5.12.6.2 any claim that the LIL Guaranteed Obligations should be strictly construed against the Intermediary Trust (or, after the Assignment, the Funding Vehicle) or the Collateral Agent; and
  - 5.12.6.3 any and all other defences related to the LIL Guaranteed Obligations save and except for the receipt by the Intermediary Trust (or, after the Assignment, the Funding Vehicle) or the Collateral Agent of the full, final and definitive payment of the amount of the LIL Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation in full of all credit facilities, extensions of credit and other financial services under the LIL Project Finance Documents have been fully performed or terminated.

5.13 **No Release in Event of Bankruptcy**

No settlement or discharge of the LIL Guaranteed Obligations shall be effective if any payment by Opco in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and

if such payment is so avoided or reduced, the Collateral Agent shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

5.14 **Additional Security**

The guarantee provided under this Article 5 shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Intermediary Trust (or, after the Assignment, the Funding Vehicle), the Collateral Agent or any of the GAA Finance Parties. None of the GAA Finance Parties, the Collateral Agent or the Intermediary Trust (or, after the Assignment, the Funding Vehicle) shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

5.15 **Continuing Liability of Guarantor**

The LIL Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of Opco hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Partnership or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as the "**LIL Disgorged Amount**"), is recovered from or reimbursed by or for the account of the Intermediary Trust (or, after the Assignment, the Funding Vehicle) or the Collateral Agent for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the LIL Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by the Intermediary Trust (or, after the Assignment, the Funding Vehicle) or the Collateral Agent (whether or not consented to by the Partnership, Opco or any other guarantor) of any claim for any such recovery or payment over. Opco hereby expressly waives the benefit of any Applicable Law of limitations and agrees that it shall be liable hereunder whenever such a recovery or payment ever occurs.

5.16 **Continuance of Guarantee Agreement**

Subject to Section 5.15, the guarantee provided in this Article 5 shall continue in full force and effect until the indefeasible payment, observance and performance in full of the LIL Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation of all the credit facilities, extensions of credit and financial services to the Partnership, provided however that where at any time the Intermediary Trust (or, after the Assignment, the Funding Vehicle) or the Collateral Agent is required to pay over any LIL Disgorged Amount, such person shall be permitted to make a claim therefor under the provisions of Section 5.15.

**5.17 Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

Opco agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Article 5 is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**5.18 Authority to Modify LIL Guaranteed Obligations**

Opco expressly authorizes the Collateral Agent and the Intermediary Trust (or, after the Assignment, the Funding Vehicle) or any one thereof, at any time and from time to time, without notice and without affecting the liability of Opco hereunder, to:

- 5.18.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the LIL Guaranteed Obligations and any security and guarantees therefor;
- 5.18.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the LIL Guaranteed Obligations;
- 5.18.3 accept partial payments on the LIL Guaranteed Obligations;
- 5.18.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the LIL Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Collateral Agent (for the benefit of the GAA Finance Parties) in its discretion may determine; and
- 5.18.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the LIL Project Finance Documents.

**ARTICLE 6**

**SECURITY**

**6.1 Security by the Partnership and Opco**

As general and continuing collateral security for the due payment and performance of the LIL Secured Obligations, each of the Partnership and Opco shall grant first ranking Liens, subject only to Permitted Encumbrances, on all of their respective present and future Assets (other than Excluded Deposits and the Contributed Surplus) to and in favour of the Collateral Agent. For such purpose, on or prior to the first LIL Drawdown, each of the Partnership and Opco shall:

- 6.1.1 execute a collateral trust deed in favour of the LIL Security Trustee (a "**LIL Collateral Trust Deed**");
- 6.1.2 issue a debenture under the terms of the LIL Collateral Trust Deed to which it is a party, to and in favour of the LIL Security Trustee;
- 6.1.3 issue under the terms of the LIL Collateral Trust Deed to which it is a party, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$2,400,000,000;
- 6.1.4 execute a pledge agreement in favour of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, with respect to the senior secured bond referred to in subsection 6.1.3;
- 6.1.5 execute fixture filings in favour of the LIL Security Trustee with respect to the leasehold interests, easement rights and Statutory Easement rights of the Partnership;
- 6.1.6 execute an assignment agreement in favour of the LIL Security Trustee with respect to all insurance;
- 6.1.7 execute a blocked account agreement in favour of the LIL Security Trustee with respect to the LIL Project Accounts;
- 6.1.8 deliver to the Collateral Agent the consent to liens and step-in agreement in favour of the LIL Security Trustee contemplated in the LIL Assets Agreement, the TFA, the LIL Remedies Agreement and the PDMA;
- 6.1.9 deliver to the Collateral Agent, all payment and material bonds, performance bonds and other performance security of any kind provided to the Partnership or Opco naming the LIL Security Trustee as co-obligee thereunder.

Also for such purpose, on or prior to the first LIL Drawdown following the 2017 Closing Date, each of the Partnership and Opco shall:

- 6.1.10 amend the LIL Collateral Trust Deed to which it is a party;
- 6.1.11 amend the debenture issued as contemplated in subsection 6.1.2 under the terms of the LIL Collateral Trust Deed to which it is a party;
- 6.1.12 issue under the terms of the LIL Collateral Trust Deed to which it is a party, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$1,050,000,000;

- 6.1.13 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 6.1.12;
- 6.1.14 deliver to the Collateral Agent, all payment and material bonds, performance bonds and other performance security of any kind provided to the Partnership or Opco naming the LIL Security Trustee as co-obligee thereunder and not already delivered pursuant to subsection 6.1.9.

All of the foregoing documents must be in form and substance satisfactory to the Collateral Agent.

**6.2 Security by the Limited Partners and the General Partner**

As general and continuing collateral security for the due payment and performance of the LIL Secured Obligations, each Limited Partner and the General Partner shall pledge in favour of the Collateral Agent the Capital Stock it holds in the Partnership, it being understood that the recourses of the Collateral Agent pursuant to each such pledge shall be limited to such pledged Capital Stock of the Partnership, with no personal recourse to the Limited Partners. In addition, Nalcor LP shall execute and deliver the Nalcor LP Account Collateral Limited Recourse Security Agreement and the Nalcor LP Blocked Account Agreement.

**6.3 Security by Nalcor**

As general and continuing collateral security for the due payment and performance of the LIL Secured Obligations, Nalcor shall pledge in favour of Canada the Capital Stock it holds in the General Partner and in Opco, it being understood that the recourses of Canada pursuant to such pledge shall be limited to such pledged Capital Stock of the General Partner and of Opco, with no personal recourse to Nalcor.

**6.4 Registration**

Each of the Partnership and Opco shall register, or shall cause to be registered, and hereby authorizes the Collateral Agent and the Collateral Agent's Counsel to register the LIL Security Documents and any financing statement, fixture filing, notice, application for registration or other document in respect thereof, in all offices, including any land registry or land titles office, where such registration is necessary or of advantage, in the opinion of the Collateral Agent's Counsel, to create, preserve, protect and perfect the Liens created under the LIL Security Documents and their validity, effect, perfection and priority at all times.

**6.5 Further Assurances**

On request from the Collateral Agent from time to time, the Partnership and Opco shall execute or cause to be executed, all such agreements, documents and instruments (including any amendment to any LIL Project Finance Document) and do or cause to be done all such other matters and things which in the opinion of the Collateral Agent or the



Collateral Agent's Counsel may be necessary or of advantage to create, preserve, protect or perfect (so far as may be possible under any Applicable Law) the Liens and the validity, effect, perfection and priority intended to be created by the LIL Project Finance Documents or to facilitate realization under such Liens.

6.6 **Discharge of Certain Security**

The Intermediary Trust (or, after the Assignment, the Funding Vehicle) authorizes the Collateral Agent to discharge the Liens created pursuant to the LIL Security Documents, but only in respect of any Assets disposed of in compliance with the provisions of this Agreement.

6.7 **Survival of Security**

The Credit Parties and the Intermediary Trust (or, after the Assignment, the Funding Vehicle) hereby acknowledge and agree that, none of the Liens created pursuant to the LIL Security Documents shall be released until all LIL Secured Obligations are indefeasibly repaid in full, including, for clarity, and without duplication, the repayment in full of all repayments required to be made to Canada under the GAA.

**ARTICLE 7**

**CONDITIONS PRECEDENT**

7.1 **Conditions Precedent to the Second Amendment and Restatement**

Notwithstanding the execution of this Agreement by the parties hereto, the provisions hereof shall not come into force and the provisions of the Principal LIL Project Finance Agreement shall continue to bind the parties hereto until such time as the Collateral Agent shall have issued a notice in writing to the Credit Parties declaring that each of the following conditions precedent (the "**LIL Conditions Precedent to the Second Amendment and Restatement**") has been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent (the date of such notice shall be referred to herein as the "**LIL Second Amendment and Restatement Effective Date**"):

**CORPORATE MATTERS**

- 7.1.1 the Collateral Agent shall have received:
  - 7.1.1.1 true and complete copies of the constitutive documents, charter and by-laws of each of the Credit Parties, Nalcor (as applicable) and Nalcor LP;
  - 7.1.1.2 true and complete copies of the resolutions of the board of directors and/or the shareholders and/or partners, as appropriate, in form and substance satisfactory to the Collateral Agent, authorizing or ratifying the execution and delivery of, and the performance by each of the Credit Parties, Nalcor and Nalcor LP

of its obligations under such of the LIL Project Finance Documents to which it is a party and that are being executed in order to give effect to this Agreement and stating the offices of the Responsible Officers or other Persons who are authorized to sign such documents;

- 7.1.1.3 a certificate, in form and substance satisfactory to the Collateral Agent, stating the name, office and the true signature of each Responsible Officer or other individual of the General Partner, Opco, Nalcor and Nalcor LP executing such of the LIL Project Finance Documents to which it is a party and that are being executed in order to give effect to this Agreement;
- 7.1.1.4 in respect of each of the Credit Parties and Nalcor LP, a certificate of status or compliance or the equivalent thereof from the jurisdiction of its incorporation or formation issued by the appropriate authorities in its jurisdiction of incorporation or formation and, if applicable, in the jurisdiction of its principal place of business;
- 7.1.1.5 orders in council from NL Crown or other forms of provincial government authorizations for purposes of authorizing such of the LIL Project Finance Documents to which it is a party and that are being executed in order to give effect to this Agreement;

#### **FINANCIAL DUE DILIGENCE**

- 7.1.2 since the last Funding Request delivered pursuant to the Principal LIL Project Finance Agreement, no event has occurred or failed to occur which has or would have a Material Adverse Effect;

#### **PROJECT DUE DILIGENCE**

- 7.1.3 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, a certificate executed by a Responsible Officer of Devco and a Responsible Officer of the General Partner, in each case in his capacity as an officer of, respectively, Devco and the General Partner and without personal liability, attesting that the Partnership has or has had obtained all Authorizations which, under Applicable Law are necessary to obtain in connection with the Project and the Initial Material Project Documents, save as disclosed in Part V of Schedule "B" and other than those not yet required under Applicable Law and which are expected to be obtainable in the ordinary course, as and when so required;
- 7.1.4 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, a final report from the Insurance Consultant,

addressing the insurance coverage for the Project as required by the scope of work and proposal issued by the Insurance Consultant;

- 7.1.5 the Collateral Agent shall be satisfied that the funding of the Project Costs shall be made substantially in accordance with and as set forth in Schedule "E";
- 7.1.6 there shall be no litigation, proceedings, counterclaims or investigations pending or, to the Knowledge of the Partnership, threatened by or before any court or Governmental Authority, other than as described in Schedule "F", challenging or seeking to prohibit the consummation of any of the transactions contemplated in any of the LIL Project Finance Documents, the Initial Material Project Documents or any portion of the Project, or which would result in a Material Adverse Effect;
- 7.1.7 to the Knowledge of the Partnership, no Expropriation Event or adverse zoning or usage change proceeding which would result in a Material Adverse Effect shall have occurred or shall have been threatened against the Project;

#### **MATERIAL PROJECT DOCUMENTS AND OTHER DOCUMENTS**

- 7.1.8 the Collateral Agent shall be satisfied that each of the LIL Project Finance Documents, Initial Material Project Documents, and the Authorizations referred to in Part I of Schedule "B" is in full force and effect and that no material default has occurred and is continuing thereunder;
- 7.1.9 the Collateral Agent shall have received the IGA, duly executed by NL Crown and Canada;

#### **OTHER LOWER CHURCHILL PROJECTS**

- 7.1.10 the Collateral Agent has received confirmation that the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement (other than those set forth in subsection 7.1.11 of the Muskrat/LTA Project Finance Agreement) have been met to the satisfaction of the Muskrat/LTA Collateral Agent, or, as the case may be, waived by the Muskrat/LTA Collateral Agent;
- 7.1.11 the IT Conditions Precedent to the Second Amendment and Restatement (other than those set forth in subsection 7.1.1 of the IT Project Finance Agreement) have been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;

#### **TITLE MATTERS**

- 7.1.12 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, execution search reports and certificates from the Obligors' Real Property Counsel, dated no earlier than three (3) Business Days prior to the 2017 Closing Date, indicating that such of the LIL Real

Property Interests as are in existence as at such date are free and clear of all Liens other than Permitted Encumbrances;

- 7.1.13 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, the title opinions of the Obligors' Real Property Counsel, dated no earlier than three (3) Business Days prior to the 2017 Closing Date, to the effect that the Partnership is the duly registered and lawful owner by good and marketable title of such of the LIL Real Property Interests as are in existence as at such date and that the said property is free and clear of all Liens, except Permitted Encumbrances;

#### **MATTERS RELATING TO SECURITY**

- 7.1.14 the Collateral Agent shall have received all LIL Security Documents duly executed by each appropriate Person, together with evidence in form and substance satisfactory to the Collateral Agent, that all Registrations and other actions necessary or desirable to give the Collateral Agent valid, effective and perfected first ranking Liens in each of the Partnership's and Opco's Assets (other than Excluded Deposits and Contributed Surplus), and in the Limited Partnership Units, subject only to Permitted Encumbrances, have been effected;
- 7.1.15 the Collateral Agent shall have received results of searches of public records by the Obligors' Counsel under the Applicable Laws of such jurisdictions which the Collateral Agent determines appropriate, relating to Lien filings and registrations which may have been made with respect to the Partnership, Opco, the General Partner, Nalcor LP, Emera LP, and each of the Partnership's, Opco's, the General Partner's, Nalcor LP's and Emera LP's personal property Assets and the results of such searches shall be as current to the 2017 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 7.1.16;
- 7.1.16 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that concurrently with the making of the first LIL Drawdown following the 2017 Closing Date, it shall receive releases and discharges with respect to all Liens, other than Permitted Encumbrances (and, in the case of the Limited Partnership Units, other than such Liens thereon that have been subordinated to the Liens created pursuant to the Security Documents) affecting the Partnership, Opco, their respective Assets or the Limited Partnership Units, duly executed by all of the Persons who benefit from such Liens or have been granted security on such Assets;

#### **INSURANCE**

- 7.1.17 to the extent not already provided, the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, copies of

certificates of insurance evidencing all insurance covering the Partnership and required to be maintained by the Partnership pursuant to subsection 10.6.1 and naming the Collateral Agent and the LIL Security Trustee as additional insured and, the Collateral Agent, 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;

- 7.1.18 to the extent not already provided, with respect to any insurance required to be maintained pursuant to any of the Initial Material Project Documents, the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, copies of certificates of insurance evidencing all such insurance and naming the Collateral Agent and the LIL Security Trustee as additional insured and, the Collateral Agent, as first loss payee, accompanied with a standard mortgagee clause;

#### **LEGAL OPINIONS**

- 7.1.19 the Collateral Agent shall have received the legal opinions of the Obligors' Counsel dated the LIL Second Amendment and Restatement Effective Date, regarding the Credit Parties, Nalcor, and Nalcor LP, which shall be in form and substance satisfactory to the Collateral Agent.

Such legal opinions shall cover such matters incident to the transactions contemplated by such of the LIL Project Finance Documents that are being executed in order to give effect to this Agreement, as the Collateral Agent may request, including the legality, validity, binding nature and enforceability thereof;

#### **COMPLIANCE**

- 7.1.20 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the 2017 Closing Date;
- 7.1.21 the Collateral Agent shall have received a certificate from the Partnership as to matters of fact, in form and substance satisfactory to the Collateral Agent, dated the 2017 Closing Date duly executed by a Responsible Officer of the General Partner, acting in his capacity as an officer of the General Partner and without personal liability; and
- 7.1.22 No LIL Event of Default shall have occurred and be continuing.

Notwithstanding the foregoing provisions of this Section 7.1, the last paragraph of Section 7.37.2 shall come into full force and effect immediately upon the execution and delivery of this Agreement.

7.2 **Conditions Precedent to First LIL Drawdown following the LIL Second Amendment and Restatement Effective Date**

At any time following the execution and delivery of this Agreement, the Partnership can request a LIL Drawdown (and such LIL Drawdown shall not be required to occur on a LIL Drawdown Date) to be used exclusively for purposes of funding:

- 7.2.1 the payment of all reasonable fees which each of the Collateral Agent, the Funding Vehicle, the Administrator, the Indenture Trustee, the Fiscal Agent, the Issuer Trustee, the IT Trustee and the Lead Arranger is entitled to receive on or prior to the date of such LIL Drawdown under the Funding Transaction Documents, this Agreement and any agreement with the Credit Parties entered into in connection 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 second Commitment Letter until the date of such LIL Drawdown, including, for greater certainty, the lead arranger fees payable by the Partnership pursuant to the second Commitment Letter and the second Underwriting Agreement; and
- 7.2.2 the reimbursement of all reasonable expenses and costs (including reasonable legal expenses and costs) which each of the Intermediary Trustee, the Collateral Agent, the Funding Vehicle, the Administrator, the IT Administrator, the Indenture Trustee, the Fiscal Agent, the Issuer Trustee, the Lead Arranger and Canada has incurred on or prior to the date of such LIL Drawdown in connection with the IT Project Finance Documents, the Funding Transaction Documents or the LIL Project Finance Documents, and in respect of which any one thereof has requested the Partnership to reimburse same on the date of such LIL Drawdown, provided, however, that such expenses and costs in respect of Canada shall be limited to reasonable third party expenses and costs of the advisors engaged by Canada up to the date of such LIL Drawdown in connection with the LIL Project Finance Documents, and such expenses and costs in respect of the Lead Arranger shall be limited to expenses and costs incurred from the acceptance by the Funding Vehicle of the second Commitment Letter until the date of such LIL Drawdown.

subject to and upon compliance with all of the relevant terms and conditions of this Agreement, and provided, however, that the LIL Conditions Precedent to the Second Amendment and Restatement have been met or, as the case may be, waived by the Collateral Agent, and the following conditions (the "**Second Amendment and Restatement First LIL Drawdown Conditions Precedent**") are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by it:

**FUNDING REQUEST**

- 7.2.3 the Collateral Agent shall have received a Funding Request at least one (1) Business Day before the date on which such LIL Drawdown is expected to

occur in respect of the amounts contemplated in subsections 7.2.1 and 7.2.2, and concurrently, shall also have received a LIL Draw Request in connection with the LIL Drawdown required further to such Funding Request;

- 7.2.4 the Collateral Agent has received confirmation that the Second Amendment and Restatement First Muskrat/LTA Drawdown Conditions Precedent have been met to the satisfaction of the Muskrat/LTA Collateral Agent, or, as the case may be, waived by the Muskrat/LTA Collateral Agent (other than those set forth in subsection 7.3.7 of the Muskrat/LTA Project Finance Agreement);

## **COMPLIANCE**

- 7.2.5 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 at the date of such LIL Drawdown; and

- 7.2.6 no LIL Event of Default shall have occurred and be continuing.

## **7.3 Conditions Precedent to LIL Drawdowns under the LIL Construction Facility**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the Construction Period, upon or following the Second Amendment and Restatement First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a LIL Drawdown (other than the Punch List Costs Drawdown, the Demobilization Costs Drawdown and the DSRA Drawdown) under the LIL Construction Facility (and to the extent that the provisions of Section 7.9 are applicable, a LIL Drawdown under the Working Capital Revolving Facility), no more than once per calendar month and only if the following conditions are met to the satisfaction of the Collateral Agent, or waived by it (provided, however, that with respect to any portion of any Advance to be used to pay Soft Costs comprised of the Guarantee Fee, interest on the LIL Loan, the LIL Stand-By Fee and any Sinking Fund Payment, such portion of such Advance shall be advanced on the relevant LIL Drawdown Date notwithstanding that the conditions set forth in this Section may not have been met, in whole or in part):

## **FUNDING REQUEST**

- 7.3.1 the Collateral Agent and the Independent Engineer shall have received a Funding Request:
- 7.3.1.1 other than in the case of a Funding Request delivered in May or November, on the sixth (6<sup>th</sup>) Business Day; and
  - 7.3.1.2 in the case of a Funding Request delivered in May or November, on the seventh (7<sup>th</sup>) Business Day;

prior to the last day of the month during which such Funding Request shall have been delivered, provided, however, that the Partnership may not issue more than one Funding Request per month. Each Funding Request shall be accompanied by supporting documentation for such Funding Request in the form attached hereto as Schedule "BB";

### **CONSTRUCTION REPORT**

- 7.3.2 the Collateral Agent and the Independent Engineer shall have received in the same month as the month of delivery of a Funding Request pursuant to subsection 7.3.1 (or subsection **Erreur ! Source du renvoi introuvable.**, as the case may be), and in accordance with the provisions of Section 11.3, a copy of the most recent Construction Report;
- 7.3.3 the Collateral Agent shall have received one copy of the Independent Engineer's Confirmation.

Where the Funding Request or any of the supporting documentation or information intended to form part thereof are, in the opinion of the Collateral Agent or the Independent Engineer, either inadequate, incomplete or insufficient, the Collateral Agent shall notify the Partnership of such fact and of the required additional or different documentation or information;

### **MATERIAL PROJECT DOCUMENTS**

- 7.3.4 the Collateral Agent shall have received copies of the signed execution version of each of the Additional Material Project Documents entered into since the date of the last Construction Report to the date of the Construction Report received pursuant to subsection 7.3.2, which, in each case, shall be in form and substance satisfactory to the Collateral Agent;
- 7.3.5 no material default shall have occurred and be continuing under any Material Project Document or any Authorization in effect with respect to the Project;
- 7.3.6 the Partnership shall have or have had obtained all Authorizations (to the extent not already obtained) which, under Applicable Law, as of the date of the Construction Report received pursuant to subsection 7.3.2, are necessary to have been obtained in connection with the Project and the work currently being performed on the Project, none of the foregoing being subject to any condition or containing any qualifications unsatisfactory to the Collateral Agent, based on the report issued by the Independent Engineer, and all applicable waiting periods shall have expired without any action being taken by any competent authority that would prevent or adversely affect the ability of the Partnership to achieve Commissioning by the Date Certain;



**INSURANCE**

- 7.3.7 with respect to any insurance required to be maintained pursuant to any of the Additional Material Project Documents referred to in subsection 7.3.4 and to the extent not already covered by the certificate delivered pursuant to subsection 7.1.17 or 7.1.18, the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, copies of certificates of insurance evidencing all such insurance and naming the Collateral Agent and LIL Security Trustee as additional insured and, the Collateral Agent, as first loss payee, accompanied with a standard mortgagee clause;

**TITLE MATTERS**

- 7.3.8 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, updated execution search reports and certificates from the Obligors' Real Property Counsel, dated not earlier than three (3) Business Days' prior to the LIL Drawdown Date, indicating that since the effective date of the most recent execution search reports and certificates delivered hereunder, no Liens other than Permitted Encumbrances have been registered against such of the LIL Real Property Interests as are in existence as at such time;
- 7.3.9 the Collateral Agent shall have received a written confirmation from the Obligors' Real Property Counsel or such other evidence, in form and substance satisfactory to the Collateral Agent, that, as regards such of the LIL Real Property Interests as are in existence as at such time, all realty taxes that are due and payable have been fully paid;

**COMPLIANCE AND DISBURSEMENT UNDER THE LIL CONSTRUCTION FACILITY**

- 7.3.10 the Collateral Agent shall have received a LIL Draw Request within the time periods herein provided requesting a LIL Drawdown on the LIL Drawdown Date in an amount equal to the amount calculated pursuant to paragraph (vi) of the definition of "Funding Request" with respect to the Funding Requirements to which such LIL Drawdown relates, and, in the case that a LIL Drawdown under the Working Capital Revolving Facility is to be effected pursuant to Section 7.9, the Collateral Agent shall have also received a Working Capital Revolving Funding Request within the aforesaid time periods;
- 7.3.11 the Collateral Agent shall have confirmed that the amount of the requested LIL Drawdown is not greater than the Available LIL Construction Facility, plus, where such LIL Drawdown is to be effected, in whole or in part, by a LIL Drawdown under the Working Capital Revolving Facility pursuant to Section 7.9, the Available Working Capital Revolving Facility;

- 7.3.12 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent that all contractors, subcontractors and other Persons working on the construction or towards the Commissioning of the Project have been paid all amounts owing to them pursuant to the Material Project Documents, save for any amount being claimed and contested, any amounts that have been paid into court or otherwise posted pursuant to such contestation, and any required holdbacks and the amounts to be paid to them out of the proceeds of the requested LIL Drawdown;
- 7.3.13 at any time (i) prior to the date on which the DER first becomes equal to 75% following the 2017 Closing Date, provided, however, that each of the conditions precedent set forth in this Section are at such time met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent, the amount of the requested LIL Drawdown shall be disbursed in accordance with the terms hereof without any equity Investment being required provided further, however, that where a LIL Drawdown without a concurrent equity Investment would result in a DER that exceeds 75%, then clause (ii) of this subsection shall be deemed to apply instead (ii) following the date on which DER first becomes equal to 75%, the Collateral Agent shall have received, or there shall have been deposited in the Partnership Project Funding Account, the Base Equity Contribution or Contingency Equity Contribution, as the case may be, in the proportion required pursuant to the Equity Rateable Share. The Collateral Agent acknowledges and agrees that in the case of clause (ii) of this subsection, any such disbursement shall be made in accordance with and subject to Section 2.9 of the ESA and Section 2.4 of the ESG;
- 7.3.14 in the case that a LIL Drawdown under the Working Capital Revolving Facility is to be effected pursuant to Section 7.9, the Partnership shall have requested pursuant to the Deposit Note Letter Agreement that the FRDN be purchased from the Intermediary Trust on the relevant LIL Drawdown Date, provided, however, that where any portion of the proceeds of a previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remains on deposit at such time in the Intermediary Trust Proceeds Account, the amount of the purchase of the FRDN required to be requested by the Partnership under this subsection 7.3.14 shall be the difference between the amount of the LIL Drawdown to be effected under the Working Capital Revolving Facility and the amount of the proceeds of such previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remaining on deposit at such time in the Intermediary Trust Proceeds Account. Such request shall be made by way of a written request in the form set forth in Schedule "II";
- 7.3.15 in the case that a LIL Drawdown under the Working Capital Revolving Facility is to be effected pursuant to Section 7.9, the entirety or the portion, as the case may be, of the FRDN requested to be purchased pursuant to the written request delivered by the Partnership as contemplated in

subsection 7.3.14 shall have been purchased by the issuer of the FRDN, and the amount of the purchase price in connection with such purchase shall have been transferred to the Intermediary Trust Proceeds Account;

7.3.16 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and

7.3.17 no LIL Event of Default shall have occurred and be continuing.

It is hereby acknowledged and agreed that the Partnership may request a LIL Drawdown prior to the date on which the LIL Conditions Precedent to the Second Amendment and Restatement have been met to the satisfaction of the Collateral Agent, or as the case may be, waived by the Collateral Agent, and that should the LIL Conditions Precedent to the Second Amendment and Restatement not be met to the satisfaction of the Collateral Agent, or as the case may be, waived by the Collateral Agent, by no later than May 30, 2017, then the Funding Request delivered in connection with such LIL Drawdown shall be deemed to have been delivered pursuant to the terms of the Principal LIL Project Finance Agreement.

7.4 **Conditions Precedent to LIL Drawdown under the LIL Construction Facility on Account of the Punch List Costs**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Second Amendment and Restatement First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a single LIL Drawdown under the LIL Construction Facility on account of the Punch List Costs Drawdown immediately prior to the Commissioning Date, concurrently with the Demobilization Costs Drawdown and the DSRA LIL Drawdown (all such LIL Drawdowns being together the final LIL Drawdowns under the LIL Construction Facility) (and to the extent that the provisions of Section 7.9 are applicable, a LIL Drawdown under the Working Capital Revolving Facility) but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

7.4.1 the Collateral Agent and the Independent Engineer shall have received a LIL Draw Request within the time periods herein provided requesting a LIL Drawdown on the LIL Drawdown Date in an amount equal to the Punch List Costs Drawdown together with:

7.4.1.1 other than in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the sixth (6<sup>th</sup>) Business Day; and

7.4.1.2 in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the seventh (7<sup>th</sup>) Business Day;

prior to the last day of the month during which such Final Funding Request shall have been delivered;

7.4.2 the Collateral Agent shall have received the Base Equity Contribution or Contingency Equity Contribution, as the case may be, in the proportion required pursuant to the Equity Rateable Share. The Collateral Agent acknowledges and agrees that such disbursement shall be made in accordance with and subject to Section 2.9 of the ESA and Section 2.4 of the ESG;

7.4.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.7.6 and 7.7.13) has been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;

7.4.4 the Collateral Agent shall have confirmed that the amount of the requested LIL Drawdown is not greater than the Available LIL Construction Facility, plus, where such LIL Drawdown is to be effected, in whole or in part, by a LIL Drawdown under the Working Capital Revolving Facility pursuant to Section 7.9, the Available Working Capital Revolving Facility (taking into account the concurrent Demobilization Costs Drawdown and DSRA Drawdown);

7.4.5 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and

7.4.6 no LIL Event of Default shall have occurred and be continuing.

7.5 **Conditions Precedent to LIL Drawdown under the LIL Construction Facility on Account of the Demobilization Costs**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Second Amendment and Restatement First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a single LIL Drawdown under the LIL Construction Facility on account of the Demobilization Costs Drawdown immediately prior to the Commissioning Date, concurrently with the Punch List Costs Drawdown and the DSRA Drawdown (all such LIL Drawdowns being together the final LIL Drawdowns under the LIL Construction Facility) (and to the extent that the provisions of Section 7.9 are applicable, a LIL Drawdown under the Working Capital Revolving Facility) but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

7.5.1 the Collateral Agent and the Independent Engineer shall have received a LIL Draw Request within the time periods herein provided requesting a LIL Drawdown on the LIL Drawdown Date in an amount equal to the Demobilization Costs Drawdown together with:

7.5.1.1 other than in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the sixth (6<sup>th</sup>) Business Day; and

7.5.1.2 in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the seventh (7<sup>th</sup>) Business Day;

prior to the last day of the month during which such Final Funding Request shall have been delivered;

7.5.2 the Collateral Agent shall have received the Base Equity Contribution or Contingency Equity Contribution, as the case may be, in the proportion required pursuant to the Equity Rateable Share. The Collateral Agent acknowledges and agrees that such disbursement shall be made in accordance with and subject to Section 2.9 of the ESA and Section 2.4 of the ESG;

7.5.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.7.6 and 7.7.14) has been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;

7.5.4 the Collateral Agent shall have confirmed that the amount of the requested LIL Drawdown is not greater than the Available LIL Construction Facility, plus, where such LIL Drawdown is to be effected, in whole or in part, by a LIL Drawdown under the Working Capital Revolving Facility pursuant to Section 7.9, the Available Working Capital Revolving Facility (taking into account the concurrent Punch List Costs Drawdown and DSRA Drawdown);

7.5.5 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and

7.5.6 no LIL Event of Default shall have occurred and be continuing.

7.6 **Conditions Precedent to LIL Drawdown under the LIL Construction Facility on Account of the DSRA Drawdown**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Second Amendment and Restatement First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the Partnership can request a single LIL Drawdown under the LIL Construction Facility on account of the DSRA Drawdown immediately prior to the Commissioning

Date, concurrently with the Demobilization Costs Drawdown and the Punch List Costs Drawdown (all such LIL Drawdowns being together the final LIL Drawdowns under the LIL Construction Facility) (and to the extent that the provisions of Section 7.9 are applicable, a LIL Drawdown under the Working Capital Revolving Facility) but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

- 7.6.1 the Collateral Agent and the Independent Engineer shall have received a LIL Draw Request within the time periods herein provided requesting a LIL Drawdown on the LIL Drawdown Date in an amount equal to the DSRA Drawdown together with:
  - 7.6.1.1 other than in the case of a Final Funding Request delivered in May or November, a Final Funding Request on the sixth (6<sup>th</sup>) 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 (7<sup>th</sup>) Business Day;prior to the last day of the month during which such Final Funding Request shall have been delivered;
- 7.6.2 the Collateral Agent shall have received the DSRA Equity Contribution. The Collateral Agent acknowledges and agrees that such disbursement shall be made in accordance with and subject to Section 2.9 of the ESA and Section 2.4 of the ESG;
- 7.6.3 each of the Conditions Precedent to Commissioning (other than under subsections 7.7.6 and 7.7.15) has been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;
- 7.6.4 the Collateral Agent shall have confirmed that the amount of the requested LIL Drawdown is not greater than the Available LIL Construction Facility, plus, where such LIL Drawdown is to be effected, in whole or in part, by a LIL Drawdown under the Working Capital Revolving Facility pursuant to Section 7.9, the Available Working Capital Revolving Facility (taking into account the concurrent Punch List Costs Drawdown and Demobilization Costs Drawdown);
- 7.6.5 except to the extent that they are stated to be made as of a specific date, the representations and warranties made under this Agreement are true, accurate and complete in all material respects as of the date of such requested LIL Drawdown; and
- 7.6.6 no LIL Event of Default shall have occurred and be continuing.

7.7 **Conditions Precedent to Commissioning**

The Commissioning Date shall occur upon all of the following conditions precedent (the "**Conditions Precedent to Commissioning**") having been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent, the whole by no later than the Date Certain:

- 7.7.1 the Collateral Agent and the Independent Engineer shall have received the Commissioning Certificate;
- 7.7.2 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, a certificate from the Independent Engineer, certifying, *inter alia*, that in its opinion all information, opinions and calculations given and made in the Commissioning Certificate are reasonable and accurate in all material respects and have been verified by the Independent Engineer and that:
  - 7.7.2.1 Commissioning Tests have been achieved and it has no reason to believe that the Project has not been constructed in all material respects in accordance with the Project Plans and Good Utility Practice; and
  - 7.7.2.2 the commissioning and interconnection tests have been performed and met in accordance with the Material Project Documents;
- 7.7.3 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, updated execution search reports and certificates from the Obligors' Real Property Counsel, dated no earlier than three (3) Business Days prior to the Commissioning Date, indicating that since the effective date of the most recent execution search reports and certificates delivered hereunder, no Liens other than Permitted Encumbrances have been registered against any of such of the LIL Real Property Interests as are in existence as at such time;
- 7.7.4 the Collateral Agent shall have received a written confirmation from the Obligors' Real Property Counsel or such other evidence, in form and substance satisfactory to the Collateral Agent, that, as regards such of the LIL Real Property Interests as are in existence as at such time, all realty taxes that are due and payable have been fully paid;
- 7.7.5 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that all contractors, subcontractors and other Persons working on the construction or towards the Commissioning of the Project have been paid all amounts owing to them pursuant to the Material Project Documents other than Punch List Items and Demobilization List Items;

- 7.7.6 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, of the establishment and funding of the DSRA, the Partnership Punch List Costs Account and the Partnership Demobilization Costs Account as required by the terms hereof;
- 7.7.7 the Collateral Agent shall have received evidence satisfactory to the Collateral Agent that all work on the Project requiring inspection as of such date by any Governmental Authorities having jurisdiction has been duly inspected and approved by such authorities and that any certificates or notices required to be issued in connection therewith have been issued by such Governmental Authorities, that all parties performing such work have been or will be paid for such work and that no Liens or application therefor have been filed;
- 7.7.8 the Partnership shall have provided access to the Independent Engineer, to copies of all the relevant operating and maintenance manuals in respect of the Project, as have been provided in final form by the relevant vendors and suppliers;
- 7.7.9 the Collateral Agent shall have received, in form and substance satisfactory to the Collateral Agent, without duplication of any item already received hereunder, copies of certificates of insurance evidencing all insurance covering each of the Partnership and Opco and required to be maintained pursuant to subsection 10.6.2 and naming the Collateral Agent and the LIL Security Trustee as additional insured and, the Collateral Agent, as first loss payee, accompanied with a satisfactory mortgagee clause;
- 7.7.10 each of the Partnership and Opco shall have or have had obtained all Authorizations (to the extent not already obtained) which under Applicable Law are necessary to obtain or have obtained, in the opinion of the Collateral Agent in connection with the operation of the Project, none of the foregoing being subject to any condition or containing any qualifications unsatisfactory to the Collateral Agent, without duplication of any item already received hereunder, and all applicable waiting periods shall have expired;
- 7.7.11 without duplication of any item already received hereunder, the Collateral Agent shall have received a certificate of compliance issued by the Workplace Safety and Insurance Board certifying compliance with the *Workplace Health, Safety and Compensation Act* (NL) including payments due, if any, thereunder;
- 7.7.12 the Collateral Agent shall have received a copy of the signed execution version of the MSA, which shall be in form and substance satisfactory to the Collateral Agent;
- 7.7.13 to the extent that the Available LIL Construction Facility or the Available Working Capital Revolving Facility is more than nil immediately prior to 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, each of the conditions precedent set forth in Section 0 shall have been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;

- 7.7.14 to the extent that the Available LIL Construction Facility or the Available Working Capital Revolving Facility is more than nil immediately prior to 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, each of the conditions precedent set forth in Section 7.5 shall have been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent;
- 7.7.15 to the extent that the Available LIL Construction Facility or the Available Working Capital Revolving Facility is more than nil immediately prior to 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, each of the conditions precedent set forth in Section 7.6 shall have been met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent, provided, however, that if the initial funding of the DSRA occurs on the date on which the DSRA Prefunding occurs, this condition precedent shall not apply;
- 7.7.16 to the extent that the Available LIL Construction Facility and the Available Working Capital Revolving Facility are both nil immediately prior to 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 Collateral Agent shall have received a Final Funding Request delivered in accordance with subsections 7.4.1, 7.5.1 and 7.6.1, and the conditions precedent expressed in subsections 7.4.2, 7.5.2 and 7.6.2 shall have been met.

Once all of the conditions precedent set forth in this Section 7.7 shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent, the Collateral Agent shall issue the Commissioning Confirmation.

7.8 **Conditions Precedent to LIL Drawdown under the Working Capital Revolving Facility**

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 Second Amendment and Restatement First LIL Drawdown Conditions Precedents having been met or, as the case may be, waived by the Collateral Agent (and provided that (i) the LIL Drawdown Date occurs between two successive LIL Drawdown Dates under the LIL Construction Facility and (ii) no LIL Drawdown has been made at any time following the LIL Second Amendment and Restatement Effective Date pursuant to Section 7.9), the

Partnership can request at any time and from time to time a LIL Drawdown under the Working Capital Revolving Facility for deposit into the Partnership Project Operating Account but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

- 7.8.1 the Collateral Agent and the Independent Engineer shall have received a Working Capital Revolving Funding Request by 10:00 a.m., Newfoundland Time, at least one (1) Business Day prior to the LIL Drawdown Date requesting a LIL Drawdown under the Working Capital Revolving Facility on the LIL Drawdown Date in an amount that is less than or equal to the Available Working Capital Revolving Facility. Each Working Capital Revolving Funding Request:
  - 7.8.1.1 shall provide information sufficient to justify the necessity to fund Eligible Project Costs by way of such LIL Drawdown under the Working Capital Revolving Facility prior to the subsequent LIL Drawdown Date under the LIL Construction Facility; and
  - 7.8.1.2 where the Available Working Capital Revolving Facility is insufficient for the purposes of defraying Eligible Project Costs to be paid on the LIL Drawdown Date, and consequently an equity Investment in the Partnership is intended to be made in an amount equal to the difference between such Project Costs and such Available Working Capital Revolving Facility, the Working Capital Revolving Funding Request shall provide notice of such equity Investment;
- 7.8.2 the Collateral Agent shall have confirmed that the amount of the requested LIL Drawdown is not greater than the Available Working Capital Revolving Facility;
- 7.8.3 the Partnership shall have requested pursuant to the Deposit Note Letter Agreement that the FRDN be purchased from the Intermediary Trust on the relevant LIL Drawdown Date, provided, however, that where any portion of the proceeds of a previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remains on deposit at such time in the Intermediary Trust Proceeds Account, the amount of the purchase of the FRDN required to be requested by the Partnership under this subsection 7.8.3 shall be the difference between the amount of the LIL Drawdown to be effected under the Working Capital Revolving Facility and the amount of the proceeds of such previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remaining on deposit at such time in the Intermediary Trust Proceeds Account. Such request shall be made by way of a written request in the form set forth in Schedule "II";
- 7.8.4 the entirety or the portion, as the case may be, of the FRDN requested to be purchased pursuant to the written request delivered by the Partnership as

contemplated in subsection 7.8.3 shall have been purchased by the issuer of the FRDN, and the amount of the purchase price in connection with such purchase shall have been transferred to the Intermediary Trust Proceeds Account;

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 LIL Drawdown; and

7.8.6 no LIL Event of Default shall have occurred and be continuing.

7.9 **Conditions Precedent to LIL Drawdowns under the Working Capital Revolving Facility for Purposes of supplementing LIL Drawdowns under the LIL Construction Facility**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the Construction Period, following the Second Amendment and Restatement First LIL Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent (and where the Available LIL Construction Facility is nil, or where as a result of a LIL Drawdown that is to be concurrent with the relevant LIL Drawdown under the Working Capital Revolving Facility, the Available LIL Construction Facility will be nil), the Partnership can request at any time and from time to time a LIL Drawdown under the Working Capital Revolving Facility for purposes of supplementing a LIL Drawdown under the LIL Construction Facility and for deposit into the Partnership Project Funding Account but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

7.9.1 if such LIL Drawdown under the Working Capital Revolving Facility is requested in connection with a funding of Eligible Project Costs other than Punch List Costs, Demobilization Costs and the DSRA, the conditions precedent set forth in Section 7.3 shall have been met, *mutatis mutandis*; or

7.9.2 if such LIL Drawdown under the Working Capital Revolving Facility is requested in connection with a funding of Punch List Costs, Demobilization Costs and the DSRA, the conditions precedent set forth in Sections 0, 7.5, 7.6 and 7.7 shall have been met, *mutatis mutandis*.

## **ARTICLE 8**

### **PROJECT ACCOUNTS AND APPLICATION OF FUNDS**

8.1 **Partnership Project Funding Account**

On or prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – Project Funding Account" at the Collateral Agent's Office.

8.1.1 During the Construction Period:

8.1.1.1 there shall be deposited directly into the Partnership Project Funding Account:

- (i) the proceeds of all Advances under the LIL Construction Facility made under this Agreement and all Advances under the Working Capital Revolving Facility made under Section 7.9, in each case other than **(a)** Advances under the LIL Construction Facility made under this Agreement and Advances under the Working Capital Revolving Facility made under Section 7.9, in each case required to fund the Debt Rateable Share of the Minimum DSRA Requirement, **(b)** the Punch List Costs Drawdown, **(c)** the Demobilization Costs Drawdown, and **(d)** an Advance under the LIL Construction Facility or the Working Capital Revolving Facility made under subsection 2.9.2 or 2.9.3, as the case may be;
- (ii) the proceeds of all Advances under the LIL Construction Facility made under this Agreement and all Advances under the Working Capital Revolving Facility made under Section 7.9, in each case required to fund the Debt Rateable Share of the Minimum DSRA Requirement;
- (iii) the Punch List Costs Drawdown;
- (iv) the Demobilization Costs Drawdown;
- (v) by Nalcor or Nalcor LP, the proceeds of any Base Equity Contribution (other than a COREA Equity Contribution), as provided for pursuant to Section 2.3 of the ESA;
- (vi) by Nalcor or Nalcor LP, the proceeds of any Contingency Equity Contribution (other than a COREA Equity Contribution), as provided for pursuant to Section 2.4 of the ESA;
- (vii) by Emera LP, the proceeds of any portion of any Base Equity Contribution or Contingency Equity Contribution required to be paid on such date, as provided for pursuant to Section 2.6 of the ESA;
- (viii) the proceeds of any Additional Debt;
- (ix) by NL Crown, any amount paid with respect to the Base Equity Contribution (other than a COREA Equity

Contribution), as provided for pursuant to paragraph 2.3.1.1 or paragraph 2.3.2.1 of the ESG;

- (x) by NL Crown, any amount paid with respect to the Contingency Equity Contribution (other than a COREA Equity Contribution), as provided for pursuant to paragraphs 2.3.1.2 or 2.3.2.2 of the ESG;
- (xi) by NL Crown, any amount paid on account of interest pursuant to Section 2.6 of the ESG (other than an amount of interest paid on account of interest in respect of a COREA Equity Contribution);
- (xii) by Nalcor or Nalcor LP, the proceeds of any DSRA Equity Contribution, as provided for pursuant to Section 2.5 of the ESA, and all amounts transferred from the Cost Overrun Escrow Account pursuant to Section 10.27 for purposes of funding a DSRA Equity Contribution;
- (xiii) by Emera LP, the proceeds of any portion of any DSRA Equity Contribution required to be paid on such date, as provided for pursuant to Section 2.6 of the ESA;
- (xiv) by NL Crown, any amount paid with respect to the DSRA Equity Contribution as provided for pursuant to paragraph 2.3.1.3 or subsection 2.3.3 of the ESG;
- (xv) any amounts to be transferred into the Partnership Project Funding Account pursuant to subsections 8.3.3 and 8.3.4 and paragraphs 8.10.2.2 and 8.10.2.3;
- (xvi) all reimbursements from Governmental Authorities of Sales Taxes; and
- (xvii) any other amounts received by the Partnership (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Construction Period, including insurance or warranty proceeds (but, with respect to insurance proceeds relating to any damage or destruction of the Project, only to the extent they are deposited into the Partnership Project Funding Account pursuant to paragraph 8.6.1.3), liquidated damages and any amounts due and payable to the Partnership pursuant to the LIL Assets Agreement, other than Prepaid Rent (other than any Taxes pertaining thereto) (which shall be deposited directly into the Prepaid Rent Reserve Account pursuant to paragraph 8.4.1.1), but excluding the proceeds of any

equity Investment to which reference is made in paragraph 7.8.1.2, which shall be deposited directly into the Partnership Project Operating Account pursuant to paragraph 8.2.2.1;

- 8.1.1.2 amounts in the Partnership Project Funding Account (other than amounts contemplated in paragraphs 8.1.1.3, 8.1.1.4 or 8.1.1.5) shall be transferred only to the Partnership Project Operating Account to fund withdrawals from the Partnership Project Operating Account pursuant to an approved Funding Request, subject to the application of funds in the following order of priority: to pay **(a)** firstly, rateably, the Various Agent Costs and Expenses, **(b)** secondly, the Intermediary Trust Project Costs and Expenses, **(c)** thirdly, the Funding Vehicle Project Costs and Expenses, **(d)** fourthly, the Canada Project Costs and Expenses and **(e)** fifthly, **(y)** the Other Project Costs, including for purposes of effecting any Sinking Fund Payments into the Sinking Fund Account, effecting any prepayment of interest pursuant to subsection 3.1.7, and effecting a payment of any Taxes of the Partnership currently due and payable or reasonably foreseeable for the next thirty (30) days and with respect to which funds have not already been withdrawn from the Partnership Project Operating Accounts and **(z)** all principal on the Working Capital Revolving Loan;
- 8.1.1.3 amounts in the Partnership Project Funding Account deposited therein pursuant to clauses (ii), (xi) (to the extent the amount deposited pursuant to such clause (xi) relates to the DSRA Equity Contribution), (xii), (xiii) or (xiv) of paragraph 8.1.1.1, including, without limitation, for purposes of a DSRA Prefunding, shall be transferred only to the DSRA;
- 8.1.1.4 amounts in the Partnership Project Funding Account deposited therein pursuant to clause (iii) of paragraph 8.1.1.1 or, for purposes of defraying the Punch List Costs, pursuant to clauses (v), (vi), (vii), (viii), (ix), (x) or (xi) of paragraph 8.1.1.1, shall be transferred only to the Partnership Punch List Costs Account;
- 8.1.1.5 amounts in the Partnership Project Funding Account deposited therein pursuant to clause (iv) of paragraph 8.1.1.1 or, for purposes of defraying the Demobilization Costs, pursuant to clauses (v), (vi), (vii), (viii), (ix), (x) or (xi) of paragraph 8.1.1.1, shall be transferred only to the Partnership Demobilization Costs Account;

- 8.1.1.6 funds in the Partnership Project Funding Account and forming part of the Aggregate Eligible Account Balances shall remain in the Partnership Project Funding Account to be applied for purposes of subsequent Funding Requests as per clause (iv) of the definition of "Funding Request", or, as applicable, the Final Funding Request as per clauses (v), (vi), (vii), (viii) and (xvii) of the definition of "Final Funding Request".
- 8.1.2 During the Operating Period:
- 8.1.2.1 there shall be deposited directly into the Partnership Project Funding Account: (i) any amounts paid as Rent by Opco (other than Prepaid Rent received during the Operating Period on account of a subsequent Operating Year, which shall be deposited directly into the Prepaid Rent Reserve Account pursuant to paragraph 8.4.2.1, and the Rent Attributable to Debt Service, which shall be deposited directly into the Prepaid Debt Service Escrow Account pursuant to paragraph 8.17.1.1), as provided for pursuant to Article 3 of the LIL Lease and Section 6 of the Partnership Step-In Agreement, (ii) any amounts to be transferred into the Partnership Project Funding Account pursuant to paragraph 8.4.2.2 on account of Prepaid Rent previously paid, (iii) the proceeds of any Additional Debt (other than the proceeds of Additional Debt used by the Partnership to pay Sustaining Costs pursuant to Section 7.1 of the LIL Lease), (iv) any amounts to be transferred into the Partnership Project Funding Account pursuant to subsections 8.3.3 and 8.3.4 and paragraphs 8.10.2.2, 8.10.2.3, 8.17.1.2, and 8.17.1.3 (v) all reimbursements from Governmental Authorities of Sales Taxes, and (vi) any other amounts received by the Partnership (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Operating Period, including insurance or warranty proceeds, liquidated damages and any amounts due and payable to the Partnership pursuant to the LIL Lease (other than Rent) or the LIL Remedies Agreement, but excluding (A) Prepaid Rent received during the Operating Period on account of a subsequent Operating Year, which shall be deposited directly into the Prepaid Rent Reserve Account pursuant to paragraph 8.4.2.1 and (B) Rent Attributable to Debt Service, which shall be deposited directly into the Prepaid Debt Service Escrow Account pursuant to paragraph 8.17.1.1 and (C) any Investments in the Partnership or any proceeds of Additional Debt, in each case intended to be used by the Partnership to pay Sustaining Costs pursuant to Section 7.1 of the LIL Lease, which shall be deposited directly into the Partnership Project Operating Account pursuant to paragraph 8.2.3.1, it being understood for greater certainty that any Taxes pertaining to Rent (including Prepaid Rent and Rent

Attributable to Debt Service) shall be deposited directly into the Partnership Project Funding Account.

- 8.1.2.2 funds in the Partnership Project Funding Account shall be applied from time to time in the following order of priority:
- (a) firstly, paid to the Partnership Project Operating Account for rateable application towards the Various Agent Costs and Expenses due and payable;
  - (b) secondly, paid to the Partnership Project Operating Account for application towards the Intermediary Trust Project Costs and Expenses;
  - (c) thirdly, paid to the Partnership Project Operating Account for application towards the Funding Vehicle Project Costs and Expenses;
  - (d) fourthly, paid to the Partnership Project Operating Account for application towards the Canada Project Costs and Expenses;
  - (e) fifthly, paid to the Partnership Project Operating Account for application towards operating costs and Taxes of the Partnership currently due and payable or reasonably foreseeable for the next thirty (30) days and with respect to which funds have not already been withdrawn from the Partnership Project Operating Account, as well as those of each of the Intermediary Trust and the Funding Vehicle, including Taxes as well as all other payments required to be made by the Administrator under the terms of the Administration Agreement and the IT Administrator under the terms of the IT Administration Agreement;
  - (f) sixthly, at any time that any amount is due and payable to Opco pursuant to Section 3.3 of the LIL Lease, paid to the Opco Project Funding Account;
  - (g) seventhly, at any time that any such amount is due, paid to the Partnership Project Operating Account for rateable application towards the payment of **(i)** all interest and the Guarantee Fee in respect of the LIL Loan then due and payable, including any interest prepaid pursuant to subsection 3.1.7, **(ii)** all principal on the LIL Loan, any LIL Make-Whole Amount and any amount to be paid into the Sinking Fund Account then due and payable and **(iii)** all breakage costs and other losses and expenses then due and



payable pursuant to the provisions of the Consolidated Transaction Documents;

- (h) eighthly, from time to time, paid to the DSRA, up to such amounts as may be required in order for the total amount on deposit in the DSRA to be equal to the then Minimum DSRA Requirement, for application in accordance with subsection 8.3.2;
- (i) ninthly, paid to the Partnership Project Operating Account for application towards payment of any amounts due and payable under Additional Debt, including principal and interest, and fees, costs and expenses; and
- (j) tenthly, on Distribution Dates, (i) provided that the Distribution Conditions are then met, all Distribution Funds in the Partnership Project Funding Account shall be released and applied at the Partnership's option, or (ii) if the Distribution Conditions are not then met, all such amounts shall be deposited to and retained in the Partnership Distribution Reserve Account for application in accordance with the terms of subsection 8.5.1.

## 8.2 **Partnership Project Operating Account**

On or prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – Operating Account" at the Collateral Agent's Office (the "**Partnership Project Operating Account**").

8.2.1 From time to time, there shall be transferred to the Partnership Project Operating Account all amounts required to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of subsections 8.1.1 and 8.1.2.

8.2.2 During the Construction Period:

8.2.2.1 there shall be deposited directly into the Partnership Project Operating Account (i) the proceeds of any equity Investment to which reference is made in paragraph 7.8.1.2 and (ii) the proceeds of all Advances under the Working Capital Revolving Facility made under this Agreement, other than the proceeds of any Advances under Section 7.9, which are to be deposited into the Partnership Project Funding Account pursuant to paragraph 8.1.1.1;

8.2.2.2 subject to paragraph 8.2.2.5, funds in the Partnership Project Operating Account (other than funds contemplated in paragraph 8.2.2.1) may be withdrawn from the Partnership

Project Operating Account, but only to the extent applied in accordance with subsection 8.1.1.2, *mutatis mutandis*;

8.2.2.3 funds in the Partnership Project Operating Account deposited therein pursuant to paragraph 8.2.2.1 shall be applied exclusively to the payment of the Project Costs with respect to which the corresponding Working Capital Revolving Funding Request was issued; and

8.2.2.4 subject to paragraph 8.2.2.5, funds in the Partnership Project Operating Account and forming part of the Aggregate Eligible Account Balances shall remain in the Partnership Project Operating Account to be applied for purposes of subsequent Funding Requests as per clause (iv) of the definition of "Funding Request", or, as applicable, the Final Funding Request as per clauses (v), (vi), (vii), (viii) and (xvii) of the definition of "Final Funding Request".

8.2.2.5 funds in the Partnership Project Operating Account which at any time form part of the Aggregate Eligible Account Balances may be used at any time during the period between the issuance of a Funding Request (for purposes of this paragraph, the "first Funding Request") and the next following Funding Request or the Final Funding Request, as the case may be, to defray Project Costs that are evidenced either by (i) an unanticipated invoice received and that was not reported in the first Funding Request or any other preceding Funding Request, the payment of which is required to be made prior to the LIL Drawdown Date following the next Funding Request and (ii) any anticipated invoice received during such period and that was reported in the first Funding Request, but which is for an amount higher than expected and reported in the first Funding Request, and with respect to which the proceeds identified in the first Funding Request are insufficient to pay such higher amount of such invoice.

8.2.3 During the Operating Period:

8.2.3.1 there shall be deposited directly into the Partnership Project Operating Account any Investments in the Partnership or any proceeds of Additional Debt, in each case intended to be used by the Partnership to pay Sustaining Costs (other than any Taxes pertaining thereto) pursuant to Section 7.1 of the LIL Lease;

8.2.3.2 funds in the Partnership Project Operating Account (other than funds contemplated in paragraph 8.2.3.1) may be withdrawn from the Partnership Project Operating Account, but only to the extent

applied in accordance with, including as to the order of priority, clauses (a), (b), (c), (d), (e), (g) and (i) of paragraph 8.1.2.2, *mutatis mutandis*.

- 8.2.3.3 funds deposited in the Partnership Project Operating Account pursuant to paragraph 8.2.3.1 shall be transferred to the Opco Project Operating Account to be applied by Opco as set forth in paragraph 8.12.3.2

### 8.3 **DSRA**

Prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – DSRA" at the Collateral Agent's Office (the "**DSRA**").

- 8.3.1 In the case of an initial funding of the DSRA (i) immediately prior to the Commissioning Date or the date on which the DSRA Prefunding occurs, as the case may be, there shall be transferred to the DSRA all amounts required to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of paragraph 8.1.1.3 and (ii) immediately prior to the Commissioning Date, if applicable, there shall be transferred to the DSRA an amount equal to the amount calculated pursuant to paragraph (vi) of the definition of "Final Funding Request";
- 8.3.2 During the Operating Period, or during the Construction Period, in the event that the initial funding of the DSRA occurs on the date on which the DSRA Prefunding occurs, 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, during the Operating Period, amounts on deposit in the Partnership Project Funding Account in excess of the amounts applied pursuant to clauses (a) to (g) of paragraph 8.1.2.2 and, during the Construction Period, amounts to be deposited therein pursuant to paragraph 8.1.1.3 until the total amount on deposit in the DSRA equals the then Minimum DSRA Requirement;
- 8.3.3 During the Operating Period, or during the Construction Period, in the event that the initial funding of the DSRA occurs on the date on which the DSRA Prefunding occurs, on a monthly basis at any time where the total amount on deposit in the DSRA exceeds the Minimum DSRA Requirement as at such time, the amount of such excess shall be transferred to the Partnership Project Funding Account;
- 8.3.4 The Collateral Agent shall have executed an irrevocable direction pursuant to which during the Operating Period, or during the Construction Period, in the event that the initial funding of the DSRA occurs on the date on which the DSRA Prefunding occurs, at any time that interest constituting LIL Income on Account Balances in respect of the DSRA is to be paid, The Toronto-Dominion Bank, in its capacity as account bank pursuant to the blocked

account agreement entered into pursuant to subsection 6.1.7, shall deposit such LIL Income on Account Balances directly into the Partnership Project Funding Account.

#### 8.4 **Prepaid Rent Reserve Account**

On or prior to the Closing Date, the Partnership shall establish with the Collateral Agent an account called "Partnership – Prepaid Rent Reserve Account" at the Collateral Agent's Office (the "**Prepaid Rent Reserve Account**").

##### 8.4.1 During the Construction Period:

8.4.1.1 there shall be deposited directly into the Prepaid Rent Reserve Account the proceeds of any Prepaid Rent (other than any Taxes pertaining thereto), as provided for pursuant to Section 4.2 of the LIL Assets Agreement and Section 6 of the Partnership Step-In Agreement.

8.4.1.2 from time to time, provided no LIL Event of Default shall have occurred and be continuing, all Income on Prepaid Rent shall be released and applied at the Partnership's option.

##### 8.4.2 During the Operating Period:

8.4.2.1 there shall be deposited directly into the Prepaid Rent Reserve Account the proceeds of any Prepaid Rent (other than any Taxes pertaining thereto), as provided for pursuant to Section 3.7 of the LIL Lease and Section 6 of the Partnership Step-In Agreement.

8.4.2.2 concurrently with any deposit into the Partnership Project Funding Account pursuant to paragraph 8.1.2.1 of any amount paid as Rent by Opco during any month pursuant to paragraph 3.2(b) of the LIL Lease, an amount representing 1/12 of any Prepaid Rent (other than any Taxes pertaining thereto) previously paid by Opco with respect to the Operating Year within which such month occurs shall be transferred to the Partnership Project Funding Account.

8.4.2.3 from time to time, provided no LIL Event of Default shall have occurred and be continuing, all Income on Prepaid Rent shall be released and applied at the Partnership's option.

#### 8.5 **Partnership Distribution Reserve Account**

Prior to the Commissioning Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Distribution Reserve Account" at the Collateral Agent's Office (the "**Partnership Distribution Reserve Account**").

- 8.5.1 During the Operating Period:
- 8.5.1.1 there shall be deposited, from time to time, into the Partnership Distribution Reserve Account amounts on deposit in the Partnership Project Funding Account in excess of the amounts applied pursuant to clauses (a) to (i) of paragraph 8.1.2.2 and which are required to be deposited therein pursuant to clause (j) of paragraph 8.1.2.2.
  - 8.5.1.2 from time to time, on Distribution Dates, funds in the Partnership Distribution Reserve Account shall be released and applied at the Partnership's option, provided that all of the Distribution Conditions are then met.

8.6 **Partnership Insurance Reserve Account**

Prior to the Closing Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Insurance Reserve Account" at the Collateral Agent's Office (the "**Partnership Insurance Reserve Account**").

- 8.6.1 During the Construction Period:
- 8.6.1.1 there shall be deposited, from time to time, into the Partnership Insurance Reserve Account the insurance proceeds contemplated in paragraph 10.6.5.1 to be released and applied by the Partnership to the repair and restoration of the Project.
  - 8.6.1.2 there shall be deposited, from time to time, into the Partnership Insurance Reserve Account the insurance proceeds contemplated in paragraphs 10.6.5.2 and 10.6.5.3 to be released and applied by the Partnership to the repair and restoration of the Project, subject to the Repair Conditions having been satisfied and to the provisions of subsection 10.6.6.
  - 8.6.1.3 insurance proceeds remaining in the Partnership Insurance Reserve Account following the application of paragraphs 8.6.1.1 and 8.6.1.2, and to the extent the repairs and restorations intended to be effected with such insurance proceeds have been fully completed, shall be deposited into the Partnership Project Funding Account.
- 8.6.2 Immediately prior to the Commissioning Date, to the extent the repairs and restorations intended to be effected with the insurance proceeds remaining in the Partnership Insurance Reserve Account at such time have not been completed, such insurance proceeds shall be transferred to the Opco Insurance Reserve Account.

8.7 **Partnership Punch List Costs Account**

Prior to the Commissioning Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Punch List Costs Account" at the Collateral Agent's Office (the "**Partnership Punch List Costs Account**").

8.7.1 Immediately prior to the Commissioning Date, there shall be transferred into the Partnership Punch List Costs Account:

8.7.1.1 all amounts to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of paragraph 8.1.1.4; and

8.7.1.2 an amount equal to the amount calculated pursuant to paragraph (vii) of the definition of "Final Funding Request";

8.7.2 On or about the Commissioning Date, funds in the Partnership Punch List Costs Account shall be transferred to the Opco Punch List Costs Account to be applied by Opco as set forth in subsection 8.15.3.

8.8 **Partnership Demobilization Costs Account**

Prior to the Commissioning Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Demobilization Costs Account" at the Collateral Agent's Office (the "**Partnership Demobilization Costs Account**").

8.8.1 Immediately prior to the Commissioning Date, there shall be transferred into the Partnership Demobilization Costs Account:

8.8.1.1 all amounts to be paid thereto from the Partnership Project Funding Account in accordance with the provisions of paragraph 8.1.1.5; and

8.8.1.2 an amount equal to the amount calculated pursuant to paragraph (viii) of the definition of "Final Funding Request";

8.8.2 On or about the Commissioning Date, funds in the Partnership Demobilization Costs Account shall be transferred to the Opco Demobilization Costs Account to be applied by Opco as set forth in subsection 8.16.3.

8.9 **Intentionally left blank**

8.10 **Sinking Fund Account**

Prior to the Closing Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Sinking Fund Account" at the Collateral Agent's Office (the "**Sinking Fund Account**").

8.10.1 On the date of the Advance, Base Equity Contribution or Contingency Equity Contribution relating to the Final Funding Request, there shall be deposited into the Sinking Fund Account the amounts required to be deposited therein pursuant to Section 2.9;

8.10.2 Starting from the first Sinking Fund Deposit Date:

8.10.2.1 there shall be deposited, from time to time, into the Sinking Fund Account the amounts required to be deposited therein pursuant to clause (e) of paragraph 8.1.1.2 and paragraph 8.2.2.2, and paragraph 8.2.3.2 and clause (g) of paragraph 8.1.2.2;

8.10.2.2 there shall be transferred, on each Corresponding Tranche Maturity Date relating to the Initial Construction Tranches, from the Sinking Fund Account to the Partnership Project Funding Account an amount equal to the lesser of the amount then on deposit in the Sinking Fund Account and the amount of principal on the LIL Loan then due and payable; and

8.10.2.3 on a monthly basis, at any time that there shall be on deposit in the Sinking Fund Account any LIL Income on Account Balances, such LIL Income on Account Balances shall be transferred to the Partnership Project Funding Account, provided, however, that the balance remaining thereafter in the Sinking Fund Account is not less than the amount indicated in Schedule "X" with respect to the date of the proposed transfer and that the Partnership shall have delivered a certificate in the form attached hereto as Schedule "CC", signed by a Responsible Officer of the General Partner in his capacity as an officer of the General Partner and without personal liability.

8.11 **OpcO Project Funding Account**

On or prior to the Closing Date, OpcO shall establish with the Collateral Agent an account called "OpcO – Project Funding Account" at the Collateral Agent's Office (the "**OpcO Project Funding Account**").

8.11.1 During the Construction Period:

8.11.1.1 there shall be deposited directly into the Opco Project Funding Account: **(i)** all reimbursements from Governmental Authorities of Sales Taxes, **(ii)** any Investments in Opco, the proceeds of which are used by Opco to pay Prepaid Rent pursuant to Article 4 of the LIL Assets Agreement, as well as any Taxes pertaining thereto, **(iii)** any other Investments in Opco to be used for the general corporate purposes of Opco and **(iv)** any other amounts received by Opco (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Construction Period, including insurance or warranty proceeds (but, with respect to insurance proceeds relating to any damage or destruction of the Project, only to the extent they are deposited into the Opco Project Funding Account pursuant to paragraph 8.14.2.3), or liquidated damages.

8.11.1.2 funds in the Opco Project Funding Account (other than amounts contemplated in paragraph 8.11.1.3) shall be from time to time paid to the Opco Project Operating Account for application towards the payment of any due and payable obligation of Opco pursuant to the LIL Assets Agreement or otherwise.

8.11.1.3 amounts in the Opco Project Funding Account deposited therein pursuant to clause (ii) of paragraph 8.11.1.1 shall, at the direction of Opco to the Collateral Agent, be transferred directly into the Prepaid Rent Reserve Account, provided, however, that any Taxes pertaining to Prepaid Rent shall be deposited into the Partnership Project Funding Account.

8.11.2 During the Operating Period:

8.11.2.1 there shall be deposited directly into the Opco Project Funding Account: **(i)** any amounts paid as TFA Payments by NLH, as provided for pursuant to Section 3.1 of the TFA and Section 6 of the Opco Step-in Agreement, as well as any Taxes pertaining thereto, **(ii)** any Investment in Opco, the proceeds of which are used by Opco to pay Prepaid Rent pursuant to Article 3 of the LIL Lease, as well as any Taxes pertaining thereto, **(iii)** all reimbursements from Governmental Authorities of Sales Taxes, and **(iv)** any other amounts received by Opco (or, as the case may be, the LIL Security Trustee, in the case of insurance proceeds) during the Operating Period, including insurance or warranty proceeds (but, with respect to insurance proceeds relating to any damage or destruction of the Project, only to the extent they are deposited into the Opco Project Funding Account pursuant to



paragraph 8.14.2.3), or liquidated damages, excluding the amounts described in clause (v) of subsection 8.12.1.

- 8.11.2.2 funds in the Opco Project Funding Account (other than amounts contemplated in subsections 8.11.2.3 and 8.11.2.4) shall be applied from time to time in the following order of priority:
- (a) firstly, at any time that an amount is to be transferred to the Partnership Project Funding Account from the Prepaid Rent Reserve Account pursuant to paragraph 8.4.2.2, (i) provided no LIL Event of Default shall at such time have occurred and be continuing, an amount equal to the amount so transferred pursuant to paragraph 8.4.2.2 shall be released from the Opco Project Funding Account and applied at Opco's option, or (ii) if a LIL Event of Default shall at such time have occurred and be continuing, an amount equal to the amount so transferred pursuant to paragraph 8.4.2.2 shall be transferred from the Opco Project Funding Account to the Opco Distribution Reserve Account and retained therein for application in accordance with Section 8.13.1;
  - (b) secondly, in payment of any amounts that Opco may be required to pay from time to time under the LIL Opco Guarantee, provided, however, that such amounts constitute interest, fees, Guarantee Fee, Sinking Fund Payments and any amounts of principal which are due as at such time, any accelerated amount of principal being expressly excluded save and except in the circumstances contemplated under Section 2.4(a) of the LIL Remedies Agreement;
  - (c) thirdly, paid to the Opco Project Operating Account for application towards the payment of Rent (other than Prepaid Rent), as provided for pursuant to Article 3 of the LIL Lease, plus any Taxes pertaining thereto;
  - (d) fourthly, paid to the Opco Project Operating Account for application towards the payment of Operating and Maintenance Costs and any Taxes (other than Taxes referenced elsewhere in this paragraph 8.11.2.2) 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 Opco Project Operating Account;
  - (e) fifthly, at any time that any amount is due and payable to NLH pursuant to Section 3.3 of the TFA, plus any Taxes

pertaining thereto, such amount shall be released and applied at Opco's option; and

- (f) sixthly, on a monthly basis, 1/12<sup>th</sup> of \$20,000, to be released and applied at Opco's option.

8.11.2.3 amounts in the Opco Project Funding Account deposited therein pursuant to clause (ii) of paragraph 8.11.2.1 and which are to be used by Opco to pay Prepaid Rent pursuant to Article 3 of the LIL Lease, shall, at the direction of Opco to the Collateral Agent, be transferred directly into the Prepaid Rent Reserve Account, provided, however, that any Taxes pertaining to Prepaid Rent shall be deposited into the Partnership Project Funding Account.

8.11.2.4 any portion of any amounts paid as TFA Payments (other than any Taxes pertaining thereto), as provided for pursuant to Section 3.1 of the TFA and Section 6 of the Opco Step-In Agreement intended to be used by Opco for purposes of completing the Punch List Items or the Demobilization List Items, as the case may be, shall be transferred to the Opco Punch List Costs Account or the Opco Demobilization Costs Account, as applicable.

## 8.12 **Opco Project Operating Account**

On or prior to the Closing Date, Opco shall establish with the Collateral Agent an account called "Opco – Operating Account" at the Collateral Agent's Office (the "**Opco Project Operating Account**").

8.12.1 From time to time, there shall be transferred to the Opco Project Operating Account all amounts required to be paid thereto from (i) the Opco Project Funding Account in accordance with the provisions of subsections 8.11.1 and 8.11.2, (ii) the Partnership Project Operating Account in accordance with the provisions of paragraph 8.2.3.3, (iii) the Opco Punch List Costs Account in accordance with the provisions of subsection 8.15.4, (iv) the Opco Demobilization Costs Account in accordance with the provisions of subsection 8.16.4 and (v) any payments made by NLH pursuant to Section 2.5(a) of the LIL Remedies Agreement on account of Sustaining Costs (other than any Taxes pertaining thereto).

8.12.2 During the Construction Period, funds in the Opco Project Operating Account may be withdrawn from the Opco Project Operating Account, but only to the extent applied in accordance with subsection 8.11.1.2, *mutatis mutandis*.

8.12.3 During the Operating Period:

8.12.3.1 funds in the Opco Project Operating Account (other than amounts contemplated in paragraphs 8.12.3.2, 8.12.3.3 and 8.12.3.4) may

be withdrawn from the Opco Project Operating Account, but only to the extent applied in accordance with, including as to the order of priority, clauses (c) and (d) of subsection 8.11.2.2, *mutatis mutandis*.

8.12.3.2 amounts in the Opco Project Operating Account deposited therein pursuant to clauses (ii) and (v) of subsection 8.12.1 shall be applied towards the payment of Sustaining Costs.

8.12.3.3 amounts in the Opco Project Operating Account deposited therein pursuant to subsection 8.15.4 shall be applied towards the payment of Operating and Maintenance Costs.

8.12.3.4 amounts in the Opco Project Operating Account deposited therein pursuant to subsection 8.16.4 shall be applied towards the payment of Operating and Maintenance Costs.

#### 8.13 **Opco Distribution Reserve Account**

Prior to the Commissioning Date, Opco shall establish with the Collateral Agent in the name of Opco an account entitled "Opco – Distribution Reserve Account" at the Collateral Agent's Office (the "**Opco Distribution Reserve Account**").

8.13.1 During the Operating Period:

8.13.1.1 there shall be deposited, from time to time, into the Opco Distribution Reserve Account the amounts required to be deposited therein pursuant to clause (a) of subsection 8.11.2.2.

8.13.1.2 from time to time, funds in the Opco Distribution Reserve Account shall be released and applied at Opco's option, provided that at such time no LIL Event of Default shall have occurred and be continuing.

#### 8.14 **Opco Insurance Reserve Account**

Prior to the Commissioning Date, Opco shall establish with the Collateral Agent in the name of Opco an account entitled "Opco – Insurance Reserve Account" at the Collateral Agent's Office (the "**Opco Insurance Reserve Account**").

8.14.1 On or about the Commissioning Date, there shall be transferred into the Opco Insurance Reserve Account the amounts to be paid thereto from the Partnership Insurance Reserve Account in accordance with the provisions of subsection 8.6.2, to be released and applied by Opco in the same manner as if the provisions of paragraphs 8.6.1.1, 8.6.1.2 or 8.6.1.3, as the case may be, continued to apply.

- 8.14.2 During the Operating Period:
- 8.14.2.1 there shall be deposited, from time to time, into the Opco Insurance Reserve Account the insurance proceeds contemplated in paragraph 10.6.5.1 to be released and applied by Opco to the repair and restoration of the Project.
  - 8.14.2.2 there shall be deposited, from time to time, into the Opco Insurance Reserve Account the insurance proceeds contemplated in paragraphs 10.6.5.2 and 10.6.5.3 to be released and applied by Opco to the repair and restoration of the Project, subject to the Repair Conditions having been satisfied and to the provisions of subsection 10.6.6.
  - 8.14.2.3 insurance proceeds remaining in the Opco Insurance Reserve Account following the application of paragraph 8.14.2.1 and 8.14.2.2, and to the extent the repairs and restorations intended to be effected with such insurance proceeds have been fully completed, shall be deposited into the Opco Project Funding Account.

8.15 **Opco Punch List Costs Account**

Prior to the Commissioning Date, Opco shall establish with the Collateral Agent in the name of Opco an account entitled "Opco – Punch List Costs Account" at the Collateral Agent's Office (the "**Opco Punch List Costs Account**").

- 8.15.1 On or about the Commissioning Date, there shall be transferred from the Partnership Punch List Costs Account into the Opco Punch List Costs Account the full amount referenced in subsection 8.7.1.
- 8.15.2 There shall be deposited, from time to time, into the Opco Punch List Costs Account the amounts to be transferred from the Opco Project Funding Account pursuant to subsection 8.11.2.4 in connection with the Punch List Items.
- 8.15.3 Funds in the Opco Punch List Costs Account shall be applied from time to time towards payment of the Punch List Costs, as same become due and payable, subject to Opco providing the Collateral Agent with a prior written notice of its intention to withdraw sums from the Opco Punch List Costs Account for the purpose of funding Punch List Costs.
- 8.15.4 Funds remaining in the Opco Punch List Costs Account following completion of the Punch List Items in accordance with Section 10.20 shall be transferred to the Opco Project Operating Account to be applied towards the payment of Operating and Maintenance Costs.

8.16 **Opco Demobilization Costs Account**

Prior to the Commissioning Date, Opco shall establish with the Collateral Agent in the name of Opco an account entitled "Opco – Demobilization Costs Account" at the Collateral Agent's Office (the "**Opco Demobilization Costs Account**").

- 8.16.1 On or about the Commissioning Date, there shall be transferred from the Partnership Demobilization Costs Account into the Opco Demobilization Costs Account the full amount referenced in subsection 8.8.1.
- 8.16.2 There shall be deposited, from time to time, into the Opco Demobilization Costs Account the amounts to be transferred from the Opco Project Funding Account pursuant to subsection 8.11.2.4 in connection with the Demobilization List Items.
- 8.16.3 Funds in the Opco Demobilization Costs Account shall be applied from time to time towards payment of the Demobilization Costs, as same become due and payable, subject to Opco providing the Collateral Agent with a prior written notice of its intention to withdraw sums from the Opco Demobilization Costs Account for the purpose of funding Demobilization Costs.
- 8.16.4 Funds remaining in the Opco Demobilization Costs Account following completion of the Demobilization List Items in accordance with Section 10.20, shall be transferred to the Opco Project Operating Account to be applied towards the payment of Operating and Maintenance Costs.

8.17 **Prepaid Debt Service Escrow Account**

Prior to the Commissioning Date, the Partnership shall establish with the Collateral Agent in the name of the Partnership an account entitled "Partnership – Debt Service Escrow Account" at the Collateral Agent's Office (the "**Prepaid Debt Service Escrow Account**").

- 8.17.1 During the Operating Period:
  - 8.17.1.1 there shall be deposited, from time to time, into the Prepaid Debt Service Escrow Account the proceeds of any Rent Attributable to Debt Service (other than any Taxes pertaining thereto);
  - 8.17.1.2 immediately prior to any LIL Interest Payment Date (but, for greater certainty, following the deposit to be made into the Prepaid Debt Service Escrow Account in such month pursuant to paragraph 8.17.1.1), there shall be transferred from the Prepaid Debt Service Escrow Account to the Partnership Project Funding Account the full amount then on deposit in the Prepaid Debt Service Escrow Account;

8.17.1.3 the Partnership shall have executed an irrevocable direction pursuant to which at any time that interest constituting LIL Income on Account Balances in respect of the Prepaid Debt Service Escrow Account is to be paid, The Toronto-Dominion Bank, in its capacity as account bank pursuant to the blocked account agreement entered into pursuant to subsection 6.1.7, shall deposit such LIL Income on Account Balances directly into the Partnership Project Funding Account.

8.18 **Cost Overrun Escrow Account**

Prior to the LIL Amendment and Restatement Effective Date, Nalcor LP shall establish with the Collateral Agent in the name of Nalcor LP an account entitled "Nalcor LP – Cost Overrun Escrow Account" at the Collateral Agent's Office (the "**Cost Overrun Escrow Account**"). Funds shall be transferred to and from the Cost Overrun Escrow Account in accordance with Sections 10.27 and 10.28, the ESA, the Nalcor LP Account Collateral Limited Recourse Security Agreement and the Nalcor LP Blocked Account Agreement.

8.19 **Disbursements by the Collateral Agent**

The Intermediary Trust (or, after the Assignment, the Funding Vehicle) and the Collateral Agent hereby acknowledge and agree that, wheresoever applicable, the Collateral Agent shall effect all transfers of funds relating to the Cost Overrun Escrow Account as well as between LIL Project Accounts contemplated pursuant to the terms of this Article, the ESA and the ESG in accordance with, and subject to, Section 2.9 of the ESA and all other relevant provisions thereof and Section 2.4 of the ESG and all other relevant provisions thereof.

8.20 **Excluded Deposits, Contributed Surplus and amounts on deposit in Cost Overrun Escrow Account**

At any time that either of the Equity Contribution Release Conditions has been satisfied, any amount on deposit in any Partnership Project Account that constitutes an Excluded Deposit and any amount on deposit in any Opco Project Account that constitutes a Contributed Surplus as well as any amount on deposit in the Cost Overrun Escrow Account shall be released and distributed to the Contributing Parties.

**ARTICLE 9**

**REPRESENTATIONS AND WARRANTIES**

To induce the Intermediary Trust (or, after the Assignment, the Funding Vehicle) to make the LIL Facilities available to the Partnership, the Credit Parties represent and warrant to and in favour of the Collateral Agent, for and on behalf of the GAA Finance Parties, as follows:

9.1 **Existence and Good Standing**

Each Credit Party is a corporation or limited partnership duly and validly incorporated or formed, as applicable, validly existing and in good standing under the Laws of NL and has the legal capacity and power to own its Assets, to carry on its business as now being conducted and as proposed to be conducted under the LIL Project Finance Documents in NL and in the case of the Partnership, to undertake, carry on the Project and Commission the Project by the Date Certain.

9.2 **Authority**

Each Credit Party has the requisite capacity and power to enter into each of the LIL Project Finance Documents and the Material Project Documents to which it is a party and perform its obligations thereunder in accordance with the terms and conditions thereof.

9.3 **Due Authorization**

Each Credit Party has taken all necessary action to authorize the execution and delivery by it of each LIL Project Finance Document and Material Project Document to which it is a party, the creation and performance of its obligations thereunder and the creation of the Liens, if any, over its Assets and the consummation of the transactions contemplated thereunder.

9.4 **Due Execution**

Each Credit Party has duly executed and delivered each LIL Project Finance Document and Material Project Document to which it is a party.

9.5 **Non-Conflict**

None of the authorization, execution, delivery or performance of the LIL Project Finance Documents by each Credit Party, nor the creation of Liens in favour of the Collateral Agent and the LIL Security Trustee over the Assets subject thereto, nor the consummation of any of the transactions contemplated in the LIL Project Finance Documents and Material Project Documents:

9.5.1 requires any Authorization to be obtained or Registration to be made (except such as have already been obtained or made and are now in full force and effect), except (i) the Registration of the LIL Security Documents to be made on or about the Closing Date or the 2017 Closing Date, as the case may be, and those to be made against the Future LIL Assets and Rights, as and when same are acquired by the Partnership, and (ii) such Authorizations (a) which by the nature thereof need not be obtained until a future date and (b) as pertain to the Material Project Documents, those listed in Part V of Schedule "B";

- 9.5.2 conflicts with, contravenes or gives rise to any default under (i) any of the Organizational Documents of such Credit Party, (ii) the provisions of any indenture, instrument, agreement or undertaking to which such Credit Party is a party or by which such Credit Party or any of its Assets are or may become bound, or (iii) any Applicable Law, subject to the provisions of subsection 9.5.1(ii)(b); or
- 9.5.3 has resulted or will result in the creation or imposition of any Lien (other than Permitted Encumbrances) upon any of the Assets of such Credit Party.

9.6 **Enforceability**

Each LIL Project Finance Document and Material Project Document to which each Credit Party is a party constitutes a valid and legally binding obligation enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, winding-up, dissolution, administration, reorganization, arrangement or other statutes or judicial decisions affecting the enforcement of creditors' rights in general and to general principles of equity under which specific performance and injunctive relief may be refused by a court in its discretion.

9.7 **Compliance with Law**

Each Credit Party is in compliance with all Applicable Laws, other than Environmental Laws that are addressed specifically in Section 9.20, the non-compliance with which would have a Material Adverse Effect. Moreover, each Credit Party is in compliance with all AML Legislation.

9.8 **Litigation**

Save and except as disclosed in Schedule "F", there is no notice of infraction, action, suit or proceeding pending against (nor, to the Knowledge of the Credit Parties, any notice of infraction, action, suit or proceeding threatened against or in any other manner relating adversely to) any Credit Party or any of its Assets in any court or before any arbitrator of any kind or before or by any Governmental Authority, which, if adversely determined (i) would have a Material Adverse Effect or (ii) would prevent Commissioning of the Project by the Date Certain.

9.9 **Corporate Structure and Location of Assets**

Subject to the notices provided by the Partnership to the Collateral Agent pursuant to Section 10.11, Schedule "G" indicates:

- 9.9.1 each Person holding Capital Stock in each Credit Party;
- 9.9.2 the type of Capital Stock held by each such Person and the percentage of ownership of such party represented by such Capital Stock;



9.9.3 the location of the registered and chief executive offices and the principal place of business of each Credit Party and its jurisdiction of organization; and

9.9.4 the exact name of each Credit Party.

9.10 **No Material Adverse Effect**

No event or events have occurred which have or would have a Material Adverse Effect or would prevent the Partnership from achieving Commissioning of the Project by the Date Certain.

9.11 **Financial Statements**

All of the quarterly and annual Financial Statements which have been furnished to the Collateral Agent in connection with this Agreement are complete in all material respects and such Financial Statements fairly present the financial position of the applicable Credit Parties as of the dates referred to therein and have been prepared in accordance with GAAP except that, in the case of quarterly Financial Statements, notes to the statements and audit adjustments required by GAAP are not included.

9.12 **Accuracy of Information**

To the Knowledge of the Credit Parties, no information furnished by them to the Collateral Agent in connection with any of the LIL Project Finance Documents contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made and as of the date made. No Credit Party has any Knowledge of any undisclosed fact that has or would have a Material Adverse Effect and that has not been otherwise disclosed in writing to the Collateral Agent.

9.13 **Accuracy of Forecasts**

Each financial forecast and projection with respect to the Partnership furnished to the Collateral Agent, including the information and documents delivered pursuant to subsection 7.1.2 of the Initial LIL Project Finance Agreement, was based upon assumptions believed to be reasonable by the Partnership as of the date of preparation.

9.14 **All Authorizations Obtained and Registrations Made**

All Authorizations and Registrations necessary to permit (i) each Credit Party to execute, deliver and perform each LIL Project Finance Document and Material Project Document to which it is a party, consummate the transactions contemplated thereby and grant the Liens contemplated in the LIL Security Documents to which it is a party, (ii) the Partnership to undertake and carry on the Project and Commission the Project by the Date Certain, and (iii) each Credit Party to own its Assets and carry on its business, have been obtained or effected and are in full force and effect other than (a) in each case, as disclosed in Part V of Schedule "B", (b) in each case, those not yet required and which are expected to be obtained in the ordinary course as and when required, (c) in each case,

the Registrations of the LIL Security Documents to be made on or about the 2017 Closing Date and those to be made against the Future LIL Assets and Rights as and when same are acquired by the Partnership, (d) the SOBI Lease, which will be registered further to the application of the Laws of NL with respect to the property leased in accordance with the provisions of Section 9 of the *Oceans Act* (Canada) and (e) as pertains to the Material Project Documents referred to in paragraph (i) and generally as regards paragraphs (ii) and (iii) for such Authorizations and Registrations the failure to obtain, effect or to be in full force and effect would not have a Material Adverse Effect. Each Credit Party is in compliance in all material respects with the requirements of all such Authorizations and Registrations applicable to it and there is no award outstanding or litigation existing, pending or threatened which could result in the revocation, cancellation, suspension or any adverse modification of any of such Authorizations and Registrations.

9.15 **Pension Plans**

No Credit Party has any Pension Plans.

9.16 **No LIL Event of Default**

No LIL Event of Default has occurred that has not been disclosed to the Collateral Agent and either remedied (or otherwise ceased to be continuing) or expressly waived in writing by the Collateral Agent.

9.17 **LIL Assets and Rights**

The Partnership is the sole legal and beneficial owner of the Current LIL Assets and Rights, free and clear of any encumbrance or Lien other than Permitted Encumbrances and the Current LIL Assets and Rights are the Assets required by the Partnership as of the Closing Date to carry on its business as described in Section 9.22. The Partnership will be the sole legal and beneficial owner of the Future LIL Assets and Rights, as and when they are acquired, free and clear of any encumbrance or Lien, other than Permitted Encumbrances.

Upon the coming into effect of the LIL Lease, Opco will have the leasehold and other rights to the LIL Assets and Rights as are conferred on Opco pursuant to the LIL Lease and such leasehold and other rights are sufficient to enable Opco to carry on its business as described in Section 9.22.

9.18 **Intellectual Property**

Each of the Partnership or Opco owns, possesses, is licensed or otherwise has the right to use all Intellectual Property Rights which are necessary for the operation of its business as presently conducted and as proposed to be conducted following Commissioning of the Project without any Known material conflict with the rights of others, except those for which the failure to own or possess (or be licensed or otherwise have the right to use) would not, singly or in the aggregate, have a Material Adverse Effect. To the best Knowledge of the Partnership and Opco, there is no violation by any Person of any of its

rights with respect to any of the Intellectual Property Rights that would, singly or in the aggregate, have a Material Adverse Effect.

9.19 **Taxes**

Each Credit Party has:

- 9.19.1 delivered or caused to be delivered as and when required all returns for Taxes to the appropriate Governmental Authorities;
- 9.19.2 paid and discharged all Taxes payable by it when due except with respect to any such Tax which is being contested in good faith by appropriate proceedings and for which appropriate reserves have been provided in its books and as to which neither any Lien (other than a Permitted Encumbrance) has attached nor any foreclosure, distraint, seizure, attachment, sale or similar proceedings shall have been commenced;
- 9.19.3 made provision for appropriate amounts in respect of any Taxes likely to be exigible in accordance with GAAP; and
- 9.19.4 withheld and collected all Taxes required to be withheld and collected by it and remitted as and when required such Taxes to the appropriate Governmental Authority;

and the charges, accruals and reserves on its books in respect of Taxes are adequate, in its judgment.

9.20 **Environment**

With respect to environmental matters:

- 9.20.1 each Credit Party is in compliance with all Environmental Laws;
- 9.20.2 the LIL Assets and Rights are owned, leased, managed, controlled or operated in compliance with all Environmental Laws;
- 9.20.3 there are no existing, pending or, to the Knowledge of the Credit Parties, threatened:
  - 9.20.3.1 claims, complaints, notices or requests for information received by any Credit Party with respect to any alleged violation by such Credit Party of or alleged liability of such Credit Party under any Environmental Law relating to any of the LIL Assets and Rights; or
  - 9.20.3.2 orders from any Governmental Authority, including stop, Clean-Up or preventative orders, directions or action requests issued under Environmental Law which have been received by a Credit

Party requiring any work, repair, Clean-Up, construction or capital expenditures by such Credit Party with respect to any of the LIL Assets and Rights;

- 9.20.4 except in compliance with Environmental Law, no Hazardous Materials have been generated, received, handled, used, stored, treated or shipped at or from, and there has been no Release of Hazardous Materials at, on, from or under any of the LIL Assets and Rights;
- 9.20.5 except in compliance with Environmental Law, to the Knowledge of the Partnership, none of the lands and premises forming part of the LIL Land Area has been used for the disposal of waste or as a landfill or waste disposal site; and
- 9.20.6 to the Knowledge of the Credit Parties, no Credit Party has directly transported or directly arranged for the transportation of any Hazardous Materials to any location, except in compliance in all material respects with Environmental Law,

in each case with the exception of any matter or matters disclosed in Schedule "D", or otherwise disclosed, or that singly or in the aggregate would not have a Material Adverse Effect.

9.21 **Employee Relations**

No Credit Party has any employees.

9.22 **Business**

The Partnership is engaged solely in the business of undertaking the Project and, following the Commissioning Date, the business of the Partnership will consist solely in performing its obligations under the LIL Lease and the LIL Remedies Agreement. Opco's sole business following the Commissioning Date will consist of operating and maintaining the Project in accordance with the provisions of the LIL Lease, the TFA and the LIL Remedies Agreement. The General Partner's sole business consists in acting as the general partner of the Partnership. Notwithstanding the foregoing, the Partnership may also engage in the business of operating and maintaining the Project on an interim basis prior to Commissioning pursuant to agreements to be executed with one or more of its Affiliates.

9.23 **Utilities**

All utility services necessary for the construction and the operation of the Project for its intended purposes are available or will be so available as and when required upon commercially reasonable terms.

9.24 **Initial Material Project Documents.**

The only Material Project Documents as at the Closing Date are the Initial Material Project Documents. The Material Project Documents and the Authorizations referred to in Parts I and IV of Schedule "B":

- 9.24.1 comprise all of the property interests and rights necessary to constitute any right material to the acquisition, leasing, development, construction, installation, commissioning, operation and maintenance of the Project in accordance with all Applicable Law;
- 9.24.2 are sufficient to enable the Project to be located, constructed, operated and maintained on the LIL Land Area; and
- 9.24.3 provide adequate ingress and egress for any reasonable purpose in connection with the construction, operation and maintenance of the Project under the Material Project Documents;

in each case save and except for the Future LIL Assets and Rights that will be acquired as set forth in Section 10.15.

9.25 **Material Project Documents**

There are no material uncured breaches or defaults by any Credit Party or, to the Knowledge of such Credit Party, any Material Project Participant, under any Material Project Document other than those referred to in Section 2.5(a) and Section 2.6 of the LIL Remedies Agreement, provided that NLH or a Credit Party referred to therein is exercising the rights provided for in such Sections or in Section 2.6(b) of the LIL Remedies Agreement, as applicable.

9.26 **Construction Budget; Projection**

The Partnership has prepared the Project Budget and the Project Schedule and same:

- 9.26.1 are based on reasonable assumptions as to all legal and factual matters material to the estimates set forth therein;
- 9.26.2 are consistent with the provisions of the Material Project Documents; and
- 9.26.3 indicate that Commissioning of the Project will occur before the Date Certain.

As of the date hereof, there are no material Project Costs that are not included in the Project Budget.

9.27 **Construction of Project**

All work done on the Project has been done in a good and workmanlike manner in accordance, in all material respects, with the terms of the Material Project Documents, the Authorizations related to the Project including those referred to in Part I of Schedule "B", Good Utility Practice, all Applicable Laws (save as disclosed in Schedule "C"), the Plans, the Project Schedule and the Project Budget.

9.28 **Force Majeure**

Neither the business nor the LIL Assets and Rights or, to the Knowledge of the Credit Parties, any of the Material Project Participants, have been materially adversely affected by any Force Majeure.

9.29 **Aboriginal Matters**

To the Knowledge of the Partnership, except as described in Schedule "H", it is not aware of and it has not received notice of, any assertion by any aboriginal person or group, or any Person acting on behalf of any aboriginal person or group, by virtue of its aboriginal status, of:

- (a) any claim or proceeding against any LIL Assets and Rights;
- (b) any right in any LIL Land Area;
- (c) any claim of jurisdiction over any business of the Partnership or Opco or any right in the LIL Land Area; or
- (d) any right to be consulted (other than pursuant to Applicable Law) with respect to any use, development or improvement of any right in the LIL Land Area;

and except as disclosed in Schedule "H", the Partnership has no Knowledge of and it has not received, in relation to the LIL Land Area, any notice of:

- (i) the existence or potential existence of any aboriginal archaeological, burial, cultural or heritage sites;
- (ii) any actual or alleged interference with aboriginal rights or treaty rights; or
- (iii) any specific or comprehensive claims,

which, in any of the above cases, would result in a Material Adverse Effect or is not generally known to the public in NL.

9.30 **Repetition of Representations and Warranties**

The representations and warranties made under this Agreement shall be deemed to be made and shall be true, accurate and complete at and as of the date hereof and on the date each Advance is requested and made hereunder.

9.31 **Management and Operator Fees**

The Partnership is not a party to or bound by any contract or commitment to pay any royalty, licence fee or management fee pursuant to any contract or agreement other than the PDMA and the MSA, and the fees therein do not exceed commercially reasonable rates having regard to the nature of the services provided for therein.

**ARTICLE 10**

**GENERAL COVENANTS**

So long as the LIL Loan or any other amount payable hereunder is outstanding and unpaid or the Partnership shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled), and unless the Collateral Agent shall otherwise consent in writing, which consent shall not be unreasonably refused or delayed, the Credit Parties hereby covenant that:

10.1 **Preservation of Existence, etc.**

Each Credit Party will preserve and maintain its existence and, subject to Sections 9.5 and 9.14, preserve and maintain all Authorizations and Registrations necessary or required in the normal conduct of its business and to carry on its business as contemplated in Section 9.22 and qualify and remain qualified and authorized to do business in each jurisdiction in which it carries on business or owns or leases Assets.

10.2 **Obtain Approvals**

Subject to Sections 9.5 and 9.14, each Credit Party will obtain or have obtained, as and when required, and maintain or have maintained any Authorization of or from any Governmental Authority which may be or become necessary or required in order that (i) the Partnership may undertake and carry on the Project and Commission the Project by the Date Certain, (ii) each Credit Party may own its Assets and carry on its business as contemplated in Section 9.22, and (iii) each Credit Party may fulfill its obligations under each of the LIL Project Finance Documents and Material Project Documents to which it is a party.

10.3 **Business, Compliance with Applicable Law**

Each Credit Party will engage solely in the business referred to in Section 9.22 and carry on and conduct its business in a proper and efficient manner. Each Credit Party will comply or have complied, in all material respects, with Good Utility Practice, all requirements of the LIL Project Finance Documents and Material Project Documents, all requirements of Applicable Law, and the terms and conditions of all Authorizations necessary or required (i) in the normal conduct of its business and (ii) in the case of the Partnership, to undertake and carry on the Project and Commission the Project by the Date Certain.

#### 10.4 **Compliance and Environmental Law**

Each Credit Party will comply, in all material respects, with all applicable Environmental Law and the requirements as to environmental status and compliance as set out in the Material Project Documents.

The Credit Parties shall deliver to the Collateral Agent notice of the following events after Knowledge thereof (which notice shall in any event be given within twenty (20) days after the Credit Parties have Knowledge thereof):

- 10.4.1 legal action or proceeding commenced against it with respect to any environmental matter referenced under subsection 11.6.1;
- 10.4.2 any Release of any Hazardous Material referenced in subsection 11.6.4; and
- 10.4.3 orders, notices or Authorizations from environmental Governmental Authorities referenced in subsection 11.6.5.

#### 10.5 **Keeping of Records**

Each Credit Party will keep or cause to be kept, proper and lawful records and books of account and make or cause to be made therein, true and faithful entries of all dealings and transactions in relation to its business, all in accordance with GAAP and, subject to Section 1.13 of the Master Definitions Agreement, applied on a consistent basis.

#### 10.6 **Insurance**

The Partnership and Opco will maintain or have maintained, by Nalcor Energy as part of its overall insurance program for the LCP, the following insurance with respect to their respective Assets with independent and reputable insurers that (i) are licensed in NL, and (ii) have a rating of not less than A "X" from A.M. Best Company or a rating of not less than A- from S&P or shall be otherwise reasonably acceptable to the Collateral Agent, which insurance shall be in such form and amounts and with such deductibles and subject to such exclusions as set forth below:

- 10.6.1 during the Construction Period, the following insurance shall be in the name of Nalcor, as part of its overall insurance program for the LCP, for the benefit of the Partnership:
  - 10.6.1.1 all risks builder's risk insurance, including coverage for perils of flood, earthquake and windstorm on all of its property and assets that are of an insurable nature located at or incidental to the Project on a replacement cost, no co-insurance basis with a limit covering insured physical loss or damage in an amount acceptable to the Collateral Agent, acting reasonably, but in any event of not less than CDN\$1,000,000,000 per occurrence, provided, however that the limit applicable to any insured physical loss or damage to the overhead transmission and



distribution systems shall be CDN\$10,000,000 per occurrence and the limit applicable to any insured physical loss or damage to the submarine transmission and distribution systems shall be not less than CDN\$250,000,000 per occurrence unless otherwise reasonably agreed. The builder's risk policy will provide coverage for resultant loss or damage arising from faulty materials, workmanship, service or design that limits the non-covered costs to equivalent to a LEG 2 coverage. The builder's risk insurance shall include coverage for testing and commissioning of machinery and equipment, a permission to occupy clause, a by-laws endorsement and coverage for property inland transit and property stored off-site;

- 10.6.1.2 wrap-up liability insurance on an occurrence basis, including insurance against claims for personal injury, death, property damage and/or loss arising out of the Project and extended to include coverage for contractual liability, tenant's legal liability, contingent employer's liability, owners'/contractors' protective liability, products and completed operations (not less than twenty-four (24) months), collapse, explosion and underground hazards, limited sudden and accidental time element pollution liability and non-owned automobile liability, all with a minimum combined single limit of not less than CDN\$100,000,000 per occurrence and CDN\$100,000,000 in the aggregate (provided, however, that such aggregate limit shall apply on an aggregate basis to all of the projects forming part of the LCP) with respect to products and completed operations liability to also include the interests of all contractors, sub-contractors, trades and suppliers of materials (excluding suppliers who only supply materials, machinery or supplies to the Project and who do not carry out any installation or construction works on or at the Project) whatsoever to the extent such coverage is not otherwise provided in insurance by such parties. Such policy will have a deductible acceptable to the Collateral Agent, acting reasonably;
- 10.6.1.3 environmental liability insurance covering first party property damage and site clean-up and any third party claims for bodily injury, property damage and clean-up for any environmental incidents arising out of the construction of the Project with a limit acceptable to the Collateral Agent, acting reasonably, but in any event not less than One Hundred Million Canadian Dollars (CDN\$100,000,000) and with a deductible acceptable to the Collateral Agent, acting reasonably;
- 10.6.1.4 automobile liability insurance to provide coverage for owned, hired and non-owned vehicles with a minimum limit of liability

of Twenty Five Million Canadian Dollars (CDN\$25,000,000) for each occurrence, bodily injury and property damage combined;

- 10.6.1.5 marine cargo insurance covering physical loss or damage for all shipments by ocean marine in an amount representing not less than 100% of the replacement cost of any property being shipped on any one vessel at any one time with deductibles acceptable to the Collateral Agent, acting reasonably;
  - 10.6.1.6 worker's compensation insurance as required by the Laws of NL covering employees of the Partnership and Opco and any other Person acting under the authority of the Partnership and Opco;
  - 10.6.1.7 watercraft and/or aircraft liability if any aircraft and/or watercraft will be utilized in relation to its Project for a limit of not less than One Hundred Million Canadian Dollars (CDN\$100,000,000) per occurrence;
  - 10.6.1.8 P&I insurance on a difference in conditions basis in an amount acceptable to the Collateral Agent, acting reasonably; and
  - 10.6.1.9 other insurance as may be considered customary and prudent industry practice if required by the Collateral Agent, acting reasonably;
- 10.6.2 during the Operating Period and for so long as any amounts are due hereunder, the following insurance shall be in the name of Opco or, as the case may be, Nalcor, as part of its overall insurance program for the LCP, for the benefit of the Partnership and Opco:
- 10.6.2.1 all risks property insurance including coverage for the perils of flood, earthquake and windstorm on all of its property and assets that are of an insurable nature (except onshore transmission and distribution systems) on a replacement cost basis with a loss limit, sublimit and aggregated sub limits acceptable to the Collateral Agent, acting reasonably, but of not less than CDN\$1,000,000,000. The property insurance shall be written on a stated amount or other comparable clause (allowing no co-insurance) basis and shall include a by-laws endorsement. Business Interruption insurance to be maintained in amounts acceptable to the Collateral Agent, acting reasonably, to the extent any exposure exists;
  - 10.6.2.2 general liability insurance on an occurrence basis, including insurance against claims for personal injury, death, property damage and/or loss arising out of the operation of the Project and extended to include coverage for contractual liability, contingent

- employer's liability, tenant's legal liability, owners'/contractors' protective liability, products and completed operations, collapse, explosion and underground hazards, limited sudden and accidental time element pollution liability and non-owned automobile liability, all with a minimum combined single limit of One Hundred Million Canadian Dollars (CDN\$100,000,000) per occurrence. Such policy will have a deductible not greater than Five Hundred Thousand Canadian Dollars (CDN\$500,000) per occurrence;
- 10.6.2.3 automobile liability insurance to provide coverage for owned, hired and non-owned vehicles with a minimum limit of liability of Twenty Five Million Canadian Dollars (CDN\$25,000,000) for each occurrence, bodily injury and property damage combined;
  - 10.6.2.4 worker's compensation insurance as required by the Laws of NL covering employees of Opco and any other Person acting under the authority of Opco;
  - 10.6.2.5 watercraft and/or aircraft liability if any aircraft and/or watercraft will be utilized by a Credit Party in relation to the Project for a limit of not less than One Hundred Million Canadian Dollars (CDN\$100,000,000) per occurrence; and
  - 10.6.2.6 other insurance in accordance with industry practice to the extent an exposure exists and if required by the Collateral Agent, acting reasonably;
- 10.6.3 the builder's risk, the all-risks property and (if any) boiler and machinery insurance policies contemplated hereunder shall:
- 10.6.3.1 contain an advance payment clause;
  - 10.6.3.2 name the LIL Security Trustee and the Collateral Agent 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 mortgagee clause in a form approved by the Collateral Agent, acting reasonably;
  - 10.6.3.4 provide that no cancellation for any reason whatsoever, shall take effect unless the insurer concerned has given the LIL Security Trustee or Collateral Agent not less than sixty (60) days' prior written notice of such proposed action (with the exception of cancellation for non-payment of premium for which a statutory fifteen (15) days' notice may apply);

- 10.6.3.5 contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against the LIL Security Trustee, the Collateral Agent and the GAA Finance Parties;
- 10.6.3.6 contain a non-vitiating clause; and
- 10.6.3.7 all deductibles to be best available on commercially reasonable terms and acceptable to the Collateral Agent, acting reasonably;
- 10.6.4 the liability policies contemplated hereunder shall:
  - 10.6.4.1 name each of the LIL Security Trustee and the Collateral Agent as an additional insured;
  - 10.6.4.2 provide that no cancellation or termination thereof or change therein, for any reason whatsoever, shall take effect unless the insurer concerned has given the LIL Security Trustee or the Collateral Agent not less than sixty (60) days' prior written notice of such proposed action (with the exception of cancellation for non-payment of premium for which a statutory fifteen (15) days' notice may apply);
  - 10.6.4.3 contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against the LIL Security Trustee, the Collateral Agent and the GAA Finance Parties;
  - 10.6.4.4 contain blanket written contractual liability;
  - 10.6.4.5 contain a non-vitiating clause to the extent applicable; and
  - 10.6.4.6 contain a cross liability and severability of interest clause;
- 10.6.5 insurance proceeds relating to any damage or destruction of the Project received by either the LIL Security Trustee, a Credit Party or the Collateral Agent:
  - 10.6.5.1 aggregating less than CDN\$50,000,000 shall be deposited into the Partnership Insurance Reserve Account or the Opco Insurance Reserve Account, as applicable, in accordance with paragraphs 8.6.1.1 or 8.14.2.1, as applicable, to be applied to the repair or restoration of the Project;
  - 10.6.5.2 aggregating more than CDN\$50,000,000, where the Repair Conditions have been satisfied, shall be deposited into the

Partnership Insurance Reserve Account or the Opco Insurance Reserve Account, as applicable, and shall be applied in accordance with paragraphs 8.6.1.2 or 8.14.2.2, as applicable, and with subsection 10.6.6; or

- 10.6.5.3 aggregating more than CDN\$50,000,000, where the Repair Conditions have not been satisfied, shall be deposited into the Partnership Insurance Reserve Account or the Opco Insurance Reserve Account, as applicable, and maintained therein until the Repair Conditions have been satisfied, at which time the funds therein shall be released and applied in accordance with paragraphs 8.6.1.2 or 8.14.2.2, as applicable, and with subsection 10.6.6;
- 10.6.6 if insurance proceeds relating to any damage or destruction of the Project have been received and paragraph 10.6.5.2 is applicable, or paragraph 10.6.5.3 is applicable and the Repair Conditions have been satisfied, such insurance proceeds shall be applied by the Partnership if during the Construction Period or Opco if during the Operating Period to the repair or restoration of the Project in accordance with the following procedures:
  - 10.6.6.1 the appropriate Credit Party shall cause any repairs or restoration to be commenced and completed diligently at the cost and expense of such Credit Party; and
  - 10.6.6.2 the release of insurance proceeds for application toward such repairs or restoration shall be conditioned upon the appropriate Credit Party's written request and the presentation to the Collateral Agent of the following: **(i)** a certificate of the Independent Engineer confirming that repair or restoration of the Project is technically and economically feasible and that a sufficient amount of funds is or will be available to the Partnership to make such repairs and restorations, **(ii)** a certificate of such Credit Party **(a)** describing in reasonable detail the nature of the repairs or restoration to be effected with such release, **(b)** stating the cost of such repairs or restoration and the specific amount requested to be paid over to or upon the order of such Credit Party and that such amount is requested to pay the cost thereof, **(c)** stating that the aggregate amount requested by such Credit Party in respect of such repairs or restoration (when added to any other insurance proceeds received by such Credit Party in respect of such damage or destruction and other available funding sources) does not exceed such Credit Party's reasonable estimation of the cost of such repairs or restorations, that repair or restoration of the Project is technically and economically feasible and that a sufficient amount of funds is or will be available to the

Partnership to make such repairs and restorations, **(d)** stating that no LIL Event of Default has occurred and is continuing other than a LIL Event of Default resulting solely from such damage or destruction, and **(e)** stating that each LIL Project Finance Document and during the Construction Period, each Material Project Document remains in full force and effect, whereupon the Collateral Agent shall release such insurance proceeds to such Credit Party;

The Credit Parties will duly and punctually pay or cause to be paid the premiums and other sums of money payable in connection with all such insurance and shall provide an annual insurance renewal certificate to the Collateral Agent.

Where under any Material Project Document, the counterpart thereto is required to take or maintain any insurance, then the Partnership shall cause such insurance to name the Collateral Agent as first mortgagee and loss payees under direct damage policies (property, boiler and machinery, builders risk) and, the Collateral Agent and LIL Security Trustee, as additional insured under liability insurance policies and to contain a standard mortgagee clause.

The Credit Parties shall, or, during any Enforcement Proceedings pursuant to the LIL Security Documents, shall assist the LIL Security Trustee to, at the Credit Parties' cost and expense, make all proofs of loss and take all other steps necessary or reasonably necessary to collect from insurers for any loss covered by any insurance required to be obtained pursuant to subsection 10.6.1 or subsection 10.6.2.

In the event that at any time the insurance as herein provided shall be reduced (and such reduction is not warranted and is not reinstated) or cease to be maintained (provided such insurance continues to be considered to be necessary in accordance with Good Utility Practice), then (without limiting the rights of the Collateral Agent hereunder in respect of any LIL Event of Default which arises as a result of such failure), the Collateral Agent may, in its sole discretion, maintain such insurance required hereby and, in such event, the Credit Parties shall reimburse the Collateral Agent upon demand for the cost thereof together with interest thereon at a rate as specified in this Agreement, but in no event shall the rate of interest exceed the maximum rate permitted by Applicable Law.

#### 10.7 **Registrations**

The Credit Parties will maintain, amend and renew as required the Registrations made in connection with the LIL Security Documents, in order to preserve, protect and perfect the Liens created pursuant to such documents and, from time to time, upon any demand from the Collateral Agent to that effect, execute and deliver all other documents and do all other things which the Collateral Agent may require with respect to the LIL Security Documents in order to preserve, protect and perfect the validity, effect and priority of the Liens created thereunder.

**10.8 Payment of Taxes and Claims**

Each Credit Party will timely pay and discharge: (i) subject to paragraph (ii), all Taxes prior to the date on which penalties attach thereto, (ii) in the case of a reassessment of Taxes already assessed, all Taxes, and associated penalties, if any, prior to or on the date on which such Taxes, and associated penalties, if any, are payable as per the notice of reassessment, and (iii) all lawful claims for rents, labour, materials and supplies which, if unpaid, might become a Lien upon any of its Assets; provided, however, that, no such Taxes, and associated penalties, if any, need be paid which are being contested in good faith by appropriate proceedings and for which appropriate reserves shall have been set aside on the appropriate books, but only so long as such Taxes, and associated penalties, if any, do not become a Lien, other than a Permitted Encumbrance, and no foreclosure, distraint, seizure, attachment, sale or similar proceedings shall have been commenced.

**10.9 Visits and Inspections**

Upon reasonable prior notice, each Credit Party shall permit representatives of the Collateral Agent and the GAA Finance Parties including specifically, the Independent Engineer, at their risk, upon reasonable request made (i) no more than twice per calendar year, or, as may be agreed to by the parties, as often as circumstances may require, if no LIL Event of Default has occurred and is continuing or (ii) if a LIL Event of Default then exists, from time to time as is reasonable in the circumstances, to visit and inspect the locations of its Assets during normal business hours, provided that such visit and inspection does not affect any equipment warranty or materially affect any Project Costs or the Project Schedule, inspect its books and records and discuss with its principal officers its business, assets, liabilities, financial position, results of operations and business prospects, and otherwise verify such Credit Party's compliance with its covenants under the LIL Project Finance Documents, the Material Project Documents and all Authorizations relating to the Project.

**10.10 Payment of Legal and Other Fees and Disbursements**

The Partnership shall pay (i) all Various Agent Costs and Expenses, the Funding Vehicle Project Costs and Expenses, the Canada Project Costs and Expenses and the Intermediary Project Costs and Expenses, following its receipt, from time to time, of satisfactory 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 and the Intermediary Trust including any Taxes payable by either of them, as well as all other amounts required to be paid by the Administrator pursuant to the Administration Agreement and the IT Administrator pursuant to the IT Administration Agreement.

**10.11 Change of Name**

The Partnership shall notify the Collateral Agent in writing at least ten (10) Business Days prior to (a) any change of name of any Credit Party, (b) any transfer of any Credit Party's rights in its Assets not expressly permitted hereunder, (c) any change in

jurisdictions in which the Assets of any Credit Party are located, and (d) any change in the location of any Credit Party within the meaning of the PPSA.

#### 10.12 **Material Project Documents**

Each of the Partnership and Opco will:

- 10.12.1 observe, perform and discharge in all material respects the covenants, conditions and obligations imposed on it by any Material Project Document and all Authorizations related to the Project other than those referred to in Section 2.5(a) and Section 2.6 of the LIL Remedies Agreement, provided that NLH or a Credit Party referred to therein is exercising the rights provided for in such Sections;
- 10.12.2 do all things necessary or expedient in order to maintain each Material Project Document and all Authorizations related to the Project in full force and effect unless such Material Project Document or Authorization is no longer in full force and effect as a result of Commissioning or the failure to maintain it in full force and effect would not have a Material Adverse Effect;
- 10.12.3 enforce each Material Project Document in accordance with its terms unless the failure to do so would not have a Material Adverse Effect; and
- 10.12.4 upon the request of the Collateral Agent, make to each of the other parties under the IE Contract such demands for information and reports as to action taken or, as the case may be, not taken, as such Credit Party is entitled to make thereunder.

#### 10.13 **Change Orders**

The Partnership shall have the authority to issue Change Orders to amend the Material Project Documents, provided, however, that:

- 10.13.1 a copy of any Change Order shall immediately be provided to the Independent Engineer and the Collateral Agent;
- 10.13.2 if (i) any Change Order issued under a Material Project Document exceeds Thirty-Five Million Canadian Dollars (\$35,000,000) and (ii) taking into account such Change Order, the Cost Variances, as at the proposed date of coming into effect of such Change Order, netted against the savings, would result in Hard Costs that exceed the Hard Costs budgeted under the Project Budget as at such date by an amount in excess of Thirty-Five Million Canadian Dollars (\$35,000,000), then such proposed Change Order may only be issued with the written consent of the Collateral Agent in consultation with the advice of the Independent Engineer, which consent shall not be unreasonably refused or delayed, it being agreed that the Collateral Agent shall provide a response to the request for such Change Order by no more than five (5) Business Days following its receipt of such request; and



10.13.3 such Change Order will not delay Commissioning beyond the Date Certain unless the Collateral Agent otherwise consents, it being agreed that the Collateral Agent shall provide a response to the request for such Change Order by no more than five (5) Business Days following its receipt of such request.

**10.14 Notices under Material Project Documents**

If any Credit Party is provided with (i) a notice of revocation or termination with respect to any of the Material Project Documents or (ii) a notice of suspension or stoppage of work under a Material Project Document, such Credit Party shall provide as soon as reasonably possible thereafter, a copy of such notice to the Collateral Agent with a description of the applicable default or circumstance giving rise thereto and a report indicating the status of such default or circumstance and the steps taken and to be taken (as applicable) to cure such default or circumstance. If such default or circumstance is not cured within thirty (30) days after the receipt by a Credit Party of any such notice, such Credit Party will so advise the Collateral Agent and thereafter will co-operate and work with the Independent Engineer and the Collateral Agent to attempt to cure such default within the then remaining cure period available to such Credit Party, if any, under the relevant Material Project Document.

**10.15 Additional Material Project Documents**

The appropriate Credit Party shall deliver to the Collateral Agent within forty-five (45) days after the receipt thereof by such Credit Party, copies of:

- 10.15.1 all Additional Material Project Documents and material Authorizations obtained or entered into by such Credit Party after the Closing Date;
- 10.15.2 any amendment, supplement or other modification to any Material Project Document received by such Credit Party after the Closing Date; and
- 10.15.3 all material notices, directives or written communications relating to the Project received by such Credit Party from any Governmental Authority.

The Partnership shall acquire the Future LIL Assets and Rights as and when required to enable it to comply in all material respects with the Project Schedule, save and except as regards the SOBI Lease, which will be registered further to the application of the Laws of NL with respect to the property leased in accordance with the provisions of Section 9 of the *Oceans Act* (Canada). The Credit Parties will execute the Additional Material Project Documents in a form satisfactory to the Collateral Agent by no later than December 31, 2014 save and except for the MSA that will be executed by no later than the Commissioning Date.

**10.16 Commissioning**

The Partnership shall diligently pursue the construction of the Project to achieve Commissioning by the Date Certain in all material respects in accordance with Good

Utility Practice, the Project Plans, the Project Schedule, the Project Budget, the Material Project Documents and all Authorizations related to the Project.

**10.17 Use of Proceeds**

The Partnership will apply all proceeds of all LIL Drawdowns under the LIL Facilities to finance, in part, Project Costs.

**10.18 Use of Project Funds**

Save as otherwise provided in Article 8, each of the Partnership and Opco shall deposit and direct that all funds receivable by it be deposited respectively into the Partnership Project Funding Account and the Opco Project Funding Account and transfer such amounts to their respective Project Operating Accounts for application solely for the purposes and in the order and manner provided in Article 8.

**10.19 Commitment to Commission**

The Collateral Agent may, from time to time and in consultation with the Independent Engineer, redetermine the total Hard Costs necessary to Commission the Project in accordance with the requirements of this Agreement using current cost data and other information obtained by or otherwise made available to the Collateral Agent pursuant to the terms of this Agreement. Where at any time the full amount of the LIL Facilities have been disbursed but the Project has not yet achieved Commissioning, the Partnership shall cause all Project Costs necessary to achieve Commissioning to be funded on a timely basis in accordance with the provisions of the Equity Agreements.

**10.20 Post-Commissioning Work**

The Partnership shall create (i) a list of items of work remaining to be performed or corrected and a list of items to be completed in connection with the Performance Testing, together with an estimate of the costs to complete same (the "**Punch List Items**"), (ii) a list of all Demobilization Work and an estimate of the costs to complete same (the "**Demobilization List Items**"); and (iii) a list of items in respect of which Hard Costs will be outstanding following the first day of the Operating Period, and shall provide such lists to the Collateral Agent and the Independent Engineer no later than 30 days prior to the Commissioning Date. The Collateral Agent and the Independent Engineer shall be entitled to verify such lists in a manner acceptable to the Credit Parties.

The Credit Parties shall use commercially reasonable efforts to complete the Punch List Items and Demobilization List Items within 365 days following the Commissioning Date and shall provide to the Collateral Agent evidence of such completion.

**10.21 Expropriation**

If an Expropriation Event shall be threatened or occur with respect to any Assets of the Credit Parties, the appropriate Credit Party: (a) shall following discovery or receipt of notice of any such threat or occurrence provide written notice to the Collateral Agent;

(b) shall diligently pursue all its rights to compensation against the relevant Governmental Authority in respect of such Expropriation Event; and (c) shall not, without the prior written consent of the Collateral Agent, which consent (prior to the occurrence and continuance of a LIL Event of Default) shall not be unreasonably refused or delayed, compromise or settle any claim against such Governmental Authority. The Credit Parties consent to the participation of the Collateral Agent in any proceedings resulting from an Expropriation Event, and the Credit Parties shall from time to time deliver to the Collateral Agent all documents and instruments requested by it to permit such participation.

10.22 **As Built Marked-Up Drawings, Survey**

By no later than two hundred and seventy (270) days following the first day of the Operating Period, the Partnership shall deliver to the Collateral Agent “as-built” marked up drawings for the Project. On or prior to the Date Certain, the Partnership shall deliver to the Collateral Agent (a) a surveyor’s real property report with respect to the Muskrat Falls converter station site, the Soldiers Pond site, the transition compound site at Forteau, the transition compound site at Shoal Cove, the grounding site at Dowden’s Point and the grounding site at L’Anse au Diable, with the surveyor’s certification that there are no visible signs of encroachments (other than Permitted Encumbrances) from or onto the lands comprising such sites and (b) a surveyor’s certification that there are no visible signs of encroachment (other than Permitted Encumbrances) from or onto the lands comprising the LIL Land Area. Based on such surveys, the Partnership shall make all such further Registrations of the LIL Security Documents in all offices where such registration, filing or recording is necessary or of advantage to the creation, validity, effect, perfection, priority or preservation of Liens under the LIL Security Documents, including, Registrations in respect of underground cables.

10.23 **Maintenance**

During the Operating Period, Opco shall operate and maintain the LIL Assets and Rights as contemplated in the LIL Lease provided, however, that when Opco is in default of its obligations set forth in the LIL Lease to carry out the O&M Activities in accordance with the applicable provisions thereof, it shall nevertheless be deemed to be performing such obligations for the purposes thereof in the event that NLH exercises its rights under Section 2.6 of the LIL Remedies Agreement.

10.24 **IE Certificate**

The Partnership and Opco shall cooperate with the IE so the IE can provide to the Collateral Agent, on an annual basis on each anniversary date of the Commissioning Date, a certificate in the form of the one attached as Schedule "I", confirming that budgeting and maintenance of the Project are being conducted in accordance with Good Utility Practice.

**10.25 DSCR Consultation Process**

If any LIL Compliance Certificate delivered pursuant to Section 11.1 or 11.2 demonstrates that either the Retrospective DSCR or the Prospective DSCR is less than 1.40 as at the end of any relevant rolling twelve (12) month period, a thirty (30) day consultation process shall automatically be triggered commencing on the date of delivery of such LIL Compliance Certificate (the "**DSCR Consultation Period**"). During the DSCR Consultation Period, the Credit Parties shall meet with the Collateral Agent and the GAA Finance Parties, during normal business hours, on request made from time to time by the Collateral Agent in advance of any proposed meeting to discuss the DSCR results and the Partnership's proposed steps to increase the DSCR.

**10.26 Anti-Money Laundering Legislation**

Since, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your customer" laws (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Collateral Agent and the GAA Finance Parties may be required to obtain, verify and record information regarding any Credit Party, its directors, authorized signing officers, direct or indirect holders of its Capital Stock or other Persons in control, directly or indirectly, of 25% or more of the Capital Stock of such Credit Party, and the transactions contemplated hereby, the Credit Parties shall provide all such information, including supporting documentation and other evidence, as may be requested by the Collateral Agent of the Funding Vehicle, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

**10.27 Funding of the DSRA Prior to Commissioning**

The Partnership covenants and agrees that, to the extent that Commissioning has not occurred by the 7<sup>th</sup> anniversary of the first LIL Drawdown Date to have occurred under the Initial LIL Project Finance Agreement, it shall, on the LIL Drawdown Date immediately following such 7<sup>th</sup> anniversary date, fund the DSRA in an amount equal to the Minimum DSRA Requirement (the "**DSRA Prefunding**"). The parties hereto acknowledge and agree that as part of the DSRA Prefunding, the Minimum DSRA Requirement shall be included as part of the Funding Requirements to be funded pursuant to the Funding Request relating to such LIL Drawdown Date, and further acknowledge and agree that all or a portion of the DSRA Equity Contributions required to be made by Nalcor in connection with the DSRA Prefunding may be made by way of transfer of the funds on deposit in the Cost Overrun Escrow Account to the extent permitted pursuant to paragraph 10.28.2.4. For greater certainty, in the event that the Available LIL Construction Facility is not nil, but without limiting the provisions of Section 7.2 or 7.9, the condition precedent set forth in subsection 7.6.2 shall apply to the DSRA Prefunding.

**10.28 Cost Overruns**

10.28.1 Starting on October 31, 2017, and on each anniversary date thereafter (or, in each case, if such anniversary date is not a Business Day, on the first

Business Day following such anniversary date) up to the Commissioning Date, the Partnership shall cause Devco to deliver to the Collateral Agent a Cost Overruns Certificate (in the case of the first such Cost Overruns Certificate, based on the June 2016 Project Budget, and, in the case of the subsequent Cost Overruns Certificates, based on the most up to date information then available), to be signed by a Responsible Officer of Devco and by a Responsible Officer of the General Partner, in each case in his capacity as an officer of Devco or the General Partner, as the case may be, and without personal liability:

- 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, in the form attached hereto as Schedule "DD", delivered to the Collateral Agent within 7 (seven) days following the delivery of the corresponding 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.
- 10.28.1A Five (5) Business Days prior to each anniversary date of the first IT Drawdown Date to have occurred under the Initial IT Project Finance Agreement, up to the Commissioning Date, the Partnership shall cause Devco to deliver to the Collateral Agent: (a) a certificate, to be signed by a Responsible Officer of Devco and by a Responsible Officer of the Partnership, in each case in his capacity as an officer of Devco or the Partnership, as the case may be and without personal liability, confirming that the information provided in the Cost Overruns Certificate delivered in the same year pursuant to subsection 10.28.1 is the most up to date available as at the date of the certificate to be delivered pursuant to this subsection 10.28.1A, and where information that is more up to date has become available since such Cost Overruns Certificate, a new Cost Overruns Certificate based on such up to date information shall instead be delivered; and (b) within 2 (two) days following the delivery of such new Cost Overruns Certificate, a certificate from the Independent Engineer confirming the amounts in such new Cost Overruns Certificate substantially similar to the certificate requested to be delivered by the Independent Engineer pursuant to paragraph 10.28.1.4.

10.28.2 The Partnership hereby covenants and agrees that any Cost Overruns shall be funded as follows:

10.28.2.1 on the fourth anniversary date of the first IT Drawdown Date to have occurred under the Initial IT Project Finance Agreement (or, if such anniversary date is not a Business Day, on the first Business Day following such anniversary date), an amount equal to the aggregate Cost Overruns, calculated as at October 31, 2017 (or where an up to date Cost Overruns Certificate has been delivered pursuant to subsection 10.28.1A, calculated as at the date thereof), divided by the number of calendar years remaining to the expected Commissioning Date (each an "**Initial Cost Overrun Instalment Payment**") shall have been funded, and the Initial Cost Overrun Instalment Payment shall be funded on each anniversary date thereafter until an amount equal to such aggregate Cost Overruns shall have been paid;

10.28.2.2 on the fifth anniversary date of the first IT Drawdown Date to have occurred under the Initial IT Project Finance Agreement, and on each anniversary date thereafter (or, in each case, if such anniversary date is not a Business Day, on the first Business Day following such anniversary date) up to the Commissioning Date, if the Cost to Complete as at such anniversary date plus the Project Costs incurred and paid for since Project Commencement less the amount of the June 2016 Project Budget exceed the Cost Overruns reported as at the date of the Cost Overruns Certificate delivered in the previous year pursuant to subsection 10.28.1 or 10.28.1A, as the case may be, an amount equal to such excess, which is the additional Cost Overrun for that year (an "**Additional Cost Overrun**"), divided by the number of calendar years remaining to the expected Commissioning Date (each an "**Annual Cost Overrun Instalment Payment**") then that Annual Cost Overrun Instalment Payment shall be funded on each anniversary date thereafter until an amount equal to the aggregate Additional Cost Overrun has been paid;

10.28.2.3 each Initial Cost Overrun Instalment Payment and Annual Cost Overrun Instalment Payment shall be funded by way of an advance of cash by Nalcor LP into the Cost Overrun Escrow Account. The Cost Overrun Escrow Account will be under the control of the Collateral Agent for the purpose of funding Cost Overruns and shall form part of the Security;

10.28.2.4 as regards (i) the amounts deposited into the Cost Overrun Escrow Account prior to the 2017 Closing Date, where the availability under the Initial Construction Tranches is nil, or where as a result of a LIL Drawdown the availability under the

Initial Construction Tranches would become nil, the Equity Rateable Share of all Eligible Project Costs shall be funded by Nalcor LP by the use of the amounts so deposited into the Cost Overrun Escrow Account, and (ii) the amounts deposited into the Cost Overrun Escrow Account from and after the 2017 Closing Date, where the Available LIL Construction Facility is nil and the Available Working Capital Revolving Facility is nil, or where following a LIL Drawdown under the LIL Construction Facility and a LIL Drawdown under the Working Capital Revolving Facility, the Available LIL Construction Facility would be nil and the Available Working Capital Revolving Facility would be nil, all Eligible Project Costs shall be funded by Nalcor LP by the use of the amounts so deposited in the Cost Overrun Escrow Account. Funds shall be released from the Cost Overrun Escrow Account in a manner similar to that contemplated in Section 7.8 in connection with LIL Drawdowns under the Working Capital Revolving Facility, save and except that all funds to be released from the Cost Overrun Escrow Account pursuant to this paragraph 10.28.2.4 shall be deposited into the Partnership Project Funding Account. If at any time between the first LIL Drawdown Date following the 2017 Closing Date and the Commissioning Date, the balance outstanding in the Cost Overrun Escrow Account is nil, Eligible Project Costs shall be funded through Contingency Equity Contributions or Additional Debt, as may be permitted under the terms hereof;

- 10.28.2.5 where immediately prior to Commissioning any balance remains outstanding in the Cost Overrun Escrow Account, then upon Commissioning, such balance shall be released from the Cost Overrun Escrow Account and applied at Nalcor LP's option;
- 10.28.2.6 for all purposes of calculating the DER, upon any amounts (other than amounts constituting Income on Account Balances) being transferred out of the Cost Overrun Escrow Account in accordance with the terms hereof, such amounts shall be deemed to form part of the Capital Account. Moreover, for greater certainty, for all purposes of calculating the DER, amounts transferred to the Cost Overrun Escrow Account shall not be deemed to form part of the Capital Account; and
- 10.28.2.7 any amount on deposit in the Cost Overrun Escrow Account shall be used exclusively to fund Project Costs, and, for greater certainty, shall not be used for the payment of any debt service obligations, other than to the extent that they constitute Project Costs;

10.28.2.8 the parties acknowledge and agree that any amounts payable pursuant to subsection 10.28.2 of the Principal LIL Project Finance Agreement shall no longer be payable and the Partnership shall forever be discharged from such obligation.

**10.29 Schedules to be Completed Following the Closing Date**

The Partnership hereby undertakes within thirty (30) days after the first LIL Drawdown Date following the 2017 Closing Date, to deliver to the Collateral Agent Schedule "E", Schedule "T", Part II (Soft Costs) of Schedule "U", Schedule "KK" and Schedule "LL" with, in the case of each such schedule, the acknowledgement set forth therein duly executed by the Partnership, and in each case completed so as to provide for all information required pursuant to the terms hereof.

**10.30 Forward looking financial information**

The Partnership hereby undertakes, within thirty (30) days after the first LIL Drawdown Date following the 2017 Closing Date, to deliver to the Collateral Agent updated forward looking financial modeling information constructed in Excel© with respect to the Partnership together with, in form and substance satisfactory to the Collateral Agent, a certificate executed by a Responsible Officer of Devco and a Responsible Officer of the General Partner, in each case in his capacity as an officer of, respectively, Devco and the General Partner, and without personal liability, attesting that the updated forward looking financial modeling information constructed in Excel© with respect to the Partnership is based upon assumptions believed to be reasonable by the Partnership as of the date that they were prepared.

**ARTICLE 11**

**INFORMATION COVENANTS**

So long as the LIL 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 Partnership shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Credit Parties covenant and agree that:

**11.1 Quarterly Financial Statements and Information**

Within sixty (60) days after the end of each of the first three (3) fiscal quarters in each of the fiscal years of each Credit Party, the Partnership shall deliver to the Collateral Agent:

- 11.1.1 the unaudited consolidated Financial Statements of each Credit Party for such fiscal quarter;
- 11.1.2 during the Operating Period, a LIL Compliance Certificate. If a LIL Compliance Certificate delivered pursuant to this Section indicates that the Retrospective DSCR or the Prospective DSCR as at the end of any



relevant rolling twelve (12) month period was less than 1.40, the Partnership shall also provide to the Collateral Agent such information as to the reasons why the DSCR was less than 1.40 and the means by which the Partnership proposes to increase the DSCR; and

- 11.1.3 during the Operating Period, an operating report in the form of the one attached as Schedule "J" signed by a Responsible Officer of Opco, in his capacity as an officer of Opco and without personal liability, containing a quarterly and year-to-date numerical and narrative assessment of (i) the variance analysis of the Project's compliance with each material category in the applicable Annual O&M Budget, (ii) any material casualty losses, (iii) replacement of material equipment not contemplated by the then current Annual Maintenance Plan, and (iv) an update on works performed to date pursuant to the Annual Maintenance Plan (an "**Operating Report**").

#### 11.1A **Quarterly Cash Flow Forecasts**

Within sixty (60) days after the end of each fiscal quarter in respect of each fiscal year of each Credit Party, the Partnership shall deliver to the Collateral Agent during the Construction Period, quarterly revised cash flow forecasts, including an explanation of any change in anticipated equity contribution requirements and timing;

#### 11.2 **Annual Financial Statements and Information**

Within one hundred and twenty (120) days after the end of each fiscal year of each Credit Party, the Partnership shall deliver to the Collateral Agent:

- 11.2.1 the audited consolidated Financial Statements of such Credit Party, as certified by a national firm of chartered accountants of recognized standing and accompanied by such auditors' report which must not contain any expression of any material concern as to whether or not such Financial Statements do present fairly the financial position of such Credit Party;
- 11.2.2 during the Operating Period, a LIL Compliance Certificate. If a LIL Compliance Certificate delivered pursuant to this Section indicates that the Retrospective DSCR or the Prospective DSCR as at the end of any relevant rolling twelve (12) month period was less than 1.40, the Partnership shall provide to the Collateral Agent such information as to the reasons why the DSCR was less than 1.40 and the means by which the Partnership proposes to increase the DSCR; and;
- 11.2.3 following the beginning of the Operating Period, an Operating Report with respect to the last fiscal quarter of the previous fiscal year.

#### 11.3 **Construction Reports**

During the Construction Period, the Partnership shall deliver to the Collateral Agent and the Independent Engineer, a construction report in the form of the one attached as

Schedule "K" on the twentieth (20<sup>th</sup>) day of each month, or where the twentieth (20<sup>th</sup>) day of a month is not a Business Day, the Business Day immediately following the twentieth (20<sup>th</sup>) day of such month, with respect to the prior month, which report shall be executed by a Responsible Officer of Devco and by a Responsible Officer of the General Partner, in each case in his capacity as an officer of Devco or the General Partner, as the case may be, and without personal liability, attesting or providing:

- 11.3.1 Hard Costs incurred as at the Effective Date in such prior month by major expense category and compared as against the Project Budget;
- 11.3.2 an analysis of the Cost to Complete, provided, however, that such analysis shall relate to Hard Costs only;
- 11.3.3 a description of any Cost Variances detailing any variances from the Project Budget (with a narrative explanation of such variances), provided, however, that such description shall relate to Hard Costs only;
- 11.3.4 the estimated Commissioning Date detailing any variances which would delay the Commissioning Date beyond the Date Certain;
- 11.3.5 a description of any material disputes with any Material Project Participant and any related claims against the Partnership;
- 11.3.6 a narrative report describing in reasonable detail the progress of the construction of the Project since the last report hereunder and compared as against the established milestones in the Project Schedule, provided, however, that should any Construction Report report a change in the estimated Commissioning Date as reported in the preceding Construction Report, a column shall be added to Schedule F of such Construction Report and subsequent Construction Reports listing the relative dates under the Initial Project Schedule, it being understood, notwithstanding the foregoing proviso, that the "Status" column of Schedule "F" of the Construction Report and the narrative report would continue to be provided solely as regards the Project Schedule. Until such change in the reporting of the estimated Commissioning Date, any changes to the individual milestone dates shall be reported under the "Forecast" and "Status" columns of Schedule "F" of the Construction Report;
- 11.3.7 that the Project is being built substantially in all respects in accordance with the Project Plans and Good Utility Practice and that, subject to Sections 9.5 and 9.14, such officer has no reason to believe that the Project is being built in violation of any Applicable Laws or Authorizations in effect at the time of performance of the relevant work;
- 11.3.8 that, subject to Sections 9.5 and 9.14, all Material Project Participants and other Persons participating or working toward the Commissioning of the Project, to the best of such Responsible Officer's Knowledge, are not in

material default with respect to any of their respective obligations which would delay Commissioning beyond the Date Certain and the Partnership is not in material default in the payment of any sums due to such Persons in accordance with the terms agreed upon or in the fulfilment of any of its obligations with respect to such Persons, save and except with respect to such payments or obligations which the Partnership shall be contesting diligently and in good faith and in respect of which, in the event that such contestation should prove unsuccessful, no Lien shall be created or result upon or with respect to any LIL Assets and Rights now owned or hereafter acquired by the Partnership, except for Permitted Encumbrances;

- 11.3.9 that, subject to Sections 9.5 and 9.14, all Authorizations which, under Applicable Law, at such time are necessary to have been obtained in connection with the Project and the work currently being performed on the Project, have been obtained and are in full force and effect and do not contain any condition which could prevent or adversely affect the ability of the Partnership of attaining Commissioning by the Date Certain; and
- 11.3.10 as to the Additional Material Project Documents, if any, entered into by the Partnership since the last such certificate or the Closing Date, as the case may be;

which report shall be accompanied with all such supporting documentation and information as will permit the Collateral Agent and the Independent Engineer to verify the information and calculations given and made in such report (a "**Construction Report**").

#### **11.3A Delivery of Funding Requests and Final Funding Request**

On a monthly basis, at the times set forth in subsection 7.3.1 or, as the case may be, subsections 7.4.1, 7.5.1 and 7.6.1, at all times prior to the Commissioning Date, including at any time that the LIL Construction Facility and the Working Capital Revolving Facility are nil, the Partnership shall deliver a Funding Request or a Final Funding Request, as the case may be.

#### **11.4 Distribution Certificate**

If the Partnership wishes to make a Distribution, other than one contemplated in subsection 12.6.1 or paragraph 12.6.2.1, during any fiscal quarter (it being understood that only one Distribution may be made per fiscal quarter), then a Distribution Certificate, to be signed by a Responsible Officer of the General Partner, in his capacity as an officer of the General Partner and without personal liability, must be delivered to the Collateral Agent no less than five (5) Business Days prior to the proposed Distribution Date:

- 11.4.1 setting forth a calculation of Distribution Funds; and
- 11.4.2 certifying whether each of the Distribution Conditions has been met or will be met on the relevant Distribution Date.

**11.5 Budget Information**

During the Operating Period, the Partnership shall provide to the Collateral Agent, not more than ninety (90) days following the end of each fiscal year of the Partnership, the forecasted Financial Statements of each Credit Party for the following fiscal year, detailed on a quarterly basis in a manner satisfactory to the Collateral Agent.

During the Operating Period, Opco shall provide to the Collateral Agent not less than thirty (30) days before the end of each fiscal year, the Annual O&M Budget and the Annual Maintenance Plan for the following fiscal year.

**11.6 Notice of Litigation and other Matters**

The Credit Parties shall deliver to the Collateral Agent notice of the following events after Knowledge thereof (which notice shall in any event be given within twenty (20) days after the Credit Parties have Knowledge thereof):

- 11.6.1 the commencement of all proceedings (including any notices of infraction) and investigations by or before any Governmental Authority and all actions and proceedings in any court or before any arbitrator against, or (to the extent Known to the Credit Parties) in any other way relating to any Credit Party, any of their respective Assets, the Project or, to the Knowledge of the Credit Parties, threatened against a Credit Party or the Project, in each case which would have a Material Adverse Effect;
- 11.6.2 any event or events which, singly or in the aggregate, would have a Material Adverse Effect;
- 11.6.3 any LIL Event of Default;
- 11.6.4 any Release of any Hazardous Material at, upon, under, over, within, with respect to or emanating from the LIL Land Area in violation of any applicable Environmental Law, which would have a Material Adverse Effect;
- 11.6.5 copies of all orders, notices or Authorizations from environmental Governmental Authorities where the issue thereof would, singly or in the aggregate, have a Material Adverse Effect;
- 11.6.6 the occurrence of a material event of Force Majeure described in reasonable detail, the effects of such event on the Project Schedule and Project Budget or the operation of the LIL Assets and Rights, the action which the appropriate Credit Party intends to take to remedy such event and the estimated date when the event of Force Majeure will be remedied and will cease to impair the Project Schedule and Project Budget or the operation of the LIL Assets and Rights as well as notice of the cessation of any event of Force Majeure;

- 11.6.7 any circumstance of which the Credit Parties have notice or have Knowledge which would result in a material breach of, or material default under, a Material Project Document by any party thereto;
- 11.6.8 any notice received by any Credit Party of any Expropriation Event as regards any of the Assets of any Credit Party;
- 11.6.9 any casualty, damage or loss, whether or not insured, or any act or omission of the Credit Parties, their officers, directors, agents, contractors, consultants or representatives, or of any other Person if such casualty, damage or loss affects any Credit Party or the Project, in excess of \$50,000,000 for any one casualty or loss, or an aggregate of \$100,000,000;
- 11.6.10 any cancellation or material change in the terms, coverages or amounts of any insurance described in Section 10.6, unless such cancellation or material change has been approved by the Collateral Agent;
- 11.6.11 any intentional withholding of material compensation to any Material Project Participant under any Material Project Document;
- 11.6.12 any material breach or material dispute under any Material Project Document;
- 11.6.13 any material delay in the anticipated Commissioning Date; and
- 11.6.14 any of the events to which reference is made in Section 10.4.

11.7 **Operating Budget**

Opcos shall deliver to the Collateral Agent, not later than ninety (90) days prior to the anticipated Commissioning Date, the O&M Budget and the LTAMP.

11.8 **Other Information**

Following each request, the Credit Parties shall furnish to the Collateral Agent, such data, certificates, reports, statements, documents or further information regarding the Project or the business, Assets, liabilities, financial position or results of operations of any Credit Party as the Collateral Agent may request including any certificates and documents that the Collateral Agent may request in order to monitor the compliance of the Credit Parties with any AML Legislation.

11.9 **Distribution by Use of Websites**

Each Credit Party may satisfy its obligations under this Agreement to deliver to the Collateral Agent, or any advisor thereof, including the Independent Engineer, copies of the information, notices, reports and documents referred to in this Agreement, including those referred to in Article 7 by posting this information onto a secure and confidential electronic website (which shall include IntraLinks) designated by the Partnership to

which the Collateral Agent and the GAA Finance Parties have access and which creates automatic notice of posting to the access list. The Partnership shall supply the Collateral Agent and the GAA Finance Parties with the address of and any relevant password specifications for that designated website. Any website designated pursuant to this Section 11.9 must have appropriate and sufficient archiving and retrieval capabilities (including, without limitation, the ability to retrieve materials in printable form) as well as business interruption and server redundancy features, all as approved by the Collateral Agent.

## **ARTICLE 12**

### **NEGATIVE COVENANTS**

So long as the LIL Loan or any other amount payable hereunder is outstanding and unpaid or the Partnership shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Credit Parties hereby covenant that:

#### **12.1 Liens**

No Credit Party will create, incur, assume or suffer to exist any Lien upon or in respect of any of its present or future Assets other than Permitted Encumbrances.

#### **12.2 Indebtedness**

No Credit Party will incur, create, assume or suffer to exist any Indebtedness except for:

- 12.2.1 Indebtedness under this Agreement and the other LIL Project Finance Documents;
- 12.2.2 Indebtedness secured by a Lien which is a Permitted Encumbrance (other than a Lien securing Purchase Money Obligations);
- 12.2.3 trade payables or similar Indebtedness incurred in the ordinary course of business and for the purpose of carrying on same, representing the deferred purchase price of property or services;
- 12.2.4 Indebtedness of the Partnership and Opco under the Intermediary Trust Guarantee;
- 12.2.5 Indebtedness under Purchase Money Obligations; provided, however, that the aggregate principal amount of Purchase Money Obligations of all the Credit Parties outstanding at any time shall not exceed CDN\$15,000,000; and
- 12.2.6 Additional Debt incurred by the Partnership provided, however that (i) any such Additional Debt that is secured by Liens on any of the Assets of the Partnership shall be expressly subordinated to the Liens under the LIL Security Documents on terms and conditions satisfactory to the

Collateral Agent (ii) immediately after incurring such Additional Debt and after giving effect thereto no LIL Event of Default shall exist, and (iii) if such Additional Debt is incurred (a) during the Operating Period, the Prospective DSCR would not be less than 1.40 and the DER would not be greater than 75% as evidenced by a certificate, in the form attached hereto as Schedule "EE", signed by a Responsible Officer of the General Partner, in his capacity as an officer of the General Partner and without personal liability, delivered to the Collateral Agent at least five (5) Business Days prior to the incurrence of such Additional Debt or (b) during the Construction Period a certificate, in the form attached hereto as Schedule "FF", signed by a Responsible Officer of the General Partner, in his capacity as an officer of the General Partner and without personal liability, is delivered to the Collateral Agent at least five (5) Business Days prior to the incurrence of such Additional Debt, confirming that the servicing of such Additional Debt constitutes Project Costs and will therefore be funded as any other Project Costs under the terms of this Agreement and during the Operating Period the servicing of such Additional Debt is provided for under the LIL Lease as part of the rental payments thereunder.

12.3 **Derivative Instruments**

The Credit Parties will not enter into or be a party to any Derivative Instrument.

12.4 **Business Combinations**

No Credit Party will wind-up, liquidate or dissolve its affairs or enter into any transaction of amalgamation, merger, consolidation or other business combination or convey, sell, alienate, lease or otherwise dispose of (or agree to do any of the foregoing, at any future time) all or substantially all of its Assets, save and except that:

12.4.1 a Credit Party may amalgamate with another Credit Party or another Subsidiary of Nalcor if the amalgamated corporation (and Obligors' Counsel) confirms to the Collateral Agent in writing that it is liable, by operation of law or otherwise, for the obligations of the amalgamating corporations under the LIL Project Finance Documents and the Intermediary Trust Guarantee and executes and delivers a confirmatory assumption agreement, in form and substance acceptable to the Collateral Agent;

12.4.2 a Credit Party may convey, sell, alienate, lease or otherwise dispose of all or substantially all of its Assets to another Credit Party or another Subsidiary of Nalcor provided that the purchaser of such Assets executes and delivers to the Collateral Agent an assumption agreement and any supplemental LIL Security Documents as may be required by the Collateral Agent, in form and substance acceptable to the Collateral Agent; and

12.4.3 the Partnership may lease, transfer or assign the LIL Assets and Rights to Opco pursuant to the LIL Lease;

provided that in each of the foregoing cases, at the time any of the transactions contemplated thereunder are carried out and immediately after giving effect thereto, no LIL Event of Default shall have occurred and be continuing.

**12.5 Investments**

Neither the Partnership nor Opco will make any Investment other than Permitted Investments.

**12.6 Distributions**

12.6.1 Neither the Partnership nor Opco may declare or make any Distribution to any Person during the Construction Period save and except that the Partnership may declare and make Distributions during the Construction Period to Nalcor LP, on a quarterly basis provided, however, that (i) no LIL Event of Default exists on the date of any such proposed Distribution and (ii) the amount of each such Distribution does not exceed the Income on Prepaid Rent, has not been previously distributed by the Partnership and is sourced from such Income on Prepaid Rent by a withdrawal from the Prepaid Rent Reserve Account, the whole as certified to the Collateral Agent in writing by a Responsible Officer of the General Partner, in his capacity as an officer of the General Partner and without personal liability, at least two Business Days prior to any such proposed Distribution Date;

12.6.2 Neither the Partnership nor Opco may declare or make any Distribution to any Person during the Operating Period save and except that:

12.6.2.1 the Partnership may declare and make Distributions to Nalcor LP, on a quarterly basis provided, however, that (i) no LIL Event of Default exists on the date of any such proposed Distribution and (ii) the amount of each such Distribution does not exceed the Income on Prepaid Rent, has not been previously distributed by the Partnership and is sourced from such Income on Prepaid Rent by a withdrawal from the Prepaid Rent Reserve Account;

12.6.2.2 the Partnership may declare and make Distributions other than those contemplated in Section 12.6.2.1, on a quarterly basis provided, however, that such Distributions are sourced from Distribution Funds on a Distribution Date and the Distribution Conditions are met on such Distribution Date;

12.6.2.3 the Partnership may declare and make Distributions other than those otherwise provided for in this subsection provided, however, that (i) no LIL Event of Default exists on the date of any such proposed Distribution and (ii) such Distribution is made from the Cost Overrun Escrow Account in accordance with paragraph 10.28.2.5;



12.6.2.4 Opco may declare and make Distributions to Nalcor, on a monthly basis, during any year for which Opco previously paid Prepaid Rent to the Partnership provided, however, that (i) no LIL Event of Default exists on the date of any such proposed Distribution and (ii) the aggregate amount of such Distributions made in such year does not exceed the amount of the Prepaid Rent previously paid by Opco to the Partnership in respect of such year and is sourced from amounts received by Opco from NLH pursuant to the TFA on account of Rent payable by Opco during such year; and

12.6.2.5 Opco may declare and make Distributions to Nalcor, at any time following receipt of any TFA Payment, in amount of up to \$20,000, paid from the proceeds of the portion of such TFA Payment referenced in clause (c) of Section 3.1 of the TFA, provided, however, that no LIL Event of Default exists on the date of any such proposed Distribution.

#### 12.7 **Change of Year-End**

No Credit Party will change its fiscal year-end or the end of any of its fiscal quarters. On the Closing Date, the fiscal year-end of each Credit Party is December 31.

#### 12.8 **Change in Business**

No Credit Party will effect any change in the nature of its business as described in Section 9.22 or cease to carry on its business.

#### 12.9 **Pension Plans and Employees**

No Credit Party shall create any Pension Plan or have any employee.

#### 12.10 **Sale or Lease of Assets**

Neither the Partnership nor Opco shall sell, lease or otherwise dispose of its Assets, whether now owned or hereafter acquired, except for:

12.10.1 disposals of all or substantially all of its assets as permitted pursuant to Section 12.4; and

12.10.2 disposals of obsolete, worn out or other Assets not used or required for the continued operation of the Project up to an aggregate fair market value not to exceed CDN\$10,000,000 per fiscal year of the Partnership, and disposals of other Assets consisting of temporary facilities, equipment and buildings.

#### 12.11 **Subsidiaries**

Neither the Partnership nor Opco shall create or acquire any Subsidiary.

**12.12 Material Project Documents**

No Credit Party shall cause, consent to, or permit, any termination, amendment or variance of, or waiver of timely compliance with, any of the terms or conditions of or obligations under any Material Project Document save and except:

- 12.12.1 any amendments or modifications to cure any defective provisions contained therein or to permit other minor deviations from the terms thereof;
- 12.12.2 amendments, waivers or variances that are not adverse to the Credit Parties or the Project in any material respect;
- 12.12.3 Change Orders permitted pursuant to Section 10.13; and
- 12.12.4 as may be provided in the LIL Remedies Agreement, the TFA, the LIL Assets Agreement or the LIL Lease.

**12.13 Abandonment of Project**

The Partnership shall not voluntarily abandon construction of the Project and Opco shall not voluntarily abandon the operation of the Project, in each case for a continuous period of more than thirty (30) days, except in the case of Force Majeure where such period shall be extended unless it causes the occurrence of a default under any Material Project Document and in the case of Opco, as contemplated in (i) Section 2.6(a) of the LIL Remedies Agreement provided that NLH is exercising its rights thereunder or (ii) Section 2.6(b) of the LIL Remedies Agreement provided that the Partnership is exercising its rights thereunder.

**12.14 Project Accounts**

The Partnership and Opco shall not change the location of the LIL Project Accounts or the Opco Project Accounts without the prior written consent of the Collateral Agent (such consent not to be unreasonably withheld or delayed), *provided that* (i) the Collateral Agent, (ii) the Partnership or Opco, as the case may be, and (iii) such bank to which the LIL Project Accounts or the Opco Project Accounts are to be moved shall, prior to such change in location, enter into such agreements as the Collateral Agent may request, acting reasonably, to preserve, perfect and protect the Liens under the Security Documents in the funds standing to the credit of the Project Accounts.

**12.15 Non-Arm's Length Transactions**

Save and except for Material Project Documents entered into with Affiliates of the Partnership, the Partnership shall not permit any transaction, repay any debt, liabilities or obligations owing to, or transfer any undertaking or property (other than at fair market value for cash or save as otherwise permitted under the LIL Lease, the MSA or the agreements referenced in Section 9.22 and that are to be executed with one or more of its Affiliates in connection with the operation and maintenance by the Partnership of the Project on an interim basis prior to Commissioning) to, or purchase any undertaking or

property from or otherwise enter into any transaction or agreement (other than on commercially reasonable terms) with, any Affiliate (or any Person who, after the completion of the transaction, would become an Affiliate) or any trustee, director, officer, employee, shareholder, unitholder, or Person not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)).

12.16 **Use of Project Sites**

The Partnership and Opco shall not use any sites of the Project for any purpose other than the construction and operation of the Project, without the consent of the Collateral Agent, acting reasonably and without undue delay, after consultation by the Collateral Agent with such consultants as the Collateral Agent may deem reasonably necessary.

12.17 **Amendments to Organizational Documents**

No Credit Party shall amend any of its Organizational Documents in a manner that would be reasonably expected to adversely affect the rights and remedies of the Collateral Agent.

12.18 **Securities Issuances**

No Credit Party shall issue any securities unless the issued securities are concurrently and validly pledged as a first priority Lien, subject to Permitted Encumbrances, in favour of the Collateral Agent or Canada, as the case may be.

**ARTICLE 13**

**EVENTS OF DEFAULT**

The occurrence of any one or more of the following events shall constitute a LIL Event of Default (each such event being herein referred to as a "**LIL Event of Default**"):

13.1 **Non-Payment of Principal or Interest**

The Partnership fails to pay, when due, any Sinking Fund Payment or amount of principal, interest or fees, including the Guarantee Fee, outstanding hereunder or under any other LIL Project Finance Document within five (5) Business Days of the due date thereof.

13.2 **Misrepresentation**

Any representation or warranty made or deemed made by any Credit Party herein or in any other LIL Project Finance Document is found to have been false, inaccurate, incomplete, fraudulently made, or breached in any material respect.

13.3 **Breach of Covenants**

Any Credit Party fails to perform or comply with any provision or obligation (other than those specifically referred to in the other Sections of this Article) contained herein or in any other LIL Project Finance Document and such failure continues unremedied for a period of thirty (30) days following the issuance to such Credit Party by the Collateral Agent of a notice thereof, provided however that with respect to the requirement in Section 10.3 to perform or comply with any Applicable Law or the terms or conditions of any Authorization, a Credit Party shall be deemed not to have failed to so perform or comply where such failure would not have a Material Adverse Effect or would not prevent Commissioning being achieved by the Date Certain.

13.4 **Unsatisfied Judgments**

Any judgment or decree for the payment of money is entered against either the Partnership or Opco and is not vacated, discharged, stayed or collateral has not been posted with respect thereto pending appeal within sixty (60) days of the entry thereof, or is not vacated or discharged prior to the expiration of any stay of proceedings applicable thereto, and involves a liability (not paid or fully covered by insurance) the amount of which, singly or when aggregated with all such liabilities of the Partnership and Opco, exceeds CDN\$50,000,000.

13.5 **Enforcement Proceeding**

Any Enforcement Proceeding is commenced against either the Partnership or Opco, is not vacated, discharged, dismissed or stayed within sixty (60) days of the commencement thereof, and relates to a material part of the LIL Assets and Rights.

13.6 **Insolvency**

An Insolvency Event shall have occurred with respect to (i) the Partnership, (ii) the General Partner, (iii) Opco, or (iv) Nalcor.

13.7 **Change of Control**

Should Nalcor cease to Control any Credit Party or should Nalcor cease to be Controlled by NL Crown.

13.8 **Default under Equity Agreements**

If (i) the General Partner fails to issue a Cash Call Notice (as defined in the ESA) and, further to a Payment Demand (as defined in the ESG) made by the Collateral Agent to NL Crown in accordance with the provisions of the ESG in connection with such breach by the General Partner, NL Crown fails to pay the amount specified in such Payment Demand within ninety (90) days following its issuance by the Collateral Agent or (ii) Nalcor or Nalcor LP fails to make any equity contribution as and when required pursuant to the provisions of the ESA and further to a Payment Demand (as defined in the ESG) made by the Collateral Agent to NL Crown in accordance with the provisions of

the ESG in connection with such breach by Nalcor LP or Nalcor, NL Crown fails to pay the amount specified in such Payment Demand within ninety (90) days following its issuance by the Collateral Agent.

**13.9 Failure to furnish a Construction Report**

Should the Partnership fail to furnish to the Collateral Agent and the Independent Engineer a Construction Report when required under the provisions of Section 11.3 and such failure continues unremedied for a period of thirty (30) days.

**13.10 Denial of Obligations**

Should the Partnership or Opco deny to any material extent, its obligations under any LIL Project Finance Document or claim any of the LIL Project Finance Documents to be rescinded, terminated (other than a scheduled termination), invalid or withdrawn, in whole or in part, or if any LIL Project Finance Document ceases to be in full force and effect otherwise than in accordance with the provisions thereof.

**13.11 Material Project Documents Default**

If any Credit Party or any Material Project Participant breaches or defaults under any material provision contained in any Material Project Document (other than the TFA, the LIL Lease and the LIL Remedies Agreement) and such breach or default has a Material Adverse Effect and such breach or default shall continue unremedied for the applicable cure period or thirty (30) days in the event that no cure period is specified or the Partnership has not obtained, or caused to be obtained, a Replacement Obligor within such cure period of time.

**13.12 Non-Permitted Assignment of Material Project Documents**

If any Credit Party assigns any Material Project Document and such assignment is not permitted under the terms of such Material Project Document.

**13.13 Payment Default Under LIL Lease and TFA**

If NLH is in default of its obligation set forth in the TFA to make the TFA Payments and Opco is in default of its obligation set forth in the LIL Lease to pay Rent, and such failures to pay are not remedied within five (5) Business Days of the due date thereof.

**13.14 Sustaining Costs**

If the Partnership is in default of its obligation under the LIL Lease to pay Sustaining Costs and, within thirty (30) days of such default, NLH has not exercised any of its rights under Section 2.5(a) of the LIL Remedies Agreement.

**13.15 Quiet Enjoyment**

If the Partnership fails to provide quiet enjoyment of the LIL Assets and Rights to Opco in the circumstances described in Section 2.5(b) of the LIL Remedies Agreement and NLH suspends payment of the TFA Payments to Opco as provided in Section 2.5(b) of the LIL Remedies Agreement, unless within thirty (30) days of such default by the Partnership, the Partnership cures such default and NLH resumes making the TFA Payments.

**13.16 O&M Activities**

If Opco is in default of its obligation set forth in the LIL Lease or the TFA to carry out the O&M Activities in accordance with the applicable provisions of the LIL Lease or the TFA and, within thirty (30) days of such default by Opco, NLH and the Partnership fail to exercise their rights under Section 2.6(a) or Section 2.6(b), as applicable, of the LIL Remedies Agreement.

**13.17 Other Default under LIL Lease or TFA**

If any party to the LIL Lease or the TFA breaches or defaults under any material provision contained therein (other than those specifically referred to in any of Sections 13.12, 13.14, 13.15 or 13.16), and such breach or default shall continue to be unremedied for the applicable cure period or thirty (30) days in the event that no cure period is specified.

**13.18 Authorization**

If any Authorization is materially modified, suspended, revoked or cancelled by a Governmental Authority having jurisdiction or if any Authorization expires while it is still required for the Project; provided, however, that the foregoing shall not result in a LIL Event of Default if the Partnership diligently pursues and obtains a replacement of such Authorization within thirty (30) days after its material modification, suspension, revocation, cancellation or expiry, and such modification, suspension, revocation, cancellation or expiry does not result in a Material Adverse Effect.

**13.19 Material Project Document Invalidity**

If any Material Project Document ceases to be in full force and effect other than as a result of a scheduled termination or Commissioning and other than, in the case of the TFA, a termination thereof as contemplated in Section 2.5(e) of the LIL Remedies Agreement, and the Partnership fails, within thirty (30) days after such Material Project Document so ceases to be in effect, to replace such Material Project Document or cause it to be replaced, if required in the opinion of the Collateral Agent, with an Additional Material Project Document with a Replacement Obligor containing substantially the same terms as such Material Project Document and acceptable to the Collateral Agent.

13.20 **Commissioning by Date Certain**

If the Partnership fails to achieve Commissioning by the Date Certain.

13.21 **Security**

If any Lien under the LIL Security Documents ceases to constitute a valid and perfected first priority Lien (subject only to Permitted Encumbrances) in the appropriate Credit Party's Assets (other than Excluded Deposits and the Contributed Surplus).

13.22 **Insurance Proceeds**

In the event of loss or damage to the Project resulting in insurance proceeds of more than CDN\$100,000,000, the insurance proceeds are not sufficient to repair, rebuild or replace the damage or destruction in respect of which the insurance proceeds are payable, and the deficiency cannot be claimed either as a TFA Payment or Rent, unless within ninety (90) days following the payment of such insurance proceeds, the Partnership funds the deficiency to the satisfaction of the Collateral Agent.

13.23 **Abandonment of Project**

If the Partnership fails to comply with the provisions of Section 12.13 or if any owner of the Project abandons the Project.

13.24 **Unauthorized Transfer**

If either the Partnership or Opco fails to comply with the provisions of Section 12.10.

13.25 **DSCR**

If any LIL Compliance Certificate delivered pursuant to Section 11.1 or 11.2 demonstrates that the Retrospective DSCR or the Prospective DSCR is less than 1.10 as at the end of any rolling twelve (12) month period and such default is not remedied within thirty (30) days following the delivery of any such LIL Compliance Certificate.

13.26 **Debt Service Reserve**

If at any time following the Commissioning Date the balance in the DSRA is less than the Minimum DSRA Requirement and the Partnership fails to deposit in the DSRA such amounts as are necessary to fund the deficiency within five (5) Business Days following the issuance to the Partnership by the Collateral Agent of a notice to do so.

13.27 **Muskrat/LTA Cross Default**

If any Muskrat/LTA Event of Default occurs, provided, however, that this LIL Event of Default shall automatically be cured in the event that the Muskrat/LTA Event of Default is either remedied or waived by the Muskrat/LTA Collateral Agent before the Collateral Agent exercises any of the rights set forth in Article 14.

13.28 **Intermediary Trust Cross Default**

If any IT Event of Default occurs, provided, however, that this LIL Event of Default shall automatically be cured in the event that the IT Event of Default is either remedied or waived by the Collateral Agent before the Collateral Agent exercises any of the rights set forth in Article 14.

13.29 **Assignment by the Partnership**

If the Partnership purports to assign this Agreement without the prior written consent of the Collateral Agent.

**ARTICLE 14**

**REMEDIES**

14.1 **Preliminary Measures**

Upon the occurrence of a LIL Event of Default (other than a LIL Event of Default listed in subsections 14.1.1 to 14.1.8), a one hundred and fifty (150) day consultation period (the "**Remedies Consultation Period**") shall automatically be triggered during which the Credit Parties shall meet with the Collateral Agent and the GAA Finance Parties during normal business hours, on request made by the Collateral Agent or the Credit Parties from time to time during such Remedies Consultation Period reasonably in advance of any proposed meeting, to discuss the LIL Event of Default, the cause of such LIL Event of Default and potential actions to be taken to cure the LIL Event of Default and attempt to come to an agreement on how to implement the remedy for the LIL Event of Default in a timeframe acceptable to all such parties. Notwithstanding the existence of any LIL Event of Default (other than a LIL Event of Default listed in subsections 14.1.1 to 14.1.8) during the Remedies Consultation Period, neither the Collateral Agent nor any of the GAA Finance Parties shall be entitled to exercise any Right, Recourse or Remedy that might otherwise be available to it or them hereunder, under any other LIL Project Finance Document or under any Applicable Law including those contemplated in Section 14.2, save and except (i) for the right of the Collateral Agent to apply amounts on deposit in the DSRA to the payment of any Sinking Fund Payments then due and outstanding or any payment under the LIL Loan then due and outstanding and (ii) that as of and from the 90<sup>th</sup> day of such Remedies Consultation Period, the Collateral Agent may issue to the Credit Parties (but not to third parties) any notices for enforcement required to be issued under Applicable Law similar to the notices required under Section 244 of the *Bankruptcy and Insolvency Act* (Canada), provided, however, that no such notice may be published, filed or registered in any public registry or elsewhere until the expiry of such Remedies Consultation Period. If at any time during a Remedies Consultation Period, an Insolvency Event (other than an Insolvency Event under clause (v) of the definition of "Insolvency Event") occurs with respect to any Credit Party or Nalcor, then such Remedies Consultation Period shall thereupon terminate. The following LIL Events of Default shall not trigger a Remedies Consultation Period:



- 14.1.1 a LIL Event of Default under Section 13.6 resulting from an Insolvency Event other than an Insolvency Event under clause (v) of the definition of "Insolvency Event";
- 14.1.2 a LIL Event of Default under Section 13.7;
- 14.1.3 a LIL Event of Default under Section 13.10;
- 14.1.4 a LIL Event of Default under Section 13.12;
- 14.1.5 a LIL Event of Default under Section 13.19, but only to the extent that it relates to the LIL Lease or the TFA;
- 14.1.6 a LIL Event of Default under Section 13.23;
- 14.1.7 a LIL Event of Default under Section 13.27, but only to the extent that the Muskrat/LTA Event of Default giving rise to such a LIL Event of Default has not triggered a concurrent Remedies Consultation Period (as defined in the Muskrat/LTA Master Definitions Agreement);
- 14.1.8 a LIL Event of Default under Section 13.28, but only to the extent that the IT Event of Default giving rise to such a LIL Event of Default is (a) an IT Event of Default under Section 13.6 of the IT Project Finance Agreement resulting from an Insolvency Event other than an Insolvency Event under clause (v) of the definition of "Insolvency Event" or (b) an IT Event of Default under Section 13.7 of the IT Project Finance Agreement.

14.2 **Termination and Acceleration**

Upon the occurrence and during the continuance of an Enforcement Event, the Collateral Agent may do any one or more of the following:

- 14.2.1 declare the whole or any part of the LIL Facilities to be cancelled, terminated or reduced, whereupon the Intermediary Trust shall not be required to make any further Advance hereunder in respect of such portion of the LIL Facilities so cancelled, terminated or reduced;
- 14.2.2 accelerate the maturity of all or any item or part of the LIL Loan and declare them and any applicable LIL Make-Whole Amount to be payable on demand or immediately due and payable, whereupon they shall be so accelerated and become so payable or due and payable, as the case may be;
- 14.2.3 enforce or realize upon all or any Lien granted under the LIL Project Finance Documents;
- 14.2.4 suspend any rights of the Credit Parties under any LIL Project Finance Document, whereupon such rights shall be so suspended; and

14.2.5 take any other action, commence any other suit, action or proceeding or exercise such other rights as may be permitted by any LIL Project Finance Document or Applicable Law (whether or not provided for in any LIL Project Finance Document) at such times and in such manner as the Collateral Agent may consider expedient,

all without any additional notice, demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour or any other action being required. If an Enforcement Event occurs and is continuing, the LIL Facilities shall immediately and automatically be cancelled and the LIL Loan and the LIL Make-Whole Amount shall be accelerated and become immediately and automatically due and payable without any action on the part of the Collateral Agent or any of the GAA Finance Parties being required.

14.3 **Distribution of Proceeds of Realization**

Any Proceeds of Realization received by any of the Intermediary Trust (or, after the Assignment, 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 Intermediary Trust (or, after the Assignment, 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 Intermediary Trust Project Costs and Expenses incurred or paid up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.3;
- 14.3.4 fourthly, to pay all Funding Vehicle Project Costs and Expenses incurred or paid up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.4;
- 14.3.5 fifthly, to pay all Canada Project Costs and Expenses incurred or paid up to and including the day any Proceeds of Realization are distributed in accordance with the provisions of this subsection 14.3.5;
- 14.3.6 sixthly, to pay (i) all interest and LIL Stand-By Fee in respect of the LIL Loan, (ii) all principal on the LIL Loan and any LIL Make-Whole Amount, (iii) all breakage costs and other losses and expenses, in all cases then due and payable pursuant to the provisions of the Consolidated Transaction Documents up to and including the day any Proceeds of

Realization are distributed in accordance with the provisions of this subsection 14.3.6 and (iv) the Guarantee Fee; and

14.3.7 lastly, to pay any surplus to any Person or Persons who by Applicable Law shall have the right to receive same.

**14.4 Application of Payments**

Any payments received in respect of the LIL Secured Obligations from time to time may, notwithstanding any appropriation by the Partnership but subject to the provisions of Section 14.3, be appropriated to such parts of the obligations of the Partnership under any LIL Project Finance Documents and in such order as the Collateral Agent, acting in accordance with the Requisite Instructions sees fit, and the Collateral Agent shall have the right to change any appropriation at any time pursuant to any such Requisite Instructions.

**ARTICLE 15**

**INDEMNITIES**

**15.1 Change in Law**

If the Intermediary Trust (or, after the Assignment, the Funding Vehicle) determines (which determination shall be evidenced by a certificate submitted to the Partnership and the Collateral Agent by the Intermediary Trust (or, after the Assignment, the Funding Vehicle) and, in the absence of demonstrable error, such certificate shall constitute *prima facie* evidence of the subject matter thereof among the parties hereto) that:

15.1.1 a Change in Law has made or shall make it unlawful, impracticable or contrary to any Applicable Law for the Intermediary Trust (or, after the Assignment, the Funding Vehicle) to maintain or give effect to all or any part of its obligations as contemplated by this Agreement and the other LIL Project Finance Documents, or to make or maintain all or any part of the LIL Loan hereunder, then the obligations of the Intermediary Trust (or, after the Assignment, the Funding Vehicle) to maintain or give effect to such part of such obligations or to make or maintain such part of the LIL Loan shall terminate and, subject to the provisions of any such Applicable Law and those of Section 15.2 with respect to losses and expenses, the Partnership shall repay in full any such affected LIL Loan, together with all interest accrued thereon and the LIL Make-Whole Amount, immediately upon demand of the Intermediary Trust (or, after the Assignment, the Funding Vehicle); or

15.1.2 a Change in Law has:

(a) imposed, modified, or deemed applicable any loan ceiling against the Intermediary Trust (or, after the Assignment, the Funding Vehicle) or imposed, modified or deemed applicable any special Tax (other than a

Tax on the overall net income of the Intermediary Trust (or, after the Assignment, 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 Intermediary Trust (or, after the Assignment, the Funding Vehicle); or

- (b) changed the basis of taxation of payments to the Intermediary Trust under this Agreement (other than a change affecting taxation on the overall net income of the Intermediary Trust (or, after the Assignment, the Funding Vehicle)); or
- (c) imposed on the Intermediary Trust (or, after the Assignment, the Funding Vehicle) any other condition (including the amount of capital required or expected to be maintained by the Intermediary Trust as a result of this Agreement) or monetary restraint with respect to this Agreement; and

the result of any of the foregoing is to increase the cost to the Intermediary Trust (or, after the Assignment, the Funding Vehicle) of making or maintaining the LIL Facilities, the LIL Loan or any part thereof or to reduce any amount receivable by the Intermediary Trust (or, after the Assignment, the Funding Vehicle) with respect to the LIL Loan or any part thereof by an amount which the Intermediary Trust (or, after the Assignment, 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

- (d) the Partnership shall pay to Collateral Agent, for the account of the Intermediary Trust (or, after the Assignment, the Funding Vehicle), such additional amount computed by Collateral Agent as will, on an after-tax basis, compensate the Intermediary Trust (or, after the Assignment, the Funding Vehicle) for such additional cost or reduction in amounts receivable which the Intermediary Trust (or, after the Assignment, the Funding Vehicle) determines to be attributable to the Partnership or the LIL Loan made to the Partnership; and
- (e) subject to the provisions of Section 15.2 with respect to losses and expenses, the Partnership may repay in full the LIL Loan together, in each case, with accrued interest thereon and the LIL Make-Whole Amount.

**15.2 Reimbursement of Losses and Expenses**

Whenever the Intermediary Trust shall sustain or incur any losses and expenses in connection with:

- 15.2.1 the failure of the Partnership to borrow pursuant to a LIL Draw Request or Working Capital Revolving Funding Request, as the case may be, once delivered (whether by reason of the Partnership's decision not to proceed, the non-fulfilment by the Partnership of any of the conditions set forth herein, the existence of a LIL Event of Default on the relevant LIL Drawdown Date or for any other reason other than default by the Intermediary Trust resulting from a default by the Funding Vehicle); or
- 15.2.2 the declaration by the Collateral Agent following the occurrence and continuance of an Enforcement Event that the LIL Loan is immediately due and payable; or
- 15.2.3 the failure of the Partnership to pay when due any principal, interest, Sinking Fund Payment, fees or other amount under this Agreement when due (whether at maturity, by reason of acceleration or otherwise).

(the events contemplated above shall be referred to individually as a "**LIL Loss Event**" and the funds repaid, not borrowed or not repaid, as the case may be, which are subject to any such LIL Loss Event shall be collectively referred to as the "**LIL Affected Funds**").

the Partnership agrees to pay to the Collateral Agent, for the account of the Intermediary Trust, upon demand, an amount certified by the Collateral Agent to be necessary to compensate the Intermediary Trust for all such losses and expenses. The certificate of the Collateral Agent shall also specify the computation and reasonable explanations of the amount to be paid.

**15.3 Environmental Indemnity**

The Credit Parties shall at all times indemnify and hold harmless the Indemnified Parties against and from any and all losses and expenses of any nature whatsoever, incurred, suffered, sustained or required to be paid by them or any one thereof, under or on account of Environmental Laws, including the assertion of any Lien thereunder (collectively, the "**Environmental Losses**"), with respect to:

- 15.3.1 any violation or alleged violation of Environmental Laws, or the presence of any Hazardous Material affecting any Asset of any Credit Party in violation of Environmental Laws;
- 15.3.2 any Clean-Up costs incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred in connection with the property, operations and activities of such other Person or the property, operations and activities of the

Partnership as a result of the violation of Environmental Laws by the Partnership;

- 15.3.3 liability for personal injury or property damage arising under any statutory or common law tort theory; and
- 15.3.4 any other environmental matter affecting any Asset of a Credit Party or the operations and activities of a Credit Party within the jurisdiction of any Governmental Authority.

The obligations of the Credit Parties under this Section shall arise upon the discovery of any Hazardous Material, whether or not any Governmental Authority has taken or threatened any action in connection with the presence of any Hazardous Material.

#### 15.4 **General Indemnity**

The Credit Parties hereby indemnify and hold harmless the Indemnified Parties from and against any and all losses and expenses, joint and several or joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defence with respect thereto arising out of or in connection with or relating to this Agreement (including, without limitation, any liability that any Indemnified Party incurs by virtue of being found, in respect of the Project, liable as a partner or joint venturer), the other LIL Project Finance Documents or the transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the LIL Facilities, whether or not such investigation, litigation or proceeding is brought by any Credit Party or any of their respective partners, shareholders or creditors, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such losses and expenses are found in a final judgment to have directly resulted from such Indemnified Party's gross negligence or wilful misconduct.

#### 15.5 **Claims under the Indemnities**

The Indemnified Party claiming indemnification under Sections 15.3 or 15.4 shall give the Credit Parties notice in writing of particulars of any claim asserted by third parties against it which is covered by such indemnities and the Credit Parties shall, within fifteen (15) days, give notice in writing to such Indemnified Party whether they wish to dispute such claim at their sole cost and expense. The Indemnified Party shall not permit the settlement of or compromise of such claim without the written consent of one of the Credit Parties, unless the said fifteen (15) day period has expired without one of the Credit Parties having given written notice of its desire to dispute such claim. If the Indemnified Party is unable to obtain timely advice from the Credit Parties that they wish to dispute such claim as aforesaid, the Indemnified Party shall be entitled to deal with such claim in such manner as it deems appropriate. If the Credit Parties give such written notice to the Indemnified Party that they do wish to dispute such claim, the Credit Parties

shall have the obligation to contest, settle, compromise or dispute such claim in the name of or on behalf of the Person against whom it is made, at their own cost and expense, and shall at their own cost and expense defend expeditiously the Person against whom such claim is made from all such actions or proceedings to which the said indemnity applies, and the Indemnified Party shall arrange that the Credit Parties shall have the right to carry on such actions or proceedings in its name; provided that, counsel retained by the Credit Parties to prosecute such defense is approved by the Indemnified Party and the Credit Parties (i) shall keep the Indemnified Party advised as to the course of the proceedings, (ii) shall not settle any claim without the prior consent of the Indemnified Party unless the settlement results in a full and final release of the Indemnified Party without cost or any risk to the reputation of the Indemnified Party and does not contain any admission of fault, and (iii) shall prosecute and dispute or conduct such negotiations in good faith and with due diligence; and provided, further that, notwithstanding any provision herein contained, the Indemnified Party shall at all times have the right to retain its own counsel, with the prior written consent of the Credit Parties and at the reasonable cost and expense of the Credit Parties, to advise it in any of the foregoing, to appear in its name and act on its behalf in any proceedings or conduct negotiations on its behalf. Subject to the foregoing, the Indemnified Party shall make available to the Credit Parties copies of all files, books, records and documents, information and data (except for such files, books, records and documents, information and data which are confidential) in the possession and control of the Person against whom the claim is made relevant to such actions or proceedings for the purposes of such defence and shall cause such Person to cooperate without expense to itself in all reasonable respect and to assist in the defence of any such actions or proceedings.

## 15.6 **Remedial Action**

In the event of:

- 15.6.1 any Release of Hazardous Materials, the threat of a Release of any Hazardous Material or the presence of any Hazardous Material affecting or relating to any Asset of any Credit Party in violation of Environmental Laws which, singly or in the aggregate, (i) would result in losses and expenses to the Credit Parties in excess of CDN\$50,000,000 or (ii) would have a Material Adverse Effect; or
- 15.6.2 any Credit Party failing to comply with any of the requirements of Environmental Laws, which non-compliance, singly or in the aggregate, would have a Material Adverse Effect;

the Collateral Agent after having given written notice of the intention of the GAA Finance Parties to the Credit Parties (no later than fifteen (15) Business Days before giving effect to such intention at their election, but without the obligation so to do), may give such notices and/or cause such work to be performed at such property and/or take any and all other actions as the Collateral Agent shall deem necessary or advisable in order to Clean-Up or cure non-compliance. Any amounts expended by the Collateral Agent in any of the foregoing activities shall be repayable by the Partnership upon the

demand of the Collateral Agent, shall form part of the LIL Loan and interest thereon shall be computed and be payable at the same rate as that applicable to the FV Bond latest to mature under the Construction Tranches and such amounts shall constitute part of the LIL Secured Obligations.

**15.7 Acknowledgement**

The Credit Parties acknowledge that the Collateral Agent and the GAA Finance Parties have agreed to the LIL Loan being made in reliance upon the representations, warranties and covenants in this Agreement relating to the environment. For this reason, it is the intention of the Credit Parties, the Collateral Agent and the GAA Finance Parties that the Credit Parties shall be liable for any liability or Indebtedness arising under this Article even if the amount of liability incurred exceeds the amount of the LIL Loan. The liability and Indebtedness of the Credit Parties arising under this Article shall constitute part of the LIL Secured Obligations, shall be secured by the LIL Security Documents, are absolute and unconditional and shall not be affected by any act, omission, or circumstance whatsoever, whether or not occasioned by the fault of the Collateral Agent and the GAA Finance Parties or any one thereof, except to the extent such liabilities are determined, in a final judgment, to have resulted directly from the gross negligence or wilful misconduct of the Collateral Agent and the GAA Finance Parties, their respective directors, officers, employees, advisors, representatives and agents or any one thereof. All of the representations, warranties, covenants and indemnities of this Agreement relating to the environment shall survive the repayment of the LIL Loan and shall survive the transfer of any or all right in and to the Assets of any Credit Party to any party, whether or not affiliated with them.

The obligations and the Indebtedness arising under Section 15.3 are not in any way diminished by the knowledge of any one of such beneficiaries of the non-compliance by any Credit Party with Environmental Laws; they shall survive the repayment of the LIL Loan as well as the sale or disposition of the property which is the basis of the indemnity claimed.

**ARTICLE 16**

**SPECIAL PROVISIONS**

**16.1 Covenant of the Intermediary Trust**

The Intermediary Trust covenants and agrees that, on demand made by the Partnership from time to time, it shall request that the Funding Vehicle claim from the Indenture Trustee any moneys set aside in connection with any redemption of any securities issued by the Funding Vehicle under Section 5.6 of each MTI six (6) years following such setting aside if the holders of such securities have not claimed such amounts and that such amounts be paid to the Intermediary Trust and the Intermediary Trust shall pay same to the Partnership upon receipt.



16.2 **Actions and Decisions of the Collateral Agent and GAA Finance Parties**

Whenever any reference is made in this Agreement to a decision or judgment to be made by, consent or waiver to be granted by, discretion to be exercised by, action to be taken by, request to be made by, or otherwise to the Collateral Agent, the GAA Finance Parties or any one of them, or any other Person, including the Collateral Agent's Counsel, the Independent Engineer or the Insurance Consultant, such reference shall be deemed to be a reference to such Person, acting reasonably. Moreover, and without limiting the foregoing, whenever any reference is made in this Agreement to a decision or judgment to be made by, consent or waiver to be granted by, discretion to be exercised by, action to be taken by, request to be made by, or otherwise to, the Collateral Agent, such reference shall be deemed to be to the Collateral Agent, acting in accordance with the Requisite Instructions.

16.3 **Directions in Respect of the Intermediary Trust Proceeds Account**

The Intermediary Trust and the Partnership acknowledge and agree that the Partnership has an interest in ensuring that the funds in the Intermediary Trust Proceeds Account are properly Invested from time to time, and that such Investments are sufficiently liquid to allow the Intermediary Trust to perform its obligations as lender hereunder, and to allow the Partnership to access the funds necessary under the LIL Facilities to fund Project Costs as per the terms hereof. In furtherance of the foregoing, the Intermediary Trust directs the Collateral Agent to act in accordance with the instructions of the Partnership with respect to all instructions contemplated in the IT Blocked Account Agreement as to the Investments to be made from funds held in the Intermediary Trust Proceeds Account, and the liquidation of such Investments.

**ARTICLE 17**

**MISCELLANEOUS**

17.1 **Appointment of Collateral Agent as Attorney-in-Fact**

Subject to the Consolidated Transaction Documents, the IT Trustee as trustee of the Intermediary Trust hereby irrevocably appoints the Collateral Agent as the IT Trustee's and Intermediary Trust's attorney-in-fact during the term of this Agreement, with full authority in the place and stead of and in the name, the IT Trustee and the Intermediary Trust or otherwise, from time to time as required by this Agreement, to take such actions on their respective behalves as the Collateral Agent, subject to the provisions of this Agreement, may deem necessary or advisable to comply with or effect the purposes of this Agreement and the Consolidated Transaction Documents including to execute any documents which the IT Trustee could execute on behalf of the Intermediary Trust including consents and confirmations issued to the Partnership in accordance with the Project Financing Duty Requirement, to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts or moneys due and to become due in connection with the Consolidated Transaction Documents or otherwise owed to them pursuant thereto, to receive, endorse, and collect any drafts or other instruments,

documents and chattel paper in connection therewith, and to file any claims or take any action or institute any Proceedings which the Collateral Agent, subject to the provisions of this Agreement, may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of this Agreement.

17.2 **Notice**

17.2.1 Any notice, document or other communication required or permitted to be given or delivered hereunder will be given by personal delivery or courier, or facsimile, or by electronic mail delivery addressed as follows:

17.2.1.1 **To the Collateral Agent:**

**The Toronto-Dominion Bank**  
TD Bank Tower  
66 Wellington St. W., 9th Floor  
Toronto, Ontario, Canada. M5K 1A2

Attention: Emilia Casado  
Loan Syndications - Agency

Fax: 416 944-6976

E-mail: emilia.casado@tdsecurities.com

17.2.1.2 **To the Intermediary Trust:**

**LIL Construction Project Trust**  
c/o BNY Trust Company of Canada, as Issuer Trustee  
320 Bay Street  
11th Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administration

Fax: 416- 360-1711

17.2.1.3 **To the Partnership:**

Labrador-Island Link General Partner Corporation, as General  
Partner of Labrador-Island Link Limited Partnership  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0C9

Attention: General Counsel

Fax: 709 737-1782

E-mail: NalcorGeneralCounsel@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: General Counsel

Fax: 709 737-1782

E-mail: NalcorGeneralCounsel@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

**17.2.1.4 To Opco:**

**Labrador-Island Link Operating Corporation**

500 Columbus Drive  
P.O. Box 15050, Station A  
St. John's, NL A1B 0M5

Attention: General Counsel

Fax: 709 737-1782

E-mail: NalcorGeneralCounsel@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: General Counsel

Fax: 709 737-1782

E-mail: NalcorGeneralCounsel@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 **Provisions Regarding Liability of IT Trustee**

The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the IT Trustee herein and therein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets of the Intermediary Trust. No Assets of the IT Trustee (other than the Assets of the Intermediary Trust), whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement or any of the documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other

obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

**17.5 Successors and Assigns**

Subject to the provisions of Section 17.6, this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

**17.6 Assignment by Intermediary Trust**

The parties hereby acknowledge that on or immediately prior to the first day of the Operating Period, in full and final payment of all its Indebtedness to the Funding Vehicle under the IT Project Finance Agreement, the Intermediary Trust shall Assign to the Funding Vehicle all Indebtedness owed to it by the Partnership under this Agreement and the other LIL Project Finance Documents and all its rights, titles and interests therein. Pursuant to such Assignment, the Funding Vehicle shall become the direct creditor of the Credit Parties under the LIL Project Finance Documents as if it were the original creditor thereunder and thereupon (i) the IT Trustee and the Intermediary Trust shall automatically be released from all their obligations under the Consolidated Transactions Documents including all indemnity obligations notwithstanding any provision of any Consolidated Transaction Document to the contrary and shall cease being parties thereto in any capacity, (ii) the Collateral Agent shall perform the Project Financing Duties on behalf only of the Funding Vehicle and Canada, and (iii) the Credit Parties agree to execute and deliver to the Funding Vehicle, at their cost and expense, such confirmations and Registrations as the Collateral Agent may require in connection with such Assignment.

Save and except for (i) the Assignment, and (ii) any assignment pursuant to the LIL Security Documents, the Intermediary Trust hereby covenants and agrees that, and the Funding Vehicle, in furtherance of the provisions of Section 9.7 of the Collateral Agency Agreement, covenants and agrees that, following the Assignment, it shall not sell, assign, transfer or otherwise dispose of, or grant a participating interest in, any Indebtedness owed to it by any Credit Party or any Liens granted in connection therewith to any Person at any time, notwithstanding the existence of any LIL Event of Default, without having obtained the express prior written consent of the Partnership and Opco.

**17.7 No Novation**

Any security provided by the Partnership shall not constitute a payment, nor shall it operate novation of any amount due hereunder and shall not operate by way of set-off of, or merge with, any Indebtedness or liability of the Partnership or of any other Person or Persons to the Intermediary Trust (or, after the Assignment, 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.

**17.8 Obligation to Pay Absolute**

The obligations of the Partnership to make payments on the LIL Loan as and when in this Agreement provided shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances without any right of compensation or set-off and notwithstanding any defense, right of action or claim of any nature whatsoever which the Partnership may at any time have or have had against the Collateral Agent or the Intermediary Trust (or, after the Assignment, the Funding Vehicle), whether in connection with this Agreement or otherwise.

**17.9 Rights and Recourses Cumulative**

The rights and remedies of the Intermediary Trust (or, after the Assignment, the Funding Vehicle) and the Collateral Agent under this Agreement shall be cumulative and not exclusive of any right or remedy which the Intermediary Trust (or, after the Assignment, the Funding Vehicle) would otherwise have and no failure or delay by the Collateral Agent or the Intermediary Trust (or, after the Assignment, 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.

**17.10 Further Assurances**

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

**17.11 Execution in Counterparts**

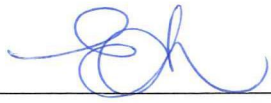
This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

**[INTENTIONALLY LEFT BLANK]**

SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT -  
SIGNATURE PAGE

IN WITNESS WHEREOF the parties have executed this LIL Project Finance Agreement.

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

By:   
Name: \_\_\_\_\_  
Title: **Emilia Casado**  
**Vice President, Loan Syndications-Agency**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT -  
SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as trustee of LIL  
CONSTRUCTION PROJECT TRUST,**  
as a GAA Finance Party,  
**herein acting and represented by THE  
TORONTO-DOMINION BANK, as  
Collateral Agent**


By:   
Name: **Emilia Casado**  
Title: **Vice President, Loan Syndications-Agency**

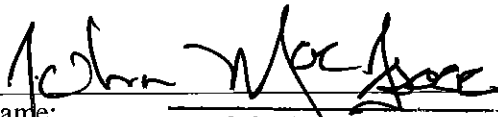
By: \_\_\_\_\_  
Name:  
Title:



SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT -  
SIGNATURE PAGE

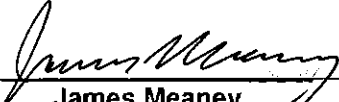
**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP, by its  
general partner,  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,**  
as an Obligor

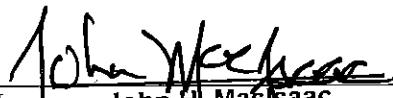
By:   
Name: **James Meaney**  
Title: **VP Finance Power Supply**

By:   
Name: **John H. MacIsaac**  
Title: **Exec. VP Power Supply**

SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT -  
SIGNATURE PAGE

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION,**  
as an Obligor

By:   
Name: **James Meaney**  
Title: **VP Finance Power Supply**

By:   
Name: **John H. MacIsaac**  
Title: **Exec. VP Power Supply**

**SCHEDULE "A"**

**LIL PAYMENT DEMAND**

Date: \_\_\_\_\_

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION**

500 Columbus Drive  
P.O. Box 15050  
Stn A.  
St-John's, NL A1B 0M5

Attention: Corporate Secretary  
Fax No.: 709 737-1782

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

In accordance with Section 5.3 of the LIL Project Finance Agreement, we hereby demand payment of the sum of CDN\$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid in full of CDN\$<@>. We hereby certify that the Claimed Amount represents CDN\$<@> of principal, \$<@> of interest and \$<@> of other amounts

comprising LIL Guaranteed Obligations that are now due and payable by the Partnership to the [<@>Intermediary Trust<@>] [<@>Funding Vehicle<@>] and that the Partnership failed to pay such amounts by the time provided on the LIL Due Date.

**[Note: Prior to the Assignment, make reference to "Intermediary Trust", and after the Assignment, "Funding Vehicle".]**

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours truly,

**THE TORONTO-DOMINION BANK,  
as Collateral Agent**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "B"**

**MATERIAL PROJECT DOCUMENTS AND AUTHORIZATIONS**

(i) Authorizations – Obtained by Labrador-Island Link Limited Partnership

*Permanent Land Rights – Province of NL and Canada*

Application No.	Type	Purpose
141994	Grant	Converter Station (Muskrat Falls)
143195	Statutory Easement	HVdc Transmission Line (Muskrat Falls - Forteau)
143343	Grant	Transition Compound (Forteau)
143344	Statutory Easement	Underground Cable (Forteau)
143603	Statutory Easement	HVdc Transmission Line (Shoal Cove - Soldiers Pond)
143625	Statutory Easement	Underground Cable (Shoal Cove)
143628	Grant	Transition Compound (Shoal Cove)
143736	Easement	Access Road (Soldiers Pond)
143737	Grant	Converter Station (Soldiers Pond)
143738	Grant	Electrode Site (Dowdens Point)
143748	Grant	Electrode Site (L'Anse au Diable)
143897	Easement	Access Road (L'Anse au Diable)
144237	Easement	Access Road (Forteau)
144279	Easement	Access Road (Shoal Cove)
144423	Statutory Easement	Electrode Pole Line (Soldiers Pond to Dowdens Point))
144447	Statutory Easement	HDD Lines (Shoal Cove)
144619	Statutory Easement	HDD Lines (Forteau)
144620	Statutory Easement	Electrode Pole Line (Forteau to L'Anse au Diable)
145722	Grant	Addition Land for Converter Station (Soldiers Pond)
146561	Grant	Additional Land for Electrode Site (L'Anse au Diable)
146631	Grant	Fibre Optic Repeater Site (Labrador)
146980	Grant	Fibre Optic Repeater Site (Hampden)
146981	Easement	Fibre Optic Repeater Site Pole Line (Hampden)
147566	Easement	Fibre Optic Repeater Site Pole Line (Clarenville)
147567	Grant	Fibre Optic Repeater Site (Clarenville)
147577	Easement	Fibre Optic Repeater Site pole Line (Labrador)
147974	Easement	Fibre Optic Repeater Site Access Road (Clarenville)
148792	Easement	Underground Fibre Optic Line (Holyrood)
	SOBI Land Use Agreement	Agreement regarding subsea rights between the Government of Canada, Province of NL and Nalcor Energy

*Permanent Land Rights – From Third Parties*

Internal File No.	Type	Status
1005	Rod Rideout	Complete
1006	Tom Woodfine	Complete
1009	Glenn and Cindy Morgan	Complete
1010	Roger Jefford	Complete
1012	Short/Greenslade/Smallwood	Complete
1015	Rick and Karen Rideout	Complete
1016	Goldstar	Complete
1017	Susan Thorne	Complete

**PUB-Nalcor-019, Attachment 6**  
**Rate Mitigation Options and Impacts Reference, Page 131 of 348**  
 SCHEDULE "B" – PAGE 2  
 SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

1018	Diana Sheehan	Complete
1019	Paul and Lola Murphy	Complete
1020	First Choice Feeds	Complete
1021	Blair and Denise Waterman	Complete
1022	Estate of Aiden Whelan	Complete
1023	Margaret Whelan	Complete
1024	William and Judy Hillier	Complete
1025	Cosmos Ho	Complete
1026	David Bradley	Complete
1028	Helen and Gerard Pretty	Complete
1029	R.C. Episcopal Corporation	Complete
1032	Bruce Temple	Complete
1033	Gerald and Joslyn Murphy	Complete
1034	Perry Cleal	Complete
1035	Britany Green	Complete
1036	Jean King	Complete
1038	Donald Combden	Complete
1039	William Lundrigan	Closing October 31, 2017
1042	Estate of Creusa Martin	Complete
1045	Devon Warren	Complete
1081	Riteway Construction Limited	Complete
1097	Corner Brook Pulp and Paper	Complete
1107	Nalcor/Shoal Cove Transition	Complete
1108	Nalcor/Dowdens Point	Complete
1109	Nalcor/Soldiers Pond	Complete
1123	Michael Antle	Complete
1124	Matthew and Nadine Stanley	Complete
1141	Andrew Scott	Complete
1142	Barbara Crosbie	Complete
1144	Gull Island Power Company	Complete
1144	Gull Island Power Company	Complete
1144	Gull Island Power Company	Complete
1146	Edgar Gosse	Complete

NOTE - A Notice of Expropriation was issued on May 7, 2015 by The Minister of Transportation and Works, acting on behalf of Her Majesty in right of Newfoundland and Labrador for a Statutory Easement (Non-Crown Land) over that parcel of land containing an area of property containing an area of 3.6049 hectares. Such expropriation was incorrectly issued in favour of NSP Maritime Link Incorporated and should have been issued in favour of the Labrador-Island Link Limited Partnership. The Province of Newfoundland and Labrador has been notified and steps are underway to rectify the error.

*Temporary Land Rights – Province of NL*

Application No.	Type	Purpose
143241	Licence To Occupy	Electrode Site (L'Anse au Diable)
143363	Licence to Occupy	Laydown Area (Dowdens Point)
145768	Licence to Occupy	Work Camp (DC1)
145988	Permission to Occupy	Access Roads (HVdc Labrador)
146096	Permission to Occupy	Access Roads (HVdc Labrador)
146097	Permission to Occupy	Access Roads (HVdc Labrador)
146158	Permission to Occupy	Access /Bypass (HVdc at Forteau)
146554	Permission to Occupy	Access Road (HVdc Labrador)
146556	Permission to Occupy	Access /Bypass Roads (HVdc Labrador)
146574	Permission to Occupy	Access Road (HVdc Labrador)

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 SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

146751	Permission to Occupy	Access/Bypass Roads (HVdc Shoal Cove to Badger -
146752	Permission to Occupy	Access/Bypass Roads (HVdc Shoal Cove to Badger - West)
146985	Permission to Occupy	Access /Bypass Roads (HVdc at Forteau)
147335	Permission to Occupy	Access Road (HVdc Buchans Highway)
147341	Permission to Occupy	Access Road (HVdc Taylor's Brook Area)
147748	Permission to Occupy	Access Roads (HVdc White Bay South Highway)
147943	Permission to Occupy	Access Roads (HVdc East of Sheffield Lake)
147958	Permission to Occupy	Access Roads (HVdc Labrador)
147987	Permission to Occupy	Access/Bypass Roads (HVdc Badger to Terra Nova River)
148003	Permission to Occupy	Access/Bypass Roads (HVdc Terra Nova River to Soldier's Pond)
148078	Licence to Occupy	Work Camp (North of Forteau)
148171	Permission to Occupy	Access Road (north of Forteau inland)
148365	Permission to Occupy	Access Road (Bay D'Espoir Highway)
148371	Permission to Occupy	Access Road (White Bay South)
148455	Permission to Occupy	Reroute of HVdc Seg. 3
148741	Permission to Occupy	Access Road (HVdc near Crooks Lake)
148793	Licence to Occupy	Work Camp (Blue Cove, Plum Point)
148869	Licence to Occupy	Work Camp (Birchy Narrows)
149059	Permission to Occupy	Access Road (Salmonier Line, Holyrood)
149195	Permission to Occupy	Bypass Road (Six Mile Pond)
149332	Licence to Occupy	Work Camp (East of Daniel's Harbour)
149338	Licence to Occupy	Work Camp (East of Cow Head)
149548	Permission to Occupy	Access/Bypass Roads (Sheffield Lake to Terra Nova River)
149629	Permission to Occupy	Access/Bypass Roads (Great Rattling Brook area)
149633	Permission to Occupy	Access Roads (Port Blandford to Fairhaven Road)
149635	Permission to Occupy	Access/Bypass Roads (Main River to Sheffield Lake)
149652	Permission to Occupy	Access/Bypass Roads (Terra Nova River to Soldier's Pond)
149659	Permission to Occupy	Access/Bypass Roads (Port Blandford area)
149726	Permission to Occupy	Access Road (White Hills Road, Clarenville)
149774	Permission to Occupy	Access/Bypass Roads (Shoal Harbour Pond area)
149803	Permission to Occupy	Bypass Road (Long Range Mountains)
149805	Permission to Occupy	Bypass Roads (Long Range Mountains)
149807	Permission to Occupy	Access/Bypass Roads (Clarenville to Western Avalon)
149811	Permission to Occupy	Access/Bypass Roads (Deep Bight to Hawke Hills)
149833	Permission to Occupy	Access/Bypass Roads (North West Brook to Holyrood area)
149888	Permission to Occupy	Bypass Road (Whitbourne)
149908	Permission to Occupy	Access Roads (Whitbourne)
149936	Licence to Occupy	Work Camp (Taylor's Brook Road)
149939	Licence to Occupy	Laydown Area (South of Gillards Lake)
150121	Permission to Occupy	Bypass Road (Terra Nova North River)
150148	Licence to Occupy	Work Camp (Mint Brook Resource Road)

*Leased Property*

53 year Lease with Corner Brook Port Corporation commencing January 13, 2016 with extension rights, Notice of Lease registered at the Registry of Deeds (NL) dated February 12, 2016 at Registration No. 751331. Property used for storage of subsea SOBI cable.

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**Rate Mitigation Options and Impacts Reference, Page 133 of 348**  
 SCHEDULE "B" – PAGE 4  
 SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

*Protected Road Zone Permits*

<b>LCP Name</b>	<b>DESCRIPTION</b>	<b>PERMIT #</b>
( AT-4 ) VAP-39	Access Road	175818
AT-5R	Access Road	175818
( AT-10 ) VAP-43	Access Road	175818
( AT-13 ) VAP-44	Access Road	175818
( AT-14 ) VAP-49	Access Road	175818
( AT-15 ) VAP-54	Access Road	175818
AT-16	Access Road	175818
( AT-17 ) VAP-57	Access Road	175818
( AT-18 ) VAP-58	Access Road	175818
( AT-20 ) VAP-60	Access Road	175818
AT-23	Access Road	175818
( AT-24 ) VAP-64	Access Road	175818
AT-25	Access Road	175818
( AT-26 ) VAP-Quarry 6	Access Road	175818
AT-27R	Access Road	175818
( AT-28 ) VAP-69A	Access Road	175818
AT-31R	Access Road	175818
AT-32R	Access Road	175818
( AT-33 ) VAP-74	Access Road	175818
( AT-35 ) VAP-77	Access Road	175818
( AT-36R ) VAP-79	Access Road	175818
( AT-37 ) VAP-81	Access Road	175818
( AT-40 ) VAP-88	Access Road	175818
( AT-41 ) VAP-90	Access Road	175818
( AT-42R ) VAP-91A	Access Road	175818
( AT-44 ) VAP-92	Access Road	175818
( AT-43 ) VAP-94	Access Road	175818
AT-45	Access Road	175818
AT-46	Access Road	175818
( AT-47 ) VAP-99	Access Road	175818
AT-48R	Access Road	175818
AT-51R	Access Road	175818
AT-52	Access Road	175818
( AT-53 ) VAP-113	Access Road	175818
AT-55	Access Road	175818
( AT-57R ) VAP-119	Access Road	175818
( Class 3-58R ) VAP-120	Access Road	175818
VAP-20	Access Road	175818
VAP-21	Access Road	175818
VAP-22	Access Road	175818
VAP-23	Access Road	175818



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 SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

VAP-24	Access Road	175818
VAP-25	Access Road	175818
VAP-27	Access Road	175818
VAP-28	Access Road	175818
VAP-29	Access Road	175818
VAP-30	Access Road	175818
VAP-31	Access Road	175818
VAP-32	Access Road	175818
VAP-33	Access Road	175818
VAP-34	Access Road	175818
VAP-36	Access Road	175818
VAP-37	Access Road	175818
VAP-38	Access Road	175818
VAP-42	Access Road	175818
VAP-43A	Access Road	175818
VAP-45	Access Road	175818
VAP-46	Access Road	175818
VAP-47	Access Road	175818
VAP-48	Access Road	175818
VAP-50	Access Road	175818
VAP-51	Access Road	175818
VAP-52	Access Road	175818
VAP-53	Access Road	175818
VAP-55	Access Road	175818
VAP-56	Access Road	175818
VAP-62	Access Road	175818
VAP-64	Access Road	175818
VAP-65	Access Road	175818
VAP-68	Access Road	175818
VAP-69	Access Road	175818
VAP-70	Access Road	175818
VAP-73	Access Road	175818
VAP-74	Access Road	175818
VAP-82	Access Road	175818
VAP-81	Access Road	175818
VAP-91	Access Road	175818
VAP-96	Access Road	175818
VAP-97	Access Road	175818
VAP-98	Access Road	175818
VAP-100	Access Road	175818
VAP-101	Access Road	175818
VAP-102	Access Road	175818
VAP-105	Access Road	175818
VAP-107	Access Road	175818

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SCHEDULE "B" – PAGE 6

SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

VAP-106	Access Road	175818
VAP-109	Access Road	175818
VAP-110	Access Road	175818
VAP-111	Access Road	175818
VAP-112	Access Road	175818
VAP-115	Access Road	175818
VAP-CAMP # 2	Access Road	176553
V-S1-94	Bypass Road	175818
V-S1-127	Bypass Road	175818
V-S1-128	Bypass Road	175818
V-S1-152	Bypass Road	175818
V-S1-166	Bypass Road	175818
S1-96	Access Road	175818
S1-379	Access Road	175818
Crooks Lake Repeater Site	Fibre Optic Repeater Station	186381
Shoal Cove Permanent Access Road	Permanent Access Permit	165452
Crossing No. 5	Main Brook Highway	182657
Crossing No. 6	White Bay South Highway	182661
Crossing No. 7	White Bay South Highway	182662
Crossing No. 8	White Bay South Highway	182663
Crossing No. 9	TCH near Birchy Narrows	182664
Crossing No. 10	Buchans Highway	182912
S3-43	Access Road north of St. Barbe	183683
S4-331	Access Road southwest of Badger	184154
Hampden Repeater Site & Poleline	Hampden Repeater Site & Poleline	184739
S4-67	Access Road off White Bay South Highway	184872
S4-76	Access Road off White Bay South Highway	184954
S4-68R	Access Road off White Bay South Highway	189096
Birchy Narrows Temporary Work Camp	Work Camp	196568
Crossing # 11	Transmission Line Crossing	187475
S4-443	Access Road	189333
S4-444	Access Road	189337
Crossing No. 12	TCH north of the Burin Peninsula Highway	12-ER-15
Crossing No. 13	TCH east of Southern Harbour	11-ER-15
Crossing No. 14	Little Harbour Road	10-ER-15
Crossing No. 15	Fair Haven Road	09-ER-15
Crossing No. 16	TCH @ Bellevue	08-ER-15
Crossing No. 17	River Road ( Old Blaketown Road )	08-E-15
Crossing No. 18	Trinity South Highway	09-E-15
Crossing No. 19B	TCH east at Goose Pond	10-E-15
Crossing No. 20	TCH @ Briens Pond	11-E-15
Crossing No. 21	Avondale Access Road	12-E-15
Crossing No. 23	TCH @ Blue Pond	13-E-15

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

Crossing No. 24	Witless Bay Line	02-W-15
Crossing No. 25	TCH @ Soldiers Pond	04-E-15
Crossing No. 26	Conception Bay Highway @ Holyrood Plant	05-E-15
Crossing No. 27	TCH @ Soldiers Pond	03-E-15
Crossing No. 28	TCH @ Soldiers Pond	02-E-15
SP Electrode North Access Road	Access Road	18-E-15
SP Electrode South Access Road	Access Road	19-E-15
S5-540	Access Road	196364
S5-523	Access Road	196322
S5-521	Access Road	196333
S5-499	Access Road	196370
S5-490	Access Road	196362
S5-469R	Access Road	196358
S5-468R	Access Road	196352
S5-460	Access Road	196349
S5-459	Access Road	196365
S5-435	Access Road	199212
S5-396	Access Road	201481
S5-391	Goose Pond Road	199558
S5-389	Access Road	201485
S5-402	Access Road	196281
S5-400	Access Road	196147
S5-386	Access Road	204610
S5-384	Access Road	196277
S5-380	Access Road	196243
S5-377	Access Road	197873
S5-369	Access Road	202542
S5-331	Access Road	28-ER-15
S5-321	Access Road	27-ER-15
S5-308	Access Road	197893
S5-308R	Access Road	200424
S5-309	Access Road	26-ER-15
S5-283R	Access Road	32-ER-15
S5-277	Access Road	199346
Bull Gull Rev.	Access Road	18-ER-15
S5-241R	Access Road	25-ER-15
S5-235	Access Road	30-ER-15
S5-228	Access Road	31-ER-15
S5-223	Access Road	23-ER-15
S5-205	Access Road	201808
S5-186	Access Road	199326
S5-181	Access Road	197892
S5-178	Access Road	24-ER-15

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 SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

S5-166	Access Road	22-ER-15
S5-161	Access Road	21-ER-15
S5-148	Access Road	20-ER-15
S5-147R	Access Road	19-ER-15
S5-17R	Access Road	29-ER-15
Parrallel No. 1	East of Whitboure	196820
Parrallel No. 2	Opposite Jack's Pond Park	196836
S5-229	Quarry	198302
S5-310	Quarry	198303
S5-531	Quarry	198161
S5-541	Quarry	198155

*Water Resources Management Division, Dept. of Municipal Affairs and Environment*

<b>Permit Number</b>	<b>Permit Name</b>	<b>WRMD File No.</b>
4E-SLI-6200-0002	Blanket DOEC Permit to Alter a Body of Water - Section 1, Segments 1 and 2 - Labrador	File No. 536-12 ALT7278-2014
4E-SLI-6200-0003	Blanket DOEC Water Use Permit - Section 1, Segments 1 and 2 - Labrador	File No. 517 WLU-14-006
4E-SLI-6200-0006	Blanket DOEC Permit to Alter a Body of Water - Section 1, Segment 3 and Section 2 - Newfoundland	ALT7376-2014 File No. 536-12
4E-SLI-6200-0011	Blanket DOEC Water Use Permit - Section 1, Segment 3 and Section 2 - Newfoundland	WUL-14-041 File No. 514
4E-SLI-6200-0013	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Gander/Appleton/Glenwood	PRO7438-2014 File No. 550-01-02-075
4E-SLI-6200-0016	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction – Whitbourne - Hodges River	PRO7686-2014 File No. 550-01-01-017
4E-SLI-6200-0014	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Hawke's Bay	PRO7474-2014 File No. 550-01-03-07-079
4E-SLI-6200-0015	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Clarenville	PRO7443-2014 File No. 550-01-01-054
4E-SLI-6200-0017	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Norman's Cove - Long Cove	PRO7569-2014 File No. 550-01-01-093
4E-SLI-6200-0018	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction – Avondale – Lee's Pond	PRO7557-2014 File No. 550-01-01-092
4E-SLI-6200-0007	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Forteau	PRO7425-2014 File No. 550-01-04-07-003

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

Permit Number	Permit Name	WRMD File No.
4E-SLI-6200-0019	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Southern Harbour - Brigades Pond	PRO7696-2014 File No. 550-01-01-076
4E-SLI-6200-0012	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead Line Construction - Flower's Cove/Nameless Cove	PRO7470-2014 File No. 550-01-03-07-016
4E-SLI-6200-0020	Permit Application for a Development Activity in a Protected Public Water Supply Area - HVdc Overhead	PRO7555-2014 File No. 550-01-01-014
4E-SLI-6200-0543	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Avondale	PRO8617-2016 550-01-01-05-092
4E-SLI-6200-0544	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Clarenville	PRO8632-2016 550-01-01-05-054
4E-SLI-6200-0545	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Harbour Main	PRO8620-2016 550-01-01-05-059
4E-SLI-6200-0547	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Port Blandford	PRO8642-2016 550-01-01-05-014
4E-SLI-6200-0549	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Whitebourne	PRO8638-2016 550-01-01-05-070
4E-SLI-6200-0706	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Whitebourne - S5-425	PRO8983-2016 550-01-01-05-070

*Forestry Act*

Permit Number	Permit Name	Forestry File No.
4E-SLI-8500-0014	2017 Commercial Cutting/Operating Permit - Sunnyside to Soldiers Pond - District 1	17-01-00230
4E-SLI-6200-0009	Commercial Clearing/Operating Permit - 2017 Clearing HVdc Line - Section 1, Segments 1 and 2 - Labrador	17-19-00533 OP0505
4E-SLI-6200-0082	Commercial Clearing/Operating Permit - 2017 HVdc Line - District 16 - Pasadena	17-16-00511
4E-SLI-6200-0083	Commercial Clearing/Operating Permit - 2017 HVdc Line - District 17 - Port Saunders	17-17-00473
4E-SLI-6200-0087	Commercial Clearing/Operating Permit - 2017 HVdc Line - District 18	17-18-00502
4E-SLI-6200-0103	Commercial Clearing/Operating Permit - 2017 HVdc Line - District 9 and 12	17-09-01192
4E-SLI-6200-0197	Commercial Clearing/Operating Permit - 2017 HVdc Line - Districts 10 and 11	17-11-00272
4E-SLI-6200-0198	Commercial Clearing/Operating Permit - 2015 HVdc Line - District 06	17-08-01317

4E-SLI-6200-0199	Commercial Clearing/Operating Permit - 2017 HVdc Line - District 4	17-05-01001
4E-SLI-6200-0200	Commercial Clearing/Operating Permit - 2017 HVdc Line - District 2	17-02-02844

*Mineral Lands Division, Dept. of Natural Resources Quarry Materials Act*

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0005	Blanket Quarry Permit - Section 1, Segments 1 and 2 - Labrador	71110559
4E-SLI-6200-0013	Blanket Quarry Permit - Section 1, Segment 3 and Section 2 - Newfoundland	71110672
4E-SLI-6200-0024	Quarry Application - Q1 - s1-402 - HVdc Transmission Line Construction - Labrador	71110579
4E-SLI-6200-0025	Quarry Application - Q2 - s1-403 - HVdc Transmission Line Construction - Labrador	71110580
4E-SLI-6200-0026	Quarry Application - Q3 - s1-406 - HVdc Transmission Line Construction - Labrador	71110581
4E-SLI-6200-0027	Quarry Application - Q4 - s1-410 - HVdc Transmission Line Construction - Labrador	71110582
4E-SLI-6200-0028	Quarry Application - Q5 - s1-412 - HVdc Transmission Line Construction - Labrador	71110583
4E-SLI-6200-0029	Quarry Application - Q6 - s1-421 - HVdc Transmission Line Construction - Labrador	71110584
4E-SLI-6200-0030	Quarry Application - Q7 - s1-424 - HVdc Transmission Line Construction - Labrador	71110585
4E-SLI-6200-0031	Quarry Application - Q8 - s1-436 - HVdc Transmission Line Construction - Labrador	71110586
4E-SLI-6200-0032	Quarry Application - Q9 - s1-456 - HVdc Transmission Line Construction - Labrador	71110587
4E-SLI-6200-0033	Quarry Application - Q10 - s1-462 - HVdc Transmission Line Construction - Labrador	71110588
4E-SLI-6200-0034	Quarry Application - JCL 1 - HVdc Transmission Line Construction - Labrador	71110577
4E-SLI-6200-0035	Quarry Application - s1-397 - DWST 1 - HVdc Transmission Line Construction - Labrador	71110578
4E-SLI-6200-0036	Quarry Application - Q11 - s1-119 - HVdc Transmission Line Construction - Labrador	71110589
4E-SLI-6200-0038	Quarry Application - Q13 - s1-164 - HVdc Transmission Line Construction - Labrador	71110590
4E-SLI-6200-0039	Quarry Application - Q14 - s1-205 - HVdc Transmission Line Construction - Labrador	71110591
4E-SLI-6200-0040	Quarry Application - Q15 - s1-298 - HVdc Transmission Line Construction - Labrador	71110592
4E-SLI-6200-0042	Quarry Application - s4-17 - HVdc Transmission Line Construction - Newfoundland	71110788

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0043	Quarry Application - s4-25 - HVdc Transmission Line Construction - Newfoundland	71110789
4E-SLI-6200-0044	Quarry Application - s4-34 - HVdc Transmission Line Construction - Newfoundland	71110790
4E-SLI-6200-0045	Quarry Application - s4-46 - HVdc Transmission Line Construction - Newfoundland	71110791
4E-SLI-6200-0049	Quarry Application - s4-77 - HVdc Transmission Line Construction - Newfoundland	71110795
4E-SLI-6200-0050	Quarry Application - s4-84 - HVdc Transmission Line Construction - Newfoundland	71110796
4E-SLI-6200-0055	Quarry Application - s4-114 - HVdc Transmission Line Construction - Newfoundland	71110800
4E-SLI-6200-0056	Quarry Application - s4-118 - HVdc Transmission Line Construction - Newfoundland	71110801
4E-SLI-6200-0057	Quarry Application - s4-121 - HVdc Transmission Line Construction - Newfoundland	71110802
4E-SLI-6200-0058	Quarry Application - s4-129 - HVdc Transmission Line Construction - Newfoundland	71110803
4E-SLI-6200-0059	Quarry Application - s4-130 - HVdc Transmission Line Construction - Newfoundland	71110804
4E-SLI-6200-0060	Quarry Application - s4-132 - HVdc Transmission Line Construction - Newfoundland	71110805
4E-SLI-6200-0061	Quarry Application - s4-136 - HVdc Transmission Line Construction - Newfoundland	71110806
4E-SLI-6200-0062	Quarry Application - 7117552 - HVdc Transmission Line Construction - Labrador	71110604
4E-SLI-6200-0063	Quarry Application - 7117584 - HVdc Transmission Line Construction - Labrador	71110605
4E-SLI-6200-0064	Quarry Application - 7117586 - HVdc Transmission Line Construction - Labrador	71110606
4E-SLI-6200-0065	Quarry Application - 7118123 - HVdc Transmission Line Construction - Labrador	71110607
4E-SLI-6200-0066	Quarry Application - 7118143 - HVdc Transmission Line Construction - Labrador	71110608
4E-SLI-6200-0067	Quarry Application - 7118144 - HVdc Transmission Line Construction - Labrador	71110609
4E-SLI-6200-0068	Quarry Application - 7118813 - HVdc Transmission Line Construction - Labrador	71110617
4E-SLI-6200-0069	Quarry Application - 7118815 - HVdc Transmission Line Construction - Labrador	71110619
4E-SLI-6200-0070	Quarry Application - 7118612 - HVdc Transmission Line Construction - Labrador	71110622
4E-SLI-6200-0071	Quarry Application - 7118613 - HVdc Transmission Line Construction - Labrador	71110621

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0072	Quarry Application - 7118614 - HVdc Transmission Line Construction - Labrador	71110620
4E-SLI-6200-0073	Quarry Application - 7118615 - HVdc Transmission Line Construction - Labrador	71110618
4E-SLI-6200-0075	Quarry Application - 7118430 - HVdc Transmission Line Construction - Labrador	71110612
4E-SLI-6200-0076	Quarry Application - 7118432 - HVdc Transmission Line Construction - Labrador	71110611
4E-SLI-6200-0077	Quarry Application - 7118459 - HVdc Transmission Line Construction - Labrador	71110613
4E-SLI-6200-0078	Quarry Application - 7118896 - HVdc Transmission Line Construction - Labrador	71110615
4E-SLI-6200-0079	Quarry Application - 7119033 - HVdc Transmission Line Construction - Labrador	71110614
4E-SLI-6200-0080	Quarry Application - 7119051 - HVdc Transmission Line Construction - Labrador	71110616
4E-SLI-6200-0081	Quarry Application - 71110124 - HVdc Transmission Line Construction - Labrador	71110610
4E-SLI-6200-0088	Quarry Application - 673676E, 5877464N - HVdc Transmission Line Construction - Labrador	71110632
4E-SLI-6200-0089	Quarry Application - 674129E, 5877394N - HVdc Transmission Line Construction - Labrador	71110631
4E-SLI-6200-0090	Quarry Application - 362366E, 5806125N - HVdc Transmission Line Construction - Labrador	71110640
4E-SLI-6200-0091	Quarry Application - 365124E, 5804048N - HVdc Transmission Line Construction - Labrador	71110641
4E-SLI-6200-0092	Quarry Application - 366512E 5803868N - HVdc Transmission Line Construction - Labrador	71110642
4E-SLI-6200-0093	Quarry Application - 368310E, 5802858N - HVdc Transmission Line Construction - Labrador	71110643
4E-SLI-6200-0094	Quarry Application -374544E, 5800604N - HVdc Transmission Line Construction - Labrador	71110644
4E-SLI-6200-0095	Quarry Application - 378333E, 5800265N - HVdc Transmission Line Construction - Labrador	71110645
4E-SLI-6200-0096	Quarry Application - 378967E, 5799889N - HVdc Transmission Line Construction - Labrador	71110646
4E-SLI-6200-0097	Quarry Application - 381032E, 5799895N - HVdc Transmission Line Construction - Labrador	71110647
4E-SLI-6200-0098	Quarry Application - 384508E, 5798741N - HVdc Transmission Line Construction - Labrador	71110648
4E-SLI-6200-0099	Quarry Application - 385123E, 5798568N - HVdc Transmission Line Construction - Labrador	71110649
4E-SLI-6200-0100	Quarry Application - 385433E, 5798141N - HVdc Transmission Line Construction - Labrador	71110650



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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0101	Quarry Application - 386519E, 5798332N - HVdc Transmission Line Construction - Labrador	71110651
4E-SLI-6200-0102	Quarry Application - 397913E, 5790302N - HVdc Transmission Line Construction - Labrador	71110652
4E-SLI-6200-0104	Quarry Application - S1-474 - HVdc Transmission Line Construction - Labrador	71110701
4E-SLI-6200-0105	Quarry Application - S1-541 - HVdc Transmission Line Construction - Labrador	71110711
4E-SLI-6200-0106	Quarry Application - S1-546 - HVdc Transmission Line Construction - Labrador	71110712
4E-SLI-6200-0107	Quarry Application - S1-548 - HVdc Transmission Line Construction - Labrador	71110713
4E-SLI-6200-0108	Quarry Application - S1-560 - HVdc Transmission Line Construction - Labrador	71110702
4E-SLI-6200-0109	Quarry Application - S1-566 - HVdc Transmission Line Construction - Labrador	71110714
4E-SLI-6200-0110	Quarry Application - S1-568 - HVdc Transmission Line Construction - Labrador	71110715
4E-SLI-6200-0111	Quarry Application - S1-569 - HVdc Transmission Line Construction - Labrador	71110716
4E-SLI-6200-0112	Quarry Application - S1-577 - HVdc Transmission Line Construction - Labrador	71110703
4E-SLI-6200-0113	Quarry Application - S1-584 - HVdc Transmission Line Construction - Labrador	71110704
4E-SLI-6200-0114	Quarry Application - S1-590 - HVdc Transmission Line Construction - Labrador	71110705
4E-SLI-6200-0115	Quarry Application - S1-593 - HVdc Transmission Line Construction - Labrador	71110706
4E-SLI-6200-0116	Quarry Application - S1-597 - HVdc Transmission Line Construction - Labrador	71110717
4E-SLI-6200-0117	Quarry Application - S1-602 - HVdc Transmission Line Construction - Labrador	71110707
4E-SLI-6200-0118	Quarry Application - S1-604 - HVdc Transmission Line Construction - Labrador	71110708
4E-SLI-6200-0119	Quarry Application - S1-606 - HVdc Transmission Line Construction - Labrador	71110718
4E-SLI-6200-0120	Quarry Application - S1-612 - HVdc Transmission Line Construction - Labrador	71110709
4E-SLI-6200-0121	Quarry Application - S1-618 - HVdc Transmission Line Construction - Labrador	71110710
4E-SLI-6200-0122	Quarry Application - S1-624 - HVdc Transmission Line Construction - Labrador	71110719
4E-SLI-6200-0123	Quarry Application - S1-627 - HVdc Transmission Line Construction - Labrador	71110720

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SCHEDULE "B" – PAGE 14

SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0124	Quarry Application - S1-489 - HVdc Transmission Line Construction - Labrador	71110721
4E-SLI-6200-0125	Quarry Application - S1- 632 - HVdc Transmission Line Construction - Labrador	71110756
4E-SLI-6200-0126	Quarry Application - S1- 636 - HVdc Transmission Line Construction - Labrador	71110757
4E-SLI-6200-0127	Quarry Application - S1- 637 - HVdc Transmission Line Construction - Labrador	71110758
4E-SLI-6200-0128	Quarry Application - S1- 638 - HVdc Transmission Line Construction - Labrador	71110759
4E-SLI-6200-0129	Quarry Application - S1- 641- HVdc Transmission Line Construction - Labrador	71110760
4E-SLI-6200-0130	Quarry Application - S1- 643- HVdc Transmission Line Construction - Labrador	71110761
4E-SLI-6200-0131	Quarry Application - S1- 648 - HVdc Transmission Line Construction - Labrador	71110763
4E-SLI-6200-0132	Quarry Application - S1- 649- HVdc Transmission Line Construction - Labrador	71110762
4E-SLI-6200-0133	Quarry Application - S1- 651 - HVdc Transmission Line Construction - Labrador	71110764
4E-SLI-6200-0134	Quarry Application - S1- 656 - HVdc Transmission Line Construction - Labrador	71110765
4E-SLI-6200-0135	Quarry Application - S1- 657 - HVdc Transmission Line Construction - Labrador	71110766
4E-SLI-6200-0136	Quarry Application - S1- 662- HVdc Transmission Line Construction - Labrador	71110767
4E-SLI-6200-0137	Quarry Application - S1- 663 - HVdc Transmission Line Construction - Labrador	71110768
4E-SLI-6200-0138	Quarry Application - S1- 667 - HVdc Transmission Line Construction - Labrador	71110769
4E-SLI-6200-0139	Quarry Application - S1- 673 - HVdc Transmission Line Construction - Labrador	71110770
4E-SLI-6200-0140	Quarry Application - S1- 677 - HVdc Transmission Line Construction - Labrador	71110771
4E-SLI-6200-0141	Quarry Application - S1- 680 - HVdc Transmission Line Construction - Labrador	71110772
4E-SLI-6200-0142	Quarry Application - S1- 684 - HVdc Transmission Line Construction - Labrador	71110773
4E-SLI-6200-0143	Quarry Application - S2-3 - HVdc Transmission Line Construction - Labrador	71110774
4E-SLI-6200-0144	Quarry Application - S2-9 - HVdc Transmission Line Construction - Labrador	71110775
4E-SLI-6200-0145	Quarry Application - S2-13 - HVdc Transmission Line Construction - Labrador	71110776

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SCHEDULE "B" – PAGE 15

SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0146	Quarry Application - S2-15 - HVdc Transmission Line Construction - Labrador	71110777
4E-SLI-6200-0147	Quarry Application - S2-33 - HVdc Transmission Line Construction - Labrador	71110778
4E-SLI-6200-0148	Quarry Application - S2-40 - HVdc Transmission Line Construction - Labrador	71110779
4E-SLI-6200-0149	Quarry Application - S2-45 - HVdc Transmission Line Construction - Labrador	71110780
4E-SLI-6200-0150	Quarry Application - S2-57 - HVdc Transmission Line Construction - Labrador	71110781
4E-SLI-6200-0151	Quarry Application - S2-64 - HVdc Transmission Line Construction - Labrador	71110782
4E-SLI-6200-0152	Quarry Application - S1-106 - HVdc Transmission Line Construction - Labrador	71110723
4E-SLI-6200-0153	Quarry Application - S1-127 - HVdc Transmission Line Construction - Labrador	71110724
4E-SLI-6200-0154	Quarry Application - S1-136 - HVdc Transmission Line Construction - Labrador	71110725
4E-SLI-6200-0155	Quarry Application - S1-138 - HVdc Transmission Line Construction - Labrador	71110726
4E-SLI-6200-0157	Quarry Application - S1-177 - HVdc Transmission Line Construction - Labrador	71110727
4E-SLI-6200-0158	Quarry Application - S1-207 - HVdc Transmission Line Construction - Labrador	71110730
4E-SLI-6200-0159	Quarry Application - S1-244 - HVdc Transmission Line Construction - Labrador	71110734
4E-SLI-6200-0160	Quarry Application - S1-248 - HVdc Transmission Line Construction - Labrador	71110735
4E-SLI-6200-0161	Quarry Application - S1-256 - HVdc Transmission Line Construction - Labrador	71110736
4E-SLI-6200-0162	Quarry Application - S1-263 - HVdc Transmission Line Construction - Labrador	71110737
4E-SLI-6200-0163	Quarry Application - S1-266 - HVdc Transmission Line Construction - Labrador	71110738
4E-SLI-6200-0164	Quarry Application - S1-274 - HVdc Transmission Line Construction - Labrador	71110739
4E-SLI-6200-0165	Quarry Application - S1-281 - HVdc Transmission Line Construction - Labrador	71110740
4E-SLI-6200-0166	Quarry Application - S1-285 - HVdc Transmission Line Construction - Labrador	71110741
4E-SLI-6200-0167	Quarry Application - S1-289 - HVdc Transmission Line Construction - Labrador	71110742
4E-SLI-6200-0168	Quarry Application - S1-307 - HVdc Transmission Line Construction - Labrador	71110743

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0169	Quarry Application - S1-312 - HVdc Transmission Line Construction - Labrador	71110744
4E-SLI-6200-0170	Quarry Application - S1-328 - HVdc Transmission Line Construction - Labrador	71110745
4E-SLI-6200-0171	Quarry Application - S1-340 - HVdc Transmission Line Construction - Labrador	71110746
4E-SLI-6200-0172	Quarry Application - S1-347 - HVdc Transmission Line Construction - Labrador	71110747
4E-SLI-6200-0173	Quarry Application - S1-362 - HVdc Transmission Line Construction - Labrador	71110748
4E-SLI-6200-0174	Quarry Application - S1-364 - HVdc Transmission Line Construction - Labrador	71110749
4E-SLI-6200-0175	Quarry Application - S1-369 - HVdc Transmission Line Construction - Labrador	71110750
4E-SLI-6200-0176	Quarry Application - S1-373 - HVdc Transmission Line Construction - Labrador	71110751
4E-SLI-6200-0177	Quarry Application - S1-377 - HVdc Transmission Line Construction - Labrador	71110752
4E-SLI-6200-0180	Quarry Application - S1-398 - HVdc Transmission Line Construction - Labrador	71110755
4E-SLI-6200-0181	Quarry Application - S1-183 - HVdc Transmission Line Construction - Labrador	71110728
4E-SLI-6200-0182	Quarry Application - S1-199 - HVdc Transmission Line Construction - Labrador	71110729
4E-SLI-6200-0183	Quarry Application - S1-226 - HVdc Transmission Line Construction - Labrador	71110731
4E-SLI-6200-0184	Quarry Application - S1-230 - HVdc Transmission Line Construction - Labrador	71110733
4E-SLI-6200-0185	Quarry Application - S1-231 - HVdc Transmission Line Construction - Labrador	71110732
4E-SLI-6200-0186	Quarry Application - S1-389 - HVdc Transmission Line Construction - Labrador	71110753
4E-SLI-6200-0187	Quarry Application - S1-393 - HVdc Transmission Line Construction - Labrador	71110754
4E-SLI-6200-0189	Quarry Application - S3-86 - HVdc Transmission Line Construction - Newfoundland	71110815
4E-SLI-6200-0190	Quarry Application - S3-271 - HVdc Transmission Line Construction - Newfoundland	71110816
4E-SLI-6200-0191	Quarry Application - S4-329 - HVdc Transmission Line Construction - Newfoundland	71110817
4E-SLI-6200-0194	Quarry Application - S4-324 - HVdc Transmission Line Construction - Newfoundland	71110820
4E-SLI-6200-0195	Quarry Application - S3-93 - HVdc Transmission Line Construction - Newfoundland	71110818

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0196	Quarry Application - S3-270 - HVdc Transmission Line Construction - Newfoundland	71110819
4E-SLI-6200-0201	Quarry Application - S4-193 - HVdc Transmission Line Construction - Newfoundland	71110824
4E-SLI-6200-0202	Quarry Application - S4-196 - HVdc Transmission Line Construction - Newfoundland	71110825
4E-SLI-6200-0203	Quarry Application - S4-201 - HVdc Transmission Line Construction - Newfoundland	71110826
4E-SLI-6200-0206	Quarry Application - S4-319 - HVdc Transmission Line Construction - Newfoundland	71110842
4E-SLI-6200-0207	Quarry Application - S4-313 - HVdc Transmission Line Construction - Newfoundland	71110841
4E-SLI-6200-0208	Quarry Application - S4-312 - HVdc Transmission Line Construction - Newfoundland	71110840
4E-SLI-6200-0209	Quarry Application - S4-187 - HVdc Transmission Line Construction - Newfoundland	71110839
4E-SLI-6200-0210	Quarry Application - S4-182 - HVdc Transmission Line Construction - Newfoundland	71110838
4E-SLI-6200-0211	Quarry Application - S3-99 - HVdc Transmission Line Construction - Newfoundland	71110848
4E-SLI-6200-0212	Quarry Application - S3-101 - HVdc Transmission Line Construction - Newfoundland	71110849
4E-SLI-6200-0213	Quarry Application - S3-110 - HVdc Transmission Line Construction - Newfoundland	71110850
4E-SLI-6200-0214	Quarry Application - S3-112 - HVdc Transmission Line Construction - Newfoundland	71110851
4E-SLI-6200-0215	Quarry Application - S3-115 - HVdc Transmission Line Construction - Newfoundland	71110852
4E-SLI-6200-0216	Quarry Application - S3-117 - HVdc Transmission Line Construction - Newfoundland	71110853
4E-SLI-6200-0217	Quarry Application - S3-119 - HVdc Transmission Line Construction - Newfoundland	71110854
4E-SLI-6200-0218	Quarry Application - S3-120 - HVdc Transmission Line Construction - Newfoundland	71110855
4E-SLI-6200-0219	Quarry Application - S3-124 - HVdc Transmission Line Construction - Newfoundland	71110856
4E-SLI-6200-0220	Quarry Application - S3-125 - HVdc Transmission Line Construction - Newfoundland	71110857
4E-SLI-6200-0221	Quarry Application - S3-130 - HVdc Transmission Line Construction - Newfoundland	71110858
4E-SLI-6200-0222	Quarry Application - S3-133 - HVdc Transmission Line Construction - Newfoundland	71110859
4E-SLI-6200-0223	Quarry Application - S3-136 - HVdc Transmission Line Construction - Newfoundland	71110860

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0224	Quarry Application - S3-148 - HVdc Transmission Line Construction - Newfoundland	71110861
4E-SLI-6200-0225	Quarry Application - S3-158 - HVdc Transmission Line Construction - Newfoundland	71110862
4E-SLI-6200-0226	Quarry Application - S3-170 - HVdc Transmission Line Construction - Newfoundland	71110863
4E-SLI-6200-0227	Quarry Application - S3-173 - HVdc Transmission Line Construction - Newfoundland	71110864
4E-SLI-6200-0228	Quarry Application - S3-176 - HVdc Transmission Line Construction - Newfoundland	71110865
4E-SLI-6200-0229	Quarry Application - S3-228 - HVdc Transmission Line Construction - Newfoundland	71110866
4E-SLI-6200-0230	Quarry Application - S3-231 - HVdc Transmission Line Construction - Newfoundland	71110867
4E-SLI-6200-0231	Quarry Application - S3-233 - HVdc Transmission Line Construction - Newfoundland	71110868
4E-SLI-6200-0232	Quarry Application - S3-236 - HVdc Transmission Line Construction - Newfoundland	71110869
4E-SLI-6200-0233	Quarry Application - S3-249 - HVdc Transmission Line Construction - Newfoundland	71110870
4E-SLI-6200-0234	Quarry Application - S3-255 - HVdc Transmission Line Construction - Newfoundland	71110871
4E-SLI-6200-0235	Quarry Application - S3-256 - HVdc Transmission Line Construction - Newfoundland	7110872
4E-SLI-6200-0236	Quarry Application - S3-259 - HVdc Transmission Line Construction - Newfoundland	71110873
4E-SLI-6200-0237	Quarry Application - S3-261 - HVdc Transmission Line Construction - Newfoundland	71110874
4E-SLI-6200-0238	Quarry Application - S3-266 - HVdc Transmission Line Construction - Newfoundland	71110875
4E-SLI-6200-0239	Quarry Application - S3-269 - HVdc Transmission Line Construction - Newfoundland	71110876
4E-SLI-6200-0240	Quarry Application - S4-323 - HVdc Transmission Line Construction - Newfoundland	71110877
4E-SLI-6200-0241	Quarry Application - S3-106 - HVdc Transmission Line Construction - Newfoundland	71110882
4E-SLI-6200-0242	Quarry Application - S3-263 - HVdc Transmission Line Construction - Newfoundland	71110900
4E-SLI-6200-0243	Quarry Application - S4-99 - HVdc Transmission Line Construction - Newfoundland	71110925
4E-SLI-6200-0244	Quarry Application - S3-309 - HVdc Transmission Line Construction - Newfoundland	71110927
4E-SLI-6200-0245	Quarry Application - S3-314 - HVdc Transmission Line Construction - Newfoundland	71110928

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0246	Quarry Application - S3-392 - HVdc Transmission Line Construction - Newfoundland	71110929
4E-SLI-6200-0247	Quarry Application - S4-222 - HVdc Transmission Line Construction - Newfoundland	71110968
4E-SLI-6200-0248	Quarry Application - S4-226 - HVdc Transmission Line Construction - Newfoundland	71110975
4E-SLI-6200-0249	Quarry Application - S4-235 - HVdc Transmission Line Construction - Newfoundland	71110969
4E-SLI-6200-0250	Quarry Application - S4-249 - HVdc Transmission Line Construction - Newfoundland	71110970
4E-SLI-6200-0251	Quarry Application - S4-277 - HVdc Transmission Line Construction - Newfoundland	71110971
4E-SLI-6200-0252	Quarry Application - S4-285 - HVdc Transmission Line Construction - Newfoundland	71110972
4E-SLI-6200-0253	Quarry Application - S4-305 - HVdc Transmission Line Construction - Newfoundland	71110973
4E-SLI-6200-0254	Quarry Application - S4-317 - HVdc Transmission Line Construction - Newfoundland	71110974
4E-SLI-6200-0255	Quarry Application - S2-432 - HVdc Transmission Line Construction - Newfoundland	71110976
4E-SLI-6200-0256	Quarry Application - S4-39 - HVdc Transmission Line Construction - Newfoundland	71110988
4E-SLI-6200-0257	Quarry Application - S4-165 - HVdc Transmission Line Construction - Newfoundland	71110989
4E-SLI-6200-0258	Quarry Application - S4-168 - HVdc Transmission Line Construction - Newfoundland	71110990
4E-SLI-6200-0259	Quarry Application - S1-569 (extension) - HVdc Transmission Line Construction - Labrador	71110992
4E-SLI-6200-0260	Quarry Application - S1-572 - HVdc Transmission Line Construction - Labrador	71110993
4E-SLI-6200-0261	Quarry Application - S1-560 (extension) - HVdc Transmission Line Construction - Labrador	71110991
4E-SLI-6200-0262	Quarry Application - S1-593 (south) - HVdc Transmission Line Construction - Labrador	71110994
4E-SLI-6200-0263	Quarry Application - S1-597 (extension) - HVdc Transmission Line Construction - Labrador	71110995
4E-SLI-6200-0264	Quarry Application - S1-607 (south) - HVdc Transmission Line Construction - Labrador	71110996
4E-SLI-6200-0265	Quarry Application - S1-613 - HVdc Transmission Line Construction - Labrador	71110997
4E-SLI-6200-0266	Quarry Application - S1-616 (south) - HVdc Transmission Line Construction - Labrador	71110998
4E-SLI-6200-0267	Quarry Application - S1-618 (extension) - HVdc Transmission Line Construction - Labrador	71110999

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0268	Quarry Application - S1-620 (north) - HVdc Transmission Line Construction - Labrador	71111000
4E-SLI-6200-0269	Quarry Application - S1-620 (south) - HVdc Transmission Line Construction - Labrador	71111001
4E-SLI-6200-0270	Quarry Application - S2-324 - HVdc Transmission Line Construction - Labrador	71111009
4E-SLI-6200-0272	Quarry Application - S2-336 - HVdc Transmission Line Construction - Labrador	71111010
4E-SLI-6200-0273	Quarry Application - S2-344 - HVdc Transmission Line Construction - Labrador	71111011
4E-SLI-6200-0274	Quarry Application - S2-354 - HVdc Transmission Line Construction - Labrador	71111013
4E-SLI-6200-0275	Quarry Application - S2-358 - HVdc Transmission Line Construction - Labrador	71111012
4E-SLI-6200-0276	Quarry Application - S2-365 - HVdc Transmission Line Construction - Labrador	71111014
4E-SLI-6200-0277	Quarry Application - S2-375a - HVdc Transmission Line Construction - Labrador	71111015
4E-SLI-6200-0278	Quarry Application - S2-381 - HVdc Transmission Line Construction - Labrador	71111016
4E-SLI-6200-0279	Quarry Application - S2-382 - HVdc Transmission Line Construction - Labrador	71111017
4E-SLI-6200-0280	Quarry Application - S2-391 - HVdc Transmission Line Construction - Labrador	71111018
4E-SLI-6200-0281	Quarry Application - S2-392 - HVdc Transmission Line Construction - Labrador	71111019
4E-SLI-6200-0282	Quarry Application - S2-401 - HVdc Transmission Line Construction - Labrador	71111020
4E-SLI-6200-0283	Quarry Application - S2-408 - HVdc Transmission Line Construction - Labrador	71111021
4E-SLI-6200-0284	Quarry Application - S2-415 - HVdc Transmission Line Construction - Labrador	71111022
4E-SLI-6200-0285	Quarry Application - S2-416 - HVdc Transmission Line Construction - Labrador	71111023
4E-SLI-6200-0286	Quarry Application - S2-447 - HVdc Transmission Line Construction - Labrador	71111024
4E-SLI-6200-0287	Quarry Application - S2-452 - HVdc Transmission Line Construction - Labrador	71111025
4E-SLI-6200-0288	Quarry Application - S2-459 - HVdc Transmission Line Construction - Labrador	71111026
4E-SLI-6200-0289	Quarry Application - S2-462 - HVdc Transmission Line Construction - Labrador	71111027
4E-SLI-6200-0290	Quarry Application - S2-465 - HVdc Transmission Line Construction - Labrador	71111028



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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0291	Quarry Application - S2-469 - HVdc Transmission Line Construction - Labrador	71111029
4E-SLI-6200-0292	Quarry Application - S2-479 - HVdc Transmission Line Construction - Labrador	71111030
4E-SLI-6200-0293	Quarry Application - S2-482 - HVdc Transmission Line Construction - Labrador	71111031
4E-SLI-6200-0294	Quarry Application - S2-491 - HVdc Transmission Line Construction - Labrador	71111032
4E-SLI-6200-0295	Quarry Application - S2-500 - HVdc Transmission Line Construction - Labrador	71111033
4E-SLI-6200-0296	Quarry Application - S2-505 - HVdc Transmission Line Construction - Labrador	71111034
4E-SLI-6200-0297	Quarry Application - S2-509 - HVdc Transmission Line Construction - Labrador	71111035
4E-SLI-6200-0298	Quarry Application - S2-515 - HVdc Transmission Line Construction - Labrador	71111036
4E-SLI-6200-0299	Quarry Application - S2-522 - HVdc Transmission Line Construction - Labrador	71111037
4E-SLI-6200-0304	Quarry Application - S4-295 - HVdc Transmission Line Construction - Newfoundland	71111088
4E-SLI-6200-0305	Quarry Application - S3-662 - HVdc Transmission Line Construction - Newfoundland	71111128
4E-SLI-6200-0306	Quarry Application - S1-582 - HVdc Transmission Line Construction - Labrador	71111006
4E-SLI-6200-0308	Quarry Application - S4-252 - HVdc Transmission Line Construction - Newfoundland	71111045
4E-SLI-6200-0309	Quarry Application - S4-125 - HVdc Transmission Line Construction - Newfoundland	71111041
4E-SLI-6200-0310	Quarry Application - S4-129 - HVdc Transmission Line Construction - Newfoundland	71111042
4E-SLI-6200-0311	Quarry Application - S4-234 - HVdc Transmission Line Construction - Newfoundland	71111043
4E-SLI-6200-0312	Quarry Application - S4-240 - HVdc Transmission Line Construction - Newfoundland	71111044
4E-SLI-6200-0313	Quarry Application - S4-255 - HVdc Transmission Line Construction - Newfoundland	71111085
4E-SLI-6200-0314	Quarry Application - S4-263 - HVdc Transmission Line Construction - Newfoundland	71111086
4E-SLI-6200-0315	Quarry Application - S4-280 - HVdc Transmission Line Construction - Newfoundland	71111087
4E-SLI-6200-0316	Quarry Application - S4-290 - HVdc Transmission Line Construction - Newfoundland	71111046
4E-SLI-6200-0318	Quarry Application - S4-317b - HVdc Transmission Line Construction - Newfoundland	71111048

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0320	Quarry Application - S3-141 - HVdc Transmission Line Construction - Newfoundland	71111051
4E-SLI-6200-0321	Quarry Application - S3-143 - HVdc Transmission Line Construction - Newfoundland	71111052
4E-SLI-6200-0324	Quarry Application - S3-193 - HVdc Transmission Line Construction - Newfoundland	71111055
4E-SLI-6200-0325	Quarry Application - S3-195 - HVdc Transmission Line Construction - Newfoundland	71111056
4E-SLI-6200-0327	Quarry Application - S3-244 - HVdc Transmission Line Construction - Newfoundland	71111058
4E-SLI-6200-0328	Quarry Application - S3-283 - HVdc Transmission Line Construction - Newfoundland	71111059
4E-SLI-6200-0329	Quarry Application - S3-295 - HVdc Transmission Line Construction - Newfoundland	71111060
4E-SLI-6200-0330	Quarry Application - S3-298 - HVdc Transmission Line Construction - Newfoundland	71111061
4E-SLI-6200-0331	Quarry Application - S3-301 - HVdc Transmission Line Construction - Newfoundland	71111062
4E-SLI-6200-0332	Quarry Application - S3-311a - HVdc Transmission Line Construction - Newfoundland	71111063
4E-SLI-6200-0333	Quarry Application - S3-311b - HVdc Transmission Line Construction - Newfoundland	71111064
4E-SLI-6200-0334	Quarry Application - S3-312 - HVdc Transmission Line Construction - Newfoundland	71111065
4E-SLI-6200-0335	Quarry Application - S3-333 - HVdc Transmission Line Construction - Newfoundland	71111067
4E-SLI-6200-0336	Quarry Application - S3-352 - HVdc Transmission Line Construction - Newfoundland	71111068
4E-SLI-6200-0338	Quarry Application - S3-373 - HVdc Transmission Line Construction - Newfoundland	71111069
4E-SLI-6200-0339	Quarry Application - S3-395 - HVdc Transmission Line Construction - Newfoundland	71111122
4E-SLI-6200-0340	Quarry Application - S3-401 - HVdc Transmission Line Construction - Newfoundland	71111070
4E-SLI-6200-0341	Quarry Application - S3-678 - HVdc Transmission Line Construction - Newfoundland	71111071
4E-SLI-6200-0343	Quarry Application - S4-006 - HVdc Transmission Line Construction - Newfoundland	71111049
4E-SLI-6200-0344	Quarry Application - S4-105 - HVdc Transmission Line Construction - Newfoundland	71111050
4E-SLI-6200-0346	Quarry Application - S3-323 - HVdc Transmission Line Construction - Newfoundland	71111066
4E-SLI-6200-0347	Quarry Application - S3-649 - HVdc Transmission Line Construction - Newfoundland	71111127

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0348	Quarry Application - S3-364 - HVdc Transmission Line Construction - Newfoundland	71111090
4E-SLI-6200-0349	Quarry Application - S4-327 - HVdc Transmission Line Construction - Newfoundland	71111089
4E-SLI-6200-0350	Quarry Application - S2-298- HVdc Transmission Line Construction - Labrador	71111117
4E-SLI-6200-0351	Quarry Application - S2-323- HVdc Transmission Line Construction - Labrador	71111118
4E-SLI-6200-0352	Quarry Application - S2-438- HVdc Transmission Line Construction - Labrador	71111091
4E-SLI-6200-0354	Quarry Application - S3-136 - HVdc Transmission Line Construction - Newfoundland	71111094
4E-SLI-6200-0355	Quarry Application - S4-318 - HVdc Transmission Line Construction - Newfoundland	71111125
4E-SLI-6200-0356	Quarry Application - S3-199 - HVdc Transmission Line Construction - Newfoundland	71111120
4E-SLI-6200-0358	Quarry Application - S2-332 - HVdc Transmission Line Construction - Newfoundland	71111119
4E-SLI-6200-0359	Quarry Application - S3-620 - HVdc Transmission Line Construction - Newfoundland	71111123
4E-SLI-6200-0360	Quarry Application - S3-639 - HVdc Transmission Line Construction - Newfoundland	71111124
4E-SLI-6200-0361	Quarry Application - S2-284 - HVdc Transmission Line Construction - Labrador	71111132
4E-SLI-6200-0362	Quarry Application - S2-286 - HVdc Transmission Line Construction - Labrador	71111133
4E-SLI-6200-0363	Quarry Application - S2-287 - HVdc Transmission Line Construction - Labrador	71111134
4E-SLI-6200-0364	Quarry Application - S2-290 - HVdc Transmission Line Construction - Labrador	71111135
4E-SLI-6200-0365	Quarry Application - S2-291 - HVdc Transmission Line Construction - Labrador	71111136
4E-SLI-6200-0366	Quarry Application - S2-294 - HVdc Transmission Line Construction - Labrador	71111137
4E-SLI-6200-0367	Quarry Application - S2-295 - HVdc Transmission Line Construction - Labrador	71111138
4E-SLI-6200-0368	Quarry Application - S2-296 - HVdc Transmission Line Construction - Labrador	71111139
4E-SLI-6200-0369	Quarry Application - S2-297 - HVdc Transmission Line Construction - Labrador	71111140
4E-SLI-6200-0370	Quarry Application - S2-300 - HVdc Transmission Line Construction - Labrador	71111141
4E-SLI-6200-0371	Quarry Application - S2-305 - HVdc Transmission Line Construction - Labrador	71111142

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0377	Quarry Application - S3-216 - HVdc Transmission Line Construction - Newfoundland	71111158
4E-SLI-6200-0379	Quarry Application - S3-583 - HVdc Transmission Line Construction - Newfoundland	71111150
4E-SLI-6200-0381	Quarry Application - S3-620a - HVdc Transmission Line Construction - Newfoundland	71111152
4E-SLI-6200-0382	Quarry Application - S4-38 - HVdc Transmission Line Construction - Newfoundland	71111160
4E-SLI-6200-0383	Quarry Application - S4-43 - HVdc Transmission Line Construction - Newfoundland	71111161
4E-SLI-6200-0385	Quarry Application - S2-272 - HVdc Transmission Line Construction - Labrador	71111185
4E-SLI-6200-0386	Quarry Application - S3-602 - HVdc Transmission Line Construction - Newfoundland	71111187
4E-SLI-6200-0387	Quarry Application - S3-603 - HVdc Transmission Line Construction - Newfoundland	71111188
4E-SLI-6200-0388	Quarry Application - S3-606 - HVdc Transmission Line Construction - Newfoundland	71111189
4E-SLI-6200-0389	Quarry Application - S3-610 - HVdc Transmission Line Construction - Newfoundland	71111190
4E-SLI-6200-0390	Quarry Application - S3-585 - HVdc Transmission Line Construction - Newfoundland	71111186
4E-SLI-6200-0392	Quarry Application - S2-266 - HVdc Transmission Line Construction - Labrador	71111204
4E-SLI-6200-0393	Quarry Application - S1-670 - HVdc Transmission Line Construction - Labrador	71111200
4E-SLI-6200-0394	Quarry Application - S1-674 - HVdc Transmission Line Construction - Labrador	71111201
4E-SLI-6200-0395	Quarry Application - S2-256 - HVdc Transmission Line Construction - Labrador	71111202
4E-SLI-6200-0396	Quarry Application - S2-258 - HVdc Transmission Line Construction - Labrador	71111203
4E-SLI-6200-0397	Quarry Application - S4-523 - HVdc Transmission Line Construction - Labrador	71111218
4E-SLI-6200-0399	Quarry Application - S4-479N - HVdc Transmission Line Construction - Newfoundland	71111223
4E-SLI-6200-0400	Quarry Application - S4-565 - HVdc Transmission Line Construction - Newfoundland	71111221
4E-SLI-6200-0401	Quarry Application - S4-561 - HVdc Transmission Line Construction - Newfoundland	71111220
4E-SLI-6200-0402	Quarry Application - S4-533 - HVdc Transmission Line Construction - Newfoundland	71111219
4E-SLI-6200-0403	Quarry Application - S4-479S - HVdc Transmission Line Construction - Newfoundland	71111224

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0404	Quarry Application - S2-184 - HVdc Transmission Line Construction - Labrador	71111577
4E-SLI-6200-0405	Quarry Application - S3-427 - HVdc Transmission Line Construction - Newfoundland	71111230
4E-SLI-6200-0406	Quarry Application - S3-431 - HVdc Transmission Line Construction - Newfoundland	71111231
4E-SLI-6200-0407	Quarry Application - S3-432 - HVdc Transmission Line Construction - Newfoundland	71111232
4E-SLI-6200-0408	Quarry Application - S3-435 - HVdc Transmission Line Construction - Newfoundland	71111233
4E-SLI-6200-0409	Quarry Application - S3-441 - HVdc Transmission Line Construction - Newfoundland	71111234
4E-SLI-6200-0410	Quarry Application - S3-461 - HVdc Transmission Line Construction - Newfoundland	71111235
4E-SLI-6200-0411	Quarry Application - S3-466 - HVdc Transmission Line Construction - Newfoundland	71111236
4E-SLI-6200-0412	Quarry Application - S3-469 - HVdc Transmission Line Construction - Newfoundland	71111237
4E-SLI-6200-0413	Quarry Application - S3-485 - HVdc Transmission Line Construction - Newfoundland	71111238
4E-SLI-6200-0414	Quarry Application - S3-488 - HVdc Transmission Line Construction - Newfoundland	71111239
4E-SLI-6200-0415	Quarry Application - S3-494 - HVdc Transmission Line Construction - Newfoundland	71111240
4E-SLI-6200-0416	Quarry Application - S3-505 - HVdc Transmission Line Construction - Newfoundland	71111241
4E-SLI-6200-0417	Quarry Application - S3-508 - HVdc Transmission Line Construction - Newfoundland	71111242
4E-SLI-6200-0418	Quarry Application - S3-522 - HVdc Transmission Line Construction - Newfoundland	71111243
4E-SLI-6200-0419	Quarry Application - S3-528 - HVdc Transmission Line Construction - Newfoundland	71111244
4E-SLI-6200-0420	Quarry Application - S3-531 - HVdc Transmission Line Construction - Newfoundland	71111245
4E-SLI-6200-0421	Quarry Application - S3-568 - HVdc Transmission Line Construction - Newfoundland	71111246
4E-SLI-6200-0422	Quarry Application - S3-576 - HVdc Transmission Line Construction - Newfoundland	71111247
4E-SLI-6200-0423	Quarry Application - S3-580 - HVdc Transmission Line Construction - Newfoundland	71111248
4E-SLI-6200-0424	Quarry Application - S4-386 - HVdc Transmission Line Construction - Newfoundland	71111249
4E-SLI-6200-0425	Quarry Application - S4-428 - HVdc Transmission Line Construction - Newfoundland	71111250

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0427	Quarry Application - S4-684 - HVdc Transmission Line Construction - Newfoundland	71111262
4E-SLI-6200-0428	Quarry Application - S4-695 - HVdc Transmission Line Construction - Newfoundland	71111263
4E-SLI-6200-0432	Quarry Application - S3-476 - HVdc Transmission Line Construction - Newfoundland	71111253
4E-SLI-6200-0434	Quarry Application - S3-525 - HVdc Transmission Line Construction - Newfoundland	71111254
4E-SLI-6200-0435	Quarry Application - S3-538 - HVdc Transmission Line Construction - Newfoundland	71111255
4E-SLI-6200-0436	Quarry Application - S3-540 - HVdc Transmission Line Construction - Newfoundland	71111256
4E-SLI-6200-0437	Quarry Application - S3-542 - HVdc Transmission Line Construction - Newfoundland	71111257
4E-SLI-6200-0438	Quarry Application - S3-548 - HVdc Transmission Line Construction - Newfoundland	71111258
4E-SLI-6200-0439	Quarry Application - S3-553 - HVdc Transmission Line Construction - Newfoundland	71111259
4E-SLI-6200-0440	Quarry Application - S3-562 - HVdc Transmission Line Construction - Newfoundland	71111260
4E-SLI-6200-0441	Quarry Application - S3-573 - HVdc Transmission Line Construction - Newfoundland	71111261
4E-SLI-6200-0442	Quarry Application - S4-699 - HVdc Transmission Line Construction - Newfoundland	71111264
4E-SLI-6200-0443	Quarry Application - S5-002 - HVdc Transmission Line Construction - Newfoundland	71111358
4E-SLI-6200-0444	Quarry Application - S5-004 - HVdc Transmission Line Construction - Newfoundland	71111275
4E-SLI-6200-0445	Quarry Application - S5-008 - HVdc Transmission Line Construction - Newfoundland	71111276
4E-SLI-6200-0449	Quarry Application - S5-026 - HVdc Transmission Line Construction - Newfoundland	71111280
4E-SLI-6200-0450	Quarry Application - S5-029 - HVdc Transmission Line Construction - Newfoundland	71111281
4E-SLI-6200-0451	Quarry Application - S5-032 - HVdc Transmission Line Construction - Newfoundland	71111282
4E-SLI-6200-0452	Quarry Application - S5-036 - HVdc Transmission Line Construction - Newfoundland	71111283
4E-SLI-6200-0453	Quarry Application - S5-042 - HVdc Transmission Line Construction - Newfoundland	71111284
4E-SLI-6200-0454	Quarry Application - S5-044 - HVdc Transmission Line Construction - Newfoundland	71111285
4E-SLI-6200-0455	Quarry Application - S5-048 - HVdc Transmission Line Construction - Newfoundland	71111286

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0456	Quarry Application - S5-057 - HVdc Transmission Line Construction - Newfoundland	71111287
4E-SLI-6200-0457	Quarry Application - S5-060 - HVdc Transmission Line Construction - Newfoundland	71111288
4E-SLI-6200-0458	Quarry Application - S5-068 - HVdc Transmission Line Construction - Newfoundland	71111289
4E-SLI-6200-0459	Quarry Application - S5-083 - HVdc Transmission Line Construction - Newfoundland	71111290
4E-SLI-6200-0460	Quarry Application - S5-085 - HVdc Transmission Line Construction - Newfoundland	71111291
4E-SLI-6200-0461	Quarry Application - S5-087 - HVdc Transmission Line Construction - Newfoundland	71111292
4E-SLI-6200-0462	Quarry Application - S5-089 - HVdc Transmission Line Construction - Newfoundland	71111293
4E-SLI-6200-0463	Quarry Application - S5-096 - HVdc Transmission Line Construction - Newfoundland	71111294
4E-SLI-6200-0465	Quarry Application - S5-104 - HVdc Transmission Line Construction - Newfoundland	71111296
4E-SLI-6200-0466	Quarry Application - S5-109 - HVdc Transmission Line Construction - Newfoundland	71111297
4E-SLI-6200-0467	Quarry Application - S5-124 - HVdc Transmission Line Construction - Newfoundland	71111298
4E-SLI-6200-0468	Quarry Application - S5-129 - HVdc Transmission Line Construction - Newfoundland	71111299
4E-SLI-6200-0469	Quarry Application - S5-133 - HVdc Transmission Line Construction - Newfoundland	71111300
4E-SLI-6200-0470	Quarry Application - S5-136 - HVdc Transmission Line Construction - Newfoundland	71111301
4E-SLI-6200-0471	Quarry Application - S5-158 - HVdc Transmission Line Construction - Newfoundland	71111302
4E-SLI-6200-0472	Quarry Application - S5-169 - HVdc Transmission Line Construction - Newfoundland	71111303
4E-SLI-6200-0473	Quarry Application - S5-176 - HVdc Transmission Line Construction - Newfoundland	71111304
4E-SLI-6200-0477	Quarry Application - S5-207 - HVdc Transmission Line Construction - Newfoundland	71111308
4E-SLI-6200-0478	Quarry Application - S5-215 - HVdc Transmission Line Construction - Newfoundland	71111309
4E-SLI-6200-0479	Quarry Application - S5-220 - HVdc Transmission Line Construction - Newfoundland	71111310
4E-SLI-6200-0481	Quarry Application - S5-229 - HVdc Transmission Line Construction - Newfoundland	71111312
4E-SLI-6200-0482	Quarry Application - S5-236 - HVdc Transmission Line Construction - Newfoundland	71111313

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0483	Quarry Application - S5-239 - HVdc Transmission Line Construction - Newfoundland	71111314
4E-SLI-6200-0485	Quarry Application - S5-249 - HVdc Transmission Line Construction - Newfoundland	71111316
4E-SLI-6200-0486	Quarry Application - S5-267 - HVdc Transmission Line Construction - Newfoundland	71111317
4E-SLI-6200-0487	Quarry Application - S5-273 - HVdc Transmission Line Construction - Newfoundland	71111318
4E-SLI-6200-0488	Quarry Application - S5-275 - HVdc Transmission Line Construction - Newfoundland	71111319
4E-SLI-6200-0489	Quarry Application - S5-278 - HVdc Transmission Line Construction - Newfoundland	71111320
4E-SLI-6200-0490	Quarry Application - S5-281 - HVdc Transmission Line Construction - Newfoundland	71111321
4E-SLI-6200-0491	Quarry Application - S5-283 - HVdc Transmission Line Construction - Newfoundland	71111322
4E-SLI-6200-0492	Quarry Application - S5-288 - HVdc Transmission Line Construction - Newfoundland	71111232
4E-SLI-6200-0493	Quarry Application - S5-293 - HVdc Transmission Line Construction - Newfoundland	71111324
4E-SLI-6200-0494	Quarry Application - S5-302 - HVdc Transmission Line Construction - Newfoundland	71111325
4E-SLI-6200-0495	Quarry Application - S5-303 - HVdc Transmission Line Construction - Newfoundland	71111326
4E-SLI-6200-0496	Quarry Application - S5-305 - HVdc Transmission Line Construction - Newfoundland	71111327
4E-SLI-6200-0497	Quarry Application - S5-310 - HVdc Transmission Line Construction - Newfoundland	71111328
4E-SLI-6200-0499	Quarry Application - S5-316 - HVdc Transmission Line Construction - Newfoundland	71111329
4E-SLI-6200-0500	Quarry Application - S5-318 - HVdc Transmission Line Construction - Newfoundland	71111330
4E-SLI-6200-0501	Quarry Application - S5-320 - HVdc Transmission Line Construction - Newfoundland	71111331
4E-SLI-6200-0502	Quarry Application - S5-322 - HVdc Transmission Line Construction - Newfoundland	71111332
4E-SLI-6200-0503	Quarry Application - S5-330 - HVdc Transmission Line Construction - Newfoundland	71111333
4E-SLI-6200-0504	Quarry Application - S5-331 - HVdc Transmission Line Construction - Newfoundland	71111334
4E-SLI-6200-0505	Quarry Application - S5-334 - HVdc Transmission Line Construction - Newfoundland	71111335
4E-SLI-6200-0506	Quarry Application - S5-341 - HVdc Transmission Line Construction - Newfoundland	71111336



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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0507	Quarry Application - S5-352 - HVdc Transmission Line Construction - Newfoundland	71111337
4E-SLI-6200-0508	Quarry Application - S5-357 - HVdc Transmission Line Construction - Newfoundland	71111338
4E-SLI-6200-0509	Quarry Application - S5-362 - HVdc Transmission Line Construction - Newfoundland	71111339
4E-SLI-6200-0510	Quarry Application - S5-364 - HVdc Transmission Line Construction - Newfoundland	71111340
4E-SLI-6200-0511	Quarry Application - S5-368 - HVdc Transmission Line Construction - Newfoundland	71111341
4E-SLI-6200-0512	Quarry Application - S5-373 - HVdc Transmission Line Construction - Newfoundland	71111342
4E-SLI-6200-0513	Quarry Application - S5-378 - HVdc Transmission Line Construction - Newfoundland	71111343
4E-SLI-6200-0514	Quarry Application - S5-390 - HVdc Transmission Line Construction - Newfoundland	71111344
4E-SLI-6200-0516	Quarry Application - S5-443 - HVdc Transmission Line Construction - Newfoundland	71111346
4E-SLI-6200-0517	Quarry Application - S5-444 - HVdc Transmission Line Construction - Newfoundland	71111347
4E-SLI-6200-0519	Quarry Application - S5-456 - HVdc Transmission Line Construction - Newfoundland	71111348
4E-SLI-6200-0520	Quarry Application - S5-462 - HVdc Transmission Line Construction - Newfoundland	71111349
4E-SLI-6200-0521	Quarry Application - S5-466 - HVdc Transmission Line Construction - Newfoundland	71111350
4E-SLI-6200-0522	Quarry Application - S5-471 - HVdc Transmission Line Construction - Newfoundland	71111351
4E-SLI-6200-0527	Quarry Application - S5-531 - HVdc Transmission Line Construction - Newfoundland	71111356
4E-SLI-6200-0528	Quarry Application - S5-541 - HVdc Transmission Line Construction - Newfoundland	71111357
4E-SLI-6200-0529	Quarry Application - S4-619 - HVdc Transmission Line Construction - Newfoundland	71111360
4E-SLI-6200-0530	Quarry Application - S4-621 - HVdc Transmission Line Construction - Newfoundland	71111361
4E-SLI-6200-0531	Quarry Application - S4-644 - HVdc Transmission Line Construction - Newfoundland	71111362
4E-SLI-6200-0532	Quarry Application - S4-648 - HVdc Transmission Line Construction - Newfoundland	71111363
4E-SLI-6200-0533	Quarry Application - S4-651 - HVdc Transmission Line Construction - Newfoundland	71111364
4E-SLI-6200-0534	Quarry Application - S4-652 - HVdc Transmission Line Construction - Newfoundland	71111365

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0535	Quarry Application - S4-656 - HVdc Transmission Line Construction - Newfoundland	71111366
4E-SLI-6200-0536	Quarry Application - S4-658 - HVdc Transmission Line Construction - Newfoundland	71111367
4E-SLI-6200-0538	Quarry Application - S4-663 - HVdc Transmission Line Construction - Newfoundland	71111369
4E-SLI-6200-0539	Quarry Application - S4-671 - HVdc Transmission Line Construction - Newfoundland	71111370
4E-SLI-6200-0540	Quarry Application - S4-689 - HVdc Transmission Line Construction - Newfoundland	71111371
4E-SLI-6200-0541	Quarry Application - S4-691 - HVdc Transmission Line Construction - Newfoundland	71111372
4E-SLI-6200-0550	Quarry Application - S4-445 - HVdc Transmission Line Construction - Newfoundland	71111413
4E-SLI-6200-0551	Quarry Application - S4-459 - HVdc Transmission Line Construction - Newfoundland	71111414
4E-SLI-6200-0552	Quarry Application - S4-574 - HVdc Transmission Line Construction - Newfoundland	71111415
4E-SLI-6200-0553	Quarry Application - S4-584 - HVdc Transmission Line Construction - Newfoundland	71111416
4E-SLI-6200-0554	Quarry Application - S4-589 - HVdc Transmission Line Construction - Newfoundland	71111417
4E-SLI-6200-0555	Quarry Application - S4-592 - HVdc Transmission Line Construction - Newfoundland	71111418
4E-SLI-6200-0556	Quarry Application - S4-596 - HVdc Transmission Line Construction - Newfoundland	71111419
4E-SLI-6200-0557	Quarry Application - S4-607 - HVdc Transmission Line Construction - Newfoundland	71111420
4E-SLI-6200-0558	Quarry Application - S3-481 - HVdc Transmission Line Construction - Newfoundland	71111421
4E-SLI-6200-0559	Quarry Application - S3-511 - HVdc Transmission Line Construction - Newfoundland	71111422
4E-SLI-6200-0560	Quarry Application - S3-517 - HVdc Transmission Line Construction - Newfoundland	71111423
4E-SLI-6200-0561	Quarry Application - S3-587 - HVdc Transmission Line Construction - Newfoundland	71111424
4E-SLI-6200-0562	Quarry Application - S3-589 - HVdc Transmission Line Construction - Newfoundland	71111425
4E-SLI-6200-0563	Quarry Application - S3-597 - HVdc Transmission Line Construction - Newfoundland	71111426
4E-SLI-6200-0564	Quarry Application - S3-599 - HVdc Transmission Line Construction - Newfoundland	71111427
4E-SLI-6200-0565	Quarry Application - S3-604 - HVdc Transmission Line Construction - Newfoundland	71111428

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0566	Quarry Application - S3-622 - HVdc Transmission Line Construction - Newfoundland	71111429
4E-SLI-6200-0567	Quarry Application - S3-626 - HVdc Transmission Line Construction - Newfoundland	71111430
4E-SLI-6200-0569	Quarry Application - S3-630 - HVdc Transmission Line Construction - Newfoundland	71111432
4E-SLI-6200-0570	Quarry Application - S3-633 - HVdc Transmission Line Construction - Newfoundland	71111433
4E-SLI-6200-0571	Quarry Application - S3-638 - HVdc Transmission Line Construction - Newfoundland	71111434
4E-SLI-6200-0574	Quarry Application - Squid Cove Access Road - HVdc Transmission Line Construction - Newfoundland	71111440
4E-SLI-6200-0575	Quarry Application - S2-97 - HVdc Transmission Line Construction - Labrador	71111559
4E-SLI-6200-0576	Quarry Application - S2-92 - HVdc Transmission Line Construction - Labrador	71111558
4E-SLI-6200-0577	Quarry Application - S2-88 - HVdc Transmission Line Construction - Labrador	71111557
4E-SLI-6200-0578	Quarry Application - S2-83 - HVdc Transmission Line Construction - Labrador	71111556
4E-SLI-6200-0579	Quarry Application - S2-79 - HVdc Transmission Line Construction - Labrador	71111555
4E-SLI-6200-0580	Quarry Application - S2-75 - HVdc Transmission Line Construction - Labrador	71111554
4E-SLI-6200-0581	Quarry Application - S2-71 - HVdc Transmission Line Construction - Labrador	71111553
4E-SLI-6200-0582	Quarry Application - S2-67 - HVdc Transmission Line Construction - Labrador	71111552
4E-SLI-6200-0583	Quarry Application - S2-62 - HVdc Transmission Line Construction - Labrador	71111551
4E-SLI-6200-0584	Quarry Application - S2-56 - HVdc Transmission Line Construction - Labrador	71111548
4E-SLI-6200-0585	Quarry Application - S2-53 - HVdc Transmission Line Construction - Labrador	71111547
4E-SLI-6200-0586	Quarry Application - S2-48 - HVdc Transmission Line Construction - Labrador	71111546
4E-SLI-6200-0587	Quarry Application - S2-47 - HVdc Transmission Line Construction - Labrador	71111545
4E-SLI-6200-0588	Quarry Application - S2-36 - HVdc Transmission Line Construction - Labrador	71111543
4E-SLI-6200-0589	Quarry Application - S2-307 - HVdc Transmission Line Construction - Labrador	71111593
4E-SLI-6200-0590	Quarry Application - S2-306 - HVdc Transmission Line Construction - Labrador	71111592

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0591	Quarry Application - S2-243 - HVdc Transmission Line Construction - Labrador	71111590
4E-SLI-6200-0592	Quarry Application - S2-238 - HVdc Transmission Line Construction - Labrador	71111589
4E-SLI-6200-0593	Quarry Application - S2-227 - HVdc Transmission Line Construction - Labrador	71111588
4E-SLI-6200-0594	Quarry Application - S2-224 - HVdc Transmission Line Construction - Labrador	71111587
4E-SLI-6200-0595	Quarry Application - S2-218 - HVdc Transmission Line Construction - Labrador	71111586
4E-SLI-6200-0596	Quarry Application - S2-215 - HVdc Transmission Line Construction - Labrador	71111585
4E-SLI-6200-0597	Quarry Application - S2-212 - HVdc Transmission Line Construction - Labrador	71111584
4E-SLI-6200-0598	Quarry Application - S2-205 - HVdc Transmission Line Construction - Labrador	71111583
4E-SLI-6200-0599	Quarry Application - S2-199 - HVdc Transmission Line Construction - Labrador	71111581
4E-SLI-6200-0600	Quarry Application - S2-194 - HVdc Transmission Line Construction - Labrador	71111579
4E-SLI-6200-0601	Quarry Application - S2-187 - HVdc Transmission Line Construction - Labrador	71111578
4E-SLI-6200-0602	Quarry Application - S2-181 - HVdc Transmission Line Construction - Labrador	71111576
4E-SLI-6200-0603	Quarry Application - S2-176 - HVdc Transmission Line Construction - Labrador	71111575
4E-SLI-6200-0604	Quarry Application - S2-170 - HVdc Transmission Line Construction - Labrador	71111574
4E-SLI-6200-0605	Quarry Application - S2-164 - HVdc Transmission Line Construction - Labrador	71111573
4E-SLI-6200-0606	Quarry Application - S2-160 - HVdc Transmission Line Construction - Labrador	71111572
4E-SLI-6200-0607	Quarry Application - S2-152 - HVdc Transmission Line Construction - Labrador	71111571
4E-SLI-6200-0608	Quarry Application - S2-151 - HVdc Transmission Line Construction - Labrador	71111570
4E-SLI-6200-0609	Quarry Application - S2-147 - HVdc Transmission Line Construction - Labrador	71111569
4E-SLI-6200-0610	Quarry Application - S2-141 - HVdc Transmission Line Construction - Labrador	71111568
4E-SLI-6200-0611	Quarry Application - S2-139 - HVdc Transmission Line Construction - Labrador	71111567
4E-SLI-6200-0612	Quarry Application - S2-135 - HVdc Transmission Line Construction - Labrador	71111566

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SECOND AMENDED AND RESTATED LIL PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0613	Quarry Application - S2-128 - HVdc Transmission Line Construction - Labrador	71111565
4E-SLI-6200-0614	Quarry Application - S2-120 - HVdc Transmission Line Construction - Labrador	71111564
4E-SLI-6200-0615	Quarry Application - S2-116 - HVdc Transmission Line Construction - Labrador	71111563
4E-SLI-6200-0616	Quarry Application - S2-110- HVdc Transmission Line Construction - Labrador	71111562
4E-SLI-6200-0617	Quarry Application - S2-105 - HVdc Transmission Line Construction - Labrador	71111561
4E-SLI-6200-0618	Quarry Application - S2-102 - HVdc Transmission Line Construction - Labrador	71111560
4E-SLI-6200-0619	Quarry Application - S2-245 - HVdc Transmission Line Construction - Labrador	71111591
4E-SLI-6200-0620	Quarry Application - S4-604 - HVdc Transmission Line Construction - Newfoundland	71111518
4E-SLI-6200-0621	Quarry Application - S5-394 - HVdc Transmission Line Construction - Newfoundland	71111522
4E-SLI-6200-0622	Quarry Application - S5-397 - HVdc Transmission Line Construction - Newfoundland	71111523
4E-SLI-6200-0623	Quarry Application - S5-400 - HVdc Transmission Line Construction - Newfoundland	71111524
4E-SLI-6200-0624	Quarry Application - S5-403 - HVdc Transmission Line Construction - Newfoundland	71111525
4E-SLI-6200-0626	Quarry Application - S5-425 - HVdc Transmission Line Construction - Newfoundland	71111527
4E-SLI-6200-0627	Quarry Application - S5-427 - HVdc Transmission Line Construction - Newfoundland	71111528
4E-SLI-6200-0631	Quarry Application - S5-506 - HVdc Transmission Line Construction - Newfoundland	71111529
4E-SLI-6200-0632	Quarry Application - S5-510 - HVdc Transmission Line Construction - Newfoundland	71111530
4E-SLI-6200-0633	Quarry Application - S5-514 - HVdc Transmission Line Construction - Newfoundland	71111531
4E-SLI-6200-0634	Quarry Application - S5-254 - HVdc Transmission Line Construction - Newfoundland	71111521
4E-SLI-6200-0635	Quarry Application - S2-40 - HVdc Transmission Line Construction - Labrador	71111544
4E-SLI-6200-0636	Quarry Application - S5-543 - HVdc Transmission Line Construction - Newfoundland	71111519
4E-SLI-6200-0637	Quarry Application - S4-444 - HVdc Transmission Line Construction - Newfoundland	71111536
4E-SLI-6200-0638	Quarry Application - S4-450 - HVdc Transmission Line Construction - Newfoundland	71111537

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0639	Quarry Application - S4-465 - HVdc Transmission Line Construction - Newfoundland	71111539
4E-SLI-6200-0640	Quarry Application - S4-480 - HVdc Transmission Line Construction - Newfoundland	71111540
4E-SLI-6200-0641	Quarry Application - S4-489 - HVdc Transmission Line Construction - Newfoundland	71111541
4E-SLI-6200-0642	Quarry Application - S2-35 - HVdc Transmission Line Construction - Labrador	71111542
4E-SLI-6200-0643	Quarry Application - S2-58 - HVdc Transmission Line Construction - Labrador	71111549
4E-SLI-6200-0644	Quarry Application - S2-59 - HVdc Transmission Line Construction - Labrador	71111550
4E-SLI-6200-0645	Quarry Application - S2-197 - HVdc Transmission Line Construction - Labrador	71111580
4E-SLI-6200-0646	Quarry Application - S2-201 - HVdc Transmission Line Construction - Labrador	71111582
4E-SLI-6200-0647	Quarry Application - Batteau's Road - HVdc Transmission Line Construction - Newfoundland	71111535
4E-SLI-6200-0648	Quarry Application - Sunday Pond Road - HVdc Transmission Line Construction - Newfoundland	71111538
4E-SLI-6200-0649	Quarry Application - S5-283 - HVdc Transmission Line Construction - Newfoundland	71111534
4E-SLI-6200-0650	Quarry Application - S3-446 - HVdc Transmission Line Construction - Newfoundland	71111520
4E-SLI-6200-0653	Quarry Application - S4-675 - HVdc Transmission Line Construction - Newfoundland	71111607
4E-SLI-6200-0654	Quarry Application - S3-437 - HVdc Transmission Line Construction - Newfoundland	71111608
4E-SLI-6200-0655	Quarry Application - S3-365 - HVdc Transmission Line Construction - Newfoundland	71111673
4E-SLI-6200-0656	Quarry Application - S2-80 - HVdc Transmission Line Construction - Labrador	71111609
4E-SLI-6200-0657	Quarry Application - S2-165 - HVdc Transmission Line Construction - Labrador	71111610
4E-SLI-6200-0658	Quarry Application - S2-82 - HVdc Transmission Line Construction - Labrador	71111621
4E-SLI-6200-0659	Quarry Application - S2-95 - HVdc Transmission Line Construction - Labrador	71111622
4E-SLI-6200-0660	Quarry Application - S3-435 - HVdc Transmission Line Construction - Newfoundland	71111649
4E-SLI-6200-0663	Quarry Application - S5-299 - HVdc Transmission Line Construction - Newfoundland	71111637
4E-SLI-6200-0664	Quarry Application - S2-119 - HVdc Transmission Line Construction - Labrador	71111623

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0665	Quarry Application - S2-135 - HVdc Transmission Line Construction - Labrador	71111624
4E-SLI-6200-0666	Quarry Application - S4-629 - HVdc Transmission Line Construction - Newfoundland	71111625
4E-SLI-6200-0668	Quarry Application - S4-636 - HVdc Transmission Line Construction - Newfoundland	71111627
4E-SLI-6200-0669	Quarry Application - S4-640 - HVdc Transmission Line Construction - Newfoundland	71111628
4E-SLI-6200-0670	Quarry Application - S4-659 - HVdc Transmission Line Construction - Newfoundland	71111629
4E-SLI-6200-0671	Quarry Application - S4-674 - HVdc Transmission Line Construction - Newfoundland	71111630
4E-SLI-6200-0672	Quarry Application - S4-677a - HVdc Transmission Line Construction - Newfoundland	71111631
4E-SLI-6200-0673	Quarry Application - S4-677b - HVdc Transmission Line Construction - Newfoundland	71111632
4E-SLI-6200-0674	Quarry Application - S4-677c - HVdc Transmission Line Construction - Newfoundland	71111633
4E-SLI-6200-0675	Quarry Application - S4-678 - HVdc Transmission Line Construction - Newfoundland	71111634
4E-SLI-6200-0677	Quarry Application - S4-692 - HVdc Transmission Line Construction - Newfoundland	71111635
4E-SLI-6200-0679	Quarry Application - S4-452 - HVdc Transmission Line Construction - Newfoundland	71111648
4E-SLI-6200-0680	Quarry Application - S4-677a-ext - HVdc Transmission Line Construction - Newfoundland	71111647
4E-SLI-6200-0681	Quarry Application - S5-288ext - HVdc Transmission Line Construction - Newfoundland	71111672
4E-SLI-6200-0682	Quarry Application - S4-660 - HVdc Transmission Line Construction - Newfoundland	71111691
4E-SLI-6200-0683	Quarry Application - S5-245 - HVdc Transmission Line Construction - Newfoundland	71111717
4E-SLI-6200-0684	Quarry Application - S2-77 - HVdc Transmission Line Construction - Labrador	71111715
4E-SLI-6200-0685	Quarry Application - S3-570 - HVdc Transmission Line Construction - Newfoundland	71111716
4E-SLI-6200-0686	Quarry Application - S5-266 - HVdc Transmission Line Construction - Newfoundland	71111718
4E-SLI-6200-0689	Quarry Application - S5-115 - HVdc Transmission Line Construction - Newfoundland	71111740
4E-SLI-6200-0690	Quarry Application - S3-473 - HVdc Transmission Line Construction - Newfoundland	71111736
4E-SLI-6200-0692	Quarry Application - S4-648N - HVdc Transmission Line Construction - Newfoundland	71111739

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<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6200-0693	Quarry Application - Pickett's Brand Road - HVdc Transmission Line Construction - Newfoundland	71111738
4E-SLI-6200-0694	Quarry Application - S4-678N - HVdc Transmission Line Construction - Newfoundland	71111741
4E-SLI-6200-0695	Quarry Application - S3-476 ext - HVdc Transmission Line Construction - Newfoundland	71111755
4E-SLI-6200-0697	Quarry Application - S3-481N - HVdc Transmission Line Construction - Newfoundland	71111756
4E-SLI-6200-0698	Quarry Application - S3-434 - HVdc Transmission Line Construction - Newfoundland	71111778
4E-SLI-6200-0699	Quarry Application - S4-618 - HVdc Transmission Line Construction - Newfoundland	71111802
4E-SLI-6200-0700	Quarry Application - S4-620 - HVdc Transmission Line Construction - Newfoundland	71111803
4E-SLI-6200-0701	Quarry Application - S4-639 - HVdc Transmission Line Construction - Newfoundland	71111804
4E-SLI-6200-0705	Quarry Application - Dawe's Pond Road - HVdc Transmission Line Construction - Newfoundland	71111835
4E-SLI-6200-0707	Quarry Application - S3-382 - HVdc Transmission Line Construction - Newfoundland	71111832
4E-SLI-6200-0708	Quarry Application - S3-502 - HVdc Transmission Line Construction - Newfoundland	71111834
4E-SLI-6200-0709	Quarry Application - S3-398 - HVdc Transmission Line Construction - Newfoundland	71111833
4E-SLI-6200-0715	Quarry Application - S3-408 - HVdc Transmission Line Construction - Newfoundland	71111888
4E-SLI-6200-0716	Quarry Application - S3-514 - HVdc Transmission Line Construction - Newfoundland	71111889
4E-SLI-8600-0006	Quarry Application - L'Anse au Diable Breakwater	71110784
4E-SLI-8000-0011	Quarry Permit - Soldiers Pond	71110292



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*Service NL, Storage and Handling of Gasoline and Associated Products Regulations*

<b>Permit Number</b>	<b>Permit Name</b>	<b>Service NL File No.</b>
4E-CON-7600-0015	GAP Registration - Oil Water Separator - Condenser Building - Soldier's Pond - HJ O'Connell Construction Ltd.	13353
4E-SLI-4000-0005	GAP Registration - Oil Water Separator - Converter Building - Soldiers Pond - Alstom Grid	13156
4E-SLI-4000-0004	GAP Registration - Oil Water Separator - Converter Building - Muskrat Falls - Alstom Grid	13884
4E-SLI-9200-0008	GAP Registration - 909 L Diesel Tank - Hampden Telecom Building	13557
4E-SLI-9200-0009	GAP Registration - 909 L Diesel Tank - Three Rocks Telecom Building	13765
4E-SLI-9200-0011	GAP Registration - 9,092 L Diesel Tank - Three Rocks Repeater Site	13766
4E-SLI-9200-0010	GAP Registration - 909 L Diesel Tank - White Hills Telecom Building	13494

*Service NL*

<b>Permit Number</b>	<b>Permit Name</b>	<b>Service NL File No.</b>
4E-SLI-7600-0001	Septic Application - Permanent Sewage Holding Tank - Synchronous Condenser Facility - Soldiers Pond	SS16-081258 File No. 1258
4E-SLI-4000-0023	Septic Application - Permanent Sewage Holding Tank - Converter Station Building - Muskrat Falls	HS-2016 110634 00

*Navigable Water Protection Act (Transport Canada)*

<b>Permit Number</b>	<b>Permit Name</b>	<b>TC File No.</b>
4E-SLI-8600-0002	Navigable Waters Protection Act Request for Work Approval - L'Anse au Diable - Shoreline Electrodes	8200-2014-200115-001
4E-SLI-8600-0003	Navigable Waters Protection Act Request for Work Approval -Dowdens Point - Shoreline Electrodes	8200-2014-200114-001
4E-SLI-8100-0001	Navigable Waters Protection Act Request for Work Approval - SOBI Cable Crossing	2014-200114

*Fisheries Act*

<b>Permit Number</b>	<b>Permit Name</b>	<b>DFO File No.</b>
4E-SLI-8510-0002	DFO Notification - Forteau Point - access road construction and transition compound site preparation	08-HNFL-NA1-00053
4E-SLI-8520-0003	DFO Notification - Shoal Cove - access road construction and transition compound site preparation	08-HNFL-NA1-00053
4E-SLI-8600-0008	DFO Request for Project Review - Shoreline Electrodes - L'anse au Diable and Dowdens Point	08-HNFL-NA1-00053
4E-SLI-8100-0003	DFO Project Review - SOBI Cable Crossing	08-HNFL-NA1-00053
4E-SLI-6200-0717	DFO Project Review - Temporary Causeway with Culverts at WCd-342b to provide temporary access - S3-515	16-HNFL-00535
4E-SLI-6200-0720	DFO Request for Project Review - HVdc Transmission Line Construction - Encroachment at WCd-404	16-HNFL-00565
4E-SLI-6200-0004	Blanket DFO Notification - Water Use and	14-HNFL-00044

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Permit Number	Permit Name	DFO File No.
	Stream Crossings - HVdc Section 1, Segments 1 and 2 - Labrador	
4E-SLI-6200-0391	DFO Project Review - HVdc Transmission Line Construction - Causeway at Six Mile Lake	15-HNFL-00575
4E-SLI-6200-0573	DFO Request for Project Review - HVdc Transmission Line Construction - Infilling Long Range Mountains	16-HNFL-00136
4E-SLI-6200-0703	DFO Request for Project Review - HVdc Transmission Line Construction - Encroachments - Long Range Mountains	16-HNFL-00483

*Parks and Natural Areas, Provincial Parks Act*

Permit Number	Permit Name	Parks File No.
4E-SLI-8600-0005	Construction and Use Permit - Dowdens Point Electrode Site	N/A
4E-SLI-6200-0398	Construction and Use within the T'Railway Provincial Park - HVdc Transmission Line Clearing and Construction - Newfoundland	N/A
4E-SLI-6200-0205	Construction and Use permit - Badger	N/A

*Nav Canada Land Use*

Permit Number	Permit Name	Nav Canada File No.
4E-SLI-6200-0188	Nav Canada Land Use Proposal - HVdc Transmission Line Construction	Segment 1 15-1022 Segment 2 15-1023 Segment 3 15-1024 Segment 4 15-1025 Segment 5 15-1026

*Historic Resources Act* [These permits have been issued to Dr. Frederick A Schwarz with Stantac]

Permit Number	Permit Name	PAO File No.
	2014 Stage 2/3 Historic Resources Impact Assessment - L'Anse au Diable, Labrador Straits	14.36
	2014 Stage 2/3 Historic Resources Impact Assessment – Churchill River Valley, Central Labrador, as well a transmission corridors between Muskrat Falls and Churchill Falls, and between Muskrat Falls and the Strait of Belle Isle	14.39
	2013 and 2014 Stage 2/3 Historic Resources Impact Assessment - Shoal Cove to Soldiers Pond	13.47

(ii) Initial Material Project Documents – Obtained

CONTRACT	COMPANY	SCOPE
LC-G-002	SNC Lavalin Inc.	Engineering, Procurement and Construction Management (EPCM) Services
CD0501-001	Grid Solutions Canada	Supply and Install of Converters and Cable Transition Compounds
CT0327-001	Valard Construction	Construction of 350 kV HVdc Transmission Line - Section 1 (MF to SOBI to Deer Lake 610 km)
CT0327-001	Valard Construction	Construction of 350 kV HVdc Transmission Line - Section 2 (Central & Eastern NL 470 km)
CD0502-001	Grid Solutions Canada	Construction of AC Substation
CD0534-001	GE Renewable Energy Canada	Construction of Synchronous Condensers Facilities
LC-SB-003	Nexans Norway	Submarine Cable Design, Supply and Install

LIL Assets Agreement

LIL Lease

Transmission Funding Agreement

LIL Remedies Agreement

(iii) Additional Material Project Documents

Nil.

(iv) Authorizations Obtained by Nalcor - Not Transferred to the Partnership

*Temporary Land Rights*

Application No.	Type	Purpose
135181	Licence to Occupy	Transmission Line Test Site (Inner Pond area)
135182	Licence to Occupy	Transmission Line test/study site (Inner Pond area)
135183	Licence to Occupy	Transmission Line test/study site (Parsons Pond area)
137922	Licence to Occupy	Transmission Line test/study site (Rack Lake area)
142833	Licence to Occupy	Transition Compound and HDD Site (Forteau)
143018	Licence to Occupy	Transition Compound & HDD Site (Shoal Cove)
143080	Licence to Occupy	Marshalling Yard (Route 510 near Muskrat Falls)
143148	Licence to Occupy	Converter Station (Soldiers Pond)

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*Protected Road Zone Permits*

<b>LCP Name</b>	<b>DESCRIPTION</b>	<b>PERMIT #</b>
Soldier's Pond Terminal Station Access Road	Access Road	04-E-14
Revised Soldier's Pond Terminal Station Access Road	Access Road	05-E-14

*Water Resources Management Division, Dept. of Municipal Affairs and Environment*

<b>Permit Number</b>	<b>Permit Name</b>	<b>WRMD File No.</b>
4E-SLI-8510-0001	Alter a body of water - Culvert 2+360 - Forteau Point Access Road	ALT7185-2013
4E-SLI-8520-0008	Water Use License - Shoal Cove Drilling	WUL-13-088
4E-SLI-8500-0002	Commercial cutting/operating permit - Forteau Point	13-21-00623
4E-SLI-8500-0001	Commercial Cutting/Operating Permit - Soldiers Pond	13-01-00016
4E-SLI-8520-0007	Commercial Clearing Permit - Shoal Cove - Drill Site Preparation - 2013	13-18-00452

*Service NL, Building Accessibility Act and Regulations, National Building Code of Canada, National Fire Code of Canada and Life Safety Code*

<b>Permit Number</b>	<b>Permit Name</b>	<b>Service NL File No.</b>
4E-CON-7600-0007	Building Accessibility Exemption/Fire and Life Safety Review - Soldiers Pond Synchronous Condenser Facility - KGS Group - Permanent Building	EA30023LN
4E-SLI-4000-0008	Building Accessibility Exemption/Fire and Life Safety Review - Converter Station Building - Muskrat Falls	EA30023SV
4E-SLI-9200-0001	Building Accessibility Exemption/Fire and Life Safety Review - Hampden Generator Building	EA30023RN
4E-SLI-9200-0002	Building Accessibility Exemption/Fire and Life Safety Review - Hampden Telecom Building	EA30023RO
4E-SLI-9200-0003	Building Accessibility Exemption/Fire and Life Safety Review - Three Rocks Generator Building	EA30023RP
4E-SLI-9200-0004	Building Accessibility Exemption/Fire and Life Safety Review - Three Rocks Telecom Building	EA30023RQ
4E-SLI-9200-0005	Building Accessibility Exemption/Fire and Life Safety Review - White Hills Generator Building	EA30023RR
4E-SLI-9200-0006	Building Accessibility Exemption/Fire and Life Safety Review - White Hills Telecom Building	EA30023RS

**(v) Authorizations required for Project beyond those listed above**

*Service NL, Building Accessibility Act and Regulations, National Building Code of Canada, National Fire Code of Canada and Life Safety Code*

<b>Permit Number</b>	<b>Permit Name</b>	<b>Service NL File No.</b>
4E-SLI-4000-0014	Building Accessibility Exemption/Fire and Life Safety Review - Converter Station - Soldiers Pond	Pending approval
4E-SLI-8520-0002	Building Accessibility Exemption/Fire and Life Safety Review - Transition Compound - Shoal Cove	Pending approval
4E-SLI-8510-0003	Building Accessibility Exemption/Fire and	Pending approval

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Permit Number	Permit Name	Service NL File No.
	Life Safety Review - Transition Compound - Forteau Point	

*Water Resources Management Division, Dept. of Municipal Affairs and Environment*

Permit Number	Permit Name	WRMD File No.
4E-SLI-6200-0353	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Hawke's Bay	Pending approval
4E-SLI-6200-0426	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Gander	Pending approval
4E-SLI-6200-0542	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Arnold's Cove	Pending approval
4E-SLI-6200-0546	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Norman's Cove	Pending approval
4E-SLI-6200-0548	Permit Application for a Development Activity in a Protected Public Water Supply Area - Quarry Development - Southern Harbour	Pending approval

*Service NL*

Permit Number	Permit Name	Service NL File No.
4E-SLI-4000-0019	Septic Application - Permanent Sewage Holding Tank - Converter Station - Soldiers Pond	Pending approval

**SCHEDULE "C"**

**APPLICABLE LAWS**

Nil.

**SCHEDULE "D"**  
**ENVIRONMENT**

Nil.

**SCHEDULE "E"**

**SOURCES AND USES OF FUNDS**

On the date indicated below, the Partnership has delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of \_\_\_\_\_.

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP  
by its general partner  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,  
as an Obligor**

Per: \_\_\_\_\_

Per: \_\_\_\_\_



**SCHEDULE "F"**

**LITIGATION**

NunatuKavut Community Council Inc. - Supreme Court of Newfoundland and Labrador –  
Trial Division - File No. 2011-01-G1093.

## SCHEDULE "G"

### **CORPORATE STRUCTURE AND LOCATION OF ASSETS**

#### **1. LABRADOR-ISLAND LINK LIMITED PARTNERSHIP**

##### 1.1. Jurisdiction of formation

Newfoundland and Labrador, Canada

##### 1.2. Persons holding Capital Stock

Labrador-Island Link General Partner Corporation

Labrador-Island Link Holding Corporation

ENL Island Link Incorporated

##### 1.3. Nature of Capital Stock

- Unit Certificate No. GP-01 dated July 31, 2012 registered in the name of Labrador-Island Link General Partner Corporation representing 1 GP Unit in the Capital Stock of Labrador-Island Link Limited Partnership

- Unit Certificate No. A-01 dated effective December 6, 2012 registered in the name of the Labrador-Island Link Holding Corporation representing 75 Class A Limited Units in the Capital Stock of Labrador-Island Link Limited Partnership

- Unit Certificate No. C-01 dated July 31, 2012 registered in the name of Labrador-Island Link Holding Corporation representing 1 Class C Limited Unit in the Capital Stock of Labrador-Island Link Limited Partnership

- Unit Certificate No. B-01 dated February 11, 2013 registered in the name of ENL Island Link Incorporated representing 25 Class B Limited Units in the Capital Stock of Labrador-Island Link Limited Partnership

##### 1.4. Location of the principal place of business

Hydro Place, 500 Columbus Drive, P.O. Box 12800, St. John's, NL A1B 0C9

##### 1.5. Location of the registered and chief executive offices

Hydro Place, 500 Columbus Drive, P.O. Box 12800, St. John's, NL A1B 0C9

##### 1.6. Exact Name

Labrador-Island Link Limited Partnership

**2. LABRADOR-ISLAND LINK GENERAL PARTNER CORPORATION**

2.1. Jurisdiction of organization

Newfoundland and Labrador, Canada

2.2. Person holding Capital Stock

Nalcor Energy

2.3. Nature of Capital Stock

Certificate No. C-001 dated July 28, 2012 registered in the name of Nalcor Energy representing 100 common shares in the Capital Stock of Labrador - Island Link General Partner Corporation

2.4. Location of the principal place of business

500 Columbus Drive, P.O. Box 13000, Stn. A, St. John's, NL, A1B 0M1

2.5. Location of the registered and chief executive offices

500 Columbus Drive, P.O. Box 13000, Stn. A, St. John's, NL, A1B 0M1

2.6. Exact Name

Labrador-Island Link General Partner Corporation

**3. LABRADOR-ISLAND LINK OPERATING CORPORATION**

3.1. Jurisdiction of organization

Newfoundland and Labrador, Canada

3.2. Person holding Capital Stock

Nalcor Energy

3.3. Nature of Capital Stock

Certificate No. C-001 dated November 15, 2013, registered in the name of Nalcor Energy representing 100 common shares in the Capital Stock of Labrador-Island Link Operating Corporation

3.4. Location of the principal place of business

500 Columbus Drive, P.O. BOX 15050, Stn. A., St. John's, NL, A1B 0M5

3.5. Location of the registered and chief executive offices

500 Columbus Drive, P.O. BOX 15050, Stn. A., St. John's, NL, A1B 0M5

3.6. Exact Name

Labrador-Island Link Operating Corporation

**SCHEDULE "H"**

**ABORIGINAL MATTERS**

**A. IBA**

Innu of Labrador – Comprehensive Impact and Benefit Agreement dated November 18, 2011 among Nalcor, the Innu Nation and related Innu parties.

**B. PROCEEDINGS**

NunatuKavut Community Council Inc. - Supreme Court of Newfoundland and Labrador  
– Trial Division - File No. 2011-01-G1093.

**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 Second Amended and Restated LIL Project Finance Agreement dated as of May 10, 2017 among, *inter alia*, Labrador-Island Link Limited Partnership (the "**Borrower**"), LIL Construction Project Trust (the "**Lender**") and the Collateral Agent (as further amended, supplemented or restated from time to time, the "**Finance Agreement**") and Her Majesty 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 Second Amended and Restated Master Definitions Agreement dated as of May 10, 2017 among, *inter alia*, the Borrower, the Lender and the Collateral Agent, as further amended, supplemented or restated from time to time.

The Independent Engineer has discussed matters believed pertinent to this Certificate with Devco and the Borrower.

On the basis of the foregoing limited review procedures, the Independent Engineer makes the following statement in favour of the Collateral Agent and to the best of its knowledge, information and belief, as of the date hereof:

– Budgeting and maintenance of the Project are being conducted in accordance with Good Utility Practice.

This Certificate is solely for the information and assistance of the Collateral Agent and Canada in connection with the Finance Agreement and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: \_\_\_\_\_.

**MWH CANADA, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "J"**  
**OPERATING REPORT**

Date: \_\_\_\_\_

**THE TORONTO-DOMINION BANK**

as Collateral Agent  
TD Bank Tower  
66 Wellington Street West  
9th Floor  
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This certificate is delivered to you pursuant to subsection [11.1.3/11.2.3.] of the LIL Project Finance Agreement in respect of the fiscal quarter of Opco ending on <@> (the "**Quarter**").

I, <@>, the undersigned, <@> of Opco, in my capacity as an officer of Opco and without personal liability, do hereby certify that:

1. attached hereto as Schedule "A" is a true and accurate assessment and analysis of the Project's compliance with each material category in the Annual O&M Budget;

2. attached hereto as Schedule "B" is a true and accurate assessment of all material casualty losses incurred during the Quarter and on a year-to-date basis;
3. attached hereto as Schedule "C" is a true and accurate assessment of all replacements of material equipment not contemplated by the Annual Maintenance Plan that have taken place during the Quarter and on a year-to-date basis; and
4. attached hereto as Schedule "D" is a true and accurate assessment of all works performed during the Quarter and to date pursuant to the Annual Maintenance Plan.

Signed at <@>, this <@> day of <@>, <@>.

---

Name: <@>  
Title: <@> of Labrador-Island Link  
Operating Corporation



**SCHEDULE "A"**

**[NOTE TO DRAFT: Please provide a numerical and narrative assessment of the Project's compliance with each material category in the Annual O&M Budget during the Quarter and on a year-to-date basis, and an analysis of any variance thereof.]**

**SCHEDULE "B"**

**[NOTE TO DRAFT: Please provide a numerical and narrative assessment of the material casualty losses incurred during the Quarter and on a year-to-date basis, if any.]**

**SCHEDULE "C"**

**[NOTE TO DRAFT: Please provide a numerical and narrative assessment of all replacements of material equipment not contemplated by the Annual Maintenance Plan that have taken place during the Quarter and on a year-to-date basis, if any.]**

**SCHEDULE "D"**

**[NOTE TO DRAFT: Please provide a numerical and narrative assessment of all works performed during the Quarter and to date pursuant to the Annual Maintenance Plan.]**

**SCHEDULE "K"**

**CONSTRUCTION REPORT**

Date: \_\_\_\_\_

**THE TORONTO-DOMINION BANK**

AS COLLATERAL AGENT  
66 Wellington Street West  
9th Floor  
Toronto, Ontario M5K 1A2

**MWH CANADA INC.**

AS INDEPENDENT ENGINEER  
505 Burrard Street, suite 1500  
One Bentall Centre  
Vancouver, BC V7X 1M5

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This Construction Report is delivered to you pursuant to subsection 7.3.2 and Section 11.3 of the LIL Project Finance Agreement in respect of the month ending on <@> (the "**Applicable Month**").

I, <@>, the undersigned, <@> of Devco, and <@> of the General Partner, in my capacity as an officer and without personal liability, do hereby certify that:

1. I have conducted such investigations as I have deemed necessary to provide the information set out in this report and in so doing I have verified all engineering related matters with a licensed professional engineer working on our behalf in respect of the Project;
2. attached hereto as Schedule "A" is a true and accurate table detailing the Hard Costs incurred during the Applicable Month and compared as against the Project Budget;
3. attached hereto as Schedule "B" is a true and accurate analysis of the Cost to Complete, as it relates to Hard Costs, as at the end of the Applicable Month;
4. attached hereto as Schedule "C" is a true and accurate analysis of the Cost Variances, as they relate to Hard Costs, as at the end of the Applicable Month, with a narrative explanation as to any variances from the Project Budget;
5. the estimated Commissioning Date is currently <@>; [<@>Please refer to Schedule "D" hereto for details.<@>] **[NOTE: Bracketed language to be included where the estimated Commissioning Date differs from the estimated Commissioning Date set out in the Project Schedule.]**
6. there are no material disputes with any Material Project Participant or related claims against the Partnership, other than as set out in Schedule "E" hereto;
7. attached hereto as Schedule "F" is a true and accurate report describing the progress of the construction of the Project since the previous Construction Report and compared as against the established milestones in the Project Schedule;
8. the Project is being built substantially in all respects in accordance with the Project Plans and Good Utility Practice;
9. subject to Sections 9.5 and 9.14 of the LIL Project Finance Agreement, I have no reason to believe that the Project is being built in violation of any Applicable Laws or Authorizations in effect at the time of performance of the relevant work;
10. subject to Sections 9.5 and 9.14 of the LIL Project Finance Agreement, all Material Project Participants and other Persons participating or working toward the Commissioning of the Project, to the best of my Knowledge, are not in material default with respect to any of their respective obligations which would delay Commissioning beyond the Date Certain and the Partnership is not in material default in the payment of any sums due to such Persons in accordance with the terms agreed upon or in the fulfilment of any of its obligations with respect to such Persons, save and except with respect to such payments or obligations which the Partnership shall be contesting diligently and in good faith and in respect of which, in the event that such contestation should prove unsuccessful, no Lien shall be created or result upon or with respect to any LIL Assets and Rights now owned or hereafter acquired by the Partnership, except for Permitted Encumbrances;

11. subject to Sections 9.5 and 9.14 of the LIL Project Finance Agreement, all Authorizations which, under Applicable Law, as at the date hereof, are necessary to have been obtained in connection with the Project and the work currently being performed on the Project, have been obtained and are in full force and effect and do not contain any condition which could prevent or adversely affect the ability of the Partnership of attaining Commissioning by the Date Certain; and
  
12. attached hereto as Schedule "G" is a true and complete copy of each of the Additional Material Project Documents entered into by the Partnership since **[the previous Construction Report / the Closing Date]**.

Signed at <@>, this <@> day of <@>, <@>.

---

Name:

Title:

**SCHEDULE "A"**

**[NOTE TO DRAFT: Please set out the Hard Costs incurred during the Applicable Month by major expense category and compared as against the Project Budget.]**



**SCHEDULE "B"**

**[NOTE TO DRAFT: Please provide a detailed analysis of the Cost to Complete, as it relates to Hard Costs only.]**

**SCHEDULE "C"**

**[NOTE TO DRAFT: Please provide a description of any Cost Variances detailing any variances from the Project Budget (with a narrative explanation of such variances), as they relate to Hard Cost only.]**

**SCHEDULE "D"**

**[NOTE TO DRAFT: Please provide details regarding the variances from the estimated Commissioning Date set forth in the Project Schedule (with a narrative explanation of such variances).]**

**SCHEDULE "E"**

**[NOTE TO DRAFT: Please describe any material disputes with any Material Project Participant or related claims against the Partnership].**

**SCHEDULE "F"**

**[NOTE TO DRAFT: Please provide a narrative report describing in reasonable detail the progress of the construction of the Project since the previous Construction Report and compared as against the established milestones in the Project Schedule.]**

**SCHEDULE "G"**

**[NOTE TO DRAFT: Please attach copies of the Additional Material Project Documents entered into by the Partnership since the previous Construction Report or the Closing Date, as the case may be, if any.]**

SCHEDULE "L"

COMMISSIONING CERTIFICATE

Date: Note 1

**TO: THE TORONTO-DOMINION BANK**, as Collateral Agent

**TO: MWH CANADA INC.**, as Independent Engineer

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This certificate is being issued to you in accordance with the provisions of subsection 7.7.1 of the LIL Project Finance Agreement.

I, <@>, the <@> of the General Partner, hereby solemnly declare and certify the matters set forth in paragraphs <@> to <@> below, in my capacity as an officer of the General Partner, and I, <@>, the <@> of Lower Churchill Management Corporation ("**Devco**"), hereby solemnly declare and certify the matters set forth in paragraphs <@> to <@> below in my capacity as an officer of Devco:

**A. GENERAL STATEMENTS OF THE OFFICER**

1. This certificate is delivered to you in our capacities as officer of the General Partner and officer of Devco, respectively, and without personal liability;
2. We are familiar with the Project and with all matters herein certified and have made reasonable inquiries as to such matters;
3. We have taken cognizance of the terms of the LIL Project Finance Agreement and all Material Project Documents;

**B. COST VARIANCES**

4. With regard to any particular construction phase or component of construction and start-up of the Project, the amount by which costs in respect of such construction phase or component exceed amounts allocated thereto in the Project Budget amounts to: CDN\$ \_\_\_\_\_

**C. PUNCH LIST COSTS AND DEMOBILIZATION COSTS**

5. Punch List Costs amount to: CDN\$     **Note 2**
6. Demobilization Costs amount to: CDN\$ \_\_\_\_\_

**D. COMMISSIONING MATTERS**

7. The static and dynamic commissioning inspections and tests have been achieved in accordance with the approved commissioning procedures and the Project has been constructed and mechanically completed in all material respects, in accordance with the Project Plans and Good Utility Practice, save for any Punch List Items and Demobilization List Items;
8. All Commissioning Tests, interconnection and reliability tests necessary to demonstrate that the Project meets the specifications and the operating objectives for the Project pursuant to the Project Plans and the Basis of Design have been successfully completed save for any Punch List Items and Demobilization List Items; and
9. I have no reason to believe that, assuming the proper operation and maintenance of the plant and related equipment and devices forming part of the Project, it will not be able to maintain such required specifications and operating objectives for a period of at least forty (40) years.

You will find attached all supporting documentation and information as will permit you to verify the information and calculations given and made herein.

We hereby represent and warrant that all of the information set forth herein and in all supporting documentation and information attached hereto is complete, correct and accurate in all material



respects and we have no knowledge of any undisclosed fact which has or could materially affect the information set forth herein or in the supporting documentation and information attached hereto.

AND WE MAKE THIS CERTIFICATE, conscientiously believing it to be true.

IN WITNESS WHEREOF, I have signed this present Commissioning Certificate in \_\_\_\_\_, Province of Newfoundland and Labrador, on this \_\_\_\_\_ (\_\_\_\_<sup>th</sup>) day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
<@>  
<@> of Labrador-Island Link General  
Partner Corporation

\_\_\_\_\_  
<@>  
<@> of Lower Churchill Management  
Corporation

**Notes:**

1. This certificate should be dated on or about, but no later than, the Date Certain.
2. Note that for purposes of the Final Funding Request, the Punch List Costs should include an amount representing 5% of the Eligible Project Costs identified in clause (i) of the definition of "Funding Requirements".

**SCHEDULE "M"**

**COMMISSIONING CONFIRMATION**

---

**TO EACH OF THE PERSONS WHOSE NAME APPEARS  
IN SCHEDULE "A" HERETO**

**Re: The Financing of Labrador - Island Link Limited Partnership – Conditions  
Precedent to Commissioning**

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

The Collateral Agent hereby confirms that each of the conditions precedent set forth in Section 7.7 of the LIL Project Finance Agreement has been met or waived by the Collateral Agent in accordance with the terms of the Collateral Agency Agreement and that, accordingly, the Commissioning Date shall be \_\_\_\_\_.

Yours truly,

**[INTENTIONALLY LEFT BLANK]**

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "A"**

**ADDRESSEES**

**LIL CONSTRUCTION PROJECT  
TRUST**

c/o BNY Trust Company of Canada  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, ON M5H 4A6

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP**

c/o Labrador-Island Link General Partner  
Corporation  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0M1

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION**

500 Columbus Drive  
P.O. Box 15050, Station A  
St. John's, NL A1B 0M5

SCHEDULE "N"

DISTRIBUTION CERTIFICATE

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 second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

The Partnership wishes to make a Distribution in an amount of CDN\$\_\_\_\_\_ on \_\_\_\_\_ (the "**Distribution Date**"). This certificate is delivered to you pursuant to Section 11.4 of the LIL Project Finance Agreement.

I, <@>, the undersigned, the <@> of the General Partner, in my capacity as an officer of the General Partner and without personal liability, do hereby certify that:

1. As at the Distribution Date, the Distribution Funds will amount to CDN\$\_\_\_\_\_, which corresponds to the sum of the following items:

- (a) cash in the Partnership Project Funding Account: CDN\$     **Note 2**
- (b) cash in the Partnership Distribution Reserve Account: CDN\$ \_\_\_\_\_

2. each of the Distribution Conditions has been met or will be met on the Distribution Date.

Signed at <@>, this <@> day of <@>, <@>.

---

Name: <@>  
Title: <@> of Labrador-Island Link  
General Partner Corporation

---

**Notes:**

1. The Distribution Certificate must be delivered to the Collateral Agent no less than five (5) Business Days prior to the Distribution Date.
2. This amount is determined after application of all amounts in the Partnership Project Funding Account pursuant to paragraphs (a) to (i) of clause 8.1.2.2 of the LIL Project Finance Agreement.

**SCHEDULE "O"**

**FINAL FUNDING REQUEST**

Date: \_\_\_\_\_

**TO: The Toronto-Dominion Bank, as Collateral Agent**

**TO: MWH Canada Inc., as Independent Engineer**

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This Final Funding Request is delivered to you pursuant to subsection 7.4.1, 7.5.1 and 7.6.1 of the LIL Project Finance Agreement.

Unless otherwise stated, the financial information contained in this Funding Request is being provided as at **Note 1**, being the Effective Date of this Final Funding Request.

As at the Effective Date, the Funding Requirements are CDN\$ \_\_\_\_\_ and are to be funded as per the table below (see Schedule "A" for the calculations of the Funding Requirements):

Sources of Funds for the Funding Requirements	
Application of Aggregate Eligible Account Balances	CDN\$ _____ (see Schedule "B" for details)
Debt Rateable Share of the Funding Requirements	CDN\$ _____ (see Schedule "C" for details)
Equity Rateable Share of the Funding Requirements	CDN\$ _____ (see Schedule "D" for details)

As such, in order to fund the Funding Requirements, we hereby request the Collateral Agent to effect the transfers set forth in Schedule "E" hereto.

We hereby represent and warrant that, as at the Effective Date:

1. the Permitted Investments made with the funds in the LIL Project Accounts and the IT Accounts are described in Schedule "F" hereto;
2. a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request and any Working Capital Revolving Funding Request (other than in connection with an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Financial Agreement) provided during the previous month is provided in Schedule "G" hereto;
3. a reconciliation of Project Costs funded from the Partnership Project Operating Account pursuant to paragraph 8.2.2.5 of the LIL Project Finance Agreement defrayed or paid during the prior month is provided in Schedule "G" hereto;
4. Soft Costs incurred as at Note 2 amount to CDN\$ \_\_\_\_\_ and are described in Schedule "H" hereto. Except as noted in Schedule "H" hereto, there are no variances greater than CDN\$25,000,000 from the Project Budget for Soft Costs;
5. the balance of the Capital Account as of the Effective Date is CDN\$ \_\_\_\_\_;
6. the DER is Note 3 and the DER (after taking into account the funding of the Funding Requirements contemplated in this Final Funding Request) will be Note 3; and
7. no LIL Event of Default has occurred and is continuing.

You will find attached all supporting documentation and information as will permit you to verify the statements, information and calculations contained herein. All of the information set forth herein and in all supporting documentation and information attached hereto is complete, correct and accurate in all material respects and we have no knowledge of any undisclosed fact which has or could materially affect the information set forth herein or in the supporting documentation and information attached hereto.



Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP,  
by its general partner,  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION**

Per: \_\_\_\_\_

**Notes:**

1. Specify the Effective Date, which date must be the day immediately preceding the date of this Final Funding Request.
2. Insert the date corresponding to the Effective Date of the Construction Report delivered in the same month as this Final Funding Request.
3. The DER corresponds to the following (expressed as a percentage):

$$DER = \frac{(A + B + C) - D}{[(A + B + C) - D] + E}$$

Where:

A = Principal amount of the LIL Construction Loan;

B = Prior to the termination of the LIL Revolving Facility, CDN\$75,000,000, and thereafter, nil;

C = Principal amount of all outstanding Additional Debt;

D = Balance on deposit in the Sinking Fund Account; and

E = Aggregate outstanding balance of the Capital Account of the Partnership.

**SCHEDULE "A"**

**CALCULATION OF FUNDING REQUIREMENTS**

**A. Calculation of Funding Requirements**

- |     |                                                                                                                                           |                                |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 1.  | the Final Eligible Project Costs amount to (see Section B below for details):                                                             | CDN\$ <u>  <b>Note 1</b>  </u> |
| 2.  | the Minimum DSRA Requirement is                                                                                                           | CDN\$ _____                    |
| 3.  | the Punch List Costs amount to (see Section C):                                                                                           | CDN\$ <u>  <b>Note 2</b>  </u> |
| 4.  | the Demobilization Costs amount to:                                                                                                       | CDN\$ _____                    |
| 5.  | the amount of the equity Investment made in the Partnership in accordance with paragraph 7.8.1.2 of the LIL Project Finance Agreement is: | CDN\$ <u>  <b>Note 3</b>  </u> |
| 6.  | the Funding Requirements amount to:                                                                                                       | CDN\$ <u>  <b>Note 4</b>  </u> |
| 7.  | the Final Funding Rateable Share of the funding of the Final Eligible Project Costs is:                                                   | <u>  <b>Note 5</b>  </u> %     |
| 8.  | the Final Funding Rateable Share of the funding of the Minimum DSRA Requirement is:                                                       | <u>  <b>Note 6</b>  </u> %     |
| 9.  | the Final Funding Rateable Share of the funding of the Punch List Costs is:                                                               | <u>  <b>Note 7</b>  </u> %     |
| 10. | the Final Funding Rateable Share of the funding of the Demobilization Costs is:                                                           | <u>  <b>Note 8</b>  </u> %     |

**B. Calculation of the Final Eligible Project Costs (See Schedule "I")**

- |     |                                                                                                                       |                                 |
|-----|-----------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 11. | Hard Costs incurred to and invoiced up to the Effective Date amount to:                                               | CDN\$ _____                     |
| 12. | Soft Costs incurred to and invoiced up to the Effective Date amount to:                                               | CDN\$ _____                     |
| 13. | all other Project Costs incurred to and invoiced up to the Effective Date amount to:                                  | CDN\$ <u>  <b>Note 9</b>  </u>  |
| 14. | Project Costs expected to be incurred to and invoiced after the Effective Date until the LIL Drawdown Date amount to: | CDN\$ <u>  <b>Note 10</b>  </u> |

15. the aggregate amount of Final Eligible Project Costs to be funded pursuant to this Final Funding Request amounts to: CDN\$   **Note 11**
- C. Calculation of Punch List Costs**
16. the aggregate amount of costs required to complete work on all Punch List Items amounts to: CDN\$ \_\_\_\_\_
17. the Punch List Costs contingency amount representing 5% of the amount in line 14 above amounts to: CDN\$ \_\_\_\_\_
18. the aggregate amount of Punch List Costs to be funded pursuant to this Final Funding Request amounts to: CDN\$   **Note 12**
- 

**Notes:**

1. Insert the amount in line 15 of this Schedule.
2. Insert the amount in line 18 of this Schedule.
3. Insert the amount of the equity Investment made in the Partnership at any time during the period commencing on the day following the Effective Date of the immediately preceding Funding Request, the whole in accordance with paragraph 7.8.1.2 of the LIL Project Finance Agreement.
4. This amount is equal to the sum of lines 1 to 5 of this Schedule, inclusively.
5. The Final Funding Rateable Share of the funding of the Final Eligible Project Costs is determined by dividing line 1 of this Schedule with the sum of line 1 to line 4 of this Schedule, inclusively.
6. The Final Funding Rateable Share of the funding of the Minimum DSRA Requirement is determined by dividing line 2 of this Schedule with the sum of line 1 to line 4 of this Schedule, inclusively.
7. The Final Rateable Share of the funding of the Punch List Costs is determined by dividing line 3 of this Schedule with the sum of line 1 to line 4 of the Schedule, inclusively.
8. The Final Rateable Share of the funding of the Demobilization Costs is determined by dividing line 4 of this Schedule with the sum of line 1 to line 4 of this Schedule, inclusively.
9. This amount includes all other costs, fees and expenses relating to the development, construction and closing of financing of the Project, including the capital costs of any

structures, and all financial, legal and consulting fees, costs and expenses, including any bonus payable to any Material Project Participant under any Material Project Document and the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Intermediary Trust Project Costs and Expenses, all as described in the Project Budget, whether such Project Costs are incurred by Nalcor prior to the Closing Date or by the Partnership at any time and whether such Project Costs are invoiced to the Partnership, Devco or Nalcor.

10. This amount includes all Hard Costs, Soft Costs and other Project Costs expected to be invoiced after the Effective Date until the LIL Drawdown Date.
11. This amount is equal to the sum of lines 11 to 14 of this Schedule, inclusively.
12. This amount is equal to the sum of lines 16 and 17 of this Schedule.

**SCHEDULE "B"**

**CALCULATION OF AGGREGATE ELIGIBLE ACCOUNT BALANCES**

**A. Calculation of Aggregate Eligible Account Balances**

1. the balance on deposit in the Partnership Project Funding Account (5230440) is: CDN\$   **Note 1**
  
2. the LIL Income on Account Balances deriving from amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request amounts to: CDN\$   **Note 2**
  
3. the balance of any amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request, and that had been deposited therein to fund Project Costs that have since been fully satisfied for a lesser amount is: CDN\$   **Note 2**
  
4. the balance of any amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding Project Costs expected to be invoiced after the Effective Date of such Funding Request and by the related LIL Drawdown Date, but with respect to which, as at the Effective Date of this Final Funding Request, invoices have been received for an amount less than anticipated in such previous Funding Request is: CDN\$   **Note 2**
  
5. the balance of any amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding Project Costs that, at the time of the Effective Date of such Funding Request, were expected to be invoiced at a later date, but with respect to which no invoice has been received by the Effective Date of this Funding Request is: CDN\$   **Note 2**
  
6. the balance of any amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request that formed part of the contingency amount identified in line 4 of Schedule "A" of such Funding Request, but that, as of the Effective Date of this Final Funding Request, have not since been used to defray Project Costs is: CDN\$   **Note 2**
  
7. the Aggregate Eligible Account Balances is: CDN\$   **Note 3**

**B. Portion of the Aggregate Eligible Account Balances used to**

**fund the Funding Requirements**

- |                                                                                                             |                                                                                                                        |                                |
|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 8.                                                                                                          | the Funding Requirements are:                                                                                          | CDN\$ <u>  <b>Note 4</b>  </u> |
| 9.                                                                                                          | the portion of the Aggregate Eligible Account Balances used to fund the Funding Requirements is:                       | CDN\$ <u>  <b>Note 5</b>  </u> |
| <br><b>C. Application of Aggregate Eligible Account Balances to the funding of the Funding Requirements</b> |                                                                                                                        |                                |
| 10.                                                                                                         | the portion of the Aggregate Eligible Account Balances attributable to the funding of the Final Eligible Project Costs | CDN\$ <u>  <b>Note 6</b>  </u> |
| 11.                                                                                                         | the portion of the Aggregate Eligible Account Balances attributable to the funding of the Minimum DSRA Requirement is: | CDN\$ <u>  <b>Note 7</b>  </u> |
| 12.                                                                                                         | the portion of the Aggregate Eligible Account Balances attributable to the funding of the Punch List Costs is:         | CDN\$ <u>  <b>Note 8</b>  </u> |
| 13.                                                                                                         | the portion of the Aggregate Eligible Account Balances attributable to the funding of the Demobilization Costs is:     | CDN\$ <u>  <b>Note 9</b>  </u> |

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**Notes:**

1. This amount is determined after the application of paragraphs 8.1.1.2 to 8.1.1.5, inclusively, of the LIL Project Finance Agreement and includes any LIL Income on Account Balances deriving from any amounts deposited in the Partnership Project Funding Account.
2. This amount is determined after the application of paragraphs 8.2.2.2, 8.2.2.3 and 8.2.2.5 of the LIL Project Finance Agreement.
3. This amount is equal to the sum of lines 1 to 6 of this Schedule, inclusively.
4. Insert the amount in line 6 of Schedule "A".
5. This amount corresponds to the lesser of line 8 and line 7 of this Schedule.
6. This amount is determined by multiplying line 7 of Schedule "A" with line 9 of this Schedule.
7. This amount is determined by multiplying line 8 of Schedule "A" with line 9 of this Schedule.
8. This amount is determined by multiplying line 9 of Schedule "A" with line 9 of this Schedule.

9. This amount is determined by multiplying line 10 of Schedule "A" with line 9 of this Schedule.

**SCHEDULE "C"**

**DEBT RATEABLE SHARE OF FUNDING REQUIREMENTS**

**A. The Debt Rateable Share of the Funding Requirements**

1. the Funding Requirements are: CDN\$ Note 1
2. the portion of the Aggregate Eligible Account Balances used to fund the Funding Requirements is: CDN\$ Note 2
3. the portion of the Funding Requirements to which the Debt Rateable Share applies is: CDN\$ Note 3
4. the Additional Debt proposed to be incurred to fund the Funding Requirements is: CDN\$ Note 4
5. the Debt Rateable Share is: Note 5 %
6. the Debt Rateable Share of the Funding Requirements (after subtracting the Aggregate Eligible Account Balances) is: CDN\$ Note 6
7. the portion of the equity Investment made in the Partnership in accordance with paragraph 7.8.1.2 of the LIL Project Finance Agreement that exceeds the Equity Rateable Share of the Funding Requirements (after subtracting the Aggregate Eligible Account Balances) is: CDN\$ Note 7

**B. Application of the Debt Rateable Share of the Funding Requirements to the funding of the Final Eligible Project Costs, the Minimum DSRA Requirement, the Punch List Costs, the Demobilization Costs**

8. the funding of the Final Eligible Project Costs amounts to: CDN\$ Note 8
9. the funding of the Minimum DSRA Requirement amounts to: CDN\$ Note 9
10. the funding of the Punch List Costs amounts to: CDN\$ Note 10
11. the funding of the Demobilization Costs amounts to: CDN\$ Note 11

**C. Advance required under the LIL Construction Facility**

12. the aggregate amount to be Advanced under the LIL Construction Facility is: CDN\$ Note 12



13. the aggregate amount to be Advanced under the Working Capital Revolving Facility is:

CDN\$   **Note 13**  

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**Notes:**

1. Insert the amount in line 6 of Schedule "A".
2. Insert the amount in line 9 of Schedule "B".
3. This amount is determined by subtracting line 2 of this Schedule from line 1 of this Schedule.
4. Insert the amount of Additional Debt proposed to be incurred to fund the Funding Requirements.
5. (i) Where the funding of the Funding Requirements is made prior to the date on which DER first becomes equal to 75% following the 2017 Closing Date, the Debt Rateable Share corresponds to 100%, unless the Debt Rateable Share of 100% would result in a DER that exceeds 75%, in which case the Debt Rateable Share shall be calculated in accordance with clause (ii) below.

(ii) Where the funding of the Funding Requirements is made following the date on which DER first becomes equal to 75% following the 2017 Closing Date:

(A) prior to the LIL Construction Facility being fully disbursed and the Working Capital Revolving Facility being fully disbursed following the first Advance pursuant to Section 7.9 of the LIL Project Finance Agreement, with respect to any Funding Requirements that are to be funded at any particular time, and in relation to which an Advance under the LIL Construction Facility is to be made, an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be effected or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the LIL Project Finance Documents, the Debt Rateable Share corresponds to the lesser of:

- (I) 100%; and
- (II) the percentage resulting from the following calculation:

$$\frac{[0.75 \times (A + C)] - B}{C}$$

unless, as a result of the calculations in part (A) above, the Partnership is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such Debt Rateable Share by reason of:

- (a) the portion of such Funding Requirements represented by such Debt Rateable Share exceeding the sum of the Available LIL Construction Facility and the Available Working Capital Revolving Facility; and
- (b) the Partnership not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess as reduced by any such Additional Debt proposed to be incurred shall be referred to herein as the "**Funding Deficiency**");

in which case the Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{D}{C}$$

In each case, where:

**A** = the sum of (i) the principal amount of the LIL Construction Loan (without taking into account such Advance), (ii) CDN\$75,000,000, (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), and (iv) the aggregate outstanding balance of the Capital Account of the Partnership, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of (i) the principal amount of the LIL Construction Loan (without taking into account such Advance), (ii) CDN\$75,000,000, and (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of such Funding Requirements less the amount of the Aggregate Eligible Account Balances used to fund such Funding Requirements;

**D** = the sum of the Additional Debt proposed to be incurred, the Available LIL Construction Facility and the Available Working Capital Revolving Facility;

provided, however, that at all times where the LIL Construction Facility has been fully disbursed but:

- (i) the Available Working Capital Revolving Facility is sufficient to meet the Funding Requirements that are to be funded and in relation to which an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be effected, then the Debt Rateable Share of such Funding Requirements shall mean 100%; or

- (ii) the Available Working Capital Revolving Facility is insufficient to meet the Funding Requirements that are to be funded and in relation to which an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be effected, then the Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{D}{C}$$

Where "C" and "D" shall each have the same definition as above;

- (B) at all times thereafter, with respect to any Funding Requirements that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the LIL Project Finance Documents, the percentage equal to the lesser of:

- (I) 100%;
- (II) The percentage resulting from the following calculation:

$$\frac{[0.75 \times (A + C)] - B}{C}$$

Where:

**A** = the sum of (i) the principal amount of the LIL Construction Loan, (ii) at all times prior to Commissioning, CDN\$75,000,000, (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), and (iv) the aggregate outstanding balance of the Capital Account of the Partnership, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of (i) the principal amount of the LIL Construction Loan, (ii) at all times prior to Commissioning, CDN\$75,000,000, and (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of such Funding Requirements less the amount of the Aggregate Eligible Account Balances used to fund such Funding Requirements; and

- (III) the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred to fund such Funding Requirements}}{\text{such Funding Requirements}}$$

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 5 of Schedule "D" from line 7 of Schedule "D". Where the subtraction results in a negative amount, insert 0.
8. This amount is determined by multiplying line 7 of Schedule "A" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
9. This amount is determined by multiplying line 8 of Schedule "A" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
10. This amount is determined by multiplying line 9 of Schedule "A" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
11. This amount is determined by multiplying line 10 of Schedule "A" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
12. This amount is determined by subtracting line 4 and line 7 of this Schedule from line 6 of this Schedule. If the Funding Request relates to (i) any LIL Drawdown prior to the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, the full amount will be Advanced under the LIL Construction Facility, (ii) the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, where the Available LIL Construction Facility is greater than nil immediately prior to such LIL Drawdown, the amount of the Advance will be divided between the LIL Construction Facility and the Working Capital Revolving Facility, and will result in the Available LIL Construction Facility being reduced to nil and (iii) the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, where the Available LIL Construction Facility is nil immediately prior to such LIL Drawdown, the full amount will be Advanced under the Working Capital Revolving Facility and (iv) any LIL Drawdown after the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, the full amount will be Advanced under the Working Capital Revolving Facility.
13. This amount is determined by subtracting line 4, line 7 and line 12 of this Schedule from line 6 of this Schedule.

**SCHEDULE "D"**

**EQUITY RATEABLE SHARE OF FUNDING REQUIREMENTS**

**A. The Equity Rateable Share of the Funding Requirements**

1. the Funding Requirements are: CDN\$ Note 1
2. the portion of the Aggregate Eligible Account Balances used to fund the Funding Requirements is: CDN\$ Note 2
3. the portion of the Funding Requirements to which the Equity Rateable Share applies is: CDN\$ Note 3
4. the Equity Rateable Share is: Note 4 %
5. the Equity Rateable Share of the Funding Requirements (after subtracting the Aggregate Eligible Account Balances) is: CDN\$ Note 5
6. the amount of equity Investment made in the Partnership in accordance with paragraph 7.8.1.2 of the LIL Project Finance Agreement is: Note 6

**B. Application of the Equity Rateable Share of the Funding Requirements to the funding of the Final Eligible Project Costs, the Minimum DSRA Requirement, the Punch List Costs, the Demobilization Costs**

7. the funding of the Final Eligible Project Costs by equity amounts to: CDN\$ Note 7
8. the funding of the Minimum DSRA Requirement by equity amounts to: CDN\$ Note 8
9. the funding of the Punch List Costs by equity amounts to: CDN\$ Note 9
10. the funding of the Demobilization Costs by equity amounts to: CDN\$ Note 10

**C. Aggregate amount of equity to be invested**

11. the equity investment required to be made to complete funding of the Equity Rateable Share: CDN\$ Note 12

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**Notes:**

1. Insert the amount in line 6 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. Insert the amount in line 5 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 6 of this Schedule.
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 6 of this Schedule.
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 6 of this Schedule.
10. This amount is determined by multiplying line 10 of Schedule "A" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 10 of Schedule "A" multiplied by line 6 of this Schedule.
11. This amount is equal to the sum of lines 7 to 10 of this Schedule, inclusively.

**SCHEDULE "E"**

**REQUESTED TRANSFERS**

**SCHEDULE "F"**

**PERMITTED INVESTMENTS**

**[NOTE TO DRAFT: Please include details regarding the Permitted Investments of the Partnership and the Intermediary Trust.]**

LIL Permitted Investments:

<@>

IT Permitted Investments:

<@>



**SCHEDULE "G"**

**RECONCILIATION**

**[NOTE TO DRAFT: Please include a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request (other than in connection with an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement) and any Working Capital Revolving Funding Request provided during the previous month.]**

**[NOTE TO DRAFT: Please include a reconciliation of Project Costs funded from the Partnership Project Operating Account pursuant to paragraph 8.2.2.5 of the LIL Project Finance Agreement defrayed or paid during the prior month.]**

**SCHEDULE "H"**

**SOFT COSTS REPORTING**

(as at <@>)

**[NOTE TO DRAFT: Calculations of Soft Costs as at the Effective Date of the most recent Construction Report to be included.]**

**SCHEDULE "I"**

**PROJECT COSTS**

(as at <@>)

**[NOTE TO DRAFT: Calculations of Project Costs as at the Effective Date of this Final Funding Request 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 second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This Funding Request is delivered to you pursuant to subsection 7.3.1 of the LIL Project Finance Agreement.

Unless otherwise stated, the financial information contained in this Funding Request is being provided as at **Note 1**, being the Effective Date of this Funding Request.

As at the Effective Date, the Funding Requirements are CDN\$\_\_\_\_\_ and are to be funded as per the table below (see Schedule "A" for the calculations of the Funding Requirements):

<b>Sources of Funds for the Funding Requirements</b>	
Application of Aggregate Eligible Account Balances	CDN\$ _____ (see Schedule "B" for details)
Debt Rateable Share of the Funding Requirements	CDN\$ _____ (see Schedule "C" for details)
Equity Rateable Share of the Funding Requirements	CDN\$ _____ (see Schedule "D" for details)

As such, in order to fund the Funding Requirements, we hereby request the Collateral Agent to effect the transfers set forth in Schedule "E" hereto.

We hereby represent and warrant that, as at the Effective Date:

1. the Permitted Investments made with the funds in the LIL Project Accounts and the IT Accounts are described in Schedule "F" hereto;
2. a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request and any Working Capital Revolving Funding Request (other than in connection with an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement) provided during the previous month is provided in Schedule "G" hereto;
3. a reconciliation of Project Costs funded from the Partnership Project Operating Account pursuant to paragraph 8.2.2.5 of the LIL Project Finance Agreement defrayed or paid during the prior month is provided in Schedule "G" hereto;
4. Soft Costs incurred as at Note 2 amount to CDN\$ \_\_\_\_\_ and are described in Schedule "H" hereto. Except as noted in Schedule "H" hereto, there are no variances greater than CDN\$25,000,000 from the Project Budget for Soft Costs;
5. the balance of the Capital Account as of the Effective Date is CDN\$ \_\_\_\_\_;
6. the DER is Note 3 and the DER (after taking into account the funding of the Funding Requirements contemplated in this Funding Request) will be Note 3; and
7. no LIL Event of Default has occurred and is continuing.

You will find attached all supporting documentation and information as will permit you to verify the statements, information and calculations contained herein. All of the information set forth herein and in all supporting documentation and information attached hereto is complete, correct and accurate in all material respects and we have no knowledge of any undisclosed fact which has or could materially affect the information set forth herein or in the supporting documentation and information attached hereto.

**[INTENTIONALLY LEFT BLANK]**

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP, by its  
general partner,  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION**

Per: \_\_\_\_\_

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**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.
3. The DER corresponds to the following (expressed as a percentage):

$$DER = \frac{(A + B + C) - D}{[(A + B + C) - D] + E}$$

Where:

- A** = Principal amount of the LIL Construction Loan;
- B** = Prior to the Commissioning Date, CDN\$75,000,000, and, thereafter, nil;
- C** = Principal amount of all outstanding Additional Debt;
- D** = Balance on deposit in the Sinking Fund Account; and
- E** = Aggregate outstanding balance of the Capital Account of the Partnership.

**SCHEDULE "A"**

**CALCULATION OF FUNDING REQUIREMENTS**

**A. Calculation of Funding Requirements**

- |    |                                                                                                                                           |                            |
|----|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 1. | the Eligible Project Costs as at the Effective Date amount to (see Section B below for details):                                          | CDN\$ <u><b>Note 1</b></u> |
| 2. | the amount required by the Partnership to repay in full the Working Capital Revolving Loan is:                                            | CDN\$ <u><b>Note 2</b></u> |
| 3. | the amount of the equity Investment made in the Partnership in accordance with paragraph 7.8.1.2 of the LIL Project Finance Agreement is: | CDN\$ <u><b>Note 3</b></u> |
| 4. | the contingency amount representing 5% of the amount in line 9 below amounts to:                                                          | CDN\$ _____                |
| 5. | the Funding Requirements amount to:                                                                                                       | CDN\$ <u><b>Note 4</b></u> |

**B. Calculation of the Eligible Project Costs**  
(See Schedule "I" **Note 5**)

- |     |                                                                                                                       |                            |
|-----|-----------------------------------------------------------------------------------------------------------------------|----------------------------|
| 6.  | Hard Costs incurred to and invoiced up to the Effective Date amount to:                                               | CDN\$ _____                |
| 7.  | Soft Costs incurred to and invoiced up to the Effective Date amount to:                                               | CDN\$ _____                |
| 8.  | all other Project Costs incurred to and invoiced up to the Effective Date amount to:                                  | CDN\$ <u><b>Note 6</b></u> |
| 9.  | Project Costs expected to be incurred to and invoiced after the Effective Date until the LIL Drawdown Date amount to: | CDN\$ <u><b>Note 7</b></u> |
| 10. | the aggregate amount of Eligible Project Costs to be funded pursuant to this Funding Request amounts to:              | CDN\$ <u><b>Note 8</b></u> |

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**Notes:**

1. Insert amount in line 10 of this Schedule.
2. Where the funding of the Funding Requirements is made prior to the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, this amount is equal to the Working Capital Revolving Loan. Where the funding of the Funding Requirements is

made concurrently with the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement or at any time thereafter, this amount is equal to 0.

3. Insert the amount of the equity Investment made in the Partnership at any time during the period commencing on the day following the Effective Date of the immediately preceding Funding Request and ending on the Effective Date of this Funding Request, the whole in accordance with paragraph 7.8.1.2 of the LIL Project Finance Agreement.
4. This amount is equal to the sum of lines 1 to 4 of this Schedule, inclusively.
5. The Project Costs identified in lines 6, 7, 8 and 9 of this Schedule must be Project Costs with respect to work done and goods delivered prior to the Effective Date or with respect to deposits on contracts and in each case with respect to which no previous Funding Request has been issued or with respect to which a Funding Request has previously been issued and the proceeds thereof form, or have formed, part of Aggregate Eligible Account Balances identified in clause (b) (y) of the definition of "Aggregate Eligible Account Balances".
6. This amount includes all other costs, fees and expenses relating to the development, construction and closing of financing of the Project, including the capital costs of any structures, and all financial, legal and consulting fees, costs and expenses, including any bonus payable to any Material Project Participant under any Material Project Document and the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Intermediary Trust Project Costs and Expenses, all as described in the Project Budget, whether such Project Costs are incurred by Nalcor prior to the Closing Date or by the Partnership at any time and whether such Project Costs are invoiced to the Partnership, Devco or Nalcor.
7. This amount includes all Hard Costs, Soft Costs and other Project Costs expected to be incurred to and invoiced after the Effective Date until the LIL Drawdown Date.
8. This amount is equal to the sum of lines 6 to 9 of this Schedule, inclusively.



**SCHEDULE "B"**

**CALCULATION OF AGGREGATE ELIGIBLE ACCOUNT BALANCES**

**A. Calculation of Aggregate Eligible Account Balances**

1. the balance on deposit in the Partnership Project Funding Account (5230440) is: CDN\$   **Note 1**
  
2. the LIL Income on Account Balances deriving from amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request amounts to: CDN\$   **Note 2**
  
3. the balance of any amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request, and that had been deposited therein to fund Project Costs that have since been fully satisfied for a lesser amount is: CDN\$   **Note 2**
  
4. the balance of any amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding Project Costs expected to be invoiced after the Effective Date of such Funding Request and by the related LIL Drawdown Date, but with respect to which, as at the Effective Date of this Funding Request, invoices have been received for an amount less than anticipated in such previous Funding Request is: CDN\$   **Note 2**
  
5. the balance of any amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding Project Costs that, at the time of the Effective Date of such Funding Request, were expected to be invoiced at a later date, but with respect to which no invoice has been received by the Effective Date of this Funding Request is: CDN\$   **Note 2**
  
6. the balance of any amounts deposited in the Partnership Project Operating Account (5230459) pursuant to a previous Funding Request that formed part of the contingency amount identified in line 4 of Schedule "A" of such Funding Request, but that, as at the Effective Date of this Funding Request, have since not been used to defray Project Costs is: CDN\$   **Note 2**
  
7. the Aggregate Eligible Account Balances is: CDN\$   **Note 3**

**B. Application of the Aggregate Eligible Account Balances to the funding of the Funding Requirements**

8. the Funding Requirements are: CDN\$ Note 4
9. the portion of the Aggregate Eligible Account Balances used to fund the Funding Requirements is: CDN\$ Note 5

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**Notes:**

1. This amount is determined after the application of paragraphs 8.1.1.2 to 8.1.1.5, inclusively, of the LIL Project Finance Agreement and includes any LIL Income on Account Balances deriving therefrom.
2. This amount is determined after the application of paragraphs 8.2.2.2, 8.2.2.3 and 8.2.2.5 of the LIL Project Finance Agreement;
3. This amount is equal to the sum of lines 1 to 6 of this Schedule, inclusively.
4. Insert the amount in line 5 of Schedule "A".
5. This amount corresponds to the lesser of line 8 and line 7 of this Schedule.

**SCHEDULE "C"**

**DEBT RATEABLE SHARE OF FUNDING REQUIREMENTS**

**A. The Debt Rateable Share of the Funding Requirements**

1. the Funding Requirements are: CDN\$   **Note 1**
2. the portion of the Aggregate Eligible Account Balances used to fund the Funding Requirements is: CDN\$   **Note 2**
3. the portion of the Funding Requirements to which the Debt Rateable Share applies is: CDN\$   **Note 3**
4. the Additional Debt proposed to be incurred to fund the Funding Requirements is: CDN\$   **Note 4**
5. the Debt Rateable Share is:   **Note 5**   %
6. the Debt Rateable Share of the Funding Requirements (after subtracting the Aggregate Eligible Account Balances) is: CDN\$   **Note 6**
7. the portion of the equity Investment made in the Partnership in accordance with paragraph 7.8.1.2 of the LIL Project Finance Agreement that exceeds the Equity Rateable Share of the Funding Requirements (after subtracting the Aggregate Eligible Account Balances) is: CDN\$   **Note 7**

**B. Aggregate amount to be Advanced under the LIL Construction Facility**

8. the aggregate amount to be Advanced under the LIL Construction Facility is: CDN\$   **Note 8**
9. the aggregate amount to be Advanced under the Working Capital Revolving Facility is: CDN\$   **Note 9**

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**Notes:**

1. Insert the amount in line 5 of Schedule "A".
2. Insert the amount in line 9 of Schedule "B".
3. This amount is determined by subtracting line 2 of this Schedule from line 1 of this Schedule.

4. Insert the amount of Additional Debt proposed to be incurred to fund the Funding Requirements.
5. (i) Where the funding of the Funding Requirements is made prior to the date on which DER first becomes equal to 75% following the 2017 Closing Date, the Debt Rateable Share corresponds to 100%, unless the Debt Rateable Share of 100% would result in a DER that exceeds 75%, in which case the Debt Rateable Share shall be calculated in accordance with clause (ii) below.

(ii) Where the funding of the Funding Requirements is made following the date on which DER first becomes equal to 75% following the 2017 Closing Date:

(A) prior to the LIL Construction Facility being fully disbursed and the Working Capital Revolving Facility being fully disbursed following the first Advance pursuant to Section 7.9 of the LIL Project Finance Agreement, with respect to any Funding Requirements that are to be funded at any particular time, and in relation to which an Advance under the LIL Construction Facility is to be made, an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be made or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the LIL Project Finance Documents, the Debt Rateable Share corresponds to the lesser of:

(I) 100%; and

(II) the percentage resulting from the following calculation:

$$\frac{[0.75 \times (A + C)] - B}{C}$$

unless, as a result of the calculation in part (A) above, the Partnership is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such Debt Rateable Share by reason of:

- (a) the portion of such Funding Requirements represented by such Debt Rateable Share exceeding the sum of the Available LIL Construction Facility and the Available Working Capital Revolving Facility; and
- (b) the Partnership not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess as reduced by any such Additional Debt proposed to be incurred shall be referred to herein as the "**Funding Deficiency**");

in which case the Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{D}{C}$$

In each case, where:

**A** = the sum of **(i)** the principal amount of the LIL Construction Loan (without taking into account such Advance), **(ii)** CDN\$75,000,000, **(iii)** the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), and **(iv)** the aggregate outstanding balance of the Capital Account of the Partnership, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of **(i)** the principal amount of the LIL Construction Loan (without taking into account such Advance), **(ii)** CDN\$75,000,000, and **(iii)** the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of such Funding Requirements less the amount of the Aggregate Eligible Account Balances used to fund such Funding Requirements;

**D** = the sum of the Additional Debt proposed to be incurred, the Available LIL Construction Facility and the Available Working Capital Revolving Facility;

provided, however, that at all times where the LIL Construction Facility has been fully disbursed but:

- (i) the Available Working Capital Revolving Facility is sufficient to meet the Funding Requirements that are to be funded and in relation to which an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be effected, then the Debt Rateable Share of such Funding Requirements shall mean 100%; or
- (ii) the Available Working Capital Revolving Facility is insufficient to meet the Funding Requirements that are to be funded and in relation to which an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be effected, then the Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{D}{C}$$

Where "C" and "D" shall each have the same definition as above;

(B) at all times thereafter, with respect to any Funding Requirements that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the LIL Project Finance Documents, the percentage equal to the lesser of:

(I) 100%;

(II) The percentage resulting from the following calculation:

$$\frac{[0.75 \times (A + C)] - B}{C}$$

Where:

**A** = the sum of (i) the principal amount of the LIL Construction Loan, (ii) at all times prior to Commissioning, CDN\$75,000,000, (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), and (iv) the aggregate outstanding balance of the Capital Account of the Partnership, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of (i) the principal amount of the LIL Construction Loan, (ii) at all times prior to Commissioning, CDN\$75,000,000, and (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of such Funding Requirements less the amount of the Aggregate Eligible Account Balances used to fund such Funding Requirements; and

(III) the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred to fund such Funding Requirements}}{\text{such Funding Requirements}}$$

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 5 of Schedule "D" from line 6 of Schedule "D". Where the subtraction results in a negative amount, insert 0.

8. This amount is determined by subtracting line 4 and line 7 of this Schedule from line 6 of this Schedule. If the Funding Request relates to (i) any LIL Drawdown prior to the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, the full amount will be Advanced under the LIL Construction Facility, (ii) the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, where the Available LIL Construction Facility is greater than nil immediately prior to such LIL Drawdown, the amount of the Advance will be divided between the LIL Construction

Facility and the Working Capital Revolving Facility, and will result in the Available LIL Construction Facility being reduced to nil and (iii) the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, where the Available LIL Construction Facility is nil immediately prior to such LIL Drawdown, the full amount will be Advanced under the Working Capital Revolving Facility and (iv) any LIL Drawdown after the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement, the full amount will be Advanced under the Working Capital Revolving Facility.

9. This amount is determined by subtracting line 4, line 7 and line 8 of this Schedule from line 6 of this Schedule.

**SCHEDULE "D"**

**EQUITY RATEABLE SHARE OF FUNDING REQUIREMENTS**

**A. Equity Rateable Share of the Funding Requirements**

1. the Funding Requirements are: CDN\$   **Note 1**
2. the portion of the Aggregate Eligible Account Balances used to fund the Funding Requirements is: CDN\$   **Note 2**
3. the portion of the Funding Requirements to which the Equity Rateable Share applies is: CDN\$   **Note 3**
4. the Equity Rateable Share is:   **Note 4**   %
5. the Equity Rateable Share of the Funding Requirements (after subtracting the Aggregate Eligible Account Balances) is: CDN\$   **Note 5**
6. the amount of the equity Investment made in the Partnership in accordance with paragraph 7.8.1.2 of the LIL Project Finance Agreement is: CDN\$   **Note 6**

**B. Aggregate amount of equity to be invested**

7. the equity investment required to be made to complete funding of the Equity Rateable Share of the Funding Requirements is: CDN\$   **Note 7**

---

**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. 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. Where this subtraction results in a negative amount, insert 0.



**SCHEDULE "E"**

**REQUESTED TRANSFERS**

**SCHEDULE "F"**

**PERMITTED INVESTMENTS**

**[NOTE TO DRAFT: Please include details regarding the Permitted Investments of the Partnership and the Intermediary Trust.]**

**LIL Permitted Investments:**

- <@>

**IT Permitted Investments:**

- <@>

**SCHEDULE "G"**

**RECONCILIATION**

**[NOTE TO DRAFT: Please include a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request (other than in connection with an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement) and any Working Capital Revolving Funding Request provided during the previous month.]**

**[NOTE TO DRAFT: Please include a reconciliation of Project Costs funded from the Partnership Project Operating Account pursuant to paragraph 8.2.2.5 of the LIL Project Finance Agreement defrayed or paid during the prior month.]**

**SCHEDULE "H"**

**SOFT COSTS REPORTING**

(as at <@>)

**[NOTE TO DRAFT: Calculations of Soft Costs as at the Effective Date of the most recent Construction Report to be included.]**

**SCHEDULE "I"**

**PROJECT COSTS**

(as at <@>)

**[NOTE TO DRAFT: Calculations of Project Costs as at the Effective Date of this Funding Request 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 Second Amended and Restated LIL Project Finance Agreement dated as of May 10, 2017 entered into among, *inter alia*, Labrador-Island Link Limited Partnership (the "**Borrower**"), LIL Construction Project Trust (the "**Lender**") and the Collateral Agent (as further amended, supplemented or restated from time to time, the "**Finance Agreement**") and Her Majesty 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 Second Amended and Restated Master Definitions Agreement dated as of May 10, 2017 among, *inter alia*, the Borrower, the Lender and the Collateral Agent, as further amended, supplemented or restated from time to time.

The Independent Engineer has (i) discussed matters believed pertinent to this Draw Confirmation Certificate with Devco, the Borrower and any relevant Material Project Participants, (ii) made such other inquiries as we have determined appropriate and (iii) reviewed:

- (a) the Construction Report dated \_\_\_\_\_ (the "**Construction Report**"); and
- (b) the Borrower's funding request dated \_\_\_\_\_ (the "**Funding Request**").

On the basis of the foregoing limited review procedures and on the understanding and assumption that the factual information contained in the Construction Report and Funding Request is true, correct and complete in all material respects, the Independent Engineer makes the following statements in favour of the Collateral Agent and to the best of its knowledge, information and belief, as of the date hereof that:

1. Construction of the Project is progressing in a satisfactory manner and in accordance with the terms of the applicable Material Project Documents with the following exceptions:

[ \_\_\_\_\_  
\_\_\_\_\_ ]

2. We believe that all payments to the Material Project Participants to be paid with the proceeds of the LIL Construction Loan requested to be made pursuant to the Funding Request, are allowed under the payment terms of the applicable Material Project

Documents and the Finance Agreement as to the advance requirements of Section 7.2/7.3/7.4/7.5/7.6, as applicable, with the following exceptions:

[ \_\_\_\_\_  
\_\_\_\_\_ ]

3. Assuming the Borrower and Devco exercise proper engineering and construction management throughout the remainder of the Project, we have no reason to believe that the Commissioning Date will not occur prior to the Date Certain, or that the total Project Costs will exceed [\$ \_\_\_\_\_] with the following exceptions:

[ \_\_\_\_\_  
\_\_\_\_\_ ]

This Draw Confirmation Certificate is solely for the information and assistance of the Collateral Agent and Canada in connection with the Funding Request and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: \_\_\_\_\_

**MWH CANADA, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "R"**

**LIL COMPLIANCE CERTIFICATE**

Date: \_\_\_\_\_

**The Toronto-Dominion Bank**

as Collateral Agent  
TD Bank Tower  
66 Wellington Street West  
9th Floor  
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

This certificate is delivered to you pursuant to subsection [11.1.2 / 11.2.2] of the LIL Project Finance Agreement.

I, <@>, the <@> of the General Partner, in my capacity as an officer of the General Partner and without personal liability, do hereby certify that:

1. I have taken cognizance of the LIL Project Finance Agreement and each of the other LIL Project Finance Documents, and all of the terms, representations and warranties, covenants and conditions of the LIL Project Finance Agreement and each of the other



LIL Project Finance Documents to be performed or complied with by the Credit Parties at or prior to the date thereof have been performed or complied with;

2. I have taken cognizance and reviewed the transactions, operations and status of business of the Credit Parties, since the **[last issuance of a compliance certificate under the LIL Project Finance Agreement / 2017 Closing Date]** and all conditions and requirements of the LIL Project Finance Agreement and of the other LIL Project Finance Documents and of all other deeds or agreements governing the borrowings of the Credit Parties, have been accomplished and satisfied and I do not know of the existence, as of the date hereof, of a condition or of any fact whatsoever, constituting a LIL Event of Default that is continuing. **[If such condition exists or has existed during the period covered by the certificate, then the undersigned shall, in Schedule "A" attached hereto, specify its nature and duration and describe the measures taken or intended to be taken to remedy the LIL Event of Default];**
3. to my Knowledge, except as otherwise disclosed to the Collateral Agent in writing, the representations and warranties set forth in Article 9 of the LIL Project Finance Agreement are still true and correct in all material respects as of the date of this certificate (except in the case of representations stated to be as of a specific date) with the same force and effect as if made at and as of such date;
4. The information and the Financial Statements attached hereto for the fiscal **[quarter/year]** ended <@> (the "**Quarter**" or the "**Year**") are complete and correct in all material respects and present fairly, in accordance with GAAP, subject to Section 1.13 of the MDA, the unconsolidated or consolidated, as the case may be, financial position of each Credit Party as at the end of such Quarter, subject only to normal year-end auditing adjustments, or as at the end of such Year, as the case may be;
5. As at \_\_\_\_\_, 20\_\_\_\_, being the last day of the **[Quarter/Year]** immediately preceding the date of this certificate, the Retrospective DSCR, calculated on a rolling twelve (12) month period, was \_\_\_\_\_, and is calculated as follows<sup>1</sup>:
  - (i) the Base Cash Flow of the Partnership for the period of the most recently completed twelve (12) calendar months (line (a) - line (b)):

	CDN\$_____
(a) Contracted Revenues	CDN\$_____
(b) Cash Operating Costs	CDN\$_____

---

<sup>1</sup> 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.

(ii) the Total Debt Service for the period of the most recently completed twelve (12) calendar months:

CDN\$   **Note 1**  

**Retrospective DSCR** =  $\frac{(i)}{(ii)}$  = \_\_\_\_\_

6. As at \_\_\_\_\_, 20\_\_, being the last day of the [**Quarter/Year**] immediately preceding the date of this certificate, the Prospective DSCR was \_\_\_\_\_, and is calculated as follows:

(i) the Base Cash Flow of the Partnership for the period of the twelve (12) calendar months immediately following the date of this certificate (line (a) – line (b)):

CDN\$ \_\_\_\_\_

(a) Contracted Revenues

CDN\$ \_\_\_\_\_

(b) Cash Operating Costs

CDN\$ \_\_\_\_\_

(ii) the Total Debt Service for such period:

CDN\$   **Note 1**  

**Prospective DSCR** =  $\frac{(i)}{(ii)}$  = \_\_\_\_\_

**Notes:**

1. Where the period includes the maturity of any Construction Tranche or Bullet Additional Debt, there shall be excluded from the calculation of Total Debt Service the principal amount payable or, as the case may be, paid on such maturity date.

Signed at <@>, this <@> day of <@>, <@>.

\_\_\_\_\_  
Name:

Title: <@> of Labrador-Island Link General  
Partner Corporation

**SCHEDULE "A"**

**CONDITIONS CONSTITUTING A LIL EVENT OF DEFAULT**

**[NOTE TO DRAFT: Delete if not applicable.]**

**SCHEDULE "S"**

**LIL DRAW 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 second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

We also refer you to the Funding Request dated as of <@> (the "**Applicable Funding Request**"), a copy of which is attached hereto as Schedule "A".

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 Sections 2.5 and [7.3/7.4/7.5/7.6] of the LIL Project Finance Agreement, the Partnership hereby requests a LIL Drawdown under the LIL Construction Facility in an amount of CDN\$ Note 2 on Note 3.

**[Note: The following italicized text is applicable in respect of a LIL Drawdown under the LIL Construction Facility to be effected concurrently with a LIL Drawdown under the**

**Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement.]**

*In addition to the amount of CDN\$ Note 2 to be funded further to an Advance under the LIL Construction Facility, CDN\$ Note 4 shall be funded further to an Advance under the Working Capital Revolving Facility as per the Working Capital Revolving Funding Request delivered concurrently herewith.*

For that purpose, we hereby represent and warrant that each and every one of the representations and warranties made under the LIL Project Finance Agreement are true and correct on the date of this LIL Draw Request, except to the extent that any such representation or warranty expressly relates to a particular date, in which case such representation or warranty is true and correct as at such date.

We further represent and warrant that no LIL Event of Default has occurred and is continuing.

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP  
by its general partner  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION**

Per: \_\_\_\_\_

**Notes:**

1. Each LIL Draw Request must be delivered at least six (6) Business Days prior to the last day of the month during which the relevant Funding Request shall have been delivered, or in the case of a LIL Draw Request delivered in May or November, at least seven (7) Business Days prior to the last day of the month during which the relevant Funding Request shall have been delivered.
2. Insert the amount of the requested LIL Drawdown.
3. Insert proposed LIL Drawdown Date.
4. Insert the amount of the LIL Drawdown requested pursuant to the Working Capital Revolving Funding Request delivered concurrently herewith.

**SCHEDULE "A"**

**APPLICABLE FUNDING REQUEST**

**SCHEDULE "T"**

**MINIMUM DSRA REQUIREMENT**

On the date indicated below, the Partnership has delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of \_\_\_\_\_.

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP  
by its general partner  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,  
as an Obligor**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "U"**

**INITIAL PROJECT BUDGET AND JUNE 2016 PROJECT BUDGET**

(See attached)



**PART I**

**INITIAL PROJECT BUDGET**

- A) **Hard Costs**  
(See attached)

LOWER CHURCHILL PROJECT - PHASE 1  
Project Budget - Hard Costs  
28-Nov-13

Labrador-Island Link

Description	BUDGET
Owner, Admin and EPCM	\$ 247,074,444
Feasibility engineering	\$ 34,012,162
Environmental and regulatory compliance	\$ 25,767,534
Aboriginal Affairs	\$ 2,244,469
Procurement and Construction	\$ 2,135,211,562
Commercial and Legal	\$ 22,490,079
Contingency	\$ 79,354,854
<b>Grand Total</b>	<b>\$ 2,546,155,104</b>

- B) Soft Costs**  
(See attached)

LOWER CHURCHILL PROJECT - PHASE 1  
Project Budget - Soft Costs  
31-Jan-14

Labrador-Island Link

Description	Budget
Underwriting Fees	\$ 7,755,000
Collateral & Fiscal Agent Fees	\$ 536,190
Trustee & Administrator Fees	\$ 352,048
Credit Rating Agencies	\$ 4,757,490
Independent Engineer & Insurance Consultant	\$ 4,167,285
Legal & Financial Advisory	\$ 11,824,831
Administrative & Other Related Costs	\$ 1,094,905
Interest During Construction (Net)	\$ 329,570,817
Total	\$ 360,058,566

**PART II**

**JUNE 2016 PROJECT BUDGET**

**A) Hard Costs**

(See attached)

**Labrador-Island Link**  
**June 2016 Project Budget - Hard Costs**

Description	Budget
Owners Team, Admin & EPCM Services	\$ 306,766,897
Feasibility Engineering	\$ 19,469,748
Environmental & Regulatory Compliance	\$ 14,726,432
Aboriginal Affairs	\$ 1,752,510
Procurement & Construction	\$ 2,954,814,122
Commercial & Legal	\$ 21,038,942
Contingency	\$ 128,825,308
Sub Total	\$ 3,447,393,959
Transition to Operations / Pre-Commissioning Costs	\$ 69,449,254
<b>Total</b>	<b>\$ 3,516,843,213</b>



**B) Soft Costs**

On the date indicated below, the Partnership has delivered this Schedule and the attached information and documents to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of \_\_\_\_\_.

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP**  
by its general partner  
**LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,**  
as an Obligor

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "V"**

**INITIAL PROJECT SCHEDULE**

(See attached)

## Lower Churchill Project - Milestone Schedule

### Labrador-Island Link - Milestone Schedule

<u>Milestone Description</u>	<u>Date</u>
Project Sanction	17-Dec-2012
SOBI Cable Systems Ready	25-Oct-2016
Muskrat Falls Switchyard and Converter Station Ready for Operation	28-Feb-2017
HVdc Transmission Line Construction Complete and Connected	30-Jun-2017
Soilder's Pond Switchyard and Converter Station Ready for Operation	04-Oct-2017
Ready for Power Transmission	04-Oct-2017
Soilder's Pond Synchronous Condenser Ready for Operation	13-Nov-2017
Commissioning Complete - Commissioning Certificate Issued	01-Jun-2018
Date Certain	28-Feb-2019

SCHEDULE "W"

LIL VOLUNTARY PREPAYMENT NOTICE

Date: \_\_\_\_\_

**TO: The Toronto-Dominion Bank**, as Collateral Agent

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to the provisions of section 2.7 of the LIL Project Finance Agreement, we hereby notify you that on Note 1, we shall make a LIL Voluntary Prepayment to the Collateral Agent, for the account of the [<@>Intermediary Trust<@>], at the Collateral Agent's Office. **[NOTE TO DRAFT: Replace bracketed language with "Funding Vehicle" where the LIL Voluntary Prepayment is made following the Assignment by the Intermediary Trust of the LIL Loan to the Funding Vehicle.]**

You will find attached hereto as Schedule "A" an example of how the amount of the LIL Voluntary Prepayment is calculated in accordance with the provisions of subsection 2.7.1 of the LIL Project Finance Agreement.

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP,  
by its general partner,  
LABRADOR-ISLAND LINK  
GENERAL PARTNER  
CORPORATION**

Per: \_\_\_\_\_

---

**Notes:**

1. Specify the date at which the prepayment is made. This prepayment notice must be made at least 35 Business Days prior to the proposed LIL Voluntary Prepayment Date.

**SCHEDULE "A"**

**EXAMPLE CALCULATION**

**[NOTE TO DRAFT: The amount of the LIL Voluntary Prepayment must be equal to the sum of (i) the aggregate principal amount of the LIL Loan under the Initial Construction Tranches or, as the case may be, under the New Construction Tranches and Working Capital Revolving Tranches; (ii) accrued and unpaid (a) interest on such principal amount, and (b) LIL Stand-By Fee, in an aggregate amount which, together, shall be equal to the aggregate amount of interest accrued on the FV Bonds which will be payable on the FV Bond Redemption Date; and (iii) the LIL Make-Whole Amount.]**

**SCHEDULE "X"**

**SINKING FUND PAYMENT**

(see attached)

LIL Schedule X		
Date	Contributions	Balance
1-Dec-20	27,884,616	27,884,616
1-Jun-21	27,884,616	55,769,232
1-Dec-21	27,884,616	83,653,847
1-Jun-22	27,884,616	111,538,463
1-Dec-22	27,884,616	139,423,079
1-Jun-23	27,884,616	167,307,695
1-Dec-23	27,884,616	195,192,310
1-Jun-24	27,884,616	223,076,926
1-Dec-24	27,884,616	250,961,542
1-Jun-25	27,884,616	278,846,158
1-Dec-25	27,884,616	306,730,773
1-Jun-26	27,884,616	334,615,389
1-Dec-26	27,884,616	362,500,005
1-Jun-27	27,884,616	390,384,621
1-Dec-27	27,884,616	418,269,237
1-Jun-28	27,884,616	446,153,852
1-Dec-28	27,884,616	474,038,468
1-Jun-29	27,884,616	501,923,084
1-Dec-29	27,884,616	529,807,700
1-Jun-30	27,884,616	557,692,315
1-Dec-30	27,884,616	585,576,931
1-Jun-31	27,884,616	613,461,547
1-Dec-31	27,884,616	641,346,163
1-Jun-32	27,884,616	669,230,778
1-Dec-32	27,884,616	697,115,394
30-May-33	27,884,616	-
1-Dec-33	24,000,000	24,000,000
1-Jun-34	24,000,000	48,000,000
1-Dec-34	24,000,000	72,000,000
1-Jun-35	24,000,000	96,000,000
1-Dec-35	24,000,000	120,000,000
1-Jun-36	24,000,000	144,000,000
1-Dec-36	24,000,000	168,000,000
1-Jun-37	24,000,000	192,000,000
1-Dec-37	24,000,000	216,000,000
1-Jun-38	24,000,000	240,000,000
1-Dec-38	24,000,000	264,000,000
1-Jun-39	24,000,000	288,000,000
1-Dec-39	24,000,000	312,000,000
1-Jun-40	24,000,000	336,000,000
1-Dec-40	24,000,000	360,000,000
1-Jun-41	24,000,000	384,000,000
1-Dec-41	24,000,000	408,000,000
1-Jun-42	24,000,000	432,000,000
1-Dec-42	24,000,000	456,000,000
1-Jun-43	24,000,000	480,000,000
1-Dec-43	24,000,000	504,000,000
1-Jun-44	24,000,000	528,000,000
1-Dec-44	24,000,000	552,000,000
1-Jun-45	24,000,000	576,000,000
29-Nov-45	24,000,000	-
1-Jun-46	23,888,889	23,888,889
1-Dec-46	23,888,889	47,777,778
1-Jun-47	23,888,889	71,666,667
1-Dec-47	23,888,889	95,555,556
1-Jun-48	23,888,889	119,444,444
1-Dec-48	23,888,889	143,333,333
1-Jun-49	23,888,889	167,222,222
1-Dec-49	23,888,889	191,111,111
1-Jun-50	23,888,889	215,000,000
1-Dec-50	23,888,889	238,888,889
1-Jun-51	23,888,889	262,777,778
1-Dec-51	23,888,889	286,666,667
1-Jun-52	23,888,889	310,555,556
1-Dec-52	23,888,889	334,444,444
1-Jun-53	23,888,889	358,333,333
27-Nov-53	23,888,889	382,222,222



## SCHEDULE "Y"

### 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 (issued by or fully guaranteed by) and AAA Corporates	0%	50%	AAA	Provinces 12.5% Corporate 5%
AA Provinces (issued by or fully guaranteed by)	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 "Z"**

**BASIS OF DESIGN**

(See attached)

Nalcor Energy – Lower Churchill Project



Basis of Design

LCP-PT-ED-0000-EN-RP-0001-01


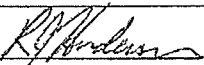
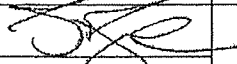
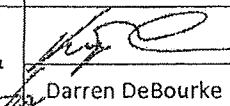
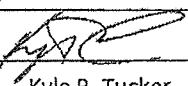
Comments:  <p style="text-align: center;"><b>Issued for Decision Gate 3</b></p>	Total # of Pages (Including Cover): 37
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Status/Revision	Date	Reason For Issue	Prepared By Engineering Manager	Checked By Deputy PM (Generation + Island Link)	Project Manager (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
<b>CONFIDENTIALITY NOTE:</b>			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.				

Basis of Design

Doc. #: LCP-PT-ED-0000-EN-RP-0001-01  
 Rev. B2

**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.

<b>Basis of Design</b>	A compilation of the fundamental criteria, principles and/or assumptions upon which design philosophies and engineering design briefs will be developed.
<b>Bulkhead Gates</b>	Steel gates used to isolate water passages for inspection or maintenance, which are installed and removed under balanced pressures.
<b>Cavitation Resistant Design</b>	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.
<b>Change Control Board</b>	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.

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<b>Cofferdam</b>	A temporary barrier for excluding water from an area that could otherwise be submerged.
<b>Construction Flood</b>	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.
<b>Converter Station</b>	A <i>converter station</i> consists of equipment that converts power from ac to dc (rectifier) and dc to ac (inverter).
<b>Counterpoise</b>	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.
<b>Electrode</b>	A grounded means to provide a return path for unbalanced dc current for HVdc transmission system, enabling it to operate in mono-polar mode.
<b>Electrode Line</b>	A transmission line connecting the <i>electrode</i> site to the <i>converter station</i> .
<b>Fail Safe Design</b>	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.
<b>Fish Compensation Flow</b>	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.
<b>Fish Habitat Compensation</b>	This involves replacing the loss of fish habitat with newly created habitat or improving the productive capacity of some other natural habitat.



Basis of Design

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Rev. B2

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<b>Flip Bucket</b>	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.
<b>Francis Turbine</b>	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> .
<b>Full Supply Level</b>	The maximum normal operating water level, corresponding to the top of the live storage, in a reservoir.
<b>Generator</b>	An assembly of stationary and rotating components coupled to the turbine converting mechanical energy to electrical energy.
<b>Good Utility Practice</b>	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 <i>good business practices, reliability, safety and expedition</i> . <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.
<b>Kaplan Turbine</b>	A reaction type, axial flow, adjustable blade turbine that converts hydraulic energy to mechanical energy.
<b>Life Cycle Cost Analysis</b>	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.
<b>Low Supply Level</b>	The minimum normal operating water level, corresponding to the bottom of the live storage, in a reservoir.

<b>Mass Impregnated (MI)</b>	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.
<b>Mitigation</b>	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.
<b>Overhead Ground Wire (OHGW)</b>	Provides lightning protection for the power conductors. When used, direct lightning strikes are minimized, and potential disturbances due to lightning are reduced.
<b>Optical Ground Wire (OPGW)</b>	<i>Performs the same function as Overhead Ground Wire; however, it also carries a fibre optic communication system within the wire strands.</i>
<b>Penstock</b>	A conduit that conveys water from the intake to the turbine.
<b>Plunge Pool</b>	A deep depression downstream of a spillway into which spilled water “plunges” to dissipate energy.
<b>Probable Maximum Flood (PMF)</b>	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”.
<b>Proven Technology</b>	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).

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<b>Rehabilitation</b>	Measures taken to remedy environmental damage to the environment.
<b>Reliability Level Return Period</b>	A statistical measurement denoting the average recurrence interval over an extended period of time. Used to estimate loads to design transmission lines.
<b>Rotor</b>	The multi-poled rotating component of the <i>generator</i> .
<b>Split Yard</b>	Switchyard divided physically into two independent sections with an electrical connection so as to limit the <i>loss of generation in order to meet reliability criteria</i> .
<b>Stoplog</b>	Steel sections used to isolate water passages for inspection or maintenance and are installed and removed under balanced pressures.
<b>Tailrace</b>	A watercourse that carries water away from a turbine or powerhouse.
<b>Terrestrial Habitat Compensation</b>	Specific mitigations that would encourage the development of riparian and wetland habitat.
<b>Trash Boom</b>	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> .
<b>Trash Racks</b>	Equally spaced rectangular bars installed at the entrance to the intake to protect the turbine from impinging objects.
<b>Waste Management</b>	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.
<b>Wicket Gates</b>	Adjustable guide vanes used to regulate the flow of water into a turbine.

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#### 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>

<b>LTA</b>	Labrador Transmission Asset Project
<b>MF</b>	Muskrat Falls Generating Facility
<b>MFL</b>	Maximum Flood Level (Reservoir)
<b>MI</b>	<i>Mass Impregnated</i>
<b>MIS</b>	Mobile Internet System
<b>MVA</b>	Mega Volt Ampere
<b>MVAR</b>	Mega Volt Ampere Reactive
<b>MW</b>	MegaWatt
<b>NE</b>	Nalcor Energy
<b>NMS</b>	Network Management Systems
<b>OHGW</b>	<i>Over-Head Ground Wire</i>
<b>OLTC</b>	On-load Tap Changer
<b>OPGW</b>	<i>Optical Ground Wire</i>
<b>OTN</b>	Optical Transport Network
<b>pf</b>	power factor
<b>PMF</b>	<i>Probable Maximum Flood</i>
<b>RCC</b>	Roller Compacted Concrete
<b>ROW</b>	Right of Way
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SACS</b>	Security and Access Control System
<b>SLD</b>	Single Line Diagram
<b>SOBI</b>	Strait of Belle Isle
<b>SONET</b>	Synchronous Optical Network
<b>TBD</b>	To Be Determined
<b>TL</b>	Transmission Line
<b>TLH</b>	Trans Labrador Highway
<b>Vac</b>	Voltage Alternating Current
<b>Vdc</b>	Voltage Direct Current
<b>VSC</b>	Voltage Source Converter

## 5.0 Reference Documents and/or Associated Forms

### Engineering Studies comprising the 2007/2008/2009/2010 Engineering Program

#### Gull Island Generating Facility

- GI1010 Gull Island 2007 Site Investigation
- GI1013 Gull Island 2008 Site Investigation
- GI1015 Inspection and Structural Analysis Goose Bay Dock
- GI1017 Update Report - Reassessment of Gull Island Diversion
- GI1020 Study of Concrete Face Rockfill Dam (CFRD) Alternative
- GI1030 Powerhouse Configuration
- GI1050 Tailrace Channel Improvements Phase 1 – Preliminary Assessment
- GI1060 Review of Structure Layouts and Interfaces
- GI1061 Review of Structure Layouts and Interfaces, 5x450 MW
- GI1070 Ice Study (Gull Island and Muskrat Falls) (by Hatch)
- GI1071 Ice Studies (Gull Island) (by SNCL)
- GI1076 Ice Observation Program (2010-2011)
- GI1090 Review of Construction Camp and Other Infrastructure
- GI1100 Review of Access Roads and Bridges
- GI1110 Hydraulic Modeling of River
- GI1130 River Operation during Construction & Impounding
- GI1140 PMF and Construction Design Flood Study
- GI1141 Upper Churchill PMF and Flood Handling Procedures Update
- GI1170 Seismicity Analysis
- GI1180 Review of Site Access, Goose Bay and Off-Site Infrastructure
- GI1190 Dam Break Study
- GI1200 Gull Island Constructability Review
- GI1230 Gull Island Site Information for Tenderers
- GI1280 Gull Island – Diversion Facilities Numerical Modeling
- GI1281 Gull Island – Power Intake and Spillway Facilities – Numerical Modeling
- GI1282 Gull Island – Diversion Facilities Physical Modeling Technical Specifications
- GI1290 Hydraulic Production Model
- GI1300 Gull Island 2008 Report Plates (drawings)
- GI1310 Workshop Report on Design and Operational Problems Resulting from Reservoir Preparation
- GI1602 Bank Stability and Fish Habitat Deltas

#### Muskrat Falls Generating Facility

- MF1010 Review of Variants
- MF1020 Muskrat Falls Site Investigations
- MF1050 Spillway Design Review
- MF1080 Review of Construction Camp and Other Infrastructure
- MF1090 Review of Access Roads and T&W Bridge

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- MF1091 Desktop Study – Implications/Consequences of Constructing Muskrat Falls Prior to Gull Island
  - MF1120 Potential Impact of Reservoir Flooding on the TLH
  - MF1130 River Operation during Construction and Impounding
  - MF1250 Numerical Modeling of Muskrat Falls Structures
  - MF1260 Condition Assessment of Existing Pumpwell System (2007)
  - MF1271 Condition Evaluation of Wells and Pumps in the Muskrat Falls Pumpwell System (2009)
  - MF1272 Installation of New Piezometers in the Muskrat Falls Pumpwell System
  - MF1281 Pumpwell System Telecommunication Upgrades
  - MF1300 2010 Field Investigation Program
  - MF1310 Site Access Review
  - MF1320 Power and Energy Study
  - MF1330 Report #1: Hydraulic Model of the River - 2010 Update
  - MF1330 Report #2: PMF and Construction Design Study
  - MF1330 Report #3: Dam Break Study
  - MF1330 Report #4: Ice Study
  - MF1330 Report #5: Review of Gull Island 1:60 year Construction Design Flood
  - MF1330 Report #6: Regulation Study
  - MF1340 Review and Confirmation of Structure Layout Interfaces
  - MF1360 Review of Numerical Modeling
  - MF1380 Site Information for Tenderers
  - MF1390 Review Impacts of Earlier Construction of MF on GI and Later Construction of GI on MF

HVAc Transmission Systems

- AC1020 Tower type selection, 735 kV
- AC1030 Field Investigations and Construction Requirements - 735 kV TL - GI to CF
- AC1050 Tower type selection, 230 kV
- AC1060 Field Investigations and Construction Requirements - 230 kV TL - GI to MF
- AC1080 Load Control and Failure Containment
- AC1090 Assess Cable De-icing
- AC1100 Conductor Selection
- AC1130 Corridor Selection & Construction Infrastructure - 735 kV Transmission Line - Gull Island to Quebec Border

HVdc Transmission Systems

- DC1010 Voltage and Conductor Optimization
- DC1020 HVdc System Integration Study
- DC1050 Corridor Selection & Construction Infrastructure-Gull Island to Soldiers Pond
- DC1051 Field Investigations – HVdc TL – Gull Island to Soldiers Pond
- DC1060 Corridor Selection & Construction Infrastructure-Taylor's Brook to Cape Ray
- DC1070 Preliminary Meteorological Load Review

Basis of Design

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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



Basis of Design

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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 m<sup>3</sup>/s based on a 1:20 year return period.
- *Fish Compensation Flow* will be approximately 550 m<sup>3</sup>/s equivalent to 30% of mean annual flow.
- *Fish Compensation Flow* will be through spillway structure.

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2300 Dams & Cofferdams - General

- Development flood capacity is based on the PMF, equal to 25,060 m<sup>3</sup>/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.

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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.

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- 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.

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## 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  $\pm 350$  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,  $\pm 350$  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*.

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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,  $\pm 350$  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.

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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,  $\pm 350$  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 lightning 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



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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.

Basis of Design

Doc. #: LCP-PT-ED-0000-EN-RP-0001-01

Rev. B2

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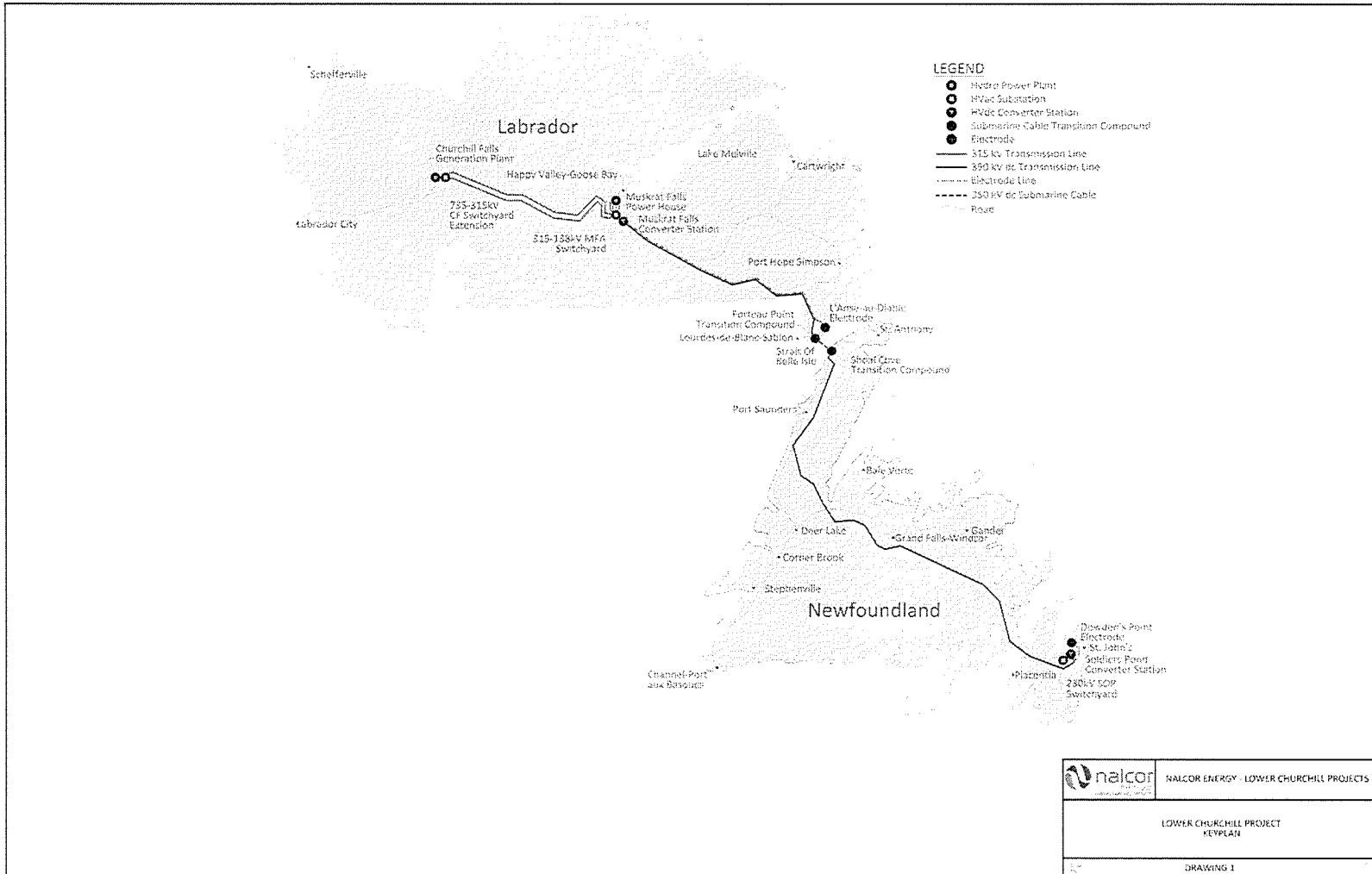
**A.0 Activity Flow Chart**

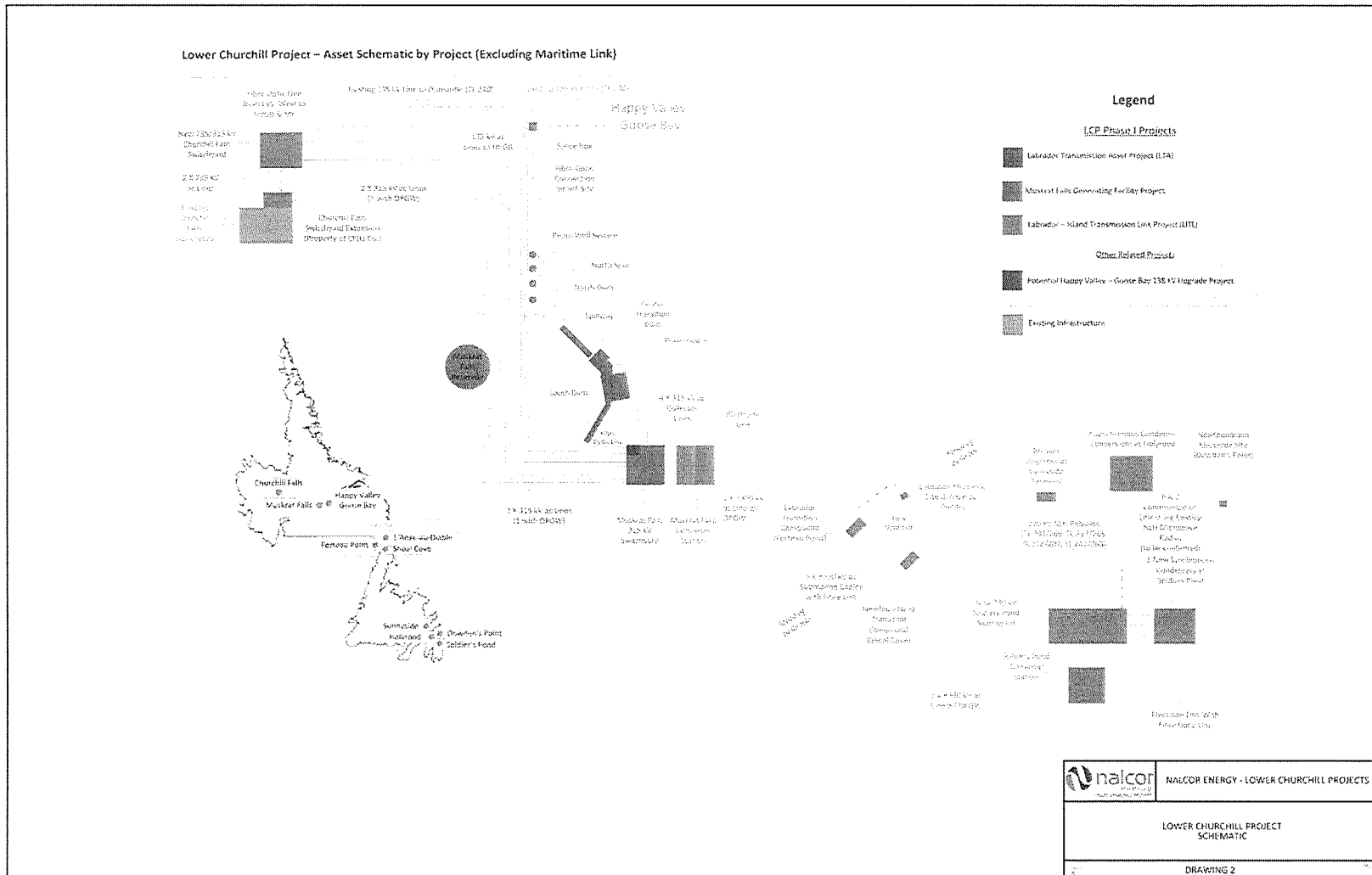
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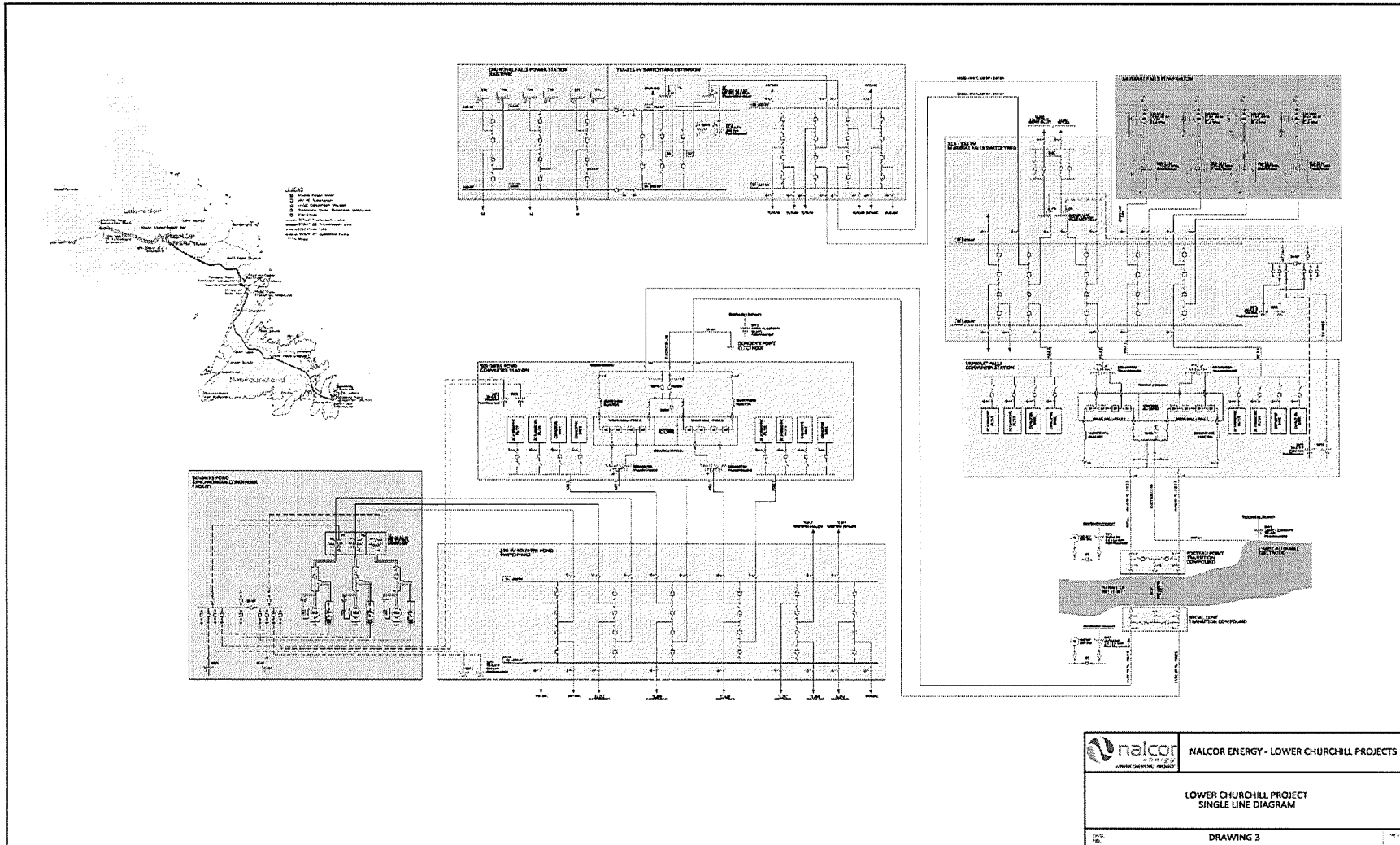
**B.0 Attachments/Appendices**

**B.1 DRAWINGS**

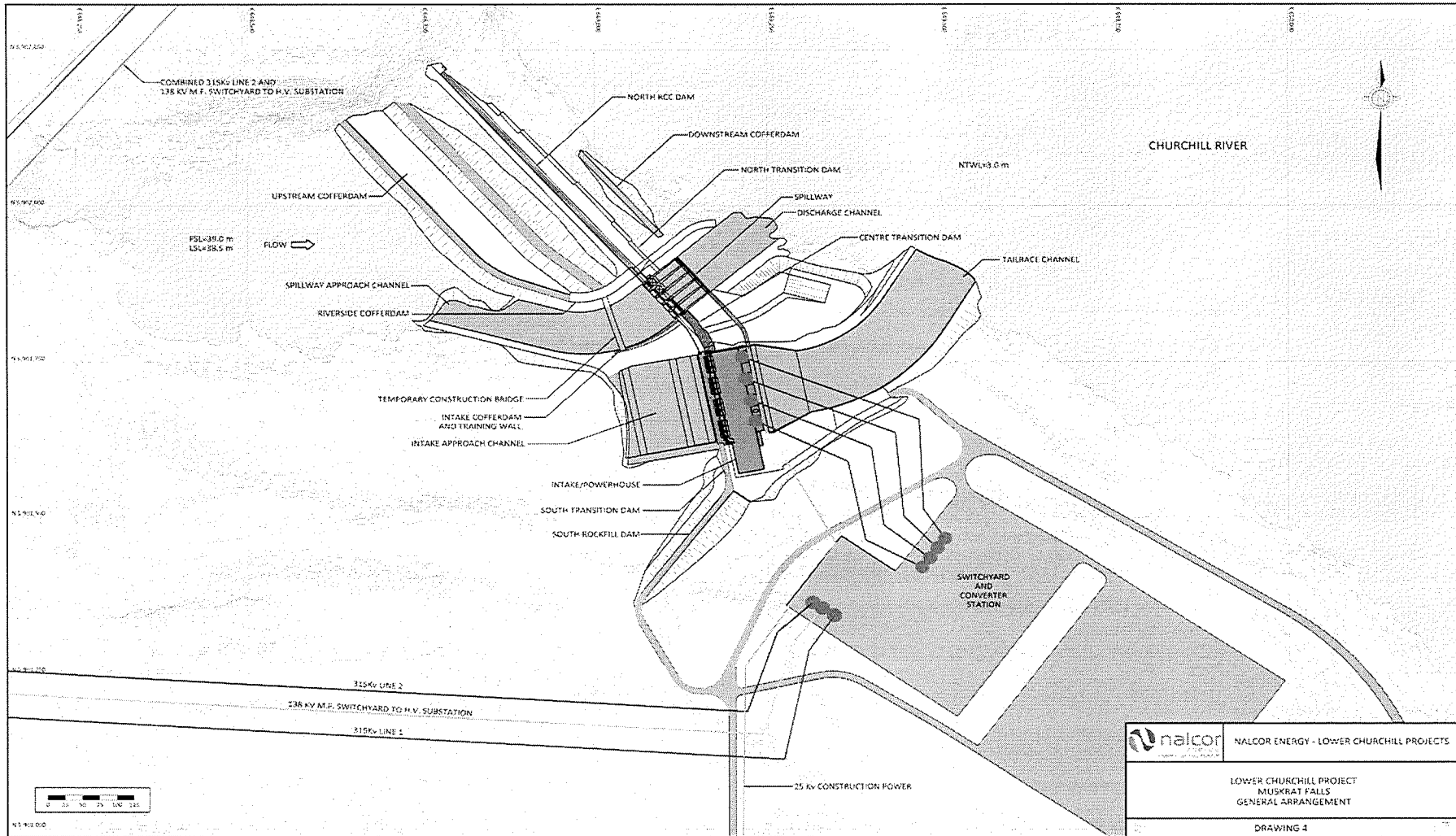
1. Key Plan
2. Schematic
3. Single Line Diagram
4. Muskrat Falls – General Arrangement
5. Muskrat Falls - Elevation
6. Muskrat Falls

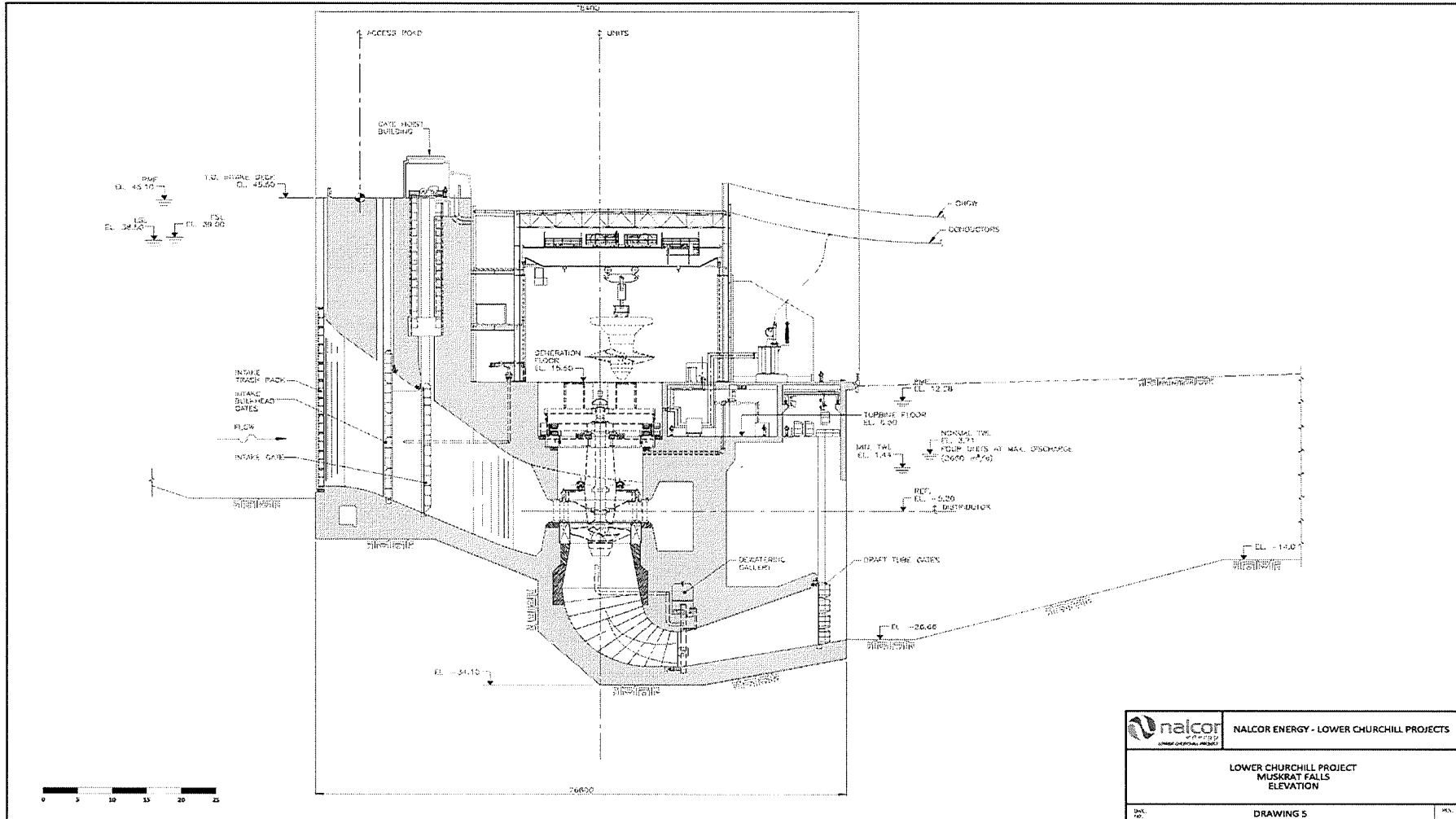






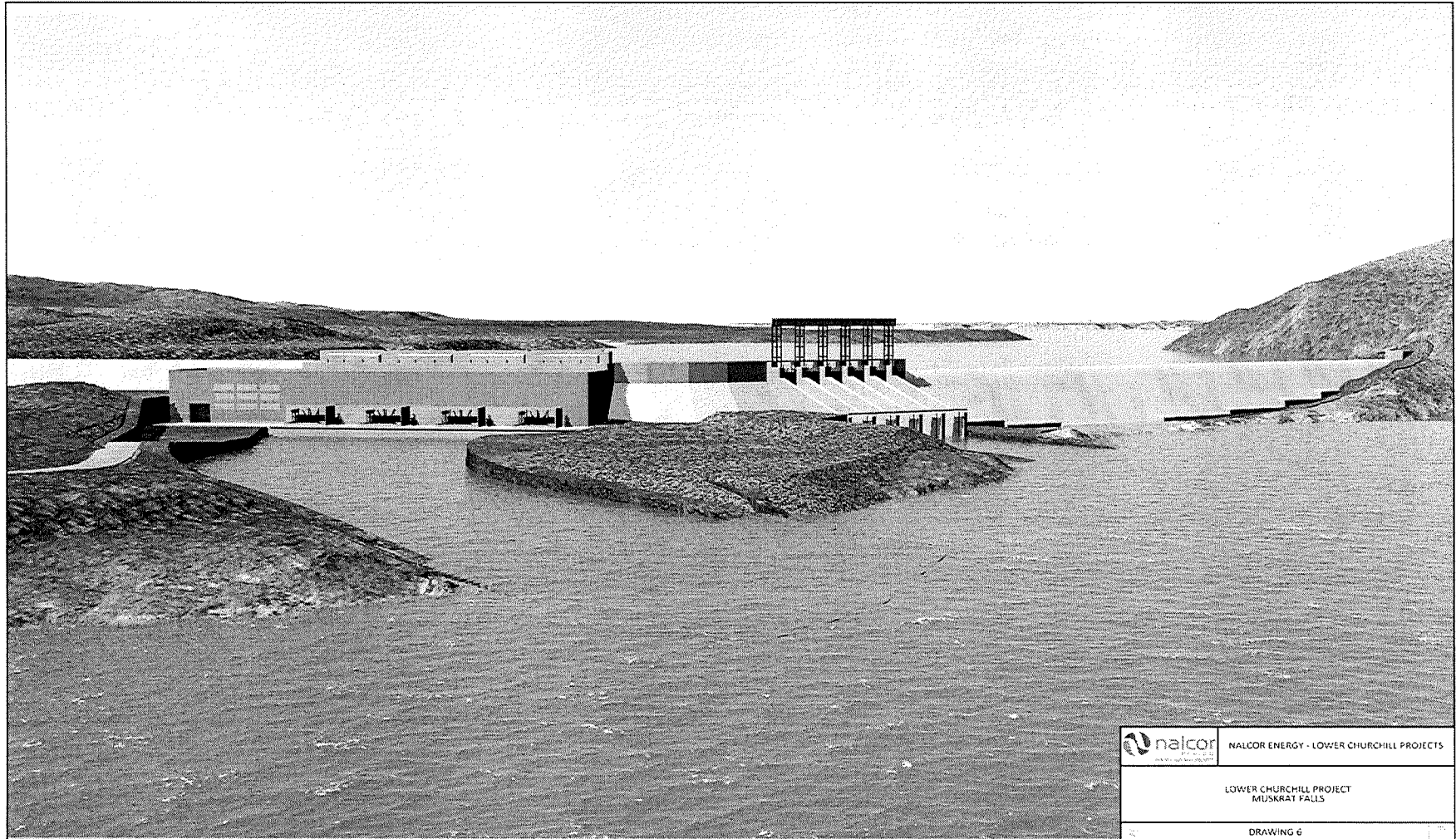
	NALCOR ENERGY - LOWER CHURCHILL PROJECTS
	LOWER CHURCHILL PROJECT SINGLE LINE DIAGRAM
	DRAWING 3





Basis of Design

Doc. #: LCP-PT-ED-0000-EN-RP-0001-01  
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**SCHEDULE "AA"**

**BASE EQUITY COMMITMENT**

<b>BASE EQUITY COMMITMENT</b>	
<b>LIL</b>	<b>CDN\$607,058,329</b>

**SCHEDULE "BB"**

**FUNDING REQUEST SUPPORTING DOCUMENTATION**

(See attached)

<b>Lower Churchill Project October 2013 Cash Call</b>			
<b>CCA</b>	<b>Company</b>	<b>Net Funds Required</b>	
		<b>CDN</b>	<b>USD</b>
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	-
<b>Total</b>		<b>96,799,830.60</b>	<b>95,616.24</b>

<b>Consolidated Amounts Above Were Compiled From The Following</b>		
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
<b>Total</b>	<b>96,799,830.60</b>	<b>95,616.24</b>

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	RC0803:861	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  
Total Cash Call PM+ USD - October

\$ 85,174,773.83  
\$ 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	14829-08	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
Mdhnnes Cooper	2013016997	23-Aug-13	15168-08	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	14829-08	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	TE004441076	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	15089-08	5.1	\$ 5,210.32	\$ 4,610.90	CAD	AP
Osler	11565142	3-Oct-13	15089-08	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	14708-08	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	14708-08	5.1	\$ 497.28	\$ 440.07	CAD	AP
Noramtec	179891	4-Oct-13	LCP00772	5.1	\$ 6,821.00	\$ 6,036.28	CAD	AP

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3273508 Nova Scotia	001	4-Oct-13	LC-PM-147	5.1	\$ 29,154.00	\$ 25,800.00	CAD	AP
McInnes Cooper	2013021543	4-Oct-13	15168-OB	5.1	\$ 1,900.66	\$ 1,682.00	CAD	AP
McInnes Cooper	2013021547	4-Oct-13	15168-OB	5.1	\$ 23,704.58	\$ 20,977.50	CAD	AP
McInnes Cooper	2013021555	4-Oct-13	15168-OB	5.1	\$ 3,393.50	\$ 3,003.10	CAD	AP
McInnes Cooper	2013022059	4-Oct-13	15168-OB	5.1	\$ 18,645.00	\$ 16,500.00	CAD	AP
McInnes Cooper	2013021532	4-Oct-13	15168-OB	5.1	\$ 10,433.06	\$ 9,232.80	CAD	AP
Air Resources	SIN722465	4-Oct-13	LCP00774	5.1	\$ 430.53	\$ 381.00	CAD	AP
Air Resources	SIN722471	4-Oct-13	LCP00785	5.1	\$ 3,885.03	\$ 3,438.08	CAD	AP
Air Resources	SIN722685	4-Oct-13	LCP01523	5.1	\$ 5,546.94	\$ 4,908.80	CAD	AP
Air Resources	SIN722684	4-Oct-13	LCP01455	5.1	\$ 22,351.40	\$ 19,780.00	CAD	AP
Air Resources	SIN722611	4-Oct-13	LCP00785	5.1	\$ 19,469.24	\$ 17,229.42	CAD	AP
Air Resources	SIN722610	4-Oct-13	LCP00774	5.1	\$ 13,869.62	\$ 12,274.00	CAD	AP
Air Resources	SIN722688	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	\$ 27,784.90	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 Alliant	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	\$ 13,944.30	\$ 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	LCPO0829	5.1	\$ 382.35	\$ 2,112.50	CAD	AP
Provincial Airlines	S0022273	10-Oct-13	LCPO0829	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	LCPO0012	5.1	\$ 287.49	\$ 254.42	CAD	AP
Grenfell Foundation	0141	11-Oct-13	T8D	5.1	\$ 565.00	\$ 500.00	CAD	AP
Project Solutions Inc	LCP-2013-16	11-Oct-13	15011-08	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
i.L GP/ Intercompany	0017	11-Oct-13	72	5.1	\$ 107.70	\$ 95.31	CAD	AP

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LIL Hold Co/ Intercompany	0018	11-Oct-13	74	5.1	\$ 107.70	\$ 95.31	CAD	AP
Noramtec	180372	12-Oct-13	LCP00772	5.1	\$ 41,438.18	\$ 36,670.96	CAD	AP
Noramtec	180370	12-Oct-13	LCP00768	5.1	\$ 33,140.64	\$ 29,328.00	CAD	AP
The Telegram	TE0442421	12-Oct-13	LCP01463	5.1	\$ 1,863.31	\$ 1,648.95	CAD	AP
Noramtec	180147	12-Oct-13	LCP01431	5.1	\$ 37,149.43	\$ 32,875.60	CAD	AP
The Telegram	TE00443032	12-Oct-13	LCP01463	5.1	\$ 342.90	\$ 303.45	CAD	AP
Contract Land Staff, LLC	2099.13.01-0069669	12-Oct-13	LC-EN-031	5.1	\$ 2,112.50	\$ 2,112.50	USD	AP
Project Solutions Inc	LCP-2013-15	13-Oct-13	15011-OB	5.1	\$ 21,597.13	\$ 19,112.50	CAD	AP
Provincial Airlines	S0022504	13-Oct-13	LCP00829	5.1	\$ 3,671.10	\$ 3,248.76	CAD	AP
Bell Aliant	INV2901847	13-Oct-13	LCP01042	5.1	\$ (32.08)	\$ (28.39)	CAD	AP
Bell Aliant	INV2902612	13-Oct-13	LCP01042	5.1	\$ 893.72	\$ 790.90	CAD	AP
Eastern Region Business Solutions	687335717	13-Oct-13	LCP01634	5.1	\$ 270.07	\$ 239.00	CAD	AP
Millennium Express	76740	13-Oct-13	LCP01136	5.1	\$ 19.09	\$ 16.89	CAD	AP
Millennium Express	76749	13-Oct-13	LCP01136	5.1	\$ 86,726.37	\$ 76,749.00	CAD	AP
The Telegram	TE00439802	13-Oct-13	LCP01463	5.1	\$ 9,040.00	\$ 8,000.00	CAD	AP
The Telegram	TE00437940	13-Oct-13	LCP01463	5.1	\$ 940.16	\$ 832.00	CAD	AP
Agility Partners	5297	13-Oct-13	LC-PM-133	5.1	\$ 2,475.00	\$ 2,475.00	USD	AP
Brenkir	MP-00392828	13-Oct-13	LCP01525	5.1	\$ 210.75	\$ 186.50	CAD	AP
Brenkir	MP-00392776	13-Oct-13	LCP01525	5.1	\$ 120.82	\$ 106.92	CAD	AP
Brenkir	MP-00392778	13-Oct-13	LCP01525	5.1	\$ 275.44	\$ 243.75	CAD	AP
Brenkir	MP-00392775	13-Oct-13	LCP01525	5.1	\$ 324.95	\$ 287.57	CAD	AP
NL News	2504	13-Oct-13	LCP01041	5.1	\$ 4,054.12	\$ 3,587.72	CAD	AP
Fed Ex	7-232-67209	13-Oct-13	TBD	5.1	\$ 596.82	\$ 528.16	CAD	AP
Xerox	F45132022	16-Oct-13	14708-OB	5.1	\$ 748.87	\$ 662.72	CAD	AP
Intruder Consulting Inc	40	16-Oct-13	LC-PM-073	5.1	\$ 18,645.00	\$ 16,500.00	CAD	AP
M.S Peddle Consulting Limited	2013-008	16-Oct-13	15571-OB	5.1	\$ 26,235.27	\$ 23,217.05	CAD	AP
Dovre Canada Ltd.	33404	17-Oct-13	LCP00584	5.1	\$ 13,973.58	\$ 12,366.00	CAD	AP
Dovre Canada Ltd.	33221	17-Oct-13	LCP00585	5.1	\$ 12,638.60	\$ 11,184.60	CAD	AP
Dovre Canada Ltd.	33259	17-Oct-13	LCP00587	5.1	\$ 36,971.34	\$ 32,718.00	CAD	AP
Dovre Canada Ltd.	33362	17-Oct-13	LCP00590	5.1	\$ 20,285.76	\$ 17,952.00	CAD	AP
Dovre Canada Ltd.	33403	17-Oct-13	LCP00595	5.1	\$ 4,101.90	\$ 3,630.00	CAD	AP
Dovre Canada Ltd.	33253	17-Oct-13	LCP00601	5.1	\$ 10,824.91	\$ 9,579.57	CAD	AP
Dovre Canada Ltd.	33408	17-Oct-13	LCP00675	5.1	\$ 6,957.36	\$ 6,156.96	CAD	AP
Dovre Canada Ltd.	33264	17-Oct-13	LCP00727	5.1	\$ 9,478.44	\$ 8,388.00	CAD	AP
Dovre Canada Ltd.	33391	17-Oct-13	LCP01038	5.1	\$ 24,159.68	\$ 21,380.25	CAD	AP
Dovre Canada Ltd.	33392	17-Oct-13	LCP01039	5.1	\$ 22,771.20	\$ 20,151.50	CAD	AP
Dovre Canada Ltd.	33393	17-Oct-13	LCP01049	5.1	\$ 24,437.38	\$ 21,626.00	CAD	AP
Dovre Canada Ltd.	33260	17-Oct-13	LCP01129	5.1	\$ 8,847.90	\$ 7,830.00	CAD	AP
Dovre Canada Ltd.	33266	17-Oct-13	LCP01211	5.1	\$ 4,465.76	\$ 3,952.00	CAD	AP
Dovre Canada Ltd.	33262	17-Oct-13	LCP01279	5.1	\$ 31,891.99	\$ 28,223.00	CAD	AP
Dovre Canada Ltd.	33225	17-Oct-13	LCP01332	5.1	\$ 11,814.69	\$ 10,455.48	CAD	AP
Dovre Canada Ltd.	33255	17-Oct-13	LCP01533	5.1	\$ 23,540.16	\$ 20,832.00	CAD	AP
Dovre Canada Ltd.	33261	17-Oct-13	LCP01538	5.1	\$ 6,221.77	\$ 5,505.99	CAD	AP
Dovre Canada Ltd.	33409	17-Oct-13	LCP01631	5.1	\$ 3,955.00	\$ 3,500.00	CAD	AP
Victoria Stanford Visa	May 27/13	17-Oct-13	PCard	5.1	\$ 526.57	\$ 465.99	CAD	AP
Ian Hickey Visa	Aug 26/13	17-Oct-13	PCard	5.1	\$ 5,926.53	\$ 5,244.72	CAD	AP
Cision	681762	17-Oct-13	LCP00554	5.1	\$ 561.53	\$ 496.93	CAD	AP
NL News	2447	17-Oct-13	LCP00554	5.1	\$ 4,740.70	\$ 4,195.31	CAD	AP
Brenkir	MP-00393134	18-Oct-13	LCP01525	5.1	\$ 106.39	\$ 94.15	CAD	AP
Brenkir	MP-00393027	18-Oct-13	LCP01525	5.1	\$ 305.64	\$ 270.48	CAD	AP



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Brenkir	MP-00393025	18-Oct-13	LCP01525	5.1	\$ 298.74	\$ 264.37	CAD	AP
CBDC Labrador Inc	YV1	18-Oct-13	TBD	5.1	\$ 282.50	\$ 250.00	CAD	AP
MicroAge Computer Centers	IN130438	18-Oct-13	TBD	5.1	\$ 4,271.40	\$ 3,780.00	CAD	AP
Cansel	K04583	18-Oct-13	LCP01443	5.1	\$ 431.66	\$ 382.00	CAD	AP
Cansel	K04845	18-Oct-13	LCP01629	5.1	\$ 576.30	\$ 510.00	CAD	AP
A Taste of Class	4901	18-Oct-13	LCP01119	5.1	\$ 18.50	\$ 16.37	CAD	AP
A Taste of Class	4900	18-Oct-13	LCP01119	5.1	\$ 52.25	\$ 46.24	CAD	AP
A Taste of Class	4908	18-Oct-13	LCP01119	5.1	\$ 68.67	\$ 55,000.00	CAD	AP
A Taste of Class	4906	18-Oct-13	LCP01119	5.1	\$ 269.64	\$ 238.62	CAD	AP
St. John Ambulance	INV000039486	18-Oct-13	TBD	5.1	\$ 235.04	\$ 208.00	CAD	AP
St. John Ambulance	INV000039771	18-Oct-13	LCP01646	5.1	\$ 4,097.80	\$ 3,626.37	CAD	AP
Marine Institue	MI28261	18-Oct-13	LCP01473	5.1	\$ 3,559.50	\$ 3,150.00	CAD	AP
Peter Hatcher Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 6,797.99	\$ 6,015.92	CAD	AP
Margriette Snow Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 8,988.49	\$ 7,954.42	CAD	AP
Mun	GC220-14	19-Oct-13	TBD	5.1	\$ 779.70	\$ 690.00	CAD	AP
Hatch	90461284	19-Oct-13	LCP01511	5.1	\$ 32,019.68	\$ 28,336.00	CAD	AP
Corporate Express	33712860	19-Oct-13	LCP01291	5.1	\$ 81.48	\$ 72.11	CAD	AP
J&H Food Services	2285	19-Oct-13	LCP00902	5.1	\$ 143.46	\$ 126.96	CAD	AP
Executive Coffee	109438	19-Oct-13	LCP00029	5.1	\$ 437.08	\$ 386.80	CAD	AP
Greco	286	19-Oct-13	LCP01600	5.1	\$ 181.64	\$ 160.74	CAD	AP
Brenda Anstey Visa	Aug 26/13	19-Oct-13	Pcard	5.1	\$ 4,146.92	\$ 3,669.84	CAD	AP
Cahill Business Solution	Est	27-Oct-13	LC-PM-048	5.1	\$ 29,380.00	\$ 26,000.00	CAD	AP
SRL Consulting	Est	30-Oct-13	LC-PM-071	5.1	\$ 42,940.00	\$ 38,000.00	CAD	AP
AMP Consulting	Est	30-Oct-13	LC-PM-052	5.1	\$ 27,685.00	\$ 24,500.00	CAD	AP
International Safety Mgmt	Est	30-Oct-13	LC-PM-056	5.1	\$ 23,730.00	\$ 21,000.00	CAD	AP
Van Ness Feldman	est	30-Oct-13	14829-08	5.1	\$ 55,000.00	\$ 55,000.00	USD	AP
Commercial Project Services	est	30-Oct-13	15012-08	5.1	\$ 33,900.00	\$ 30,000.00	CAD	AP
Hewitt Consulting	est	30-Oct-13	LC-PM-046	5.1	\$ 31,075.00	\$ 27,500.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.1	\$ 50,300.00	\$ 44,513.27	CAD	AP
Corporate - Overhead	130859	31-Oct-13	TBD	5.1	\$ 152,256.00	\$ 134,739.82	CAD	AP
Corporate - Cell Comm	Est	31-Oct-13	TBD	5.1	\$ 16,500.00	\$ 14,601.77	CAD	AP
Corporate - PCard	Est	31-Oct-13	TBD	5.1	\$ 175,000.00	\$ 154,867.26	CAD	AP
Van Ness	103337	1-Oct-13	14829-08	5.1	\$ (55,700.72)	\$ (55,700.72)	USD	Carry forward last cash call
SCI Resource	SCI-Nalcor-13-04	1-Oct-13	LCP00728	5.1	\$ (3,169.65)	\$ (2,805.00)	CAD	Carry forward last cash call
Triware	143307	1-Oct-13	TBD	5.1	\$ (112.50)	\$ (99.56)	CAD	Carry forward last cash call
Bell Aliant	INV2252717	1-Oct-13	LCP01042	5.1	\$ (167.01)	\$ (147.80)	CAD	Carry forward last cash call
Bell Aliant	June27/13	1-Oct-13	LCP01042	5.1	\$ (421.51)	\$ (373.02)	CAD	Carry forward last cash call
McInnes Cooper	2013016997	1-Oct-13	15168-08	5.1	\$ (1,945.86)	\$ (1,722.00)	CAD	Carry forward last cash call
The Telegram	TE00438533	1-Oct-13	TBD	5.1	\$ (1,544.20)	\$ (1,366.55)	CAD	Carry forward last cash call
Bell Aliant	INV40408576	1-Oct-13	LCP01539	5.1	\$ (43,595.29)	\$ (38,579.90)	CAD	Carry forward last cash call
Bell Aliant	INV2442025	1-Oct-13	LCP01042	5.1	\$ (12,044.05)	\$ (10,658.45)	CAD	Carry forward last cash call
The Telegram	TE00439276	1-Oct-13	TBD	5.1	\$ (383.71)	\$ (339.57)	CAD	Carry forward last cash call
Van Ness	104675	1-Oct-13	14829-08	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	15074-08	5.2	\$ 44,873.86	\$ 39,711.38	CAD	AP
Fasken	751056	26-Sep-13	14672-08	5.2	\$ 12,857.83	\$ 11,378.61	CAD	AP
Fasken	751055	26-Sep-13	14672-08	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	\$ 30,529.11	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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Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
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 25/13	11-Oct-13	PCard	5.3	\$ 3,717.51	\$ 3,289.83	CAD	AP
Matthew Hillier	August 26/13	11-Oct-13	PCard	5.3	\$ 4,404.40	\$ 3,897.70	CAD	AP
Patrick Keough	August 26/13	11-Oct-13	PCard	5.3	\$ 5,322.28	\$ 4,709.98	CAD	AP
Darren Paddock	August 26/13	11-Oct-13	PCard	5.3	\$ 841.47	\$ 744.66	CAD	AP
Chris Dunphy	August 26/13	11-Oct-13	PCard	5.3	\$ 1,162.49	\$ 1,028.75	CAD	AP
Alemdar Construction Management Services	1304	11-Oct-13	LC-PM-145	5.3	\$ 9,161.16	\$ 8,107.22	CAD	AP
Northern Oil Ltd	13427	12-Oct-13	LCP01406	5.3	\$ 1,266.99	\$ 1,121.23	CAD	AP
Northern Oil Ltd	725427	12-Oct-13	LCP01406	5.3	\$ 1,365.82	\$ 1,208.69	CAD	AP
Northern Oil Ltd	725573	12-Oct-13	LCP01406	5.3	\$ 226.67	\$ 200.59	CAD	AP
Northern Oil Ltd	13582	12-Oct-13	LCP01406	5.3	\$ 1,440.86	\$ 1,275.10	CAD	AP
Northern Oil Ltd	726067	12-Oct-13	LCP01406	5.3	\$ 2,262.49	\$ 2,002.20	CAD	AP
Northern Oil Ltd	13571	12-Oct-13	LCP01406	5.3	\$ 1,735.94	\$ 1,536.23	CAD	AP
Northern Oil Ltd	726078	12-Oct-13	LCP01406	5.3	\$ 1,819.41	\$ 1,610.10	CAD	AP
Northern Oil Ltd	13559	12-Oct-13	LCP01406	5.3	\$ 958.58	\$ 848.30	CAD	AP
Alantra Leasing Inc	35770	12-Oct-13	LCP01576	5.3	\$ 1,237.35	\$ 1,095.00	CAD	AP
Alantra Leasing Inc	35769	12-Oct-13	LCP01576	5.3	\$ 1,237.35	\$ 1,095.00	CAD	AP
Capital Crane	70407	12-Oct-13	LCP01653	5.3	\$ 1,708.84	\$ 1,512.25	CAD	AP
Bio-Green Waste Water Ltd.	21	13-Oct-13	LC-PM-112	5.3	\$ 4,356.56	\$ 3,855.36	CAD	AP
Bio-Green Waste Water Ltd.	22	13-Oct-13	LC-PM-112	5.3	\$ 2,373.00	\$ 2,100.00	CAD	AP
Bio-Green Waste Water Ltd.	20	13-Oct-13	LC-PM-113	5.3	\$ 50,624.00	\$ 44,800.00	CAD	AP
Dept of Environment & Conservation	22012271	13-Oct-13	LCP01270	5.3	\$ 30.45	\$ 26.95	CAD	AP
Newfound Recruiting	130904-1292	13-Oct-13	LCP01544	5.3	\$ 2,115.36	\$ 1,872.00	CAD	AP
Dovre Canada Ltd.	33444	17-Oct-13	LCP00578	5.3	\$ 43,179.36	\$ 38,211.82	CAD	AP
Dovre Canada Ltd.	33410	17-Oct-13	LCP00581	5.3	\$ 29,992.81	\$ 26,542.31	CAD	AP
Dovre Canada Ltd.	33224	17-Oct-13	LCP00602	5.3	\$ 43,638.32	\$ 38,617.98	CAD	AP
Dovre Canada Ltd.	33450	17-Oct-13	LCP00660	5.3	\$ 31,684.50	\$ 28,039.38	CAD	AP
Dovre Canada Ltd.	33265	17-Oct-13	LCP01064	5.3	\$ 27,322.84	\$ 24,179.50	CAD	AP
Dovre Canada Ltd.	33223	17-Oct-13	LCP01540	5.3	\$ 27,844.90	\$ 24,641.50	CAD	AP
Dovre Canada Ltd.	33220	17-Oct-13	LCP01542	5.3	\$ 21,675.75	\$ 19,182.08	CAD	AP
Goose Bay Airport Corporation	VP08-13	18-Oct-13	LCP01397	5.3	\$ 169.50	\$ 150.00	CAD	AP
CGI Development Inc	2452	18-Oct-13	LCP01581	5.3	\$ 95,943.78	\$ 84,906.00	CAD	AP
Maderra	1485	18-Oct-13	LCP01131	5.3	\$ 43,916.30	\$ 38,863.98	CAD	AP
Maderra	1486	18-Oct-13	LCP01131	5.3	\$ 1,865.86	\$ 1,651.20	CAD	AP
Campbell Scientific	108640	18-Oct-13	LCP01606	5.3	\$ 2,740.25	\$ 2,425.00	CAD	AP
Stassinu Stantec	1395	19-Oct-13	LC-EV-102	5.3	\$ 276,577.67	\$ 244,759.00	CAD	AP
Stassinu Stantec	1397	19-Oct-13	LC-EV-102	5.3	\$ 367,171.35	\$ 324,930.40	CAD	AP
Cyril French Visa	July 25/13	19-Oct-13	Pcard	5.3	\$ 3,457.25	\$ 3,059.51	CAD	AP
Hatch	90461698	19-Oct-13	15074-08	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	15168-08	5.3	\$ (46,356.05)	\$ (41,023.05)	CAD	Carry forward last cash call
Orion Holdings	NAL-003	1-Oct-13	LC-PM-129	5.3	\$ (37,021.87)	\$ (32,762.72)	CAD	Carry forward last cash call
Hatch	90456550	1-Oct-13	LCP01549	5.3	\$ (16,805.36)	\$ (14,872.00)	CAD	Carry forward last cash call
Hatch	90456548	1-Oct-13	LCP01510	5.3	\$ (23,617.00)	\$ (20,900.00)	CAD	Carry forward last cash call
Hatch	90456545	1-Oct-13	LCP01414	5.3	\$ (16,953.70)	\$ (15,003.27)	CAD	Carry forward last cash call
Hatch	90456544	1-Oct-13	LCP01401	5.3	\$ (28,360.01)	\$ (25,097.35)	CAD	Carry forward last cash call
Hatch	90456543	1-Oct-13	LCP01402	5.3	\$ (46,145.12)	\$ (40,836.39)	CAD	Carry forward last cash call
Hatch	90456542	1-Oct-13	LCP01384	5.3	\$ (26,035.20)	\$ (23,040.00)	CAD	Carry forward last cash call
Hatch	90456541	1-Oct-13	LCP01383	5.3	\$ (30,916.80)	\$ (27,360.00)	CAD	Carry forward last cash call
Hatch	90456540	1-Oct-13	LCP01385	5.3	\$ (37,734.09)	\$ (33,393.00)	CAD	Carry forward last cash call
Hatch	90456539	1-Oct-13	LCP01382	5.3	\$ (3,227.28)	\$ (2,856.00)	CAD	Carry forward last cash call
Hatch	90456538	1-Oct-13	LCP01324	5.3	\$ (38,608.71)	\$ (34,167.00)	CAD	Carry forward last cash call
Hatch	90456535	1-Oct-13	LCP01316	5.3	\$ (3,034.05)	\$ (2,685.00)	CAD	Carry forward last cash call
Hatch	90456551	1-Oct-13	LCP01552	5.3	\$ (34,949.89)	\$ (30,929.11)	CAD	Carry forward last cash call
Orion Holdings	NAL-004R1	1-Oct-13	LC-PM-129	5.3	\$ (47,628.70)	\$ (42,149.29)	CAD	Carry forward last cash call
EFCO Enterprises	25446-2	1-Oct-13	LC-MF-003	5.3	\$ (17,978.30)	\$ (15,910.00)	CAD	Carry forward last cash call
Hatch	90454170	21-Aug-13	LCP01471	5.4	\$ 53,251.58	\$ 47,125.29	CAD	AP
Nexus Energy Inc	NEI-NEL-T0005	10-Sep-13	LC-PM-102	5.4	\$ 899.33	\$ 795.87	CAD	AP
Hatch	90460830	10-Sep-13	LC-5B-008	5.4	\$ 39,556.22	\$ 35,005.50	CAD	AP
Hatch	90456546	12-Sep-13	LCP01471	5.4	\$ 37,787.20	\$ 33,440.00	CAD	AP
Hatch	90456537	12-Sep-13	LCP01305	5.4	\$ 27,653.36	\$ 24,472.00	CAD	AP
Hatch	90456535	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
SRI 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
Osier	11562909	3-Oct-13	15089-08	5.4	\$ 1,060.96	\$ 938.90	CAD	AP
McInnes Cooper	2013021557	4-Oct-13	15168-08	5.4	\$ 11,449.16	\$ 10,132.00	CAD	AP
McInnes Cooper	2013021556	4-Oct-13	15168-08	5.4	\$ 33,100.19	\$ 29,292.20	CAD	AP
NSB Energy Inc	2013-581	4-Oct-13	LCP01304	5.4	\$ 37,742.00	\$ 33,400.00	CAD	AP
Nexus Energy Inc	NEI-NEL-0019	5-Oct-13	LC-PM-102	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEP13-001	9-Oct-13	LC-PM-053	5.4	\$ 8,336.02	\$ 7,377.01	CAD	AP
Rosanne Williams Expense Claim	Sept6/13	10-Oct-13	Tclaim	5.4	\$ 42.02	\$ 37.19	CAD	AP
DeBourke Enterprises	2013-009	10-Oct-13	LC-PM-110	5.4	\$ 20,136.60	\$ 17,820.00	CAD	AP

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Inmarsat	R101079201308	11-Oct-13	LCP00983	5.4	\$ 28.74	\$ 28.74	USD	AP
Golder Associates	566179	11-Oct-13	LC-EV-088	5.4	\$ 14,141.95	\$ 12,515.00	CAD	AP
SFO Subsea Inc	TE20130922	11-Oct-13	LC-PM-051	5.4	\$ 6,486.21	\$ 5,740.01	CAD	AP
3266195 Nova Scotia	201308	11-Oct-13	LC-PM-108	5.4	\$ 28,928.00	\$ 25,600.00	CAD	AP
LIL LP/ Intercompany	0002	11-Oct-13	75	5.4	\$ 1,130.00	\$ 1,000.00	CAD	AP
LIL LP/ Intercompany	0015	11-Oct-13	75	5.4	\$ 5,215,472.11	\$ 4,615,462.04	CAD	AP
Noramtec	180373	12-Oct-13	LCP01611	5.4	\$ 11,390.40	\$ 10,080.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Provincial Aerospace	C0001142	12-Oct-13	LC-SB-002	5.4	\$ 30,433.16	\$ 26,932.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-002	13-Oct-13	LC-PM-053	5.4	\$ 3,399.80	\$ 3,008.67	CAD	AP
Nexus Energy Inc	NEI-NEL-T0006	13-Oct-13	LC-PM-102	5.4	\$ 761.29	\$ 673.71	CAD	AP
Newfound Recruiting	130904-1290	13-Oct-13	LCP01547	5.4	\$ 18,306.00	\$ 16,200.00	CAD	AP
Nexans	195153294	16-Oct-13	LC-SB-003	5.4	\$ 4,307,633.53	\$ 3,812,065.07	CAD	AP
Dovre Canada Ltd.	33222	17-Oct-13	LCP00582	5.4	\$ 16,800.28	\$ 14,867.50	CAD	AP
Dovre Canada Ltd.	33257	17-Oct-13	LCP00586	5.4	\$ 14,530.67	\$ 12,859.00	CAD	AP
Dovre Canada Ltd.	33449	17-Oct-13	LCP00763	5.4	\$ 22,475.70	\$ 19,890.00	CAD	AP
Dovre Canada Ltd.	33288	17-Oct-13	LCP01410	5.4	\$ 19,933.20	\$ 17,640.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-003	18-Oct-13	LC-PM-053	5.4	\$ 760.22	\$ 672.76	CAD	AP
Amec	G85208	18-Oct-13	LC-SB-017	5.4	\$ 76,026.40	\$ 67,280.00	CAD	AP
Yankee Point - Hydro	12-Sep	19-Oct-13	LCP00128	5.4	\$ 116.62	\$ 103.20	CAD	AP
Hatch	90461410	19-Oct-13	LCP01647	5.4	\$ 9,944.00	\$ 8,800.00	CAD	AP
Hatch	90461405	19-Oct-13	LCP01305	5.4	\$ 44,790.70	\$ 39,637.79	CAD	AP
Hatch	90461337	19-Oct-13	LCP01295	5.4	\$ 33,462.40	\$ 29,612.74	CAD	AP
Direct Horizontal Drilling	est	20-Oct-13	LC-SB-022	5.4	\$ 39,550.00	\$ 35,000.00	CAD	AP
SRL Consulting	Est	30-Oct-13	LC-PM-071	5.4	\$ 25,990.00	\$ 23,000.00	CAD	AP
VF Solutions	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
SFO Subsea Inc	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
Robco	Est	30-Oct-13	LC-PM-059	5.4	\$ 35,030.00	\$ 31,000.00	CAD	AP
Nexus Energy Inc	Est	30-Oct-13	LC-PM-102	5.4	\$ 15,255.00	\$ 13,500.00	CAD	AP
Whelan Engineering	Est	30-Oct-13	LC-PM-140	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
C&T Enterprises	est	31-Oct-13	LC-SB-021	5.4	\$ 158,200.00	\$ 140,000.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.4	\$ 26,300.00	\$ 23,274.34	CAD	AP
Nalcor Energy	August	31-Oct-13	TBD	5.4	\$ (5,216,817.51)	\$ (4,616,652.66)	CAD	AP
Hatch	90454170	1-Oct-13	LCP01471	5.4	\$ (53,251.58)	\$ (47,125.29)	CAD	Carry forward last cash call
Hatch	90456546	1-Oct-13	LCP01471	5.4	\$ (37,787.20)	\$ (33,440.00)	CAD	Carry forward last cash call
Hatch	90456537	1-Oct-13	LCP01305	5.4	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
Hatch	90456536	1-Oct-13	LCP01295	5.4	\$ (26,244.79)	\$ (23,225.48)	CAD	Carry forward last cash call
LGL	13576	1-Oct-13	LC-EV-049	5.4	\$ (1,002.34)	\$ (887.03)	CAD	Carry forward last cash call
Amec	G44453	1-Oct-13	LC-EV-108	5.4	\$ (50,940.40)	\$ (45,080.00)	CAD	Carry forward last cash call
McInnes Cooper	2013006697	3-May-13	15168-08	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	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
A Taste of Class	4839	11-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP

Lower Churchill Project  
PRISM Cash Call Report  
For Month Ending the 31-Oct-2013

Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
TransGrid Solution	2382	11-Oct-13	LC-EN-027	5.5	\$ 16,272.00	\$ 2,475.00	CAD	AP
TransGrid Solution	2383	11-Oct-13	LC-EN-027	5.5	\$ 1,349.38	\$ 1,194.14	CAD	AP
A Taste of Class	4836	19-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.5	\$ 6,100.00	\$ 5,398.23	CAD	AP
McInnes Cooper	2013006697	1-Oct-13	15168-OB	5.5	\$ (89,015.30)	\$ (78,774.60)	CAD	Carry forward last cash call
McInnes Cooper	2013010325	1-Oct-13	15168-OB	5.5	\$ (3,995.68)	\$ (3,536.00)	CAD	Carry forward last cash call
McInnes Cooper	2013013391	1-Oct-13	15168-OB	5.5	\$ (960.50)	\$ (850.00)	CAD	Carry forward last cash call
McInnes Cooper	2013016181	1-Oct-13	15168-OB	5.5	\$ (67,191.03)	\$ (59,461.09)	CAD	Carry forward last cash call
BWC Consulting	25	1-Oct-13	LC-PM-072	5.5	\$ (19,364.40)	\$ (17,136.64)	CAD	Carry forward last cash call
CBCL Ltd	424101	26-Jul-13	LC-EN-042	5.6	\$ 51,541.45	\$ 45,611.90	CAD	AP
CBCL Ltd	424434	17-Aug-13	LC-EN-042	5.6	\$ 21,277.30	\$ 18,829.47	CAD	AP
Hatch	90456534	12-Sep-13	LCP01312	5.6	\$ 27,653.36	\$ 24,472.00	CAD	AP
CBCL Ltd	424869	18-Sep-13	LC-EN-042	5.6	\$ 1,822.13	\$ 1,612.50	CAD	AP
McInnes Cooper	2013021549	4-Oct-13	15168-OB	5.6	\$ 22,556.04	\$ 19,961.10	CAD	AP
NSB Energy Inc	2013-584	4-Oct-13	LCP01558	5.6	\$ 58.31	\$ 51.60	CAD	AP
PF Collins	01IN0000683753	13-Oct-13	LC-PM-124	5.6	\$ 540.14	\$ 478.00	CAD	AP
PF Collins	01IN0000683805	13-Oct-13	LC-PM-124	5.6	\$ 2,316.50	\$ 2,050.00	CAD	AP
Hatch	90461273	19-Oct-13	LCP01312	5.6	\$ 32,019.68	\$ 28,336.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.6	\$ 20,000.00	\$ 17,699.12	CAD	AP
CBCL Ltd	424101	1-Oct-13	LC-EN-042	5.6	\$ (51,541.45)	\$ (45,611.90)	CAD	Carry forward last cash call
CBCL Ltd	424434	1-Oct-13	LC-EN-042	5.6	\$ (21,277.30)	\$ (18,829.47)	CAD	Carry forward last cash call
Hatch	90456534	1-Oct-13	LCP01312	5.6	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
CBCL Ltd	424869	1-Oct-13	LC-EN-042	5.6	\$ (1,822.13)	\$ (1,612.50)	CAD	Carry forward last cash call
McInnes Cooper	2013016185	25-Sep-13	15168-OB	5.9	\$ 12,177.56	\$ 10,776.60	CAD	AP
Fasken	751516	26-Sep-13	14672-OB	5.9	\$ 378,170.73	\$ 334,664.36	CAD	AP
Fasken	751051	26-Sep-13	14672-OB	5.9	\$ 32,307.10	\$ 28,590.35	CAD	AP
James Meaney Visa	June25/13	27-Sep-13	PCard	5.9	\$ 910.45	\$ 805.71	CAD	AP
McInnes Cooper	2013021539	4-Oct-13	15168-OB	5.9	\$ 25,819.47	\$ 22,849.09	CAD	AP
McInnes Cooper	2013021544	4-Oct-13	15168-OB	5.9	\$ 5,707.40	\$ 5,050.80	CAD	AP
McInnes Cooper	2013021559	4-Oct-13	15168-OB	5.9	\$ 9,400.47	\$ 8,319.00	CAD	AP
Cassels Brock	1897636	19-Oct-13	LCP01512	5.9	\$ 206,744.63	\$ 182,959.85	CAO	AP
Blair Franklin	134	19-Oct-13	LCP01513	5.9	\$ 54,682.70	\$ 48,391.77	CAD	AP
Blair Franklin	133	19-Oct-13	LCP01513	5.9	\$ 15,396.25	\$ 13,625.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.9	\$ 100.00	\$ 88.50	CAD	AP

Total Cash Call Prism CAD - October  
Total Cash Call Prism USD - October

\$ 11,625,056.77  
\$ 59,616.24

SCHEDULE "CC"

**CERTIFICATE RELATING TO TRANSFER OF LIL INCOME  
ON ACCOUNT BALANCES FROM THE SINKING FUND ACCOUNT**

Date: \_\_\_\_\_

**THE TORONTO-DOMINION BANK**

AS COLLATERAL AGENT  
66 Wellington Street West  
9th Floor  
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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.

As of the date hereof, the LIL Income on Account Balances on deposit in the Sinking Fund Account (5230521) is equal to CDN\$ Note 1. We hereby request that an amount equal to CDN\$ Note 2 of such LIL Income on Account Balances be transferred to the Partnership Project Funding Account (5230446) on Note 3.

In that regard, I, <@>, the undersigned, <@> of the General Partner, in my capacity as an officer and without personal liability, do hereby certify pursuant to subsection 8.10.2.3 of the LIL Project Finance Agreement that the balance remaining in the Sinking Fund Account (5230521), following the aforesaid transfer of such amount of the LIL Income on Account Balances on deposit in the Sinking Fund Account (5230521), will, on a mark-to-market basis, be greater than or equal to the balance required to be maintained in the Sinking Fund Account (5230521) at such time pursuant to Schedule "X" of the LIL Project Finance Agreement.

Signed at <@>, this <@> day of <@>, <@>.

\_\_\_\_\_  
Name:  
Title:

**Notes:**

1. Specify the full amount of the LIL Income on Account Balances on deposit as of the date hereof in the Sinking Fund Account (5230521).
2. Specify the amount of the LIL Income on Account Balances on deposit in the Sinking Fund Account (5230521) to be transferred to the Partnership Project Funding Account (5230440).
3. Specify the date of the requested transfer.



## SCHEDULE "DD"

### IE COST OVERRUNS CONFIRMATION CERTIFICATE

This IE Cost Overruns 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 Second Amended and Restated LIL Project Finance Agreement dated as of May 10, 2017 among, *inter alia*, Labrador-Island Link Limited Partnership (the "**Borrower**"), LIL Construction Project Trust (the "**Lender**") and the Collateral Agent (as further amended, supplemented or restated from time to time, the "**Finance Agreement**") and Her Majesty in Right of Canada, as represented by the Minister of Natural Resources ("**Canada**"). Capitalized terms used in this IE Cost Overruns Confirmation Certificate and not otherwise defined herein shall have the meanings assigned to them in the Second Amended and Restated Master Definitions Agreement dated as of May 10, 2017 among, *inter alia*, the Borrower, the Lender and the Collateral Agent, as further amended, supplemented or restated from time to time.

The Independent Engineer has (i) reviewed the Cost Overruns Certificate attached as Schedule "A" hereto delivered to the Collateral Agent pursuant to Section [10.28.1/10.28.1A], (ii) reviewed the events that gave rise to the Cost Overruns, (iii) discussed matters believed pertinent to this IE Cost Overruns Confirmation Certificate with Devco, the Borrower and any relevant Material Project Participants, and (iv) made such other inquiries as we have determined appropriate.

On the basis of the foregoing limited review procedures and on the understanding and assumption that the factual information contained in the Cost Overruns Certificate dated \_\_\_\_\_ (the "**Cost Overruns Certificate**") 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. We have been provided with reports and documents that identify and quantify the Cost Overrun which is the subject of this IE Cost Overruns Confirmation Certificate and are satisfied they appropriately identified the cause and resolution of the circumstances that have given rise to the Cost Overrun.
2. We have been provided with the Material Project Documents or amendments to the Material Project Documents that engage <@> under such Material Project Documents to complete the additional work (or to quantify the additional costs in a valid and binding manner).

3. We have no reason to believe that such reports, documents, Material Project Documents or amendments to Material Project Documents misrepresent the required additional costs or work in any material manner.

This IE Cost Overruns Confirmation Certificate is solely for the information and assistance of the Collateral Agent and Canada in connection with the Cost Overruns Certificate 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 "A"**

**COST OVERRUNS CERTIFICATE**

**[NOTE: Please attach the Cost Overruns Certificate]**

**SCHEDULE "EE"**

**ADDITIONAL DEBT CERTIFICATE (OPERATING PERIOD)**

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 second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 12.2.6(iii)(a) of the LIL Project Finance Agreement.

I, <@>, the <@> of the General Partner, in my capacity as an officer of the General Partner and without personal liability, do hereby certify that:

1. I do not know of the existence, as of the date hereof, of a condition or of any fact whatsoever, constituting a LIL Event of Default that is continuing, and the incurrence of

the Proposed Additional Debt (as defined below) shall not, on its own, result in a LIL Event of Default;

2. The calculations below are made in connection with Additional Debt in an amount of CDN\$\_\_\_\_\_ (the "**Proposed Additional Debt**") expected to be incurred on **Note 1** (the "**Date of Incurrence**"), and the information provided for purposes of such calculations is provided as at the Date of Incurrence;

3. As at the Date of Incurrence, immediately following the incurrence of the Proposed Additional Debt, the Prospective DSCR, calculated on a rolling twelve (12) month basis, would be \_\_\_\_\_, and is calculated as follows:

(i) the Base Cash Flow of the Partnership for the period of the twelve (12) calendar months immediately following the Date of Incurrence (line (a) – line (b)): CDN\$\_\_\_\_\_

(a) Contracted Revenues CDN\$\_\_\_\_\_

(b) Cash Operating Costs CDN\$\_\_\_\_\_

(ii) the Total Debt Service for such period: CDN\$ **Note 2**

**Prospective DSCR = (i) = \_\_\_\_\_**  
**(ii)**

4. As at the Date of Incurrence, immediately following the incurrence of the Proposed Additional Debt, the DER would be \_\_\_\_\_, and is calculated as follows:

(i) the principal amount of the LIL Construction Loan: CDN\$\_\_\_\_\_

(ii) the principal amount of all outstanding Additional Debt: CDN\$\_\_\_\_\_

(iii) the Proposed Additional Debt: CDN\$\_\_\_\_\_

(iv) the balance on deposit in the Sinking Fund Account: CDN\$\_\_\_\_\_

(v) the aggregate outstanding balance of the Capital Account of the Partnership: CDN\$\_\_\_\_\_

(vi) the amount of equity proposed to be invested concurrently with the incurrence of the proposed Additional Debt (including any amounts to be transferred from the Cost Overrun Escrow Account pursuant to section 10.27 and paragraph 10.28.2.4 of the LIL Project Finance Agreement): CDN\$\_\_\_\_\_

$$DER = \frac{((i) + (ii) + (iii)) - (iv)}{[(i) + (ii) + (iii) - (iv)] + (v) + (vi)}$$

\_\_\_\_\_

---

**Notes:**

- 1 The Date of Incurrence must be at least five (5) Business Days after the date of delivery of this certificate.
2. Total Debt Service is to be calculated on a rolling basis and is to include the Additional Debt proposed to be incurred as if such Additional Debt had been incurred on the Date of Incurrence. Where the period includes the maturity of any Construction Tranche or Bullet Additional Debt, there shall be excluded from the calculation of Total Debt Service the principal amount payable or, as the case may be, paid on such maturity date.

Signed at <@>, this <@> day of <@>, <@>.

---

Name:  
Title: <@> of Labrador-Island Link General  
Partner Corporation

**SCHEDULE "FF"**

**ADDITIONAL DEBT CERTIFICATE (CONSTRUCTION PERIOD)**

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 second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 12.2.6(iii)(b) of the LIL Project Finance Agreement.

I, <@>, the <@> of the General Partner, in my capacity as an officer of the General Partner and without personal liability, do hereby certify that:

1. I do not know of the existence, as of the date hereof, of a condition or of any fact whatsoever, constituting a LIL Event of Default that is continuing, and the incurrence of

the Proposed Additional Debt (as defined below) shall not, on its own, result in a LIL Event of Default;

2. This certificate is delivered in connection with Additional Debt in an amount of CDN\$\_\_\_\_\_ (the "**Proposed Additional Debt**") expected to be incurred on   **Note 1**   (the "**Date of Incurrence**");
3. The servicing of the Proposed Additional Debt constitutes Project Costs and will therefore be funded as any other Projects Costs under the terms of the LIL Project Finance Agreement;
4. During the Operating Period, the servicing of the Proposed Additional Debt is provided for under the LIL Lease as part of the rental payments thereunder.

Signed at <@>, this <@> day of <@>, <@>.

---

Name:  
Title: <@> of Labrador-Island Link General  
Partner Corporation

---

**Notes:**

- 1 The Date of Incurrence must be at least five (5) Business Days after the date of delivery of this certificate.



SCHEDULE "GG"

**WORKING CAPITAL REVOLVING FUNDING 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 second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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.

**[Note: The following italicized text is applicable in respect of an Advance under the Working Capital Revolving Facility pursuant to Section 7.8 of the LIL Project Finance Agreement.]**

*Pursuant to Sections 2.5 and 7.8 of the LIL Project Finance Agreement, we hereby request a LIL Drawdown under the Working Capital Revolving Facility for deposit into the Partnership Project Operating Account (5230459) in an amount of CDN\$ Note 2 on Note 3 (the "**LIL Drawdown Date**"), the whole in order to fund Eligible Project Costs in an aggregate amount of CDN\$ Note 4.*

**[Note: The following italicized paragraph is to be included where the previous italicized paragraph has been included and the amount of the Available Working Capital Revolving Facility is less than the amount of Eligible Project Costs intended to be funded.]**

*Please note that the amount of the Available Working Capital Revolving Facility is insufficient to fund the entire amount of aforementioned Eligible Project Costs. As such, we hereby notify you that an equity Investment in the Partnership in an amount of CDN\$ Note 5 will be made on or prior to the LIL Drawdown Date.*

**[Note: The following italicized text is applicable in respect of an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement.]**

*Pursuant to Sections 2.5 and 7.9 of the LIL Project Finance Agreement, we hereby request a LIL Drawdown under the Working Capital Revolving Facility for deposit into the Partnership Project Funding Account (5230440) in an amount of CDN\$ Note 6 on Note 7. This amount is in addition to the amount of Note 8 to be funded further to an Advance under the LIL Construction Facility as per the LIL Draw Request delivered concurrently herewith.*

For the purposes hereof, we hereby represent and warrant that each and every one of the representations and warranties made under the LIL Project Finance Agreement are true and correct on the date of this LIL Revolving Funding Request, except to the extent that any such representation or warranty expressly relates to a particular date, in which case such representation or warranty is true and correct as at such date.

We further represent and warrant that no LIL Event of Default has occurred and is continuing.

**[Note: The following italicized paragraph is to be included where a Working Capital Revolving Funding Request is delivered pursuant to Section 7.8 of the LIL Project Finance Agreement.]**

*You will find attached all supporting documentation and information sufficient to justify the necessity to fund Eligible Project Costs by way of the requested LIL Drawdown under the LIL Revolving Facility prior to the subsequent LIL Drawdown Date under the LIL Construction Facility. All of the information set forth herein and in all supporting documentation and information attached hereto is complete, correct and accurate in all material respects and we have no knowledge of any undisclosed fact which has or could materially affect the information set forth herein or in the supporting documentation and information attached hereto.*

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP, by its  
general partner LABRADOR -  
ISLAND LINK GENERAL PARTNER  
CORPORATION**

Per: \_\_\_\_\_

---

**Notes:**

1. The Working Capital Revolving Funding Request must be delivered by 10:00 a.m., Newfoundland Time, are least one (1) Business Day prior to the LIL Drawdown Date.
2. The amount of the Working Capital Revolving Funding Request must be less or equal to the amount of the Available LIL Revolving Facility.
3. Insert the proposed LIL Drawdown Date.
4. Insert the aggregate amount of Eligible Project Costs that will be funded in whole or in part with the LIL Drawdown.
5. This amount is determined by subtracting the amount of the Available Working Capital Revolving Facility from the amount of Eligible Project Costs (i.e. the amount in Note 4).
6. Insert the amount of the proposed LIL Drawdown.
7. Insert proposed LIL Drawdown Date, which is to be the same as the date indicated in Note 3 of the LIL Draw Request delivered concurrently herewith.
8. Insert the amount of the LIL Drawdown requested pursuant to the LIL Draw Request delivered concurrently herewith.

SCHEDULE "HH"

COST OVERRUNS CERTIFICATE

Date: Note 1

**THE TORONTO-DOMINION BANK**

AS COLLATERAL AGENT  
66 Wellington Street West  
9th Floor  
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opco**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 Cost Overruns Certificate is delivered to you pursuant to subsection [10.28.1/10.28.1A] of the LIL Project Finance Agreement.

I, <@>, the undersigned, <@> of Devco, and <@> of the General Partner, in my capacity as an officer and without personal liability, do hereby certify that:

1. I have conducted such investigations as I have deemed necessary to provide the information set out in this report;

2. attached hereto as Schedule "A" is a true and accurate analysis of the Cost to Complete as at the date hereof;
3. attached hereto as Schedule "B" is a true and accurate analysis of the Cost Overruns as at the date hereof, with a narrative explanation as to any variances from the Initial Project Budget;
4. the estimated Commissioning Date is currently <@> [<@>Please refer to Schedule "C" hereto for details.<@>] **[NOTE: Bracketed language to be included where the estimated Commissioning Date differs from the estimated Commissioning Date set out in the Project Schedule.];** and
5. the Cost Overruns identified in this Cost Overruns Certificate have been funded in accordance with the terms of the LIL Project Finance Agreement.

Signed at <@>, this <@> day of <@>, <@>.

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
**Notes:**

1. A Cost Overruns Certificate is to be delivered **(i)** on October 31, 2017 and on each anniversary date thereafter, and **(ii)** five (5) Business Days prior to each anniversary date of the first IT Drawdown Date to have occurred under the Initial IT Project Finance Agreement where, in accordance with subsection 10.28.1A of the LIL Project Finance Agreement, the information provided in the Cost Overrun Certificate delivered during the same year pursuant to subsection 10.28.1 of the LIL Project Finance Agreement no longer contains the most up to date available information.

**SCHEDULE "A"**

**[NOTE TO DRAFT: Please provide a detailed analysis of the Cost to Complete.]**

**[NOTE TO DRAFT: See Note to Draft regarding paragraphs 2 and 3 of this Cost Overruns Certificate.]**

**SCHEDULE "B"**

**[NOTE TO DRAFT: Please provide a description of any Cost Overruns detailing any variances from the Initial Project Budget (with a narrative explanation of such variances.)**

**[NOTE TO DRAFT: See Note to Draft regarding paragraphs 2 and 3 of this Cost Overruns Certificate.]**

**SCHEDULE "C"**

**[NOTE TO DRAFT: Please provide details regarding the variances from the estimated Commissioning Date set forth in the Project Schedule (with a narrative explanation of such variances).]**



**SCHEDULE "II"**

**FRDN PURCHASE REQUEST**

Date: \_\_\_\_\_



Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 entered into among Labrador - Island Link Limited Partnership (the "**Partnership**"), as borrower, LIL Construction Project Trust (the "**Intermediary Trust**"), as lender, Labrador – Island Link Operating Corporation ("**Opc**") and Labrador - Island Link General Partner Corporation (the "**General Partner**"), as credit parties, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**LIL Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, BNY Trust Company of Canada, as issuer trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as trustee of the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, the General Partner, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

We finally refer you to the letter agreement executed on \_\_\_\_\_ by the addressee, the Partnership and the Intermediary Trust in connection with the ADN, the AFRDN and the FRDN (the "**Deposit Note Letter Agreement**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to Section 1.2 of the Deposit Note Letter Agreement, we hereby request that The Toronto-Dominion Bank purchase on  **Note 1**  (the "**Purchase Date**") a portion of the FRDN represented by a par value of  **Note 2** , plus accrued interest to but excluding the Purchase Date, for a total purchase price of  **Note 3** .

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP, by its  
general partner LABRADOR -  
ISLAND LINK GENERAL PARTNER  
CORPORATION**

Per: \_\_\_\_\_

and Per: \_\_\_\_\_

---

**Notes:**

1. Insert the date on which the purchase of the FRDN, in whole or in part, is required to be made.
2. Insert the par value representing the portion of the FRDN requested to be purchased.
3. Insert the total of the amount inserted in Note 2 and the accrued interest to but excluding the Purchase Date.

**SCHEDULE "JJ"**

**INITIAL CONSTRUCTION TRANCHES**

<b><u>Initial Construction Tranche</u></b>	<b><u>Corresponding FV Bond Series</u></b>
1. Construction Tranche A	Series A Bonds
2. Construction Tranche B	Series B Bonds
3. Construction Tranche C	Series C Bonds

**SCHEDULE "KK"**

**NEW CONSTRUCTION TRANCHES**

On the date indicated below, the Partnership has delivered this Schedule to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of \_\_\_\_\_.

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP  
by its general partner  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,  
as an Obligor**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**New Construction Tranche**

**Corresponding FV Bond Series**

- |                                   |                        |
|-----------------------------------|------------------------|
| 1. Construction Tranche [<@>D<@>] | Series [<@>D<@>] Bonds |
| 2. Construction Tranche [<@>E<@>] | Series [<@>E<@>] Bonds |

**[NOTE TO DRAFT: To be completed with appropriate lettering in respect of the series of bonds and to reflect all of the series of bonds under FLG2.]**

**SCHEDULE "LL"**

**WORKING CAPITAL REVOLVING TRANCHES**

On the date indicated below, the Partnership has delivered this Schedule to the Collateral Agent pursuant to Section 10.29 of the LIL Project Finance Agreement.

Executed as of \_\_\_\_\_.

Yours truly,

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP  
by its general partner  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,  
as an Obligor**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**Working Capital Revolving Tranche**

**Corresponding FV Bond Series**

- |                                                |                        |
|------------------------------------------------|------------------------|
| 1. Working Capital Revolving Tranche [<@>D<@>] | Series [<@>D<@>] Bonds |
| 2. Working Capital Revolving Tranche [<@>E<@>] | Series [<@>E<@>] Bonds |

**[NOTE TO DRAFT: To be completed with appropriate lettering in respect of the series of bonds and to reflect all of the series of bonds under FLG2.]**

**SECOND AMENDED AND RESTATED  
MASTER DEFINITIONS AGREEMENT**

**AMONG**

**THE TORONTO-DOMINION BANK,  
as Collateral Agent and as Paying Agent**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as Issuer Trustee of  
LABRADOR - ISLAND LINK FUNDING TRUST,  
as a GAA Finance Party**

**AND**

**COMPUTERSHARE TRUST COMPANY OF CANADA,  
as the LIL Security Trustee, the IT Security Trustee and the FV Security Trustee**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as IT Trustee of  
LIL CONSTRUCTION PROJECT TRUST,  
as a GAA Finance Party and an Obligor**

**AND**

**NALCOR ENERGY,  
as a Contributing Party**

**AND**

**LABRADOR-ISLAND LINK HOLDING CORPORATION,  
as a Contributing Party**

**AND**



**HER MAJESTY IN RIGHT OF THE PROVINCE OF  
NEWFOUNDLAND AND LABRADOR,  
as Guarantor of the Contributing Parties**

**AND**

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP,  
as an Obligor**

**AND**

**LABRADOR - ISLAND LINK OPERATING CORPORATION,  
as an Obligor**

**AND**

**LABRADOR-ISLAND LINK GENERAL PARTNER CORPORATION,  
as an Obligor**

**DATED AS OF MAY 10, 2017**

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**THIS MASTER DEFINITIONS AGREEMENT** is made as of May 10, 2017

**AMONG:**           **THE TORONTO-DOMINION BANK**, as Collateral Agent and as Paying Agent

**AND:**             **BNY TRUST COMPANY OF CANADA**, as Issuer Trustee of **LABRADOR - ISLAND LINK FUNDING TRUST**, as a GAA Finance Party

**AND:**             **BNY TRUST COMPANY OF CANADA**, as IT Trustee of **LIL CONSTRUCTION PROJECT TRUST**, as a GAA Finance Party and an Obligor

**AND:**             **COMPUTERSHARE TRUST COMPANY OF CANADA**, as the LIL Security Trustee, IT Security Trustee and FV Security Trustee

**AND:**             **NALCOR ENERGY**, as a Contributing Party

**AND:**             **LABRADOR-ISLAND LINK HOLDING CORPORATION**, as a Contributing Party

**AND:**             **HER MAJESTY IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR**, as Guarantor of the Contributing Parties

**AND:**             **LABRADOR - ISLAND LINK LIMITED PARTNERSHIP**, acting by its general partner, **LABRADOR - ISLAND LINK GENERAL PARTNER CORPORATION**, as an Obligor

**AND:**             **LABRADOR - ISLAND LINK OPERATING CORPORATION**, as an Obligor

**AND:**             **LABRADOR-ISLAND LINK GENERAL PARTNER CORPORATION**, as an Obligor

**WITNESSETH THAT:**

**WHEREAS** the parties hereto entered into a master definitions agreement as of November 29, 2013 in order to consolidate the definitions required for the Project Finance

Documents and the Guarantee Transaction Documents to which they are respectively party (the "**Initial Master Definitions Agreement**");

**WHEREAS** the Initial Master Definitions Agreement was amended and restated pursuant to an amended and restated master definitions agreement entered into by the parties hereto as of July 16, 2015 (the "**Principal Master Definitions Agreement**");

**WHEREAS** a project finance agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as a GAA Finance Party, Labrador-Island Link Limited Partnership, acting by its general partner, Labrador-Island Link General Partner Corporation, as an Obligor, and Labrador-Island Link Operating Corporation, as an Obligor (the "**Initial LIL Project Finance Agreement**");

**WHEREAS** the Initial LIL Project Finance Agreement was amended and restated pursuant to an amended and restated project finance agreement entered into as of July 16, 2015 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as a GAA Finance Party, Labrador-Island Link Limited Partnership, acting by its general partner, Labrador-Island Link General Partner Corporation, as an Obligor, and Labrador-Island Link Operating Corporation, as an Obligor (the "**Principal LIL Project Finance Agreement**");

**WHEREAS** a project finance agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Labrador-Island Link Funding Trust, as a GAA Finance Party, BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as an Obligor, Labrador-Island Link Limited Partnership, as an Obligor, and Labrador-Island Link Operating Corporation, as an Obligor (the "**Initial IT Project Finance Agreement**");

**WHEREAS** the Initial IT Project Finance Agreement was amended and restated pursuant to an amended and restated project finance agreement entered into as of July 16, 2015 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Labrador-Island Link Funding Trust, as a GAA Finance Party, BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as an Obligor, Labrador-Island Link Limited Partnership, as an Obligor, and Labrador-Island Link Operating Corporation, as an Obligor (the "**Principal IT Project Finance Agreement**");

**WHEREAS** a collateral agency agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, TD Securities Inc. and Goldman, Sachs & Co., as lead arranger, Her Majesty the Queen in Right of Canada, as a GAA Finance Party, BNY Trust Company of Canada, as Issuer Trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as IT Trustee of the Intermediary Trust, Computershare Trust Company of Canada, as LIL Security Trustee, IT Security Trustee and FV Security Trustee, Labrador-Island Link Limited Partnership, Labrador-Island Link General Partner Corporation and Labrador-Island Link Operating Corporation (the "**Initial Collateral Agency Agreement**");

**WHEREAS** the Initial Collateral Agency Agreement was amended and restated pursuant to an amended and restated collateral agency agreement entered into as of July 16, 2015 among The Toronto-Dominion Bank, as Collateral Agent, TD Securities Inc. and Goldman, Sachs & Co., as lead arranger, Her Majesty the Queen in Right of Canada, as a GAA Finance Party, BNY Trust Company of Canada, as Issuer Trustee of Labrador-Island Link Funding Trust, BNY Trust Company of Canada, as IT Trustee of the Intermediary Trust, Computershare Trust Company of Canada, as LIL Security Trustee, IT Security Trustee and FV Security Trustee, Labrador-Island Link Limited Partnership, Labrador-Island Link General Partner Corporation and Labrador-Island Link Operating Corporation (the "**Principal Collateral Agency Agreement**");

**WHEREAS** the parties to the Principal LIL Project Finance Agreement intend to amend and restate same, and shall execute the LIL Project Finance Agreement concurrently with this Agreement in order to reflect such amendment and restatement;

**WHEREAS** the parties to the Principal IT Project Finance Agreement intend to amend and restate same, and shall execute the IT Project Finance Agreement concurrently with this Agreement in order to reflect such amendment and restatement;

**WHEREAS** the parties to the Principal Collateral Agency Agreement intend to amend and restate same, and shall execute the Collateral Agency Agreement concurrently with this Agreement in order to reflect such amendment and restatement;

**AND WHEREAS** the parties hereto wish to amend certain provisions of the Principal Master Definitions Agreement and to restate the Principal Master Definitions Agreement as so amended in its entirety, but without novation, the whole as herein provided;

**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 have agreed that the Principal Master Definitions Agreement is hereby amended and restated in its entirety, but without novation, as follows:

## ARTICLE 1

### INTERPRETATION

#### 1.1 Definitions

Unless a clear contrary intention appears in a Project Finance Document or a Guarantee Transaction Document, the capitalized terms used in each Project Finance Document and Guarantee Transaction Document shall have the following meanings:

"**2017 Closing Date**" means the date that the LIL Conditions Precedent to the Second Amendment and Restatement, the IT Conditions Precedent to the Second Amendment and Restatement and the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement are met to the satisfaction of the Collateral Agent or waived by it;

"ADN" refers to the amortizing deposit note referenced in the Deposit Note Letter Agreement;

"Additional Cost Overrun" has the meaning ascribed to it in paragraph 10.28.2.2 of the LIL Project Finance Agreement;

"Additional Debt" means (i) an operating line of credit up to a maximum principal amount of CDN\$10,000,000 for the Partnership and (ii) other Debt for Borrowed Money incurred by the Partnership to finance realized Cost Variances or Cost Overruns prior to Commissioning and Sustaining Costs following Commissioning;

"Additional Debt Concurrent Contribution" has the meaning ascribed to it in Section 2.7 of the ESA;

"Additional Federal Loan Guarantee" means the guarantee agreement executed on or about the date hereof by Canada in favour of the Indenture Trustee pursuant to the Funding Transaction Documents;

"Additional Material Project Documents" means the contracts and agreements listed in Part III of Schedule "B" of the LIL Project Finance Agreement;

"Administration Agreement" means the administration agreement entered into among the Funding Vehicle, the Administrator, Canada and the Partnership;

"Administrator" means the Person that will act as administrator to the Funding Vehicle pursuant to the terms of the Administration Agreement;

"Advance" means any amount of money advanced or to be advanced (as the context requires) to the Partnership pursuant to the LIL Project Finance Agreement;

"Affiliate" means, with respect to any Person, any other Person, who directly or indirectly, Controls, is Controlled by or is under direct or indirect common Control with, such Person; provided, however, that NL Crown shall be deemed not to be an Affiliate of Nalcor, Nalcor LP or any Credit Party;

"AFRDN" refers to the amortizing floating rate deposit note referenced in the Deposit Note Letter Agreement;

"Aggregate Eligible Account Balances" means, as at any time, the aggregate of (i) the balance on deposit at such time in the Partnership Project Funding Account, following the application of paragraphs 8.1.1.2, 8.1.1.3, 8.1.1.4 and 8.1.1.5 of the LIL Project Finance Agreement including, for greater certainty, any LIL Income on Account Balances deriving therefrom, and (ii) the portion of the balance on deposit at such time in the Partnership Project Operating Account following the application of paragraph 8.2.2.2, 8.2.2.3 and 8.2.2.5 of the LIL Project Finance Agreement that (a) is comprised of LIL Income on Account Balances deriving from any amounts deposited in the Partnership Project Operating Account pursuant to a previous Funding Request or (b) is comprised of the balance of any amounts deposited into the Partnership Project Operating

Account pursuant to a previous Funding Request, and that (w) had been so deposited for purposes of funding Project Costs that, at the time of calculation of the Aggregate Eligible Account Balances, have since been fully satisfied for a lesser amount, (x) had been so deposited for purposes of funding Project Costs expected to be invoiced after the Effective Date of a previous Funding Request and by the related LIL Drawdown Date, but with respect to which, at the time of calculation of the Aggregate Eligible Account Balances, invoices have been received for an amount less than anticipated in such Funding Request, (y) had been so deposited for purposes of funding Project Costs that at the time of the Effective Date of the previous Funding Request were expected to be invoiced at a later date, but with respect to which no invoice has been received by the time of calculation of the Aggregate Eligible Account Balances, or (z) that had been so deposited further to clause (iv) of the definition of "Funding Requirements", but that, at the time of calculation of the Aggregate Eligible Account Balances, have since not been used to defray Project Costs;

"**AML Legislation**" has the meaning ascribed to it in subsection 10.26 of the LIL Project Finance Agreement;

"**Annual Cost Overrun Instalment Payment**" has the meaning ascribed thereto in paragraph 10.28.2.2 of the LIL Project Finance Agreement;

"**Annual Maintenance Plan**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Annual O&M Budget**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Applicable Interest Rate**" means, with respect to interest payable on any Corresponding Tranche Construction Loan and any Corresponding Tranche Working Capital Revolving Loan, the Corresponding FV Bond Series Interest Rate;

"**Applicable Law**" means any Law applicable or relating to any specified Person, property, transaction or event or any of such Person's Assets, and any judgment or award of any Governmental Authority in any proceeding or action to which the Person in question is a party or by which such Person or any of its Assets is bound;

"**Assets**" means the property and assets, whether tangible or intangible, personal or real, of a specified Person and (to the extent the context so admits) also includes its business and operations. Wherever reference is made to the Partnership's Assets, such reference shall include the Project and all rights of the Partnership relative thereto;

"**Assignment**" or "**Assign**" means the sale, assignment, transfer or other disposition to the Funding Vehicle of the Indebtedness owed to the Intermediary Trust under the LIL Project Finance Agreement or any portion thereof and the equivalent portion of the corresponding LIL Facilities and other obligations of the Intermediary Trust thereunder and "**Assigning**", "**Assignor**" and "**Assignee**" have the correlative meanings;

**"Attributable Debt"** means, with respect to any Person, in connection with any Sale and Leaseback Transaction, at any date as of which the amount thereof is to be determined, the lesser of (i) the fair market value of the property subject to such Sale and Leaseback Transaction (as determined in good faith by the board of directors of such Person) and (ii) the total net amount of rent required to be paid by such Person under the lease which is the subject of such Sale and Leaseback Transaction during the remaining term thereof (including the initial term and any period for which such lease may be renewed or extended) discounted from the respective due dates thereof to such date at the debt rate implicit in such lease per annum compounded annually. The net amount of rent required to be paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, Taxes, assessments, water rates and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated;

**"Authorization"** means any authorization, approval, consent, exemption, licence, permit, franchise or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's Assets or from any Person in connection with any contractual right;

**"Available Base Equity Commitment"** means, as at any time, the amount, if any, by which the Base Equity Commitment exceeds the Base Equity Contributions made as at such time;

**"Available LIL Construction Facility"** means, as at any time, as determined by the Collateral Agent, the lesser of (i) the difference between the LIL Construction Facility then in effect and the aggregate of all of the Corresponding Tranche Construction Loans then outstanding, and (ii) the sum of the remaining principal amount indicated in Schedule A of each of the ADN and AFRDN with respect to such time, plus an amount equal to the balance of the aggregate of all amounts in principal paid until such time under the ADN and AFRDN by the issuer thereof and which as at such time remain on deposit in the IT Proceeds Account;

**"Available Working Capital Revolving Facility"** means, as at any time, as determined by the Collateral Agent, the lesser of (i) the difference between the Working Capital Revolving Facility then in effect and the aggregate of all of the Corresponding Tranche Working Capital Revolving Loans then outstanding, and (ii) the remaining principal amount indicated in Schedule A of the FRDN with respect to such time, plus an amount equal to the balance of the aggregate of all amounts in principal paid until such time under the FRDN by the issuer thereof and which as at such time remain on deposit in the IT Proceeds Account;

**"Base Cash Flow"** means, for any period, Contracted Revenues for such period less all Cash Operating Costs;

**"Base Equity Commitment"** means the commitment of Nalcor to invest (i) in the Partnership, directly or through one or more of its Subsidiaries, in order to fund the Equity Rateable Share of the Project Costs, and (ii) in Nalcor LP in order to fund the Initial Cost Overrun Instalment Payments and the Annual Cost Overrun Instalment Payments, the amount of the aggregate of such investments to be indicated in Schedule "BB" of the LIL Project Finance Agreement;

**"Base Equity Contribution"** means the amounts invested from time to time by Nalcor in the Partnership and Nalcor LP, directly or through one or more of its Subsidiaries, under the Base Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Partnership Project Funding Account or the Cost Overrun Escrow Account, as the case may be, by NL Crown pursuant to the provisions of the NL Crown Guarantee in connection with the Base Equity Commitment;

**"Basis of Design"** means the basis of design described in Schedule "Z" of the LIL Project Finance Agreement to the extent it relates to the Project;

**"Business Day"** means a day other than a Saturday, Sunday or statutory holiday in NL or the Province of Ontario or any other day on which banking institutions in St. John's, NL or Toronto, Ontario are not open for the transaction of business;

**"CA Indemnified Parties"** means the Collateral Agent, its Affiliates, directors, officers, employees, advisers, representatives and agents;

**"Canada"** means Her Majesty the Queen in Right of Canada;

**"Canada Project Costs and Expenses"** means the reasonable costs and expenses (including all reasonable costs and expenses incurred by Canada under any enforcement proceeding instituted pursuant to any of the Funding Transaction Documents, the IT Project Finance Documents or the LIL Project Finance Documents) due and payable, as well as any indemnity obligations due and payable by Canada to the Collateral Agent pursuant to the Collateral Agency Agreement or by the Funding Vehicle to Canada pursuant to the Funding Transaction Documents, other than with respect to the reimbursement obligations of the Funding Vehicle set forth in Section 3.01(a)(1) of the GAA;

**"Canadian Dollars"** or **"CDN\$"** means the lawful currency of Canada;

**"Capital Account"** has the meaning ascribed to it from time to time in the LIL LP Agreement, provided however, that where a Funding Request or a Final Funding Request pertains to Funding Requirements which include an amount determined in clause (iii) of the definition of Funding Requirements, then for the purposes of the calculation of the Debt Rateable Share or the DER as at the Effective Date of such Funding Request or Final Funding Request, as the case may be, the aggregate outstanding balance of the Capital Account shall be deemed to be reduced by the said amount determined in clause (iii) of the definition of Funding Requirements;



"**Capital Lease**" means, with respect to any Person, any lease or other arrangement relating to property or assets which, in accordance with GAAP, would be accounted for as a capital lease obligation on a balance sheet of such Person. The amount of any Capital Lease at any date shall be the amount of the obligation in respect thereof which would be included within such balance sheet;

"**Capital Stock**" means common shares, preferred shares or other equivalent equity interests (howsoever designated) of capital stock of a body corporate, equity preferred or common interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent such ownership interest;

"**Cash Call Notice**" has the meaning ascribed to it in Section 2.2 of the ESA;

"**Cash Operating Costs**" means, for any period, all cash costs of the Partnership relating to the operation of the Project during such period including any Taxes, insurance premiums, management and service fees, professional fees and expenses but excluding Total Debt Service paid during such period;

"**Change in Law**" means (i) the adoption or the coming into force of any Law, directive, guideline (whether or not having the force of law) or the interpretation or the administration thereof by a court or a Governmental Authority or other authority charged with such interpretation or administration, (ii) any change in any Law, directive or guideline whether or not having the force of law, or in the interpretation or administration thereof by any court or Governmental Authority or other authority charged with the interpretation or administration thereof, (iii) any reversal by any court or Governmental Authority or other authority of an interpretation of any Law, directive or guideline whether or not having the force of Law or (iv) any change in GAAP or any requirement, guideline, directive, interpretation or administrative position with respect to GAAP, in each case, which becomes effective after the Closing Date;

"**Change Order**" means any modification to the scope of work or the contract price pursuant to any Material Project Document which under the terms of subsection 3.1.1 of the PDMA requires the consent of the Partnership;

"**Class B Limited Partner**" means the holder of the Class B Limited Units (as such expression is in the LIL LP Agreement);

"**Clean-Up**" means the remediation, containment, removal, treatment, elimination or disposal of any Hazardous Material;

"**Clearing Agency**" means (i) CDS or, if a successor is appointed, a successor organization recognized by the Ontario Securities Commission as a "clearing agency" pursuant to the *Securities Act* (Ontario), or (ii) if permitted under the Supplemental Indenture for a Series of FV Bonds, an organization performing similar functions in another jurisdiction, including The Depository Trust Company (DTC) and Central Securities Depositories which are members of the Euroclear group;

**"Closing Date"** means the date that the LIL Initial Conditions Precedent, the IT Initial Conditions Precedent and the Muskrat/LTA Initial Conditions Precedent are met to the satisfaction of the Collateral Agent or waived by it;

**"Collateral Agency Agreement"** means the second amended and restated collateral agency agreement dated the date hereof entered into, *inter alia*, among the Collateral Agent, the LIL Security Trustee, the GAA Finance Parties, the Obligors and Nalcor LP;

**"Collateral Agent"** means The Toronto-Dominion Bank, in its capacity as collateral agent for the GAA Finance Parties pursuant to the Collateral Agency Agreement, and includes any successor thereof in such capacity;

**"Collateral Agent's Counsel"** means such counsel as the Collateral Agent may appoint, and as approved by the Partnership;

**"Collateral Agent's Office"** means generally, the office of the Collateral Agent located at 140 Water Street, St. John's, NL A1C 6H6 or such other office as the Collateral Agent with the agreement of the Partnership may specify from time to time;

**"Collateral Agent Standard"** means based on the experience of the Collateral Agent in project financing transactions of nature and magnitude similar to the Project and taking into account the covenants of Nalcor and NL Crown under the Equity Agreements and as if the Collateral Agent was a direct lender to the Partnership or the Intermediary Trust, as the case may be;

**"Collateral Mortgage Bond"** means a senior secured bond issued by an Obligor pursuant to a Security Document;

**"Collateral Mortgage Bond Pledge"** means any pledge agreement in favour of a GAA Finance Party or the Collateral Agent pursuant to the terms of which a Collateral Mortgage Bond is pledged;

**"Commissioning"** means the commissioning deemed to have occurred upon the issuance by the Collateral Agent of the Commissioning Confirmation;

**"Commissioning Certificate"** means a certificate, substantially in the form of the one attached as Schedule "L" to the LIL Project Finance Agreement, executed by a Responsible Officer of Devco and a Responsible Officer of the General Partner, in each case in his capacity as an officer of, respectively, Devco and the General Partner and without personal liability, addressed to the Collateral Agent and the Independent Engineer, in form and substance satisfactory to the Collateral Agent, attesting:

- (i) the realized Cost Variances, if any;
- (ii) the Punch List Costs and Demobilization Costs;
- (iii) that the static and dynamic commissioning inspections and tests have been achieved in accordance with the approved commissioning procedures and

that the Project has 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;

- (iv) that all Commissioning Tests, interconnection and reliability tests necessary to demonstrate that the Project meets the specifications and the operating objectives for the Project pursuant to the Project Plans and the Basis of Design have been successfully completed save for any Punch List Items and Demobilization List Items; and
- (v) that he has no reason to believe that, assuming the proper operation and maintenance of the plant and related equipment and devices forming part of the Project, it will not be able to maintain such required specifications and operating objectives for a period of at least forty (40) years;

and shall be accompanied with all such supporting documentation and information as will permit the Collateral Agent and the Independent Engineer, in their judgment, to verify the information and calculations given and made in such certificate;

**"Commissioning Confirmation"** means the confirmation to be issued by the Collateral Agent pursuant to Section 7.7 of the LIL Project Finance Agreement, and which shall be in the form attached as Schedule "M" of the LIL Project Finance Agreement;

**"Commissioning Date"** means the date and time specified on the Commissioning Confirmation, as the date the Conditions Precedent to Commissioning are met to the satisfaction of the Collateral Agent or waived by it;

**"Commissioning Tests"** means the successful completion of the specified static and dynamic commissioning tests and inspections in accordance with the approved commissioning procedures and the specified reliability and Performance Testing, in order to demonstrate that the Projects are able to meet the requirements of the Basis of Design;

**"Commitment Letter"** means as the context requires, (i) the commitment letter relating to the financing contemplated in the Funding Transaction Documents executed as of November 5, 2013 among the lead arranger thereunder, the Funding Vehicle, the Partnership and Nalcor or (ii) the commitment letter relating to the financing contemplated in the Funding Transaction Documents executed on or about the date hereof among the Lead Arranger, the Funding Vehicle, the Partnership and Nalcor;

**"Concurrent Contribution"** has the meaning ascribed to it in Section 2.6 of the ESA;

**"Conditions Precedent to Commissioning"** has the meaning ascribed thereto in Section 7.7 of the LIL Project Finance Agreement;

**"Consolidated Transaction Documents"** refers collectively to the Funding Transaction Documents, the Guarantee Transaction Documents, the Project Finance Documents, the Administration Agreement and the IT Administration Agreement;

**"Construction Period"** means the period commencing on the Closing Date and terminating on the earliest of:

- (i) the day immediately preceding the Commissioning Date;
- (ii) the Date Certain;
- (iii) the date that the LIL Facilities are terminated and cancelled in their entirety under the provisions of Section 14.2 of the LIL Project Finance Agreement; and
- (iv) the date of any other cancellation of the LIL Facilities in their entirety;

**"Construction Report"** has the meaning ascribed thereto in Section 11.3 of the LIL Project Finance Agreement;

**"Construction Tranche"** refers to any of the Initial Construction Tranches and New Construction Tranches;

**"Contingency Equity Commitment"** means the commitment of Nalcor to invest (i) in the Partnership, directly or through one or more Subsidiaries, all amounts necessary to fund the Equity Rateable Share of any Project Costs and (ii) in Nalcor LP in order to fund the Initial Cost Overrun Instalment Payments and the Annual Cost Overrun Instalment Payments, in each case, to be paid following the exhaustion of the Base Equity Commitment in order to achieve Commissioning of the Project;

**"Contingency Equity Contribution"** means the amounts invested from time to time by Nalcor in the Partnership or Nalcor LP, directly or through one or more of its Subsidiaries, under the Contingency Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Partnership Project Funding Account or the Cost Overrun Escrow Account, as the case may be, by NL Crown pursuant to the provisions of the NL Crown Guarantee in connection with the Contingency Equity Commitment;

**"Contracted Revenues"** means, for any period, all amounts payable by Opco to the Partnership pursuant to the LIL Lease or, as the case may be, as contemplated by the LIL Remedies Agreement, all such amounts as may be payable by NLH to the Partnership;

**"Contributed Surplus"** means \$10,000, being a contribution made by Nalcor Energy, the shareholder of Opco, to Opco, which amount is in excess of amounts allocated to the stated capital of Opco;

**"Contributing Parties"** means collectively Nalcor and Nalcor LP;

**"Control"** of a Person means the possession, direct or indirect, of the power to elect or appoint a majority of such Person's board of directors or similar governing body, or to direct or cause the direction of the management, business and/or policies of such Person,

whether through ownership of Voting Capital Stock, by contract or otherwise, and, without limiting the generality of the foregoing, a Person shall be deemed to "**Control**" any partnership of which, at the time, the Person is a general partner or Controls the general partner, in the case of a limited partnership, or is a partner who, under the partnership agreement, has authority to bind the partnership in all other cases (and the terms "**Controlled by**" and "**under common Control with**" have a correlative meaning);

"**COREA Equity Contribution**" has the meaning ascribed to it in paragraph 2.2.1.2 of the ESA;

"**COREA Release Condition**" (i) as regards amounts deposited into the Cost Overrun Escrow Account prior to the 2017 Closing Date (the "Initial COREA Amounts"), means the condition set out in clause 10.28.2.4(i) of the LIL Project Finance Agreement (the "Initial COREA Release Condition") and (ii) as regards amounts deposited into the Cost Overrun Escrow Account from and after the 2017 Closing Date (the "New COREA Amounts"), means the condition set out in clause 10.28.2.4(ii) of the LIL Project Finance Agreement (the "New COREA Release Condition"), which, in each case, permits the funding of Eligible Project Costs by the use of the Initial COREA Amounts or the New COREA Amounts, as applicable. It is hereby acknowledged and agreed that (i) as at any time that there exists a balance in the Cost Overrun Escrow Account resulting from the deposit of the Initial COREA Amounts, the terms and conditions of subsection 2.9.10 and Section 2.9A of the ESA shall apply to such balance, and accordingly, any reference in subsection 2.9.10 and Section 2.9A of the ESA to a balance outstanding in the Cost Overrun Escrow Account shall at any such time be construed as a reference to said balance resulting from the deposit of the Initial COREA Amounts, and, in respect thereto, any reference to "COREA Release Condition" shall be construed as a reference to the Initial COREA Release Condition, and (ii) as at any time that there exists a balance in the Cost Overrun Escrow Account resulting from the deposit of the New COREA Amounts, the terms and conditions of subsection 2.9.10 and Section 2.9A of the ESA shall apply to such balance, and accordingly, any reference in subsection 2.9.10 and Section 2.9A of the ESA to a balance outstanding in the Cost Overrun Escrow Account shall at such time be construed as a reference to said balance resulting from the deposit of the New COREA Amounts, and, in respect thereto, any reference to "COREA Release Condition" shall be construed as a reference to the New COREA Release Condition. It is hereby further acknowledged and agreed that where a balance resulting from the Initial COREA Amounts and a balance resulting from the New COREA Amounts exists simultaneously in the Cost Overrun Escrow Account, then the terms of the acknowledgment in the foregoing sentence shall apply simultaneously and independently in respect of each of the balance resulting from the Initial COREA Amounts and the balance resulting from the New COREA Amounts;

"**Corresponding FV Bond Series Interest Rate**" means, in respect of each series of FV Bonds indicated in each of Schedule "JJ", Schedule "KK" and Schedule "LL" of the LIL Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule, the interest rate per annum applicable to such series of FV Bonds pursuant to the relevant MTI and the relevant Supplemental Indenture to such MTI;

**"Corresponding IT Tranche Construction Loan"** means, as at any time, in respect of each IT Tranche, the aggregate of the principal amount of any IT Advance then outstanding under such IT Tranche;

**"Corresponding Tranche Construction Loan"** means, as at any time, in respect of each Construction Tranche, the aggregate of the principal amount of Advances then outstanding under such Construction Tranche, and, as regards each New Construction Tranche, as a result of the conversion of the Working Capital Revolving Loan contemplated in Section 2.10 of the LIL Project Finance Agreement, immediately following the Commissioning Date shall also include the amount allocated thereto as per Section 2.10 of the LIL Project Finance Agreement;

**"Corresponding Tranche Maturity Date"** means, in respect of each Construction Tranche, the date which is two (2) Business Days prior to the maturity date (i) in respect of any Initial Construction Tranche, of the series of FV Bonds listed in Schedule "JJ" of the LIL Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule opposite the name of such Initial Construction Tranche, and (ii) in respect of any New Construction Tranche, of the series of FV Bonds listed in Schedule "KK" of the LIL Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule opposite the name of such New Construction Tranche, in each case pursuant to the relevant MTI and the relevant Supplemental Indenture;

**"Corresponding Tranche Working Capital Revolving Loan"** means, as at any time, in respect of each Working Capital Revolving Tranche, the aggregate of the principal amount of Advances then outstanding under such Working Capital Revolving Tranche, which amount, as a result of the conversion of the Working Capital Revolving Loan contemplated in Section 2.10 of the LIL Project Finance Agreement, shall automatically be reduced to nil immediately upon such conversion;

**"Cost Overrun Escrow Account"** has the meaning ascribed thereto in Section 8.18 of the LIL Project Finance Agreement;

**"Cost Overruns"** means in respect of the Project, on any date, an amount equal to: (A) the aggregate remaining project costs to achieve completion of the Project including (i) the remaining costs and payment obligations payable pursuant to the contracted items of the June 2016 Project Budget including the cost of work completed but not yet paid for, *plus* (ii) any amounts set out in the June 2016 Project Budget for non-contracted items of the June 2016 Project Budget, *plus* (iii) all other remaining project costs including owners costs (included in the June 2016 Project Budget but not covered by contract costs) and (iv) any appropriate contingencies and adjustments to such contingencies and escalation amounts and reasonably expected savings payable pursuant to the contracted items and non-contracted items of the June 2016 Project Budget all as determined by the Partnership and as reviewed by the Independent Engineer as being reasonable, *plus* (v) finance costs estimated to be payable to the Commissioning Date in excess of the amount specified for that item in the June 2016 Project Budget *less* (B) (i) total project costs in the June 2016 Project Budget less cumulative Project Costs

incurred to date by the Project *plus* (ii) any cash deposits contained in the Cost Overrun Escrow Account;

**"Cost Overruns Certificate"** means the certificate to be issued pursuant to Section 10.28 of the LIL Project Finance Agreement, and which shall be in the form attached thereto as Schedule "HH";

**"Cost to Complete"** means, as at any date, the estimate of the Hard Costs and Soft Costs which will be required to be incurred to attain Commissioning by the Date Certain (including the Punch List Costs and the Demobilization Costs), it being understood that the Project Costs incurred on or prior to such date, and whether already financed or requested to be financed pursuant to any Funding Request or the Final Funding Request, shall not form part of the Cost to Complete;

**"Cost Variances"** means, with regard to any particular construction phase or component of construction and start-up of the Project, the amount by which costs in respect of such construction phase or component is expected to exceed amounts allocated thereto in the Project Budget;

**"Credit Parties"** as at any time, refers collectively to the Partnership, the General Partner and Opco and **"Credit Party"** refers to either one thereof;

**"Current LIL Assets and Rights"** means such of the LIL Assets and Rights that are in existence on the Closing Date;

**"Date Certain"** means February 28, 2021 as extended as hereinafter provided. The Partnership may request that the Date Certain be extended once only, for a period of up to six (6) months by issuing to the Collateral Agent a written request at least thirty (30) days prior to February 28, 2021, which request shall:

- (i) state that no LIL Event of Default (other than a LIL Event of Default which has occurred as a direct result of an event of Force Majeure) has occurred and is continuing;
- (ii) designate the date to which the Date Certain is requested to be extended;
- (iii) be accompanied by written evidence satisfactory to the Collateral Agent that (a) no Material Project Document shall terminate as a result of such extension and each Material Project Document which as of the date of the request has not been terminated shall continue to be in effect until such extended Date Certain except to the extent already terminated as a consequence of a scheduled termination and (b) that such extension would not result in a Material Adverse Effect; and
- (iv) demonstrate to the satisfaction of the Collateral Agent and the Independent Engineer that Commissioning can be reasonably expected to occur during the period of such extension;

With respect to such request, in the event that such request shall comply with the requirements set forth above and that the Collateral Agent shall be satisfied that the information set forth in such request is true and accurate in all material respects and that it is appropriate that the Date Certain be extended to the date set forth in the Partnership's request, and subject to the further requirement that no LIL Event of Default shall have occurred and be continuing on February 28, 2021, the Date Certain shall be extended to the date set forth in such request; provided, however, that, if at any time during the period of any such extension any of the conditions set forth above relating to such extension ceases to be true, upon delivery of written notice to the Partnership by the Collateral Agent, such period of extension shall terminate on the date specified in such written notice;

"**DBRS**" means DBRS Limited and its successors;

"**Debt for Borrowed Money**" means, with respect to any Person, without duplication, such Person's:

- (i) obligations for borrowed money;
- (ii) obligations under letters of credit or letters of guarantee or obligations to financial institutions who issued such letters of credit or letters of guarantee for the account of such Person;
- (iii) obligations under banker's acceptances, depository bills or depository notes (as these latter two expressions are defined in the *Depository Bills and Notes Act* (Canada));
- (iv) Purchase Money Obligations;
- (v) obligations evidenced by bonds, debentures or promissory notes;
- (vi) redeemable shares of its Capital Stock which are either redeemable at the option of the holder thereof, are redeemable at a fixed date or are redeemable during fixed intervals. The amount of Debt for Borrowed Money of any such Capital Stock shall be the maximum fixed redemption or repurchase price therefor;
- (vii) Attributable Debt with respect to Sale and Leaseback Transactions;
- (viii) the mark to market exposure of such Person under Derivative Instruments; and
- (ix) obligations under Guarantees with respect to obligations referred to in paragraphs (i) to (viii) inclusively;



"Debt Rateable Share" means:

- (i) prior to the date on which DER first becomes equal to 75% following the 2017 Closing Date, 100%, provided, however, that where a Debt Rateable Share of 100% would result in a DER that exceeds 75%, then clause (ii) of this definition shall be deemed to apply instead; and
- (ii) following the date on which DER first becomes equal to 75%:
  - (A) at all times prior to the LIL Construction Facility being fully disbursed and the Working Capital Revolving Facility being fully disbursed following the first Advance pursuant to Section 7.9 of the LIL Project Finance Agreement, with respect to any Funding Requirements that are to be funded at any particular time, and in relation to which an Advance under the LIL Construction Facility is to be made, an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be made or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the LIL Project Finance Documents, the percentage equal to the lesser of:
    - (I) 100%; and
    - (II) The percentage resulting from the following calculation:

$$\frac{[0.75 \times (A + C)] - B}{C}$$

unless, as a result of the calculations in part (A) of this definition, the Partnership is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such Debt Rateable Share by reason of:

- (a) the portion of such Funding Requirements represented by such Debt Rateable Share exceeding the sum of the Available LIL Construction Facility and the Available Working Capital Revolving Facility; and
- (b) the Partnership not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess as reduced by any such Additional Debt proposed to be incurred shall be referred to herein as the "**Funding Deficiency**");

in which case the Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{D}{C}$$

In each case, where:

**A** = the sum of (i) the principal amount of the LIL Construction Loan (without taking into account such Advance), (ii) CDN\$75,000,000, (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), and (iv) the aggregate outstanding balance of the Capital Account of the Partnership, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of (i) the principal amount of the LIL Construction Loan (without taking into account such Advance), (ii) CDN\$75,000,000, and (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of such Funding Requirements less the amount of the Aggregate Eligible Account Balances used to fund such Funding Requirements;

**D** = the sum of the Additional Debt proposed to be incurred, the Available LIL Construction Facility and the Available Working Capital Revolving Facility;

provided, however, that at all times where the LIL Construction Facility has been fully disbursed but:

- (i) the Available Working Capital Revolving Facility is sufficient to meet the Funding Requirements that are to be funded and in relation to which an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be effected, then the Debt Rateable Share of such Funding Requirements shall mean 100%; or
- (ii) the Available Working Capital Revolving Facility is insufficient to meet the Funding Requirements that are to be funded and in relation to which an

Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement is to be effected, then the Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{D}{C}$$

Where "C" and "D" shall each have the same definition as above;

(B) at all times thereafter, with respect to any Funding Requirements that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the LIL Project Finance Documents, the percentage equal to the lesser of:

(I) 100%;

(II) The percentage resulting from the following calculation:

$$\frac{[0.75 \times (A + C)] - B}{C}$$

Where:

**A** = the sum of (i) the principal amount of the LIL Construction Loan, (ii) at all times prior to Commissioning, CDN\$75,000,000, (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), and (iv) the aggregate outstanding balance of the Capital Account of the Partnership, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of (i) the principal amount of the LIL Construction Loan, (ii) at all times prior to Commissioning, CDN\$75,000,000, and (iii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred), the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of such Funding Requirements less the amount of the Aggregate Eligible Account Balances used to fund such Funding Requirements; and

(III) the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred to fund such Funding Requirements}}{\text{such Funding Requirements}};$$

**"Debt Service"** means, at any given time, the amount of principal, interest and fees, including the Guarantee Fee, due and payable with respect to the LIL Construction Loan at such time;

**"Deemed Principal Repayments"** means, with respect to any Additional Debt of the Partnership that, by its terms, is repayable in its entirety only at maturity, the amount of the deemed principal repayments calculated as a level dollar principal amortization over the term of such Additional Debt and fully amortizing the principal amount thereof with annual instalments, and shall apply to and be deemed to be required to be made by the Partnership;

**"Demobilization Costs"** means the costs required to complete work on all Demobilization List Items;

**"Demobilization Costs Drawdown"** means the single LIL Drawdown under the LIL Construction Facility to be made pursuant to the provisions of Section 7.5 of the LIL Project Finance Agreement (as may be supplemented by a LIL Drawdown under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement), in an amount equal to the amount calculated pursuant to paragraph (xvi) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the Demobilization Costs, the whole subject to the Available LIL Construction Facility and the Available Working Capital Revolving Facility at such time;

**"Demobilization List Items"** has the meaning ascribed to it in Section 10.20 of the LIL Project Finance Agreement;

**"Demobilization Work"** means the work, including incomplete or outstanding any Performance Testing, associated with the dismantling of facilities and associated environmental remedial work, disposal and disposition of tools, machinery, equipment and materials, removal of temporary systems, demobilization of personnel, close out of leases, payments of fees, licences, legal fees, close-out teams and offices, computers, support systems and personnel, information systems and information technology, performance testing personnel and equipment, final documentation close-out and transfer to operations in accordance with the provisions of the MSA;

**"Deposit Note Letter Agreement"** means the letter agreement, or letter agreements, to be executed in connection with the ADN, the AFRDN and the FRDN by the issuers thereof, the Partnership and the Intermediary Trust;

**"DER"** means:

- (i) in connection with the incurrence test for Additional Debt contemplated in subsection 12.2.6 of the LIL Project Finance Agreement, (a) the sum of

(w) the principal amount of the LIL Construction Loan, (x) at any time prior to the Commissioning Date, CDN\$75,000,000, (y) the principal amount of all outstanding Additional Debt and (z) the principal amount of all the Additional Debt proposed to be incurred, less the amount of the balance on deposit in the Sinking Fund Account, divided by (b) the sum of the total under clause (i)(a) of this definition plus the aggregate outstanding balance of the Capital Account of the Partnership and any equity proposed to be invested (including any amounts to be transferred from the Cost Overrun Escrow Account pursuant to Section 10.27 and paragraph 10.28.2.4 of the LIL Project Finance Agreement) concurrently with the incurrence of the proposed Additional Debt, expressed as a percentage;

- (ii) for all other purposes, (a) as at the time of the relevant calculation of DER, the sum of (x) the principal amount of the LIL Construction Loan, (y) at any time prior to the Commissioning Date, CDN\$75,000,000, and (z) the principal amount of all outstanding Additional Debt, less the amount of the balance on deposit in the Sinking Fund Account, divided by (b) the sum of the total under clause (ii)(a) of this definition and the aggregate outstanding balance of the Capital Account of the Partnership, expressed as a percentage;

**"Derivative Instruments"** means any "Swap Transaction" as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. and/or any agreement evidencing such transaction;

**"Devco"** means Lower Churchill Management Corporation, a NL corporation, and includes any successor thereto;

**"Distribution Certificate"** means the certificate to be issued by the Partnership pursuant to Section 11.4 of the LIL Project Finance Agreement, and which shall be in the form attached thereto in Schedule "N";

**"Distribution Conditions"** means, as at any proposed Distribution Date, the following:

- (i) the LIL Compliance Certificate delivered pursuant to Section 11.1 or 11.2 of the LIL Project Finance Agreement on or immediately prior to such Distribution Date shall demonstrate, to the satisfaction of the Collateral Agent, that the Partnership achieved a Retrospective DSCR and a Prospective DSCR of at least 1.20:1;
- (ii) the DSRA is funded with an amount equal to the Minimum DSRA Requirement as at such Distribution Date; and
- (iii) no LIL Event of Default then exists;

**"Distribution Date"** means a Business Day after the sixth (6<sup>th</sup>) month following the first day of the Operating Period which can occur (i) no more frequently than once per quarter,

(ii) no earlier than five (5) Business Days following the delivery to the Collateral Agent of a Distribution Certificate and (iii) in any particular month, only after the date on which the Collateral Agent, on behalf of the Funding Vehicle, is scheduled to receive payment of all amounts due and payable by the Partnership in respect of the LIL Loan during such month, including Sinking Fund Payments;

**"Distribution Funds"** means the amount, determined on a Distribution Date, of (i) cash in the Partnership Project Funding Account after application of all amounts in the Partnership Project Funding Account pursuant to paragraphs (a) to (i) of clause 8.1.2.2 of the LIL Project Finance Agreement and (ii) cash in the Partnership Distribution Reserve Account;

**"Distributions"** with respect to any Person, means:

- (i) the payment or declaration of any dividend or the making of any distribution of any kind or character (whether in cash or property, but expressly excluding any such distribution by way of the payment of dividends by the issuance of Capital Stock of such Person) in respect of any class of the Capital Stock of such Person or to the holders of any class of its Capital Stock;
- (ii) the purchase, redemption or other acquisition or retirement for value of any of its Capital Stock or of any options, warrants or rights to purchase or acquire shares of its Capital Stock;
- (iii) the payment of management fees, commission fees, guarantee fees and other fees or amounts to any holder of Capital Stock of such Person other than in accordance with or pursuant to the provisions of the Material Project Documents; and
- (iv) the setting aside of any funds for any of the foregoing purposes;

**"DSCR"** is the collective reference to Retrospective DSCR and Prospective DSCR;

**"DSCR Consultation Period"** has the meaning ascribed to it in Section 10.25 of the LIL Project Finance Agreement;

**"DSRA"** has the meaning ascribed to it in Section 8.3 of the LIL Project Finance Agreement;

**"DSRA Drawdown"** means the single LIL Drawdown under the LIL Construction Facility to be made pursuant to the provisions of Section 7.6 of the LIL Project Finance Agreement (as may be supplemented by a LIL Drawdown under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement), in an amount equal to the amount calculated pursuant to paragraph (xiv) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the DSRA Drawdown, the whole subject to the Available LIL Construction Facility at such time and the Available Working Capital Revolving Facility;

**"DSRA Equity Commitment"** means the commitment of Nalcor to invest in the Partnership, directly or through one or more of its Subsidiaries, in order to fund the Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or as at the date of the DSRA Prefunding, as the case may be;

**"DSRA Equity Contribution"** means the amount invested by Nalcor in the Partnership, directly or through one or more of its Subsidiaries, under the DSRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the DSRA by NL Crown pursuant to the provisions of the NL Crown Guarantee in connection with the DSRA Equity Commitment. It is hereby acknowledged and agreed that all or a portion of the DSRA Equity Contribution required to be made under the LIL Project Finance Agreement for purposes of the DSRA Prefunding shall be deemed to have been so made, to the extent permitted pursuant to paragraph 10.28.2.4 of the LIL Project Finance Agreement, to the extent of the total of the amounts transferred for that purpose from the Cost Overrun Escrow Account as contemplated in Section 10.27 of the LIL Project Finance Agreement, and any requirement or condition pursuant to the terms of the LIL Project Finance Agreement that a DSRA Equity Contribution be made shall be satisfied to the extent of the total of the amounts so transferred from the Cost Overrun Escrow Account. Moreover, for greater certainty, for all purposes of the Project Finance Documents, the total of the amounts so transferred from the Cost Overrun Escrow Account shall be deemed to constitute a DSRA Equity Contribution;

**"DSRA Prefunding"** has the meaning ascribed to it in Section 10.27 of the LIL Project Finance Agreement;

**"Easements"** means all easements, rights-of-way, rights in the nature of easements, rights of ownership, rights of first refusal or otherwise to acquire same, necessary for the development, maintenance or operation of the Project;

**"Effective Date"** means the date as of which financial information relating to the Project is being provided, it being understood that with respect to:

- (i) any Funding Request or the Final Funding Request, such date shall be the day immediately preceding the date of such Funding Request or Final Funding Request;
- (ii) any Construction Report, such date shall be the last Business Day of the month preceding the month during which such Construction Report is delivered; and
- (iii) any Working Capital Revolving Funding Request (other than in connection with an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement), such date shall be the day immediately preceding the date of such Working Capital Revolving Funding Request;

**"Eligible Project Costs"** means, as at any Effective Date, as determined by the Collateral Agent in consultation with the Partnership, the aggregate amount required by the Partnership to defray Project Costs incurred to and invoiced by such date or, as supported by supporting documentation for the relevant Funding Request or the Final Funding Request in the form attached as Schedule "BB" of the LIL Project Finance Agreement, expected to be incurred to and invoiced by the relevant LIL Drawdown Date with respect to work done and goods delivered prior to such dates or with respect to deposits on contracts and in each case with respect to which no previous Funding Request has been issued or with respect to which a Funding Request has previously been issued and the proceeds thereof form or have formed part of Aggregate Eligible Account Balances identified in clause (b)(y) of the definition of "Aggregate Eligible Account Balances";

**"Emera LP"** means ENL Island Link Incorporated, a corporation incorporated pursuant to the laws of the Province of NL, and includes its successors;

**"Enforcement Event"** means:

- (i) each one of the LIL Events of Default set forth below:
  1. a LIL Event of Default under Section 13.6 of the LIL Project Finance Agreement resulting from an Insolvency Event other than an Insolvency Event under clause (v) of the definition of "Insolvency Event";
  2. a LIL Event of Default under Section 13.7 of the LIL Project Finance Agreement;
  3. a LIL Event of Default under Section 13.10 of the LIL Project Finance Agreement;
  4. a LIL Event of Default under Section 13.12 of the LIL Project Finance Agreement;
  5. a LIL Event of Default under Section 13.19 of the LIL Project Finance Agreement, but only to the extent that it relates to the LIL Lease or the TFA;
  6. a LIL Event of Default under Section 13.23 of the LIL Project Finance Agreement;
  7. a LIL Event of Default under Section 13.27 of the LIL Project Finance Agreement, but only to the extent that the Muskrat/LTA Event of Default giving rise to such a LIL Event of Default has not triggered a concurrent Remedies Consultation Period (as defined in the Muskrat/LTA Master Definitions Agreement); or
- (ii) a LIL Event of Default other than a LIL Event of Default described in clause (i) above, but, in the case of clause (ii), only to the extent that the Remedies Consultation Period relating to such LIL Event of Default has expired and such



LIL Event of Default continues following such expiry of the Remedies Consultation Period;

**"Enforcement Proceeding"**, with respect to any Person, refers to:

- (i) any right granted to such Person against another Person or the Assets of such other Person as a result of such first Person holding, directly or beneficially, Liens on the Assets of such other Person including: **(a)** the right to require the surrender of the Assets subject to such Liens; **(b)** the right to exercise any power of sale over or to foreclose on the Assets subject to such Liens; **(c)** the right to appoint a receiver for such Person or its Assets; **(d)** the right to withdraw any authorization to collect accounts subject to such Liens; **(e)** the right to vote any Capital Stock subject to such Liens or to withdraw any power of attorney to vote any such Capital Stock; and **(f)** the right to take possession, administer, sell or lease any of the Assets subject to such Liens;
- (ii) the right to seize or request the seizure of the Assets of any other Person; and
- (iii) the right to institute or prosecute any judicial proceeding seeking injunctive relief, the appointment of a receiver, the sale of any Assets or for foreclosure;

**"Environmental Law"** means, with respect to any Person, any Applicable Law relating to the environment and to such Person or any of its Assets;

**"Environmental Losses"** has the meaning ascribed to it in Section 15.3 of the LIL Project Finance Agreement;

**"EPCM"** means the agreement for engineering, procurement and construction management services for the Project entered into effective as of February 1, 2011 between Nalcor and SNC Lavalin Inc., as assigned to Devco on or about November 29, 2013;

**"Equity Agreements"** refers collectively to the ESA and the ESG;

**"Equity Contribution Release Conditions"** means, during any period of time that Excluded Deposits are outstanding in any Partnership Project Account or that any deposits are outstanding in the Cost Overrun Escrow Account, either **(i)** where the LIL Facilities have not been fully disbursed, the Collateral Agent exercises its rights under subsection 14.2.1 of the LIL Project Finance Agreement and declares the LIL Facilities to be cancelled or terminated, or **(ii)** where the LIL Facilities have been fully disbursed and following the exercise by the Collateral Agent of any Right, Recourse and/or Remedy under Section 14.2 of the LIL Project Finance Agreement, the GAA Finance Parties advise the Partnership that they have determined not to proceed to have Commissioning of the Project achieved;

**"Equity Rateable Share"** means at all times, with respect to any Project Costs that are to be funded at any particular time, the difference between 100% and the Debt Rateable Share applicable with respect to such Project Costs;

**"ESA"** means the amended and restated equity support agreement dated July 16, 2015 entered into among Nalcor, Nalcor LP, the General Partner, the Partnership and the Collateral Agent;

**"ESG"** means the guarantee for the ESA entered into between NL Crown and the Collateral Agent;

**"Event of Default"** means a FV Event of Default, an IT Event of Default, a LIL Event of Default and a GAA Event of Default;

**"Excise Tax Act"** means the *Excise Tax Act* (Canada);

**"Excluded Deposits"** is, at any time, the collective reference to any amount deposited into any Partnership Project Account that represents a Base Equity Contribution, a Contingency Equity Contribution or a DSRA Equity Contribution, the release of which for purposes of funding Project Costs cannot be made in accordance with Section 2.9 of the ESA and Section 2.4 of the ESG;

**"Expropriation Event"** means any compulsory transfer or taking by condemnation, expropriation, eminent domain or exercise of a similar power, or transfer under threat of such compulsory transfer or taking, of any part of the Assets of a Person by any Governmental Authority;

**"Federal Environmental Assessment"** means the approval from His Excellency the Governor General in Council, on the recommendation of the Minister of Natural Resources, pursuant to subsection 37(1.3) of the *Canadian Environmental Assessment Act* (Canada) that Canada take the course of action under paragraph 37(1)(a) of the *Canadian Environmental Assessment Act* (Canada), with respect to the Project, on the basis that the Project is likely to cause significant adverse environmental effects that can be justified in the circumstances;

**"Federal Loan Guarantee"** means, as the context may require, (a) the Initial Federal Loan Guarantee and (b) the Additional Federal Loan Guarantee and "Federal Loan Guarantees" is the collective reference to such guarantee agreements;

**"Final Eligible Project Costs"** means the Eligible Project Costs referred to in the Final Funding Request, other than the Minimum DSRA Requirement, the Punch List Costs and the Demobilization Costs;

**"Final Funding Rateable Share"** means, in respect of the funding of each of the DSRA, the Punch List Costs Account, the Demobilization Costs Account and the Final Eligible Project Costs on the Commissioning Date, the rateable share of the aggregate amount of Funding Requirements requested pursuant to the Final Funding Request attributable to such funding;

"**Final Funding Request**" means a request, substantially in the form of Schedule "O" of the LIL Project Finance Agreement, addressed by the Partnership to the Collateral Agent and the Independent Engineer, specifying:

- (i) the Final Eligible Project Costs;
- (ii) the Punch List Costs;
- (iii) the Demobilization Costs;
- (iv) that no LIL Event of Default has occurred and is continuing;
- (v) for purposes of funding the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date, the Final Funding Rateable Share of the Aggregate Eligible Account Balances attributable to such funding of the Final Eligible Project Costs;
- (vi) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to the Minimum DSRA Requirement on the Commissioning Date, the Final Funding Rateable Share of the Aggregate Eligible Account Balances attributable to such funding of the DSRA;
- (vii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date, the Final Funding Rateable Share of the Aggregate Eligible Account Balances attributable to such funding of the Punch List Costs Account;
- (viii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date, the Final Funding Rateable Share of the Aggregate Eligible Account Balances attributable to such funding of the Demobilization Costs Account;
- (ix) for purposes of funding the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available Base Equity Commitment or the Contingency Equity Commitment, as the case may be, and representing the Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Eligible Account Balances calculated in paragraph (v) of this definition, minus **(b)** the Final Funding Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the

Final Eligible Project Costs, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (x) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to the Minimum DSRA Requirement on the Commissioning Date, **(a)** the aggregate amount to be invested under the DSRA Equity Commitment and representing the Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the DSRA on the Commissioning Date and the portion of the Aggregate Eligible Account Balances calculated in paragraph (vi) of this definition, minus **(b)** the Final Funding Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the DSRA, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available Base Equity Commitment or the Contingency Equity Commitment, as the case may be, and representing the Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Eligible Account Balances calculated in paragraph (vii) of this definition, minus **(b)** the Final Funding Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Punch List Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available Base Equity Commitment or the Contingency Equity Commitment, as the case may be, and representing the Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Eligible Account Balances calculated in paragraph (viii) of this definition, minus **(b)** the Final Funding Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Demobilization Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xiii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date, the aggregate amount requested to be Advanced

under the LIL Construction Facility and the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement and representing the Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Eligible Account Balances calculated in paragraph (v) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xiv) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to the Minimum DSRA Requirement on the Commissioning Date, the aggregate amount requested to be Advanced under the LIL Construction Facility and the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement and representing the Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the DSRA on the Commissioning Date and the portion of the Aggregate Eligible Account Balances calculated in paragraph (vi) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xv) for purposes of funding the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date, the aggregate amount requested to be Advanced under the LIL Construction Facility and the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement and representing the Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Eligible Account Balances calculated in paragraph (vii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xvi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date, the aggregate amount requested to be Advanced under the LIL Construction Facility and the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement and representing the Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Eligible Account Balances calculated in paragraph (viii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xvii) for purposes of the prefunding of the Sinking Fund Account pursuant to Section 2.9 of the LIL Project Finance Agreement, the Aggregate Eligible

Account Balances, minus the amounts thereof applied as per the foregoing paragraphs of this definition;

- (xviii) a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request and any Working Capital Revolving Funding Request (other than in connection with an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement) provided during the prior month;
- (xix) Soft Costs incurred as at the Effective Date of the Construction Report delivered in the same month as the Final Funding Request by major expense category and compared as against the Project Budget; and
- (xx) a reconciliation of Project Costs funded from the Partnership Project Operating Account pursuant to paragraph 8.2.2.5 of the LIL Project Finance Agreement defrayed or paid during the prior month;

**"Financial Statements"** means, with respect to any Person, for any period, all prepared in accordance with GAAP, the balance sheet of such Person as at the end of such period and the related statements of income, retained earnings, shareholders' or partners' equity and cash flows for such period, setting forth in each case, in comparative form, the figures for the corresponding period of the previous fiscal quarter or for the previous fiscal year, as the case may be;

**"Financing Structure"** has the meaning ascribed to it from time to time in the recitals to the Collateral Agency Agreement;

**"Fiscal Agent"** means the Indenture Trustee, the depositaries of the Funds or FV Accounts required under each MTI or any sub-account thereof, any Paying Agent, or any or all of them as the context may require;

**"Fiscal and Paying Agency Agreement"** means, as the context requires (i) the fiscal and paying agency agreement entered into on December 13, 2013 among the FV, the Indenture Trustee and The Toronto-Dominion Bank, as Fiscal Agent and Paying Agent, and (ii) the fiscal and paying agency agreement to be entered into on or about the date upon which the New FV Bonds shall have been issued, among the FV, the Indenture Trustee and the Fiscal Agent and Paying Agent;

**"Force Majeure"** has the meaning ascribed thereto in the LIL Lease;

**"Fraudulent Conveyances Law"** means the *Fraudulent Conveyances Act* (NL), or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign;

**"FRDN"** refers to the floating rate deposit note referenced in the Deposit Note Letter Agreement;

"**Fund**" means any fund, reserve fund or account required to be established pursuant to either MTI;

"**Funding Deficiency**" has the meaning ascribed thereto in the definition of "Debt Rateable Share";

"**Funding Duties**" means the FV Trust Activities with respect to (i) the borrowing of money and the issuance of FV Bonds from time to time pursuant to the MTIs and the other Funding Transaction Documents in a manner that enables the Funding Vehicle to lend money to the Intermediary Trust and meet all its obligations as direct secured lender to the Intermediary Trust pursuant to the Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Funding Vehicle under the Funding Transaction Documents and Guarantee Transaction Documents, (iii) subject to fulfilling the Funding Duty Requirement, the execution of all Funding Transaction Documents and Guarantee Transaction Documents on behalf of the Funding Vehicle, and (iv) all matters incidental or ancillary to the activities described in clauses (i), (ii) and (iii) of this definition including the matters contemplated in Sections 3.1, 3.4 and 3.5 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Funding Vehicle and Canada, each acting reasonably;

"**Funding Duty Requirement**" has the meaning ascribed to it from time to time in Section 4.1 of the Collateral Agency Agreement;

"**Funding Request**" means a request, substantially in the form of Schedule "P" of the LIL Project Finance Agreement, addressed by the Partnership to the Collateral Agent and the Independent Engineer, specifying:

- (i) the amount of Eligible Project Costs remaining unpaid as at the Effective Date thereof;
- (ii) the Permitted Investments made with the funds in the LIL Project Accounts and the IT Accounts;
- (iii) that no LIL Event of Default has occurred and is continuing;
- (iv) for purposes of funding the Funding Requirements, the Aggregate Eligible Account Balances as at the Effective Date;
- (v) for purposes of funding the Funding Requirements, (a) the aggregate amount to be invested under either the Available Base Equity Commitment or the Contingency Equity Commitment, as the case may be, and representing the Equity Rateable Share of the difference between the Funding Requirements and the Aggregate Eligible Account Balances as at the Effective Date, minus (b) the amount determined in clause (iii) of the definition of Funding Requirements;
- (vi) for purposes of funding the Funding Requirements, the LIL Drawdown requested to be Advanced under the LIL Construction Facility and the

Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement and representing (a) the Debt Rateable Share of the difference between the Funding Requirements and the Aggregate Eligible Account Balances as at the Effective Date minus (b) the difference between the amount determined in clause (iii) of the definition of Funding Requirements and the Equity Rateable Share of the difference between the Funding Requirements and the Aggregate Eligible Account Balances as at the Effective Date;

- (vii) a reconciliation of amounts disbursed from the Partnership Project Operating Account to amounts set forth and approved in any Funding Request and any Working Capital Revolving Funding Request (other than in connection with an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement) provided during the prior month;
- (viii) Soft Costs incurred as at the Effective Date of the Construction Report delivered in the same month as the relevant Funding Request by major expense category and compared as against the Project Budget; and
- (ix) a reconciliation of Project Costs funded from the Partnership Project Operating Account pursuant to paragraph 8.2.2.5 of the LIL Project Finance Agreement defrayed or paid during the prior month;

**"Funding Requirements"** means, as at any date, as determined by the Collateral Agent, the aggregate of:

- (i) the Eligible Project Costs as at the Effective Date of the Funding Request or Final Funding Request;
- (ii) if at the Effective Date of the Funding Request pertaining to such Funding Requirements, the Available Working Capital Revolving Facility is less than the Minimum WCRF Requirement, the amount of such difference provided, however, that the amount determined under this paragraph (ii) shall be deemed to be nil as at the Effective Date of such Funding Request in the following circumstances: (a) if the first LIL Drawdown pursuant to Section 7.9 of the LIL Project Finance Agreement following the LIL Second Amendment and Restatement Effective Date has already occurred or will be occurring under such Funding Request, or (b) if the inclusion of the amount of such difference in the Funding Request as part of the Funding Requirements would result in either (x) the Debt Rateable Share of the Net Funding Requirements being greater than the Available LIL Construction Facility, or (y) where the Available Working Capital Revolving Facility is nil, a Funding Deficiency. For the purposes of this paragraph (ii), "Net Funding Requirements" means the amount of the Funding Requirements described in the applicable Funding Request (which, for the purposes of the calculations contemplated in this paragraph



- (ii), includes the amount corresponding to the difference between the Minimum WCRF Requirement and the Available Working Capital Revolving Facility), less the amount of the Aggregate Eligible Account Balances;
- (iii) if at any time following the Effective Date of the immediately preceding Funding Request, an equity Investment contemplated in paragraph 7.8.1.2 of the LIL Project Finance Agreement was made, the amount of such equity Investment; and
- (iv) an amount representing 5% of that portion of the Eligible Project Costs identified in paragraph (i) of this definition that is comprised of Eligible Project Costs expected to be incurred to and invoiced after the relevant Effective Date and by the relevant LIL Drawdown Date, provided, however, that such an amount shall not be included in the calculation of Funding Requirements for purposes of the Final Funding Request, save as otherwise provided in the definition of "Punch List Costs";

**"Funding Transaction Documents"** means the agreements entered into from time to time with respect to such portion of the FV Trust Activities as pertains to the borrowings to be made by or for the benefit of the Funding Vehicle for purposes of onlending to the Intermediary Trust and the Partnership pursuant to the Project Finance Documents, including each MTI, the FV Bonds, any other loan and debt documents and any security documents executed by the Funding Vehicle in order to secure its obligations under the foregoing;

**"Funding Vehicle"** means Labrador - Island Link Funding Trust, a trust formed under the Laws of NL pursuant to the FV Declaration of Trust;

**"Funding Vehicle Project Costs and Expenses"** means costs and expenses due and payable by the Funding Vehicle to its advisors in connection with the Funding Transaction Documents or the IT Project Finance Documents and, following the Assignment, the LIL Project Finance Documents, including the Independent Engineer and legal advisors including all reasonable costs and expenses incurred by the Funding Vehicle under any Enforcement Proceedings instituted pursuant to any of the Funding Transaction Documents or the IT Project Finance Documents and, following the Assignment, the LIL Project Finance Documents;

**"Future LIL Assets and Rights"** means such of the LIL Assets and Rights that will be acquired by the Partnership following the Closing Date as and when required in order to proceed with construction of the Project in accordance with the Project Schedule, and includes the SOBI Lease;

**"FV Account"** means any fund, reserve fund or account required to be established pursuant to either MTI;

**"FV Bonds"** is a collective reference to the Initial FV Bonds and the New FV Bonds;

**"FV Bond Acceleration Date"** means (i) in respect of the Initial FV Bonds, the date on which the Initial FV Bonds are called for payment as a result of the Initial FV Bonds being accelerated pursuant to the Initial MTI and the Supplemental Indentures thereto, and (ii) in respect of the New FV Bonds, the date on which the New FV Bonds are called for payment as a result of the New FV Bonds being accelerated pursuant to the New MTI and the Supplemental Indenture thereto;

**"FV Bondholder"** or **"holder"** or words of similar import, when used with reference to a FV Bond, means any Person who is, at the relevant time, the Person whose name is entered in the FV Bond Registers as the holder of such FV Bond, including any Person in whose name a FV Pledge Bond is registered as trustee, security holder or in a fiduciary capacity;

**"FV Bond Make-Whole Amount"** means (i) in respect of the Initial FV Bonds, the aggregate make-whole amount or premium that would be payable by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be, pursuant to the Initial MTI and the Supplemental Indentures thereto in respect of the Initial FV Bonds being all redeemed or accelerated at such time prior to their stated maturity and (ii) in respect of the New FV Bonds, the aggregate make-whole amount or premium that would be payable by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be, pursuant to the New MTI and the Supplemental Indentures thereto in respect of the New FV Bonds being all redeemed or accelerated at such time prior to their stated maturity;

**"FV Bond Redemption Date"** means (i) in respect of the Initial FV Bonds, the redemption date under the Initial MTI and the Supplemental Indentures thereto, and (ii) in respect of the New FV Bonds, the redemption date under the New MTI and the Supplemental Indentures thereto;

**"FV Bond Registers"** means, collectively, the one or more registers of FV Bondholders which the Indenture Trustee is required to maintain pursuant to Section 3.3 of each of the MTIs;

**"FV Collateral Trust Deed"** means the collateral trust deed executed by the Funding Vehicle in favour of the FV Security Trustee;

**"FV Consultants"** means the Insurance Consultant, the Independent Engineer, FV Counsel and any other experts, advisors or professionals retained or appointed from time to time to advise the GAA Finance Parties;

**"FV Counsel"** means McInnes Cooper and any successor thereof;

**"FV Declaration of Trust"** means the second amended and restated declaration of trust dated as of March 30, 2017 made by BNY Trust Company of Canada, as Issuer Trustee for the Funding Vehicle as amended, supplemented, restated or otherwise changed from time to time;

**"FV Event of Default"** means the **"Event of Default"** as defined in the MTIs;

**"FV Obligation Bond"** means a FV Bond issued as direct evidence of the Indebtedness of the Funding Vehicle to the holder thereof;

**"FV Payment"** means any payment of principal, interest, fees or other amounts payable by the Funding Vehicle on a FV Bond, in accordance with its terms and the terms of the applicable Supplemental Indenture, or under any other Funding Transaction Document;

**"FV Payment Account"** means account number 58003-5230416 of the Funding Vehicle maintained at the Collateral Agent's Office for purposes of payments to be made to it initially by the Intermediary Trust and following the Assignment, by the Partnership, and payments to be made by the Funding Vehicle to the Fiscal Agents;

**"FV Payment Date"** means any date on which a FV Payment is payable by the Funding Vehicle;

**"FV Pledge"** means, in respect of a FV Bond, a pledge, deposit or delivery of such FV Bond or other agreement between the Funding Vehicle and a FV Bondholder in respect of such FV Bond, in each case made in accordance with Section 4.1 of the applicable MTI;

**"FV Pledge Bond"** means a FV Bond which is subject to a FV Pledge;

**"FV Proceeds Account"** means account number 58003-5230408 of the Funding Vehicle maintained at the Collateral Agent's Office for purposes of receiving the proceeds of all FV Bonds issued by it;

**"FV Security Trustee"** means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain GAA Security Documents;

**"FV Trust Activities"** means the activities of the Funding Vehicle permitted under the FV Declaration of Trust;

**"FV Trust Property"** means as of any particular time, any and all assets of the Funding Vehicle and any and all property, real, personal or otherwise, tangible or intangible, movable or immovable which has been transferred, conveyed or paid to, or acquired or originated by, the Funding Vehicle including all of the rights, title and interest of the Funding Vehicle in and to the Consolidated Transaction Documents, including all income, earnings, profits and gains therefrom, and all proceeds deriving therefrom or related thereto and which at such time is owned or held by the Funding Vehicle;

**"GAA"** means the amended and restated guarantee assurance agreement entered into on or about the date hereof among, *inter alios*, Canada, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, the Credit Parties;

**"GAA Duties"** means performing all duties and functions required of the Collateral Agent pursuant to the GAA and the other Guarantee Transaction Documents including performing the Funding Duties and Project Financing Duties, providing the reports, advice, confirmations and certificates to Canada and including the matters contemplated

in Sections 3.3, 3.4 and 3.5 of the Collateral Agency Agreement, acting reasonably in accordance with the Collateral Agent Standard and the instructions of Canada, acting reasonably;

**"GAA Event of Default"** means any of the events described in Section 4.01 of the GAA;

**"GAA Finance Parties"** means (i) in reference to the LIL Project Finance Documents, the Intermediary Trust and the Funding Vehicle, in their capacity as lenders under the Project Finance Documents, and Canada in accordance with the provisions of the GAA, provided, however, that upon the Assignment by the Intermediary Trust contemplated in Section 2.6 of the IT Project Finance Agreement, the Intermediary Trust will no longer be a GAA Finance Party, (ii) in reference to the IT Project Finance Documents, the Funding Vehicle, in its capacity as lender under the IT Project Finance Documents, and Canada in accordance with the provisions of the GAA, and (iii) in reference to the Funding Transaction Documents, Canada in accordance with the GAA;

**"GAAP"** means generally accepted accounting principles as defined by the Canadian Institute of Chartered Accountants or its successors, as amended or replaced by international financial reporting standards or as otherwise amended from time to time;

**"GAA Security Documents"** means the security documents executed by the Funding Vehicle pursuant to the terms of the GAA;

**"General Partner"** means Labrador - Island Link General Partner Corporation, a NL corporation, in its capacity as general partner of the Partnership, and includes any successor thereto in such capacity;

**"GIA"** means the generator interconnection agreement entered into among NLH, Muskrat and Labrador Transco;

**"Good Utility Practice"** means those project management, design, procurement, construction, operation, maintenance, repair, removal and disposal practices, methods and acts that are engaged in by a significant portion of the electric utility industry in Canada during the relevant time period, or any other practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be the optimum practice, method, or act to the exclusion of others, but rather to be a spectrum of acceptable practices, methods or acts generally accepted in such electric utility industry for the project management, design, procurement, construction, operation, maintenance, repair, removal and disposal of electric utility facilities in Canada. Notwithstanding the foregoing references to the electric utility industry in Canada, in respect solely of Good Utility Practice regarding subsea HVdc transmission cables, the standards referenced shall be the internationally recognized standards for such practices, methods and acts generally accepted with respect to subsea HVdc transmission cables. Good Utility Practice shall not be determined after the fact in light of the results achieved by the practices, methods or acts undertaken but

rather shall be determined based upon the consistency of the practices, methods or acts when undertaken with the standard set forth in the first two sentences of this definition at such time;

**"Governmental Authority"** means, in relation to any Person, property, transaction or event, any (i) federal, provincial, state, territorial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), (ii) agency, authority, commission, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, (iv) private regulatory entity, self-regulatory organization or other similar Person, or (v) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, property, transaction or event;

**"Guarantee Fee"** has the meaning ascribed thereto in Section 3.4 of the LIL Project Finance Agreement;

**"Guarantees"** means, with respect to any Person, any Indebtedness of another Person which such guaranteeing Person has guaranteed or in respect of which such guaranteeing Person is liable, contingently or otherwise, including liable by way of agreement to purchase property or services, to provide funds for payment, to supply funds to or otherwise invest in such other Person, or otherwise, in all cases to assure a creditor of such other Person against loss, other than endorsements for collection or deposit in the ordinary course of business. Furthermore, **"Guarantee"** and **"Guaranteeing"** shall have correlative meanings. For the purposes of determining compliance with various provisions in any Project Finance Document or Guarantee Transaction Document relating to Guarantees, the amount of any Guarantee shall be deemed to be the lesser of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made (for greater clarity where such primary obligation is to be incurred pursuant to a revolving credit facility, the amount of the aggregate commitments under such a facility shall constitute the stated amount of the primary obligation) and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of such Guarantee shall be deemed to be such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as reasonably determined by the Collateral Agent in good faith;

**"Guarantee Transaction Documents"** or **"GAA Transaction Documents"** means the agreements entered into from time to time with respect to such portion of the FV Trust Activities as pertains to the contractual arrangements between, *inter alia*, Canada and the Funding Vehicle in connection with the issuance of the Federal Loan Guarantees, including the Federal Loan Guarantees, the GAA, the Collateral Agency Agreement and the GAA Security Documents;

**"Guaranteed Obligations"** means, collectively, the **"Guaranteed Obligations"** as such term is defined in each of the Federal Loan Guarantees;

**"Hard Costs"** means all of the project management, design, procurement, construction, acquisition and other similar costs identified in the Project Budget, including, without duplication:

- (i) the cost of designing, equipping, procuring, constructing, Commissioning, starting up and testing the Project;
- (ii) the cost of acquiring any of the LIL Assets and Rights;
- (iii) real and personal property taxes, *ad valorem* taxes and Sales Taxes (to the extent not recoverable) related to Hard Costs and insurance premiums payable with respect to the Project during the Construction Period;
- (iv) initial working capital requirements of the Project as set forth in the Project Budget;
- (v) the costs of acquiring Authorizations for the Project;
- (vi) the cost of establishing a spare parts inventory specifically for execution of the Project;
- (vii) amounts spent out of the contingency allowances set forth in the Project Budget;
- (viii) all amounts payable under Material Project Documents relating to the construction of the Project, as well as any other agreements with any other contractors supplying goods or services to the Project;
- (ix) the cost of funding the Demobilization Costs; and
- (x) the cost of operating and maintaining the Assets on an interim basis prior to Commissioning;

**"Hazardous Material"** means any contaminant, pollutant, toxic substances, hazardous material, residual material, waste, dangerous goods, hazardous substances or other similar terms as such terms are defined in any Environmental Law;

**"Holder"** means "holder" as defined in the *Muskrat Falls Project Land Use and Expropriation Act* (NL);

**"HST"** means all amounts exigible pursuant to Part IX of the Excise Tax Act, including, for greater certainty, the Taxes commonly referred to as the goods and services tax (GST) and the harmonized sales tax (HST);

**"IE Contract"** means the agreement number LC-PM-082 for independent engineer and operating and maintenance services dated as of August 27, 2012 entered into between Nalcor and the Independent Engineer, as assigned to the Partnership on or about November 29, 2013 and as further assigned to Argirov Engineering Inc. as of December 30, 2016;

**"IGA"** means the amended and restated intergovernmental agreement entered into between NL Crown and Canada in connection with the Project, the MF Plant and the LTA;

**"Income on Prepaid Rent"** has the meaning ascribed thereto in the LIL LP Agreement;

**"Indebtedness"** includes, without duplication, for any Person:

- (i) obligations representing the deferred purchase price of property or services;
- (ii) obligations, whether or not assumed, secured by Liens on, or payable out of the proceeds or production from, property owned by such Person;
- (iii) Debt for Borrowed Money of such Person;
- (iv) any obligation described above or any Guarantee, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any Assets of such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and
- (v) obligations under Guarantees;

**"Indemnified Parties"** means the Collateral Agent, the GAA Finance Parties, each of their Affiliates as well as their respective directors, officers, employees, advisors, representatives and agents;

**"Indenture Trustee"** means Computershare Trust Company of Canada, a trust company, and includes any successor thereto;

**"Independent Engineer"** means Argirov Engineering Inc., and any successor thereof and any other engineering consultants appointed from time to time for the Project, with the consent of the Partnership by the Collateral Agent or any other Person from time to time to advise the GAA Finance Parties in replacement thereof, it being understood that only one engineering consultant or firm can occupy this role at any one time;

**"Independent Engineer's Confirmation"** means a certificate from the Independent Engineer substantially in the form of the one attached as Schedule "Q" of the LIL Project Finance Agreement, addressed to the Collateral Agent in connection with any Construction Report and/or Funding Request or Final Funding Request;

**"Initial Collateral Agency Agreement"** has the meaning ascribed to it in the seventh preamble paragraph thereof;

**"Initial Construction Tranches"** means each Initial Construction Tranche of the LIL Construction Facility referred to as such in Schedule "JJ" of the LIL Project Finance Agreement;

**"Initial Cost Overrun Instalment Payment"** has the meaning ascribed thereto in paragraph 10.28.2.1 of the LIL Project Finance Agreement;

**"Initial Federal Loan Guarantee"** means the guarantee agreement made as of November 29, 2013 and executed by Canada in favour of the Indenture Trustee pursuant to the Funding Transaction Documents;

**"Initial FV Bond"** means any evidence of indebtedness of the Funding Vehicle authenticated and delivered by the Indenture Trustee under and pursuant to the Initial MTI and each Supplemental Indenture thereto, whether such evidence of indebtedness is a FV Obligation Bond or a FV Pledge Bond thereunder, which Initial FV Bonds shall be the FV Bonds issued under the series of FV Bonds listed in Schedule "JJ" of the LIL Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule;

**"Initial IT Project Finance Agreement"** has the meaning ascribed to it in the fifth preamble paragraph hereof;

**"Initial IT Tranches"** means the Initial IT Tranches of the IT Facility referred to as such in Schedule "H" of the IT Project Finance Agreement;

**"Initial LIL Project Finance Agreement"** has the meaning ascribed to it in the third preamble paragraph hereof;

**"Initial Master Definitions Agreement"** has the meaning ascribed to it in the first preamble paragraph hereof;

**"Initial Material Project Documents"** means the contracts, agreements and Authorizations described or referred to in Part II of Schedule "B" of the LIL Project Finance Agreement;

**"Initial MTI"** means the master trust indenture entered into as of November 29, 2013 between the Funding Vehicle and the Indenture Trustee;

**"Initial Project Budget"** refers to the budget of Project Costs set forth in Part I of Schedule "U" of the LIL Project Finance Agreement;

**"Initial Project Schedule"** means the schedule for construction and Commissioning of the Project as set forth in Schedule "V" of the LIL Project Finance Agreement;



"**Insolvency Event**" means, in relation to any Person, the occurrence of one or more of the following:

- (i) an order is made, or an effective resolution passed, for the winding-up, liquidation or dissolution of such Person;
- (ii) such Person voluntarily institutes proceedings for its winding up, liquidation or dissolution, or to authorize or enter into an arrangement under the *Corporations Act* (NL) or similar legislation in any other jurisdiction affecting any of its creditors, or takes action to become bankrupt, or consents to the filing of a bankruptcy application against it, or files an assignment, a proposal, a notice of intention to make a proposal, an application, or answer or consent seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar Applicable Law, including the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), or consents to the filing of any such application for a bankruptcy order, or consents to the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or, trustee in bankruptcy of all or substantially all of the property of such Person or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they come due or commits any other act of bankruptcy or insolvency, or suspends or threatens to suspend transaction of its usual business, or any action is taken by such Person in furtherance of any of the foregoing;
- (iii) a court having jurisdiction enters a judgment or order adjudging such Person a bankrupt or an insolvent person, or approving as properly filed an application or motion seeking an arrangement under the *Corporations Act* (NL) or similar legislation in any other jurisdiction affecting any of its creditors or seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar Applicable Law, or an order of a court having jurisdiction for the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or, trustee in bankruptcy of all or substantially all of the undertaking or property of such Person, or for the winding up, liquidation or dissolution of its affairs, is entered and such order is not contested and the effect thereof stayed, or any material part of the property of such Person is sequestered or attached and is not returned to the possession of such Person or released from such attachment within 30 days thereafter;
- (iv) any proceeding or application is commenced respecting such Person without its consent or acquiescence pursuant to any Applicable Law relating to bankruptcy, insolvency, reorganization of debts, winding up, liquidation or dissolution, and such proceeding or application (i) results in a bankruptcy order or the entry of an order for relief and a period of 30

days has elapsed since the issuance of such order without such order having been reversed or set aside or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the commencement of such proceeding or application; or

- (v) such Person has ceased paying its current obligations in the ordinary course of business as they generally become due;

**"Insolvency Law"** means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any plan of arrangement law or any corporations statute permitting a corporation to propose a compromise or an arrangement with respect to creditors or any class of creditors of the corporation or any other like, equivalent or analogous laws of any jurisdiction, domestic or foreign;

**"Insolvency Proceeding"** refers to any proceeding relating to or arising in connection with or as a result of an Insolvency Event, including:

- (i) an assignment for the benefit of creditors, the filing of an application for a bankruptcy order, a proposal or a notice of intention under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or any other similar Law of any other jurisdiction;
- (ii) the adjudication of any Person as insolvent or bankrupt;
- (iii) the petition or application to any tribunal for any receiver, trustee, liquidator or sequestrator of any Person or for any portion of such Person's property; or
- (iv) anything analogous or having a substantially similar effect to any of the events specified above happens under the Law of any other applicable jurisdiction;

**"Insurance Consultant"** means Mandy McNeil International Limited;

**"Intellectual Property Rights"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Interest Prepayment"** has the meaning ascribed to it in subsection 3.4.5A of the Collateral Agency Agreement;

**"Intermediary Trust"** means LIL Construction Project Trust, a trust formed under the Laws of NL pursuant to the IT Declaration of Trust;

**"Intermediary Trust Activities"** means the activities of the Intermediary Trust permitted under the IT Declaration of Trust;

**"Intermediary Trust Guarantee"** means the Guarantee granted by the Partnership and Opco in favour of the Funding Vehicle with respect to the obligations of the Intermediary Trust under the IT Project Finance Agreement;

**"Intermediary Trust Payment Account"** has the meaning ascribed thereto in Section 8.2 of the IT Project Finance Agreement;

**"Intermediary Trust Proceeds Account"** has the meaning ascribed thereto in Section 8.1 of the IT Project Finance Agreement;

**"Intermediary Trust Proceeds Account Balance"** means, as at any time, the amount standing to the credit of the Intermediary Trust Proceeds Account at such time including, for greater certainty, any IT Income on Account Balances deriving therefrom;

**"Intermediary Trust Project Costs and Expenses"** means costs and expenses due and payable by the Intermediary Trust to its advisors in connection with the IT Project Finance Documents or the LIL Project Finance Documents, including the Independent Engineer and legal advisors including all reasonable costs and expenses incurred by the Intermediary Trust under any Enforcement Proceedings instituted pursuant to any of the IT Project Finance Documents or the LIL Project Finance Documents;

**"Investment"** means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business) or contribution of capital to any other Person or any acquisition of Capital Stock, deposit accounts, certificates of deposit, mutual funds, bonds, notes, debentures or other securities of any other Person or any structured notes, and **"Invest"** and **"Invested"** shall have the correlative meaning;

**"Invoice Payment Date"** has the meaning ascribed to it in Section 7.6 of the Collateral Agency Agreement;

**"Island Interconnected System"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Issuer Trustee"** means BNY Trust Company of Canada, in its capacity as trustee of the Funding Vehicle, and includes any successor thereto in such capacity;

**"IT Accounts"** refers collectively to the Intermediary Trust Proceeds Account and the Intermediary Trust Payment Account;

**"IT Administration Agreement"** means the administration agreement entered into among the Intermediary Trust, the IT Administrator, Canada and the Partnership;

**"IT Administrator"** means the Person that will act as administrator to the Intermediary Trust pursuant to the terms of the IT Administration Agreement;

**"IT Advance"** means any amount of money advanced or to be advanced (as the context requires) to the Intermediary Trust pursuant to the IT Project Finance Agreement;

**"IT Affected Funds"** has the meaning ascribed to it in Section 15.2 of the IT Project Finance Agreement;

**"IT Applicable Interest Rate"** means with respect to interest payable on any Corresponding IT Tranche Construction Loan, the Corresponding FV Bond Series Interest Rate;

**"IT Assignment Agreement"** means the assignment agreement substantially in the form attached to the IT Project Finance Agreement as Schedule "G", to be entered into among the Funding Vehicle, the Intermediary Trust and the other Obligors on or about the Scheduled IT Assignment Date and evidencing the Assignment;

**"IT Blocked Account Agreement"** means the blocked account agreement entered into among The Toronto-Dominion Bank, as account holder, the IT Security Trustee, the Intermediary Trust, as debtor, and the Collateral Agent;

**"IT Collateral Trust Deed"** has the meaning ascribed to it in paragraph 6.1.1.1 of the IT Project Finance Agreement;

**"IT Conditions Precedent to the Second Amendment and Restatement"** has the meaning ascribed to it in Section 7.1 of the IT Project Finance Agreement;

**"IT Construction Loan"** refers collectively to the aggregate of the principal amount of the Corresponding IT Tranche Construction Loans;

**"IT Declaration of Trust"** means the amended and restated declaration of trust dated as of March 30, 2017 made by BNY Trust Company of Canada, as IT Trustee, for the Intermediary Trust, as amended, supplemented, restated or otherwise changed from time to time;

**"IT Disgorged Amount"** has the meaning ascribed thereto in Section 5.15 of the IT Project Finance Agreement;

**"IT Drawdown"** means as the context requires, (i) the single IT Advance under the Initial IT Project Finance Agreement or (ii) the single IT Advance under the IT Project Finance Agreement made following the IT Second Amendment and Restatement Effective Date;

**"IT Drawdown Date"** means as the context requires, (i) the day on which an IT Drawdown was made under the Initial IT Project Finance Agreement or (ii) the day on which an IT Drawdown is made under the IT Project Finance Agreement;

**"IT Draw Request"** means a notice, substantially in the form of the one attached as Schedule "F" of the IT Project Finance Agreement, issued by the Intermediary Trust to

the Collateral Agent in connection with the IT Drawdown requested by the Intermediary Trust under the IT Project Finance Agreement;

**"IT Due Date"** means, with respect to any payment due by the Intermediary Trust under any IT Project Finance Document, the date on which such payment is required to be made by the Intermediary Trust pursuant to the provisions of that IT Project Finance Document (without taking into account any grace period granted to the Intermediary Trust to cure any failure to pay) and, where any amount is payable on demand made by the Collateral Agent, the date that the Collateral Agent makes such a demand;

**"IT Event of Default"** means any of the events described in Article 13 of the IT Project Finance Agreement;

**"IT Facility"** means the credit facility which the Funding Vehicle has agreed to make available to the Intermediary Trust in IT Tranches pursuant to the IT Project Finance Agreement;

**"IT Final Funds Release"** means the final IT Funds Release of all of the Intermediary Trust Proceeds Account Balance in order to permit the Intermediary Trust to fund the Punch List Costs LIL Drawdown, the Demobilization Costs LIL Drawdown and the DSRA LIL Drawdown and the Advance referred to in subsection 2.9.2 of the LIL Project Finance Agreement;

**"IT Funding Period"** means the period commencing on the Closing Date and terminating on the earlier of:

- (i) the Scheduled IT Assignment Date;
- (ii) the date that the IT Facility is terminated and cancelled in its entirety under the provisions of Section 14.2 of the IT Project Finance Agreement; and
- (iii) the date of any other cancellation of the IT Facility in its entirety;

**"IT Funds Release"** means a release of all or a portion of the Intermediary Trust Proceeds Account Balance (other than any IT Income on Account Balances) in an amount equal to the lesser of (A) the Intermediary Trust Proceeds Account Balance (other than any IT Income on Account Balances) and (B) the amount requested by the Partnership in the LIL Draw Request or Working Capital Revolving Funding Request, as the case may be, to which such IT Funds Release relates;

**"IT Funds Release Date"** means any day on which a IT Funds Release occurs;

**"IT Guaranteed Obligations"** has the meaning ascribed thereto in Section 5.1 of the IT Project Finance Agreement;

**"IT Guarantors"** refers collectively to the Partnership and Opco acting jointly and severally as Guarantors;

**"IT Income on Account Balances"** means, with respect to any IT Account, any interest or other income earned by the Intermediary Trust from investment of any sums on deposit in such IT Account, including any interest or other income earned on the re-investment of such interest or other income so earned;

**"IT Initial Conditions Precedent"** has the meaning ascribed thereto in Section 7.1 of the Initial IT Project Finance Agreement;

**"IT Interest Payment Date"** refers to with respect to interest payable on each Corresponding IT Tranche Construction Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the series of FV Bonds listed opposite the name of the relevant IT Tranche listed in Schedule "H" or Schedule "I", as the case may be, of the IT Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule;

**"IT Loan"** refers collectively to the aggregate of all of the Corresponding IT Tranche Construction Loans together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case, due and payable by the Intermediary Trust in respect of, respectively, each Corresponding IT Tranche Construction Loan;

**"IT Loan Acceleration"** means any acceleration of the IT Loan made pursuant to Section 14.2 of the IT Project Finance Agreement;

**"IT Loss Event"** has the meaning ascribed to it in Section 15.2 of the IT Project Finance Agreement;

**"IT Make-Whole Amount"** means, with respect to any IT Voluntary Prepayment or IT Loan Acceleration, as the case may be, an amount equal to the FV Bond Make-Whole Amount required to be paid by the Funding Vehicle on the FV Bond Voluntary Prepayment Date or the FV Bond Redemption Date, as the case may be;

**"IT Payment"** means any payment of principal, interest, fees or other amounts payable by the Intermediary Trust to the Funding Vehicle under the IT Project Finance Agreement;

**"IT Payment Demand"** has the meaning ascribed thereto in Section 5.3 of the IT Project Finance Agreement;

**"IT Project Finance Agreement"** means the second amended and restated financing agreement dated as of the date hereof entered into among the Intermediary Trust, as borrower, the Funding Vehicle, as lender, the Partnership and Opco, as Obligors, and the Collateral Agent;

**"IT Project Finance Documents"** refers collectively to the IT Project Finance Agreement, the IT Security Documents, the Collateral Agency Agreement and each document, instrument or agreement, including any security agreement, entered into by or between the Funding Vehicle, the Intermediary Trust, the Partnership, Opco and the

Collateral Agent or any other Person in connection with the Funding Vehicle lending funds to the Intermediary Trust or which is supplemental to the IT Project Finance Agreement;

**"IT Project Financing Duties"** means the FV Trust Activities with respect to (i) the lending of money obtained pursuant to the Funding Transaction Documents from time to time, to the Intermediary Trust as direct secured lender pursuant to the IT Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Funding Vehicle, in its capacity as secured lender under the IT Project Finance Documents, and (iii) all matters incidental or ancillary to the activities described in clauses (i) and (ii) of this definition including the matters contemplated in Sections 3.2, 3.4 and 3.5 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Funding Vehicle and Canada, each acting reasonably, it being understood that following the Assignment, the IT Project Financing Duties shall include the LIL Project Financing Duties in the same manner and to the same extent as if the Intermediary Trust Activities formed part of the FV Trust Activities;

**"IT Second Amendment and Restatement Effective Date"** has the meaning ascribed to it in Section 7.1 of the IT Project Finance Agreement;

**"IT Second Drawdown Conditions Precedent"** has the meaning ascribed to it in Section 7.2 of the IT Project Finance Agreement;

**"IT Secured Obligations"** refers collectively to all the obligations of the Obligor under the IT Project Finance Documents, including the obligation of the Intermediary Trust to repay the IT Loans upon the terms and conditions provided for under the IT Project Finance Agreement and the IT Guaranteed Obligations;

**"IT Security Documents"** is the collective reference to the agreements and documents referred to in Article 6 of the IT Project Finance Agreement;

**"IT Security Trustee"** means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain IT Security Documents;

**"IT Tranche"** refers to any of the Initial IT Tranches and New IT Tranches;

**"IT Trustee"** means BNY Trust Company of Canada, a trust company, in its capacity as trustee of the Intermediary Trust, and includes any successor thereto in such capacity;

**"IT Voluntary Prepayment"** means any voluntary prepayment of the IT Loan made in accordance with Section 2.7 of the IT Project Finance Agreement;

**"IT Voluntary Prepayment Date"** means the date which is two (2) Business Days prior to the FV Bond Redemption Date;

**"IT Voluntary Prepayment Notice"** means a notice, substantially in the form of the one attached as Schedule "E" of the IT Project Finance Agreement, issued by the

Intermediary Trust to the Collateral Agent in connection with any voluntary prepayment of the IT Project Finance Loan under the IT Project Finance Agreement;

**"June 2014 Project Budget"** refers to the Initial Project Budget, as amended by the Supplemental Authorization for Expenditure of the board of directors of the General Partner on June 20, 2014;

**"June 2016 Project Budget"** refers to the Initial Project Budget, as amended by the June 2014 Project Budget, as further amended by the Supplemental Authorization for Expenditure of the board of directors of the General Partner in September 2015, as further amended by the Supplemental Authorization for Expenditure of the board of directors of the General Partner in June 2016 and as further amended as regards Soft Costs further to the undertaking set forth in Section 10.29 of the LIL Project Finance Agreement, a copy of which June 2016 Project Budget is set forth in Part II of Schedule "U" of the LIL Project Finance Agreement;

**"Knowledge"** means in the case of any Obligor, as applicable, the actual knowledge of any of the executive officers of such Obligor and **"Know"** and **"Known"** shall have correlative meanings;

**"Labrador Transco"** means Labrador Transmission Corporation, a NL corporation, and includes any successor thereto;

**"Law"** means any international treaty, any domestic or foreign constitution or any federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation or order (including any consent, decree or administrative order) or any directive, guideline, policy or Authorization of any Governmental Authority;

**"LCP"** means the Project together with the "Projects" as such term is defined in the Muskrat/LTA Project Finance Documents;

**"Lead Arranger"** means the lead arranger under the second Commitment Letter;

**"Lien"** means (i) any right of set-off or combination of accounts intended to secure the payment or performance of an obligation, (ii) any interest in property securing an obligation owed to, or a claim by, a Person other than the owner (which for the purposes hereof shall include a possessor under a title retention agreement and a lessee under a Capital Lease or in a Sale and Leaseback Transaction), including by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, hire purchase agreement, conditional sale agreement, deposit arrangement, deemed trust, title retention, Capital Lease, discount, factoring or securitization arrangement, deemed trust, on recourse terms, (iii) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property, and (iv) any agreement to grant any of the foregoing rights or interests;

**"LIL Affected Funds"** has the meaning ascribed to it in Section 15.2 of the LIL Project Finance Agreement;



**"LIL Amendment and Restatement Effective Date"** has the meaning ascribed to it in Section 7.10 of the Principal LIL Project Finance Agreement;

**"LIL Assets Agreement"** means the agreement entered into as of November 29, 2013 between the Partnership and Opco relating, among other things, to the lease, assignment and licence, as applicable, of the LIL Assets and Rights by the Partnership to Opco, and the assumption by Opco of the operation and maintenance of the LIL Assets and Rights;

**"LIL Assets and Rights"** has the meaning ascribed to it from time to time in the LIL Lease;

**"LIL Collateral Trust Deed"** has the meaning ascribed to it in subsection 6.1.1 of the LIL Project Finance Agreement;

**"LIL Compliance Certificate"** means a certificate, substantially in the form of the one attached as Schedule "R" of the LIL Project Finance Agreement, signed by a Responsible Officer of the General Partner in his capacity as an officer of the General Partner and without personal liability:

- (i) setting forth the calculations required to establish the Retrospective DSCR and the Prospective DSCR, provided, however, that no such calculations shall be provided in any LIL Compliance Certificate delivered during the Construction Period;
- (ii) attesting that all of the terms, covenants and conditions of the LIL Project Finance Agreement and each of the other LIL Project Finance Documents to be performed or complied with by the Credit Parties at or prior to the date thereof have been performed or complied with;
- (iii) attesting that no LIL Event of Default has occurred and is continuing on the date thereof; and
- (iv) attesting that, to the Knowledge of said officer, except as otherwise disclosed to the Collateral Agent in writing, the representations and warranties set forth in Article 9 of the LIL Project Finance Agreement are still true and correct in all material respects as of the date of such 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;

**"LIL Conditions Precedent to the Second Amendment and Restatement"** has the meaning ascribed to it in Section 7.1 of the LIL Project Finance Agreement;

**"LIL Construction Facility"** means the credit facility which the Intermediary Trust has agreed to make available to the Partnership in Construction Tranches pursuant to the LIL Project Finance Agreement, as same shall be increased immediately following the Commissioning Date pursuant to subsection 2.3.1 of the LIL Project Finance Agreement;

**"LIL Construction Loan"** refers collectively to the aggregate of all of the Corresponding Tranche Construction Loans together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case due and payable by the Partnership in respect of, respectively, each Corresponding Tranche Construction Loan;

**"LIL Disgorged Amount"** has the meaning ascribed thereto in Section 5.15 of the LIL Project Finance Agreement;

**"LIL Draw Request"** means a notice, substantially in the form of the one attached as Schedule "S" of the LIL Project Finance Agreement, issued by the Partnership to the Collateral Agent in connection with any LIL Drawdown requested by the Partnership under the LIL Construction Facility;

**"LIL Drawdown"** an Advance under the LIL Construction Facility or the Working Capital Revolving Facility, as the case may be;

**"LIL Drawdown Date"** means any day on which a LIL Drawdown is made, provided, however, that (i) in the case of each LIL Drawdown made pursuant to a Funding Request or Final Funding Request, as the case may be, delivered other than in May or November, the LIL Drawdown Date shall occur on the last Business Day of the month during which delivery of such Funding Request or Final Funding Request, as the case may be, occurred, (ii) in the case of each LIL Drawdown made pursuant to a Funding Request or Final Funding Request, as the case may be, delivered in May or November, the LIL Drawdown Date shall occur on the second to last Business Day of the month during which delivery of such Funding Request or Final Funding Request, as the case may be, occurred and (iii) in the case of each LIL Drawdown made pursuant to a Working Capital Revolving Funding Request, the LIL Drawdown Date shall occur on the date provided for in such Working Capital Revolving Funding Request (other than in connection with an Advance under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement), which as per subsection 7.8.1 of the LIL Project Finance Agreement shall be by 10:00 a.m., Newfoundland Time, no less than one (1) Business Day following receipt of such Working Capital Revolving Funding Request by the Collateral Agent and the Independent Engineer;

**"LIL Due Date"** means, with respect to any payment due by the Partnership under any LIL Project Finance Document, the date on which such payment is required to be made by the Partnership pursuant to the provisions of that LIL Project Finance Document (without taking into account any grace period granted to the Partnership to cure any failure to pay) and, where any amount is payable on demand made by the Collateral Agent, the date that the Collateral Agent makes such a demand;

**"LIL Event of Default"** means any of the events described in Article 13 of the LIL Project Finance Agreement;

**"LIL Facilities"** refers collectively to the LIL Construction Facility and the Working Capital Revolving Facility, and **"LIL Facility"** refers to any one thereof;

"**LIL Guaranteed Obligations**" has the meaning ascribed thereto in Section 5.1 of the LIL Project Finance Agreement;

"**LIL Income on Account Balances**" means, with respect to any LIL Project Account, any interest or other income earned by the Partnership from investment of any sums on deposit in such LIL Project Account, including any interest or other income earned on the re-investment of such interest or other income so earned;

"**LIL Indemnified Parties**" means the Collateral Agent, the GAA Finance Parties, each of their Affiliates as well as their respective directors, officers, employees, advisors, representatives and agents;

"**LIL Initial Conditions Precedent**" has the meaning ascribed to such expression in Section 7.1 of the Initial LIL Project Finance Agreement;

"**LIL Interest Payment Date**" refers to with respect to interest payable on each Corresponding Tranche Construction Loan and Corresponding Tranche Working Capital Revolving Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the series of FV Bonds listed opposite the name of the relevant Construction Tranche or Working Capital Revolving Tranche, as the case may be, listed in Schedule "JJ", Schedule "KK" or Schedule "LL", as the case may be, of the LIL Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule;

"**LIL Land Area**" has the meaning ascribed to it from time to time in the LIL Lease;

"**LIL Lease**" means the agreement entered into as of November 29, 2013 between the Partnership and Opco (and NLH for certain limited purposes) by which the LIL Assets and Rights are to be leased, assigned or licenced, as applicable, by the Partnership to Opco;

"**LIL Loan**" refers collectively to the LIL Construction Loan and the Working Capital Revolving Loan;

"**LIL Loan Acceleration**" means any acceleration of the LIL Loan made pursuant to Section 14.2 of the LIL Project Finance Agreement;

"**LIL Loss Event**" has the meaning ascribed to it in Section 15.2 of the LIL Project Finance Agreement;

"**LIL LP Agreement**" means the limited partnership agreement dated July 31, 2012 establishing the Partnership entered into between the General Partner, as general partner, and Nalcor LP, as limited partner;

"**LIL Make-Whole Amount**" means, with respect to any LIL Voluntary Prepayment or LIL Loan Acceleration, as the case may be, occurring at any time, an amount equal to the FV Bond Make-Whole Amount required to be paid by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be;

"**LIL Opco Guarantee**" means the Guarantee of Opco pursuant to the provisions of Article 5 of the LIL Project Finance Agreement;

"**LIL Parties**" means collectively the Contributing Parties, the General Partner and the Partnership;

"**LIL Payment**" means any payment or prepayment of principal, interest, fees, including the Guarantee Fee, Sinking Fund Payments or other amounts payable or prepayable by the Partnership under the LIL Project Finance Agreement;

"**LIL Payment Demand**" has the meaning ascribed thereto in Section 5.3 of the LIL Project Finance Agreement;

"**LIL Project Accounts**" refers collectively to the Partnership Project Funding Account, the Opco Project Funding Account, the Partnership Project Operating Account, the Opco Project Operating Account, the DSRA, the Prepaid Rent Reserve Account, the Partnership Distribution Reserve Account, the Opco Distribution Reserve Account, the Partnership Demobilization Costs Account, the Opco Demobilization Costs Account, the Partnership Punch List Costs Account, the Opco Punch List Costs Account, the Partnership Insurance Reserve Account, the Opco Insurance Reserve Account, the Sinking Fund Account and the Prepaid Debt Service Escrow Account;

"**LIL Project Description**" has the meaning ascribed to it from time to time in the LIL Lease;

"**LIL Project Finance Agreement**" means the second amended and restated financing agreement dated as of the date hereof entered into among the Partnership, as borrower, the Intermediary Trust, as lender, Opco and the General Partner, as Credit Parties, and the Collateral Agent;

"**LIL Project Finance Documents**" means the LIL Project Finance Agreement, the LIL Security Documents, the Equity Agreements, the Collateral Agency Agreement and each document, instrument or agreement entered into by or between the Intermediary Trust, the Partnership, Opco, the Collateral Agent or any other Person in connection with the Intermediary Trust lending funds to the Partnership or which is supplemental to the LIL Project Finance Agreement but expressly excludes the Material Project Documents;

"**LIL Project Financing Duties**" means the Intermediary Trust Activities with respect to (i) the lending of money obtained pursuant to the IT Project Finance Documents from time to time, to the Partnership as direct secured lender pursuant to the LIL Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Intermediary Trust, and following the Assignment, of the Funding Vehicle, in its capacity as secured lender under the LIL Project Finance Documents, and (iii) all matters incidental or ancillary to the activities described in clauses (i) and (ii) of this definition including the matters contemplated in Sections 3.2, 3.4 and 3.5 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Intermediary Trust, the Funding Vehicle and Canada, each acting reasonably;

"**LIL Real Property Interests**" has the meaning ascribed thereto in the LIL Assets Agreement;

"**LIL Remedies Agreement**" means an agreement entered into as of November 29, 2013 between the Partnership, Opco and NLH setting forth certain specific remedies associated with the TFA and the LIL Lease;

"**LIL Second Amendment and Restatement Effective Date**" has the meaning ascribed to it in Section 7.1 of the LIL Project Finance Agreement;

"**LIL Secured Obligations**" refers collectively to all the obligations of the Credit Parties under the LIL Project Finance Documents, including the obligation of the Partnership to repay the LIL Loan upon the terms and conditions provided for under the LIL Project Finance Agreement;

"**LIL Security Documents**" is the collective reference to the agreements and documents referred to in Article 6 of the LIL Project Finance Agreement;

"**LIL Security Trustee**" means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain LIL Security Documents;

"**LIL Stand-By Fee**" has the meaning ascribed to it in Section 3.2.1 of the LIL Project Finance Agreement;

"**LIL Voluntary Prepayment**" means any voluntary prepayment of the LIL Loan made in accordance with Section 2.7 of the LIL Project Finance Agreement;

"**LIL Voluntary Prepayment Date**" means the date which is two (2) Business Days prior to the FV Bond Redemption Date;

"**LIL Voluntary Prepayment Notice**" means a notice, substantially in the form of the one attached as Schedule "W" of the LIL Project Finance Agreement, issued by the Partnership to the Collateral Agent in connection with any voluntary prepayment of the LIL Loan under the LIL Project Finance Agreement;

"**Limited Partners**" means Nalcor LP and Emera LP, as limited partners of the Partnership, and "**Limited Partner**" refers to any one thereof, as the context requires;

"**Limited Partnership Units**" refers collectively to all of the units of the Partnership issued and outstanding and held by the General Partner, Nalcor LP and Emera LP;

"**LTA**" has the meaning ascribed to it from time to time in the LIL Lease;

"**LTAMP**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Maritime Link**" has the meaning ascribed to it from time to time in the LIL Lease;

**"Material Adverse Effect"** means:

- (i) any material adverse change in the Assets or financial condition, of the Credit Parties taken as a whole;
- (ii) any material impairment in the ability of the Credit Parties to fulfill any payment covenant or obligation to the Intermediary Trust or, following the Assignment, the Funding Vehicle, and the Collateral Agent under the LIL Project Finance Documents or to any Material Project Participant under the Material Project Documents; and
- (iii) any material impairment of the Rights, Recourses and/or Remedies of the Collateral Agent or any of the GAA Finance Parties under the LIL Security Documents;

**"Material Project Documents"** refers collectively to the Initial Material Project Documents and the Additional Material Project Documents;

**"Material Project Participants"** means (i) the Partnership; (ii) Opco; and (iii) each other Person party to a Material Project Document or an Additional Material Project Document;

**"MF Plant"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Minimum DSRA Requirement"**, with respect to any Minimum DSRA Requirement Fixing Date is the amount identified as such in Schedule "T" of the LIL Project Finance Agreement;

**"Minimum DSRA Requirement Fixing Date"** means each of the dates identified as such in Schedule "T" of the LIL Project Finance Agreement;

**"Minimum WCRF Requirement"** means \$75,000,000;

**"Moody's"** means Moody's Investors Service, Inc. and its successors;

**"MSA"** means the management and support services agreement to be entered into prior to Commissioning among a wholly-owned subsidiary of Nalcor, Opco and the Partnership;

**"MTI"** means, as the context requires (i) the Initial MTI and/or (ii) the New MTI;

**"Muskrat"** means Muskrat Falls Corporation, a NL corporation, and includes any successor thereto;

**"Muskrat/LTA Collateral Agency Agreement"** means the second amended and restated collateral agency agreement dated as of the date hereof entered into among, *inter alios*, the Muskrat/LTA Collateral Agent, Canada, the Muskrat/LTA Funding Vehicle, Muskrat and Labrador Transco;

**"Muskrat/LTA Collateral Agent"** means The Toronto-Dominion Bank, in its capacity as collateral agent under the Muskrat/LTA Collateral Agency Agreement;

**"Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement"** has the meaning ascribed thereto in Section 7.1 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Event of Default"** means any of the events described in Article 13 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Funding Vehicle"** has the meaning ascribed to "Funding Vehicle" in the Muskrat/LTA Master Definitions Agreement;

**"Muskrat/LTA Initial Conditions Precedent"** has the meaning ascribed thereto in Section 7.1 of the Initial Muskrat/LTA Project Finance Agreement (as such expression is defined in the Muskrat/LTA Project Finance Agreement);

**"Muskrat/LTA Master Definitions Agreement"** means the second amended and restated master definitions agreement entered into among The Toronto-Dominion Bank, as collateral agent, Muskrat Fall / Labrador Transmission Assets Funding Trust, as lender, Nalcor, Her Majesty The Queen in Right of the Province of Newfoundland and Labrador, Muskrat, as an obligor, and Labrador Transco, as an obligor;

**"Muskrat/LTA Project Finance Agreement"** means the second amended and restated financing agreement dated as of the date hereof entered into between Muskrat and LTA, as borrowers, and Muskrat/LTA Funding Vehicle, as lender, and the Muskrat/LTA Collateral Agent;

**"Nalcor"** means Nalcor Energy, a body corporate existing pursuant to the *Energy Corporation Act* (NL), in its own right and not as an agent of NL Crown, and includes any successor thereto;

**"Nalcor Base Equity Contribution"** has the meaning ascribed to it in subsection 2.3.1 of the ESA;

**"Nalcor Contingency Equity Contribution"** has the meaning ascribed thereto in subsection 2.4.1 of the ESA;

**"Nalcor Contribution"** as the context requires, refers to any one of the Nalcor Base Equity Contribution, Nalcor Contingency Equity Contribution, COREA Equity Contribution and Nalcor DSRA Equity Contribution;

**"Nalcor DSRA Equity Contribution"** has the meaning ascribed thereto in subsection 2.5.1 of the ESA. It is hereby acknowledged and agreed that all or a portion of the Nalcor DSRA Equity Contribution required to be made under the LIL Project Finance Agreement for purposes of the DSRA Prefunding shall be deemed to have been so made, to the extent permitted pursuant to paragraph 10.28.2.4 of the LIL Project Finance Agreement, to the extent of the total of the amounts transferred for that purpose from the

Cost Overrun Escrow Account as contemplated in Section 10.27 of the LIL Project Finance Agreement, and any requirement or condition pursuant to the terms of the LIL Project Finance Agreement that a Nalcor DSRA Equity Contribution be made shall be satisfied to the extent of the total of the amounts so transferred from the Cost Overrun Escrow Account. Moreover, for greater certainty, for all purposes of the Project Finance Documents, the total of the amounts so transferred from the Cost Overrun Escrow Account shall be deemed to constitute a Nalcor DSRA Equity Contribution;

"**Nalcor LP**" means Labrador - Island Link Holding Corporation, a NL corporation, and includes any successor thereto;

"**Nalcor LP Account Collateral Limited Recourse Security Agreement**" means the account collateral limited recourse security agreement entered into between Nalcor LP, as account holder, and the Collateral Agent;

"**Nalcor LP Base Equity Contribution**" has the meaning ascribed to it in paragraph 2.3.2.1 of the ESA;

"**Nalcor LP Blocked Account Agreement**" means the blocked account agreement entered into between The Toronto-Dominion Bank, as account bank, Nalcor LP, as account holder, and the Collateral Agent;

"**Nalcor LP Contingency Equity Contribution**" has the meaning ascribed thereto in paragraph 2.4.2.1 of the ESA;

"**Nalcor LP Contribution**" as the context requires, refers to any one of the Nalcor LP Base Equity Contribution, Nalcor LP Contingency Equity Contribution and Nalcor LP DSRA Equity Contribution;

"**Nalcor LP DSRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.5.2 of the ESA. It is hereby acknowledged and agreed that all or a portion of the Nalcor LP DSRA Equity Contribution required to be made under the LIL Project Finance Agreement for purposes of the DSRA Prefunding shall be deemed to have been so made, to the extent permitted pursuant to paragraph 10.28.2.4 of the LIL Project Finance Agreement, to the extent of the total of the amounts transferred for that purpose from the Cost Overrun Escrow Account as contemplated in Section 10.27 of the LIL Project Finance Agreement, and any requirement or condition pursuant to the terms of the LIL Project Finance Agreement that a Nalcor LP DSRA Equity Contribution be made shall be satisfied to the extent of the total of the amounts so transferred from the Cost Overrun Escrow Account. Moreover, for greater certainty, for all purposes of the Project Finance Documents, the total of the amounts so transferred from the Cost Overrun Escrow Account shall be deemed to constitute a Nalcor LP DSRA Equity Contribution;

"**Nalcor Sanction Resolution**" refers collectively to (i) the sanction resolution of the board of directors of Nalcor of December 5, 2012 with respect to, *inter alia*, the Project, (ii) the sanction resolution of the board of directors of Nalcor of March 22, 2013 with respect to, *inter alia*, the Project and (iii) the sanction resolution of the board of directors of the General Partner of April 11, 2013 with respect to the Project;



"**NEFA**" means the Nalcor Equity Funding Agreement dated as of December 17, 2012 and entered into among Nalcor LP and the Partnership, as amended pursuant to a first amendment entered into as of December 12, 2014;

"**Net FLG2 Debt**" means as at the LIL Interest Payment Date of each month of May starting in May 2018, the amount resulting from the following calculation:

$$\frac{A + B}{2}$$

In each case, where:

**A** = if the Assignment has not occurred prior to June 2 of the year preceding such LIL Interest Payment Date, the aggregate of all of the Corresponding IT Tranche Construction Loans outstanding under the New IT Tranches as at June 2 of the year preceding such LIL Interest Payment Date, and if the Assignment has occurred prior to June 2 of the year preceding such LIL Interest Payment Date, the sum of (i) the aggregate of all of the Corresponding Tranche Construction Loans under the New Construction Tranches and (ii) the aggregate of all of the Corresponding Tranche Working Capital Revolving Loans, in each case, outstanding as at June 2 of the year preceding such LIL Interest Payment Date; and

**B** = if the Assignment has not occurred prior to December 2 of the year preceding such LIL Interest Payment Date, the aggregate of all of the Corresponding IT Tranche Construction Loans outstanding under the New IT Tranches as at December 2 of the year preceding such LIL Interest Payment Date, and if the Assignment has occurred prior to December 2 of the year preceding such LIL Interest Payment Date, the sum of (i) the aggregate of all of the Corresponding Tranche Construction Loans under the New Construction Tranches and (ii) the aggregate of all of the Corresponding Tranche Working Capital Revolving Loans, in each case, outstanding as at December 2 of the year preceding such LIL Interest Payment Date;

"**New Construction Tranches**" means each New Construction Tranche of the LIL Construction Facility referred to as such in Schedule "KK" of the LIL Project Finance Agreement, as same shall be increased immediately following the Commissioning Date pursuant to subsection 2.3.1 of the LIL Project Finance Agreement;

"**Newfoundland Time**" means the time in effect in St. John's, NL on the applicable date;

"**New FV Bond**" means any evidence of indebtedness of the Funding Vehicle authenticated and delivered by the Indenture Trustee under and pursuant to the New MTI and each Supplemental Indenture thereto, whether such evidence of indebtedness is a FV Obligation Bond or a FV Pledge Bond thereunder, which New FV Bonds shall be the FV Bonds issued under the series of FV Bonds listed in Schedule "KK" of the LIL Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule;

"**New IT Tranches**" means the New IT Tranches of the IT Facility referred to as such in Schedule "I" of the IT Project Finance Agreement;

"**New MTI**" means the master trust indenture entered into on or about the date hereof between the Funding Vehicle and the Indenture Trustee;

"**NL**" means the Province of Newfoundland and Labrador;

"**NL Crown**" means Her Majesty in right of NL;

"**NL Crown Contribution**" means any payment to the Collateral Agent for deposit to the Partnership Project Funding Account, the Cost Overrun Escrow Account or the DSRA, as the case may be (or any direct deposit in the Partnership Project Funding Account, the Cost Overrun Escrow Account or DSRA, as the case may be) required to be made by NL Crown pursuant to Section 2.3 of the ESG;

"**NL Crown Guarantee**" means the guarantee for the ESA entered into as of November 29, 2013 between NL Crown and the Collateral Agent;

"**NL Crown Payment Demand**" means a notice, substantially in the form of the one attached as Schedule "A", Schedule "B" or Schedule "C", as the case may be, to the ESG issued by the Collateral Agent to NL Crown under the provisions of Section 2.3 of the ESG;

"**NL Guaranteed Obligations**" means, collectively, (i) the obligation of Nalcor to pay to Nalcor LP all amounts required to be so paid by Nalcor under and pursuant to the ESA and (ii) the obligation of Nalcor LP to pay to the Partnership all amounts required to be so paid by it under and pursuant to the ESA;

"**NLH**" means Newfoundland and Labrador Hydro, a body corporate existing pursuant to the *Hydro Corporation Act, 2007* (NL), in its own right and not as agent of NL Crown, and includes any successor thereto;

"**NL Payment Conditions**" has the meaning ascribed to it in Section 2.4 of the ESG;

"**Notice**" means a communication required or contemplated to be given by any party to any Project Finance Document or Guarantee Transactions Document to any of the other parties thereto in accordance with the provisions thereof;

"**NS**" means the Province of Nova Scotia;

"**O&M Activities**" has the meaning ascribed to it from time to time in the LIL Lease;

"**O&M Budget**" has the meaning ascribed to it from time to time in the LIL Lease;

"**Obligors**" means each of the Intermediary Trust, the Partnership, the General Partner and Opco, in its capacity as a borrower or guarantor or other designated credit party under the Project Finance Documents;

**"Obligors' Counsel"** means Fasken Martineau DuMoulin LLP and McInnes Cooper LLP and each additional or replacement firm of solicitors of recognized national standing as the Obligors may select from time to time;

**"Obligors' Real Property Counsel"** means McInnes Cooper LLP and each additional or replacement firm of solicitors of recognized national standing as the Partnership may select from time to time;

**"Opco"** means Labrador – Island Link Operating Corporation, a NL corporation, and includes any successor thereto;

**"Opco Demobilization Costs Account"** has the meaning ascribed thereto in Section 8.16 of the LIL Project Finance Agreement;

**"Opco Distribution Reserve Account"** has the meaning ascribed thereto in Section 8.13 of the LIL Project Finance Agreement;

**"Opco Insurance Reserve Account"** has the meaning ascribed thereto in Section 8.14 of the LIL Project Finance Agreement;

**"Opco Project Accounts"** refers collectively to the Opco Project Funding Account, the Opco Project Operating Account, the Opco Distribution Reserve Account, the Opco Demobilization Costs Account, the Opco Punch List Costs Account and the Opco Insurance Reserve Account;

**"Opco Project Funding Account"** has the meaning ascribed thereto in Section 8.11 of the LIL Project Finance Agreement;

**"Opco Project Operating Account"** has the meaning ascribed thereto in Section 8.12 of the LIL Project Finance Agreement;

**"Opco Punch List Costs Account"** has the meaning ascribed thereto in Section 8.15 of the LIL Project Finance Agreement;

**"Opco Step-In Agreement"** means the step-in agreement relating to Opco in the form attached as Schedule 5 to the TFA;

**"Operating and Maintenance Costs"** has the meaning ascribed to it in the LIL Lease;

**"Operating Period"** means the period commencing on the Commissioning Date and terminating on the earlier of:

- (i) June 1, 2057;
- (ii) the date that the LIL Facilities are terminated and cancelled in their entirety and payment of the LIL Loan is accelerated under the provisions of Section 14.2 of the LIL Project Finance Agreement; and

- (iii) the date of any other cancellation of the LIL Facilities in their entirety and repayment of the entire amount of the LIL Loan;

**"Operating Report"** has the meaning ascribed to it in subsection 11.1.3 of the LIL Project Finance Agreement;

**"Operating Year"** has the meaning ascribed to it in the LIL Lease;

**"Organizational Documents"** means, with respect to any Person, that Person's articles of incorporation, articles of association or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement, and any and all other similar formative agreement, documents and instruments integral to that Person's existence;

**"Original GAA"** means the guarantee assurance agreement dated as of November 29, 2013 entered into among, *inter alia*, Canada, the Collateral Agent, the Funding Vehicle and the Credit Parties;

**"Other Project Costs"** means the Project Costs other than Project Costs comprised of the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Intermediary Trust Project Costs and Expenses;

**"Partner"** means the General Partner, Nalcor LP, Emera LP or any other limited partner of the Partnership from time to time and **"Partners"** means all such Persons;

**"Partnership"** means Labrador - Island Link Limited Partnership, a limited partnership formed under the *Limited Partnership Act* (NL) pursuant to the LIL LP Agreement and includes any successor thereto;

**"Partnership Demobilization Costs Account"** has the meaning ascribed thereto in Section 8.8 of the LIL Project Finance Agreement;

**"Partnership Distribution Reserve Account"** has the meaning ascribed thereto in Section 8.5 of the LIL Project Finance Agreement;

**"Partnership Insurance Reserve Account"** has the meaning ascribed thereto in Section 8.6 of the LIL Project Finance Agreement;

**"Partnership Project Accounts"** refers collectively to the Partnership Project Funding Account, the Partnership Project Operating Account, the DSRA, the Prepaid Rent Reserve Account, the Partnership Distribution Reserve Account, the Partnership Demobilization Costs Account, the Partnership Punch List Costs Account, the Partnership Insurance Reserve Account, the Sinking Fund Account and the Prepaid Debt Service Escrow Account;

**"Partnership Project Funding Account"** (i) for all purposes of the Consolidated Transaction Documents, other than the ESG, as well as for all purposes of the ESG, other than those set out in clause (ii) below, means the account established by the Partnership

with the Collateral Agent and referred to in Section 8.1 of the LIL Project Finance Agreement, and (ii) where under the terms of the ESG (including, without limitation, the schedules thereto) there is a reference to a failure to issue a Cash Call Notice, or there is an issuance of a demand to the NL Crown to pay the Collateral Agent for deposit or deposit directly in the Partnership Project Funding Account, or there is a failure to deposit in the Partnership Project Funding Account, as the case may be, and any such reference relates to the obligation of Nalcor to make a COREA Equity Contribution under the terms of the ESA, then, for such purposes, "**Partnership Project Funding Account**" in the ESG (including, without limitation, the Schedules thereto) shall mean the Cost Overrun Escrow Account;

"**Partnership Project Operating Account**" has the meaning ascribed thereto in Section 8.2 of the LIL Project Finance Agreement;

"**Partnership Punch List Costs Account**" has the meaning ascribed thereto in Section 8.7 of the LIL Project Finance Agreement;

"**Partnership Step-In Agreement**" means the step-in agreement relating to the Partnership in the form attached as Schedule 5 to the LIL Assets Agreement;

"**Paying Agent**" means any bank or trust company or other Person designated as a paying agent for a Series of FV Bonds in any Supplemental Indenture and its successors or permitted assigns, or its successor appointed in the manner provided in the MTIs or in such Supplemental Indenture;

"**PDMA**" means, collectively, (i) the amended and restated project development and management agreement dated as of November 29, 2013, entered into between the Partnership, Opco and Devco, and (ii) the project coordination and interface agreement dated as of November 29, 2013, entered into among the Partnership, Opco, Devco, Muskrat and Labrador Transco;

"**Pension Plan**" means any plan, program, arrangement or understanding that provides pension or retirement benefits (whether or not registered under any applicable pension benefits or Tax Laws in Canada), including post-retirement employee benefits, which is maintained or contributed to (or to which there is or may be an obligation to contribute) by a Credit Party in respect of any individual's employment with such Credit Party in Canada or a province or territory thereof;

"**Performance Testing**" means a physical test of the commissioned equipment, system or part of system to demonstrate that the measured performance characteristics met the specified requirements as contained within specific supplier guaranteed performance specifications or, in the case of a complete system, the overall performance and ranges of performance specified in the Basis of Design;

**"Permitted Encumbrances"** means, with respect to any Obligor, as at any time, any one or more of the following:

- (i) Statutory Prior Liens; provided that, the Statutory Prior Claims secured thereby are not yet delinquent (taking into account any relevant grace periods);
- (ii) liens for assessments or governmental charges or levies which are not delinquent (taking into account any relevant grace periods) or, if overdue, the validity or amount of which is being contested diligently and in good faith by appropriate proceedings and in respect of which adequate reserves in accordance with GAAP have been recorded on the balance sheet of such Person;
- (iii) construction, mechanics', carriers, warehousemen's, storage, repairers' and materialmen's Liens but only if the obligations secured by such Liens are not due and delinquent and no Lien has been registered against title to any Assets of such Person or if a Lien has been registered, same is being defended diligently and in good faith by appropriate proceedings and in respect of which adequate reserves in accordance with GAAP have been recorded on the balance sheet of such Person;
- (iv) easements, encroachments, rights of way, servitudes, licences, reservations, covenants, restrictive covenants or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which easements, encroachments, rights of way, servitudes, licences, reservations, covenants, restrictive covenants, other similar rights and restrictions do not, in the aggregate, materially impair the conduct of the business of such Person;
- (v) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown in right of Canada or any province or territory thereof;
- (vi) title defects or irregularities which are of a minor nature and which do not in the aggregate materially detract from the value of the assets of such Person encumbered thereby or materially interfere with the use thereof in the operation of the business of such Person;
- (vii) Liens, charges or other security interests given to a public utility or any Governmental Authority when required by such utility or other authority; provided that, such Liens do not in the aggregate materially detract from the value of the assets of such Person, or materially interfere with the use thereof in the operation of the business of such Person;

- (viii) servicing agreements, development agreements, site plan agreements, facilities sharing agreements, cost sharing agreements and other similar agreements with Governmental Authorities pertaining to the use or development of any of the assets of such Person; provided that, same have been, are, and continue to be complied with in all material respects, including any obligations to deliver letters of credit and other security as required;
- (ix) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon; provided that, such restrictions have been, are, and continue to be complied with;
- (x) Liens arising from court or arbitral proceedings; provided that, the claims secured thereby are being contested diligently and in good faith by such Person, execution thereon has been stayed and continues to be stayed and such Liens do not, in the aggregate, impair the use of any assets of such Person in the conduct of business;
- (xi) deposits of cash securities in connection with any appeal, review or contestation of any security or Lien, or any matter giving rise to any security or Lien, described in paragraph (x) above;
- (xii) any agreement or arrangement pursuant to which such Person pledges cash to any insurer, guarantor or third party contractor, made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of debt), leases, customs duties and other similar obligations;
- (xiii) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day-to-day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution (collectively, "**Banker's Liens**"); provided that, such Banker's Liens (a) do not relate to any deposit account that is a dedicated cash collateral account which is subject to restrictions against access by the depositor or account holder, (b) do not relate to any deposit account intended by the depositor or account holder to provide collateral to the depository institution, and (c) in respect of the Partnership only, are not intended directly or indirectly to secure the payment or performance of Indebtedness or any other obligation other than Additional Debt;
- (xiv) in respect of any Credit Party only, any Lien in favour or for the benefit of the Intermediary Trust, the Funding Vehicle, the Collateral Agent or the LIL Security Trustee securing the LIL Secured Obligations;

- (xv) in respect of the Intermediary Trust only, any Lien in favour or for the benefit of the Funding Vehicle, the Collateral Agent or the IT Security Trustee securing the IT Secured Obligations;
- (xvi) in respect of any Credit Party only, any Lien securing Purchase Money Obligations permitted to be outstanding under subsection 12.2.5 of the LIL Project Finance Agreement; provided that, each such Lien only affects the property with respect to which the Purchase Money Obligation it secures was incurred;
- (xvii) in respect of the Partnership only, Liens securing Additional Debt permitted to be outstanding under subsection 12.2.6 of the LIL Project Finance Agreement;
- (xviii) exceptions and qualifications in Sections 4, 5, 6, 7, 8 and 15 of the *Lands Act* (NL);
- (xix) in the case of the Partnership following the coming into effect of the LIL Lease, the LIL Lease;
- (xx) in respect of any Credit Party only, any Lien in favour or for the benefit of the Intermediary Trust and the Collateral Agent securing the IT Secured Obligations;
- (xxi) the subordinated Liens provided for in, or pursuant to, the LIL Lease or the LIL Remedies Agreement, if any; and
- (xxii) permits issued pursuant to Section 55(4) of the *Muskrat Falls Project Land Use and Expropriation Act* (NL);

**"Permitted Investments"** means book based securities, negotiable instruments, investments or securities that evidence:

- (i) obligations issued or fully guaranteed by the Government of Canada;
- (ii) obligations issued or fully guaranteed by any Province of Canada which has a long term debt rating of "A+" or better by S&P, "A (high)" or better by DBRS or "A1" or better by Moody's, and has such rating from at least two of the Rating Agencies;
- (iii) demand deposits of depository institutions, term deposits of depository institutions or certificates of deposit of depository institutions, in each case where any such depository institution is either (a) one of the five largest (by assets) Canadian Schedule I Banks or (b) is a depository institution that has a combined capital and surplus of at least CDN\$1 billion, has a short term debt rating of "A 1+" or better by S&P or "R-1 (middle)" or better by DBRS and is regulated by the Office of the Superintendent of Financial Institutions (Canada);



- (iv) deposits with and notes or bankers' acceptances issued or accepted by any depository institution described in (iii) above;
- (v) money market funds which have a rating of "AAA m" or better by S&P or "R-1 (middle)" or better by DBRS or have otherwise been approved in writing by the Collateral Agent; and
- (vi) any other investments approved in writing by the Collateral Agent;

**"Person"** means an individual, corporation, estate, partnership, trust, joint venture, other legal entity, unincorporated association or Governmental Authority;

**"PPA"** means the power purchase agreement entered into as of November 29, 2013 between NLH and Muskrat relating, among other things, to the sale and delivery of energy from the MF Plant;

**"PPSA"** means the *Personal Property Security Act* (NL);

**"Prepaid Debt Service Escrow Account"** has the meaning ascribed thereto in Section 8.17 of the LIL Project Finance Agreement;

**"Prepaid Rent"** shall have, for purposes of any reference thereto in connection with any period of time occurring during the Construction Period, the meaning ascribed thereto in the LIL Assets Agreement, and, for purposes of any reference thereto in connection with any period of time occurring during the Operating Period, the meaning ascribed thereto in the LIL Lease;

**"Prepaid Rent Reserve Account"** has the meaning ascribed thereto in Section 8.4 of the LIL Project Finance Agreement;

**"Principal Collateral Agency Agreement"** has the meaning ascribed to it in the fourth preamble paragraph hereof;

**"Principal Indemnity Claims"** has the meaning ascribed to it from time to time in Section 5.16 of the Collateral Agency Agreement;

**"Principal Indemnified Parties"** has the meaning ascribed to it from time to time in Section 5.16 of the Collateral Agency Agreement;

**"Principal IT Project Finance Agreement"** has the meaning ascribed to it in the sixth preamble paragraph hereof;

**"Principal LIL Project Finance Agreement"** has the meaning ascribed to it in the fourth preamble paragraph hereof;

**"Principal Master Definitions Agreement"** has the meaning ascribed to it in the second preamble paragraph hereof;

**"Proceeding"** means any action, suit, inquiry, investigation, arbitration or dispute settlement procedure, or any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal);

**"Proceeds of Realization"** refers to any and all monies received, collected, generated or that arose from the exercise of any Rights, Remedies and/or Recourses including any monies involved in any operation of set-off;

**"Project"** means the equipment and facilities comprising a HVdc transmission line, and all related components including converter stations, synchronous condensers, and terminal, telecommunications and switchyard equipment, constructed between the LTA and the Island Interconnected System including:

- (i) foundations, underground services, subsea services, roads, buildings, erections and structures, whether temporary or permanent;
- (ii) all other facilities, fixtures, appurtenances and tangible personal property including inventories of any nature whatsoever contained on or attaching to the transmission lines; and
- (iii) all mechanical, electrical and other systems and other technology installed under or upon any of the foregoing;

all real or personal property leased or owned by the Partnership or made subject to a statutory easement in favour of the Partnership, or any other interest in favour of the Partnership, and used in connection with such HVdc transmission line, all to be constructed in accordance with the LIL Project Description;

**"Project Budget"** refers to the June 2016 Project Budget, as same may be further amended from time to time;

**"Project Costs"** means collectively, without duplication, the Hard Costs and the Soft Cost and all other costs, fees and expenses relating to the development, construction and closing of the financing of the Project, including the capital costs of any structures, and all financial, legal and consulting fees, costs and expenses, including any bonus payable to any Material Project Participant under any Material Project Document and the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Project Costs and Expenses, the Funding Vehicle Project Costs and Expenses and the Intermediary Trust Project Costs and Expenses, all as described in the Project Budget, whether such Project Costs are incurred by Nalcor prior to the Closing Date or by the Partnership at any time and whether such Project Costs are invoiced to the Partnership, Devco or Nalcor;

**"Project Finance Documents"** refers collectively to the IT Project Finance Documents and the LIL Project Finance Documents;

**"Project Financing Duties"** means the IT Project Financing Duties and the LIL Project Financing Duties;

**"Project Financing Duty Requirement"** has the meaning ascribed to it from time to time in Section 4.2 of the Collateral Agency Agreement;

**"Project Plans"** refers collectively to the plans, specifications, drawings, philosophies, design data, purchase order and contract drawings and documents which refer to the Project, produced by various Persons, including the Partnership, suppliers, engineering consultants and contractors, general and construction contractors, commissioning and startup specialists for the purpose of the development of the Project;

**"Project Schedule"** means the Initial Project Schedule, as same has been and may be amended from time to time;

**"Prospective Debt Service Coverage Ratio"** or **"Prospective DSCR"** means, as at any date of calculation thereof, the Base Cash Flow of the Partnership for the period of twelve (12) calendar months immediately following the date of calculation, divided by:

- (i) where the calculation is being made during the Operating Period for the purposes of subsection 12.2.6 of the LIL Project Finance Agreement in connection with any determination of whether the Partnership may incur Additional Debt, Total Debt Service for the same period, calculated on a rolling basis and including therein the Additional Debt proposed to be incurred as if such Additional Debt had been incurred on the first day of such period; and
- (ii) where the calculation is being made for any other purpose, Total Debt Service for such period;

**"Provincial Environmental Assessment"** means the Labrador-Island Transmission Link Undertaking Release Order (O.C. 2013-222) issued with respect to the Project under the *Environmental Protection Act*, SNL 2002, c.E14.2, s. 67(3)(a);

**"Punch List Costs"** means the costs required to complete work on all Punch List Items, and shall include an amount representing 5% of that portion of the Eligible Project Costs identified in clause (i) of the definition of "Funding Requirements" for purposes of the Final Funding Request that is comprised of Eligible Project Costs expected to be incurred to and invoiced after the Effective Date of the Final Funding Request;

**"Punch List Costs Drawdown"** means the single LIL Drawdown under the LIL Construction Facility to be made pursuant to the provisions of Section 7.4 of the LIL Project Finance Agreement (as may be supplemented by a LIL Drawdown under the Working Capital Revolving Facility pursuant to Section 7.9 of the LIL Project Finance Agreement), in an amount equal to the amount calculated pursuant to paragraph (xv) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the Punch List Costs, the whole subject to the Available LIL Construction Facility and the Available Working Capital Revolving Facility at such time;

**"Punch List Items"** has the meaning ascribed to it in Section 10.20 of the LIL Project Finance Agreement;

**"Purchase Money Obligation"** means, with respect to any Person, any indebtedness assumed as part of, or issued or incurred in respect of, the cost of acquisition, including by way of conditional sales contract or leasing by way of a Capital Lease of any property (including shares of Capital Stock) or of the cost of construction, improvement or extension of any property acquired, constructed, improved or extended or leased by way of a Capital Lease, which indebtedness existed at the time of acquisition, construction, improvement or extension or was created, issued, incurred, assumed or Guaranteed contemporaneously with the acquisition, construction, improvement or extension or leasing by way of a Capital Lease or within ninety (90) days after the commissioning thereof and includes any extension, renewal or refinancing of any such indebtedness if the amount thereof outstanding on the date of such extension, renewal or refinancing is not increased, it being expressly understood that Purchase Money Obligation shall not include any trade payables incurred in the ordinary course of business and for the purpose of carrying on same or any Indebtedness incurred in connection with any Sale and Leaseback Transaction;

**"Rating Agency"** means any of S&P, Moody's and DBRS and its respective successors or, if such rating agencies or their successors do not remain in operation in Canada, such nationally recognized statistical rating agency or other comparable Person designated by the Partnership;

**"Realization Costs"** refers collectively to:

- (i) all costs and expenses incident to the exercise of Rights, Remedies and/or Recourses including reasonable fees and out-of-pocket expenses of counsel, accountants and other professionals, escrow fees, recording fees, broker's fees, any fees, costs and expenses incurred in connection with any sale or foreclosure of any property or asset, and all applicable transfer taxes that may be imposed by reason of any such sale or foreclosure and the delivery of any and all instruments in connection therewith;
- (ii) any claim or debt, in principal, interest, fees and other amounts which, notwithstanding the provisions of any Project Finance Document, by Law is payable by preference over the LIL Secured Obligations or the IT Secured Obligations, as the case may be; and
- (iii) the fees, costs and expenses of the Funding Vehicle, the Collateral Agent and the Intermediary Trust exercising Rights, Remedies and/or Recourses, including any indemnity paid to any thereof;

**"Redemption Date"** means, with respect to any FV Bonds to be redeemed, in whole or in part, the date (which will be a Business Day) specified in the notice of redemption as the date on which such FV Bonds will be redeemed or, in the case of a redemption pursuant to Section 12.2 of either MTI, the date specified in writing to the Funding Vehicle by the Indenture Trustee;

"**Redemption Notice**" has the meaning ascribed to it in Section 3.5.1 of the Collateral Agency Agreement;

"**Redemption Price**" means, with respect to any FV Bonds to be redeemed, in whole or in part, in any particular circumstance, the redemption price applicable to such FV Bonds in such circumstance that is specified in the Supplemental Indenture creating such FV Bonds;

"**Registration**" means any notice to or filing, publication, recording or registration with any Governmental Authority having jurisdiction with respect to any specified Person, transaction or event, or any of such Person's Assets;

"**Release**" shall mean (i) when used as a verb, release, spill, leak, emit, deposit, discharge, leach, migrate, dump, issue, empty, place, seep, exhaust, abandon, bury, incinerate or dispose into the environment and (ii) when used as a noun, has a correlative meaning;

"**Remedies Consultation Period**" has the meaning ascribed to it in Section 14.1 of the LIL Project Finance Agreement;

"**Rent**" shall have, for purposes of any reference thereto in connection with any period of time occurring during the Construction Period, the meaning ascribed thereto in the LIL Assets Agreement, and, for purposes of any reference thereto in connection with any period of time occurring during the Operating Period, the meaning ascribed thereto in the LIL Lease;

"**Rent Attributable to Debt Service**" means any portion of Rent intended to be used for purposes of funding the debt service obligations of the Partnership;

"**Repair Conditions**" means, in respect of any event giving rise to any insurance proceeds:

- (i) no LIL Event of Default has occurred and is continuing other than a LIL Event of Default resulting solely from such damage or destruction;
- (ii) the Partnership and the Independent Engineer certify, and the Collateral Agent determines in its judgment, that repair or restoration of the Project is technically and economically feasible and that a sufficient amount of funds is or will be available to the Partnership to make such repairs and restorations;
- (iii) the Collateral Agent determines that after repair and restoration the Project will be able to continue to service the LIL Loan and pay all other amounts due to the Intermediary Trust (or, after the Assignment, the Funding Vehicle) by the Partnership under the LIL Project Finance Agreement, as and when due; and
- (iv) no material Authorization is necessary to proceed with the repair and restoration and no material amendment to the LIL Project Finance

Agreement or any of the LIL Project Finance Documents and no other instrument, is necessary for the purpose of effecting the repairs or restorations or subjecting the repairs or restorations to the Liens of the LIL Security Documents or, if any such amendment or instrument is necessary, the Partnership will be able to obtain same as and when required;

**"Replacement Obligor"** means, with respect to any Person party to a Material Project Document (other than the Partnership or Opco), any other Person satisfactory to the Collateral Agent, who, pursuant to any definitive agreement or definitive guarantee satisfactory to the Collateral Agent, assumes the obligations of such first Person or enters into a new contract on terms and conditions no less favourable to the Partnership and Opco, as the case may be, than those which such first Person being replaced is obligated to provide pursuant to the applicable Material Project Document;

**"Required Base Equity Contribution Date"** has the meaning ascribed to it in subsection 2.3.1 of the ESA;

**"Required Contingency Equity Contribution Date"** has the meaning ascribed to it in subsection 2.4.1 of the ESA;

**"Required Contribution Date"** as the context requires, refers to any one of the Required Base Equity Contribution Date, Required Contingency Equity Contribution Date and Required DSRA Equity Contribution Date;

**"Required DSRA Equity Contribution Date"** has the meaning ascribed to it in subsection 2.5.1 of the ESA;

**"Requisite Instructions"** has the meaning ascribed to it from time to time in Section 4.3 of the Collateral Agency Agreement;

**"Responsible Officer"** means the president, the chief executive officer, the chief financial officer, a vice-president, the treasurer, the corporate controller, the corporate secretary and the assistant corporate secretary of such Person, provided that, with respect to the Project, it shall mean any of the foregoing officers of such Person or such other person duly authorized by resolution from time to time to execute any document relating to the Project;

**"Retrospective Debt Service Coverage Ratio"** or **"Retrospective DSCR"** means, as at any date of calculation thereof, the Base Cash Flow of the Partnership for the period of the then most recently completed twelve (12) calendar months divided by Total Debt Service for the same period, calculated on a rolling basis. 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;

**"Rights, Remedies and/or Recourses"** with respect to any Person, refers to any personal action, provisional measure, any other real or personal right, whether same is exercised under the terms of any security or any other recourse whatsoever and including:

- (i) the right to accelerate any Indebtedness owed to such Person or to demand payment of any Indebtedness payable on demand or to demand payment under any Guarantee;
- (ii) the right to institute or prosecute any litigation;
- (iii) the right to set-off;
- (iv) the right to initiate or prosecute Insolvency Proceedings or Enforcement Proceedings; and
- (v) the exercise of the rights of a creditor under any Insolvency Proceeding.

**"S&P"** means Standard & Poor's Rating Service and its successors;

**"Sale and Leaseback Transaction"** means, with respect to any Person, any transaction or series of transactions whereby such Person sells, transfers or otherwise disposes of any of its Assets to another Person and within one (1) year of such sale, transfer or other disposition such Person leases or rents, as lessee, the same Assets under a lease, the term of which (including the initial term and any period for which the lease may be renewed or extended) exceeds two (2) years;

**"Sales Taxes"** means sales, transfer, turnover or value added taxes of any nature or kind, including the HST and federal, state and provincial sales and excise taxes;

**"Scheduled IT Assignment Date"** has the meaning ascribed to it in Section 2.6 of the IT Project Finance Agreement;

**"Second Amendment and Restatement First LIL Drawdown Conditions Precedent"** has the meaning ascribed thereto in Section 7.2 of the LIL Project Finance Agreement;

**"Security Documents"** refers collectively to the GAA Security Documents, the IT Security Documents and the LIL Security Documents;

**"Security Trustee"** means Computershare Trust Company of Canada, in its capacity as LIL Security Trustee, IT Security Trustee, and FV Security Trustee;

**"Senior Secured Bond"** means any Senior Secured Bond issued pursuant to the LIL Collateral Trust Deeds, the IT Collateral Trust Deed and the FV Collateral Trust Deed;

**"Senior Secured Bondholder"** means a person registered as a holder of any of the Senior Secured Bonds;

"**Series**" or "**Series of FV Bonds**" means all of the FV Bonds issued pursuant to or governed by a Supplemental Indenture and designated as a Series therein;

"**Service Life**" has the meaning ascribed to it from time to time in the TFA;

"**Sinking Fund Account**" has the meaning ascribed thereto in Section 8.10 of the LIL Project Finance Agreement;

"**Sinking Fund Deposit Date**" refers to each date referred to as such in Schedule "X" of the LIL Project Finance Agreement;

"**Sinking Fund Payment**" has the meaning ascribed to it in Section 2.8 of the LIL Project Finance Agreement;

"**SOBI Lease**" means the lease agreement to be entered into in connection with the Strait of Belle Isle among Canada, NL Crown, NS, the Partnership, as lessee, and Opco;

"**Soft Costs**" means all of the financing, administrative and other similar costs identified in the Project Budget, including, without duplication:

- (i) interest payable on the LIL Loan or Additional Debt, the Guarantee Fee and financing-related fees and costs, in each case incurred in connection with the LIL Loan or Additional Debt, provided, however, that, if the amortization of the LIL Construction Loan has commenced prior to the Commissioning Date, any Sinking Fund Payment that needs to be made;
- (ii) all general and administrative costs of the Partnership attributable to the Project including those relating to the operation and maintenance of the Assets on an interim basis prior to Commissioning as well as those of each of the Intermediary Trust and the Funding Vehicle, and more particularly the payments required to be made by the Administrator under the terms of the Administration Agreement and the IT Administrator under the terms of the IT Administration Agreement;
- (iii) all principal, interest, financing fees and related costs incurred in connection with Purchase Money Obligations and Capital Leases, in each case incurred in connection with the Project;
- (iv) the cost of funding the DSRA (including by way of DSRA Prefunding) with the then applicable Minimum DSRA Requirement; and
- (v) *ad valorem* taxes and Sales Taxes (to the extent not recoverable) related to Soft Costs;

"**Statutory Easement**" has the meaning attributed to it by, and grants to a Holder the rights set forth in, the *Muskrat Falls Project Land Use and Expropriation Act* (NL) and includes, for certainty, any property or assets located upon, constructed, erected or



affixed to the land encumbered by a Statutory Easement by or on behalf of the Holder of it;

**"Statutory Prior Claims"** relative to any Person, means, claims for unpaid wages, vacation pay, worker's compensation, unemployment insurance premiums, pension plan contributions, employee or non-resident withholding Tax, unremitted Sales Taxes (net of applicable input tax credits, in the case of goods and services, value-added and similar taxes), customs duties, realty taxes (including utility charges and business taxes which are collectable like realty taxes) or similar statutory obligations secured by a Lien on such Person's Assets;

**"Statutory Prior Liens"** means the Liens securing Statutory Prior Claims;

**"Structure Invoices"** has the meaning ascribed to it from time to time in Section 7.6 of the Collateral Agency Agreement;

**"Subsidiary"** means, with respect to any Person, any Person (i) which is Controlled, directly or indirectly by such first Person or (ii) a majority of whose Voting Capital Stock, on a fully diluted basis, is owned directly or indirectly, beneficially or otherwise, by such first Person;

**"Supplemental Indenture"** means an indenture supplemental to an MTI entered into by the Funding Vehicle and the Indenture Trustee in accordance with the terms of Section 10.1 of such MTI;

**"Sustaining Activities"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Sustaining Costs"** has the meaning ascribed to it from time to time in the LIL Lease;

**"Tax"** or **"Taxes"** means any tax, fee, levy, rental, duty, charge, royalty or similar charge including, for greater certainty, any federal, state, provincial, municipal, local, aboriginal, foreign or any other assessment, governmental charge, imposition or tariff (other than tariff charges) wherever imposed, assessed or collected, and whether based on or measured by gross receipts, income, profits, sales, use and occupation or otherwise, and including any income tax, capital gains tax, payroll tax, fuel tax, capital tax, Sales Taxes, value added tax, sales tax, withholding tax, property tax, business tax, ad valorem tax, transfer tax, franchise tax or excise tax, together with all interest, penalties, fines or additions imposed, assessed or collected with respect to any such amounts;

**"Term Sheets"** means, collectively, (i) the agreement providing key terms and conditions for the federal loan guarantee dated November 30, 2012 among Canada, Nalcor, NS, NL and Emera Incorporated and (ii) the agreement providing key terms and conditions for the Additional Federal Loan Guarantee dated March 30, 2017 among Canada, NL, Nalcor, Muskrat, Labrador Transco and the Partnership;

**"Termination Date"** means the date that Commissioning is achieved under the LIL Project Finance Documents;

"**TFA**" means an agreement entered into on or about November 29, 2013 among NLH, Opco and the Partnership relating, among other things, to the recovery from NLH of costs of the Project incurred by Opco and the Partnership;

"**TFA Payment**" has the meaning ascribed to it from time to time in the TFA;

"**Total Debt Service**" means, for the Partnership, for any period, all interest and stand-by fee payments, Guarantee Fee payments, Sinking Fund Payments and scheduled principal payments required to be made on the LIL Loan and on all Additional Debt of the Partnership, provided, however, that:

- (i) if any such Additional Debt is only repayable in its entirety at maturity (the "**Bullet Additional Debt**"), the amount of Deemed Principal Repayments for such period shall be included in Total Debt Service; and
- (ii) for purposes of the Prospective Debt Service Coverage Ratio and the Retrospective Debt Service Coverage Ratio, where the period includes the maturity of any Initial Construction Tranche or Bullet Additional Debt, 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;

"**Trust Certificate**" means, in respect of the Funding Vehicle, a certificate in writing signed by any officer of the Issuer Trustee and conforming *mutatis mutandis* to Section 16.17 of either MTI;

"**Underlying Pledge Bond Documents**" means, collectively, all agreements, deeds, instruments and documents evidencing Indebtedness secured under any FV Pledge of a FV Pledge Bond;

"**Underwriting Agreement**" means as the context requires, (i) the underwriting agreement entered into as of December 10, 2013 among the lead arranger thereunder, the Funding Vehicle, the Partnership and Nalcor and (ii) the underwriting agreement to be entered into on or about the date upon which the New FV Bonds shall have been issued among the Lead Arranger, the Funding Vehicle, the Partnership and Nalcor;

"**Various Agent Costs and Expenses**" means (i) the reasonable fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Partnership, Opco or Nalcor LP to the Collateral Agent, the Intermediary Trust, or, following the Assignment, the Funding Vehicle or the LIL Security Trustee pursuant to the LIL Project Finance Documents, (ii) without duplication, the reasonable fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Intermediary Trust or the Partnership, as the case may be, to the Collateral Agent, the IT Administrator, Funding Vehicle or the IT Security Trustee pursuant to the IT Project Finance Documents, and (iii) without duplication, the fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Funding Vehicle or the Partnership, as the case may be, to the Issuer Trustee, the Collateral Agent, the Administrator, the Lead Arranger, the Indenture Trustee or the Fiscal Agent pursuant to

the Funding Transaction Documents (including, in each case, the financial, legal and consulting fees, costs and expenses), provided, however, that such fees, costs and expenses in respect of the Lead Arranger shall be limited to the fees, costs and expenses incurred from the acceptance by the Funding Vehicle of the relevant Commitment Letter until the Closing Date or the 2017 Closing Date, as the case may be, including, for greater certainty, the lead arranger fees payable by the Partnership pursuant to such Commitment Letter and the relevant Underwriting Agreement;

**"Voting Capital Stock"** means Capital Stock of a Person which carries voting rights or the right to Control such Person generally provided that Capital Stock which carries the right to vote or Control conditionally upon the happening of an event shall not be considered Voting Capital Stock until the occurrence of such event and then only during the continuance of such event; and

**"Working Capital Revolving Facility"** means the credit facility which the Intermediary Trust has agreed to make available to the Partnership in Working Capital Revolving Tranches pursuant to the LIL Project Finance Agreement, as same may be reduced from time to time pursuant to subsection 2.3A.1 of the LIL Project Finance Agreement;

**"Working Capital Revolving Funding Request"** means a notice, substantially in the form of the one attached as Schedule "GG" of the LIL Project Finance Agreement, issued by the Partnership to the Collateral Agent in connection with any LIL Drawdown requested by the Partnership under the Working Capital Revolving Facility;

**"Working Capital Revolving Loan"** refers collectively to the aggregate of all of the Corresponding Tranche Working Capital Revolving Loans together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case due and payable by the Partnership in respect of, respectively, each Corresponding Tranche Working Capital Revolving Loan;

**"Working Capital Revolving Tranche"** means each Working Capital Revolving Tranche of the Working Capital Revolving Facility referred to as such in Schedule "LL" of the LIL Project Finance Agreement, as same may be reduced from time to time pursuant to subsection 2.3A.1 of the LIL Project Finance Agreement;

**"Written Order", "Written Request, Written Direction"** and **"Written Consent"** of the Funding Vehicle will mean a written order, request or consent signed in the name of the Funding Vehicle by a senior officer of the Issuer Trustee.

It is hereby acknowledged and agreed that, for purposes of defining the capitalized terms used in any Project Finance Document or Guarantee Transaction Document, any reference to the Initial Master Definitions Agreement or the Principal Master Definitions Agreement in any such Project Finance Document or Guarantee Transaction Document shall be deemed to constitute a reference to this Agreement, and accordingly any reference in such Project Finance Document or Guarantee Transaction Document to any of the capitalized terms defined in this Agreement shall be deemed to constitute references to such capitalized terms as so defined in this Agreement.

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 "**Amended and Restated Master Definitions Agreement**", "**Master Definitions Agreement**", "**this Master Definitions 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. The 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 **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.

1.6 **Time of the Essence**

Time shall in all respects be of the essence of this Agreement.

1.7 **Extended Meanings**

In each Project Finance Document and Guarantee Transaction Document, unless a clear contrary intention appears, the following words and expressions shall be given the extended meanings set out opposite them:

- 1.7.1 "asset" means any undertaking, business, property (real, personal or mixed, tangible or intangible) or other asset;
- 1.7.2 "cancel" means cancel, surrender, repudiate, disclaim, terminate or suspend;
- 1.7.3 "change" means change, modify, alter, amend, supplement, restate, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive;
- 1.7.4 "claim" means claim, claim over, cross-claim, counter-claim, defence, demand, liability, proceeding, judgment, order or award of any court, other Governmental Authority, arbitrator or other alternative dispute resolution authority;
- 1.7.5 "final judgment" means a judgment, order, declaration or award of a court, other Governmental Authority, arbitrator or other alternative dispute resolution authority of competent jurisdiction from which no appeal may be made or from which all rights of appeal have expired or been exhausted;
- 1.7.6 "include" means include without limitation, and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters;
- 1.7.7 "losses and expenses" means losses, costs, expenses, damages, penalties and judgments and awards of any court or other Governmental Authority, arbitrator, mediator or other alternative dispute resolution authority, including any applicable awarded costs, and legal fees and disbursements on a full indemnity basis;
- 1.7.8 "paid in full" and "repaid in full" in relation to any payment obligation owing to any person (in this Section 1.7.8, the "obligee") - permanent, indefeasible and irrevocable payment in cash (or other freely available funds transfer as may be expressly provided for in the applicable document creating or evidencing such payment obligation) to the applicable obligee in full of such payment obligation in accordance with the express provisions of the applicable document creating or evidencing such payment obligation, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any bankruptcy, insolvency, fraudulent conveyance, assignment, preference or other similar such laws, any law affecting creditors' rights generally or general principles of equity, and, if applicable, the cancellation or expiry of any commitment of the obligee to lend or otherwise extend credit;

- 1.7.9 "receiver" means a privately appointed or court appointed receiver or receiver and manager, interim receiver, liquidator, trustee in bankruptcy, administrator, administrative receiver and any other like or similar official;
- 1.7.10 "rights" means rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise;
- 1.7.11 "set-off" means any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, abatement, deduction, counter-claim, cross-claim or any similar right or obligation, or (as the context requires) any exercise of any such right or performance of such obligation;
- 1.7.12 "written" and "in writing" shall be construed as an original writing, a pdf or facsimile copy of a writing or an e-mail; and
- 1.7.13 "the difference between" or any other language contemplating an operation of subtraction, unless the context otherwise requires or unless otherwise expressly provided, where such operation of subtraction results in a negative amount, shall be construed in a manner such that such amount shall be deemed to be nil.

## 1.8 References to Agreements

Each reference in each Project Finance Document and Guarantee Transaction Document to any agreement (including this Agreement and any other defined term that is an agreement) shall be construed so as to include such agreement (including all attached schedules, appendices and exhibits) and each change made to it at or before the time in question.

## 1.9 References to Statutes

Each reference in each Project Finance Document and Guarantee Transaction Document to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision thereof) shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each amendment, reenactment, reissuance or replacement thereof made at or before the time in question.

## 1.10 Grammatical Variations

In each Project Finance Document and Guarantee Transaction Document, unless a clear contrary intention appears, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference therein) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical

variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference therein shall be construed in like manner.

#### 1.11 **Non-Business Days**

Whenever any payment to be made under a Project Finance Document or Guarantee Transaction Document is required to be made or any other action to be taken thereunder is required to be taken on a day other than a Business Day, such payment will be made or such other action will be taken on the next following Business Day. Any payment made after 1:00 p.m. (St. John's, NL standard time) on a Business Day will be deemed to be made on the next following Business Day.

#### 1.12 **Computation of Time Periods**

In each Project Finance Document and Guarantee Transaction Document, with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "**from**" means "**from and including**" and the words "**to**" and "**until**" mean "**to but excluding**".

#### 1.13 **Accounting Terms; GAAP**

1.13.1 Unless a clear contrary intention appears in a Project Finance Document or Guarantee Transaction Document, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time. For purposes of the calculation of DER and DSCR, such ratios shall be calculated in accordance with the definitions hereof and not in accordance with GAAP, it being understood that the definition of "Capital Account" shall be calculated as provided for in the LIL Project Finance Agreement. All calculations for the purposes of determining compliance with any financial ratios and financial covenants contained in any Project Finance Document or Guarantee Transaction Document shall be made on a basis consistent with GAAP used in the preparation of the first Financial Statements of the Obligor delivered under the Project Finance Agreement. Any financial ratios required to be maintained by the Partnership pursuant to any Project Finance Document or Guarantee Transaction Document shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed in any Project Finance Document or Guarantee Transaction Document and rounding the result up or down to the nearest number (with a round-up if there is no nearest number) to the number of places by which such ratio is expressed therein.

1.13.2 The parties hereto agree that if at any time there is a material change to GAAP, then the Partnership and the Collateral Agent shall use commercially reasonable efforts to negotiate in good faith amendments to the provisions of the applicable Project Finance Document or Guarantee Transaction

Document, as the case may be, that are affected by such material change with the intent of having the respective positions of the Partnership and the Collateral Agent after such material change conform as nearly as possible to their respective positions immediately prior to the implementation of such material change; provided, however, that until any such amendments shall have been agreed upon, the terms, conditions and undertakings of the applicable Project Finance Document or Guarantee Transaction Document shall be interpreted and applied as if such material change did not apply to the Partnership and the accounting principles applicable to the Partnership immediately prior to the implementation of such material change shall continue to apply to the Partnership for the purpose of determining if the Partnership complies with the financial covenants of the applicable Project Finance Document or Guarantee Transaction Document and the Partnership shall continue to provide Financial Statements under the applicable Project Finance Document or Guarantee Transaction Document prepared in accordance with such accounting principles.

## ARTICLE 2

### MISCELLANEOUS

#### 2.1 Amendments

This Agreement may be changed from time to time by all of the parties hereto.

#### 2.2 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, whether owned beneficially by it in its personal capacity or otherwise (other than the Assets of the Funding Vehicle), 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.



### 2.3 **Provisions Regarding Liability of IT Trustee**

The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the IT Trustee herein and therein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets of the Intermediary Trust. No Assets of the IT Trustee, whether owned beneficially by it in its personal capacity or otherwise (other than the Assets of the Intermediary Trust), will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement or any of the documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

### 2.4 **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.

### 2.5 **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.

### 2.6 **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.

### 2.7 **Provisions Regarding NL Crown**

NL Crown has entered into this Agreement with respect to the Project Finance Documents to which it is a party and the agreements contemplated thereby and definitions which appear in such agreements ("the NL Crown Definitions"), and by entering into this Agreement expresses no view as to the accuracy or suitability of any

definitions which appear herein other than the NL Crown Definitions which it hereby approves and adopts.

2.8 **Benefit of this Agreement to Canada**

The parties acknowledge and agree that notwithstanding that it has not executed this Agreement, Canada shall benefit therefrom to the same extent as if it were a party hereto for all purposes of the Project Finance Documents to which it is a party.

2.9 **Coming into Effect**

This Agreement shall become effective as of and from the LIL Second Amendment and Restatement Effective Date.

**[INTENTIONALLY LEFT BLANK]**

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

IN WITNESS WHEREOF the parties have executed this Master Definitions Agreement.

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent and as Paying Agent

By:   
Name: Emilia Casado  
Title: Vice President, Loan Syndications-Agency

By: \_\_\_\_\_  
Name:  
Title:

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as trustee of  
LABRADOR - ISLAND LINK  
FUNDING TRUST**  
as a GAA Finance Party,  
**herein acting and represented by THE  
TORONTO-DOMINION BANK**  
as Collateral Agent

By: \_\_\_\_\_



Name: Emilia Casado  
Title: Vice President, Loan Syndications-Agency

By: \_\_\_\_\_

Name:  
Title:

**COMPUTERSHARE TRUST  
COMPANY OF CANADA,**  
as LIL Security Trustee, IT Security  
Trustee and FV Security Trustee

By:   
Name: **Sam Golder**  
Title: **Corporate Trust Officer**

By:   
Name: **Stanley Kwan**  
Title: **Associate Trust Officer**

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as trustee of LIL  
CONSTRUCTION PROJECT TRUST,  
as a GAA Finance Party and an Obligor,  
herein acting and represented by THE  
TORONTO-DOMINION BANK, as  
Collateral Agent**

By: \_\_\_\_\_

Name:

Title: **Vice President, Loan Syndications-Agency**



**Emilia Casado**

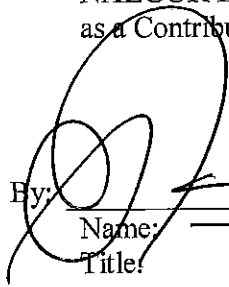
By: \_\_\_\_\_


Name:

Title:

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE


**NALCOR ENERGY,**  
as a Contributing Party


By:   
Name: \_\_\_\_\_  
Title: **H. Stanley Marshall  
President & CEO**

By:   
Name: \_\_\_\_\_  
Title: **Derrick F. Sturge  
Exec. VP Finance & CFO**

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

**LABRADOR - ISLAND LINK  
HOLDING CORPORATION,**  
as a Contributing Party

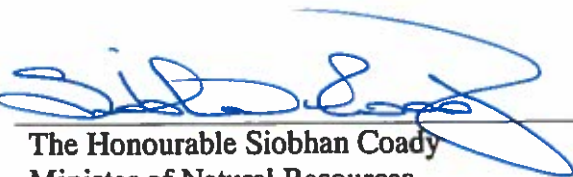
By:   
Name: **James Meaney**  
Title: **VP Finance Power Supply**


By:   
Name: **Derrick F. Sturge**  
Title: **Exec. VP Finance & CFO**



**HER MAJESTY IN RIGHT OF THE  
PROVINCE OF NEWFOUNDLAND  
AND LABRADOR, as represented by  
the Minister for Intergovernmental  
Affairs, the Minister of Natural  
Resources and the Minister of Finance,  
as Guarantor of the Contributing Parties**


By:   
\_\_\_\_\_  
The Honourable Dwight Ball  
Premier and Minister for  
Intergovernmental Affairs

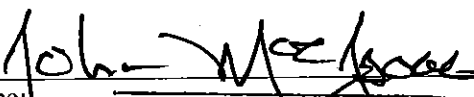
By:   
\_\_\_\_\_  
The Honourable Siobhan Coady  
Minister of Natural Resources

By:   
\_\_\_\_\_  
The Honourable Cathy Bennett  
Minister of Finance

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE


**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP, by its  
general partner,  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,**  
as an Obligor


By:   
Name: **James Meaney**  
Title: **VP Finance Power Supply**

By:   
Name: **John H. MacIsaac**  
Title: **Exec, VP Power Supply**

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE


**LABRADOR - ISLAND LINK  
OPERATING CORPORATION,**  
as an Obligor

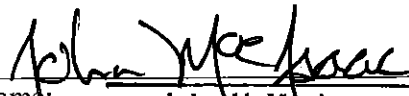
By:   
Name: **James Meaney**  
Title: **VP Finance Power Supply**

By:   
Name: **John H. MacIsaac**  
Title: **Exec. VP Power Supply**

SECOND MASTER DEFINITIONS AGREEMENT (LIL) – SIGNATURE PAGE

**LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,**  
as an Obligor

By:   
Name: James Meaney  
Title: **VP Finance Power Supply**

By:   
Name: John H. MacIsaac  
Title: **Exec. VP Power Supply**

**SECOND AMENDED AND RESTATED  
MUSKRAT/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 MAY 10 2017**

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**SECOND AMENDED AND RESTATED MUSKRAT/LTA PROJECT FINANCE AGREEMENT** is made as of May 10, 2017

**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** the Funding Vehicle intends to borrow funds pursuant to the Funding Transaction Documents by issuing FV Bonds from time to time pursuant to the MTIs 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 Project Financing Duties;

**WHEREAS** a project finance agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Muskrat Falls/Labrador Transmission Assets Funding Trust, as a GAA Finance Party, Muskrat Falls Corporation, as a Credit Party, and Labrador Transmission Corporation, as a Credit Party (the "**Initial Muskrat/LTA Project Finance Agreement**");

**WHEREAS** the Initial Muskrat/LTA Project Finance Agreement was amended and restated pursuant to an amended and restated project finance agreement entered into as of July 16, 2015 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Muskrat Falls/Labrador Transmission Assets Funding Trust, as a GAA Finance Party, Muskrat Falls Corporation, as a Credit Party, and Labrador Transmission Corporation, as a Credit Party (the "**Principal Muskrat/LTA Project Finance Agreement**");

**WHEREAS** the parties hereto wish to amend certain provisions of the Principal Muskrat/LTA Project Finance Agreement and to restate the Principal Muskrat/LTA Project Finance Agreement as so amended in its entirety, but without novation, the whole as herein provided;

**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 have agreed that, subject to the satisfaction of the conditions precedent set forth in Section 7.1, the Principal Muskrat/LTA Project Finance Agreement is hereby amended and restated in its entirety, but without novation, 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 second amended and restated master definitions agreement dated the date hereof entered into among, *inter alia*, the Collateral Agent, 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 Issuer Trustee**

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

SCHEDULE	NAME
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
P.	Funding Request
Q.	Independent Engineer's Confirmation
R.	Compliance Certificate
S.	Draw Request
T.	Minimum DSRA Requirement
U.	Initial Project Budget and June 2016 Project Budget
V.	Initial Project Schedule
W.	Muskrat/LTA Voluntary 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

SCHEDULE	NAME
EE.	Certificate Relating to Transfer of Income for Account Balances from the Sinking Fund Account
FF.	IE Cost Overruns Confirmation Certificate
GG.	Additional Debt Certificate (Operating Period)
HH.	Additional Debt Certificate (Construction Period)
II.	Cost Overruns Certificate
JJ.	FRDN Purchase Request
KK.	Initial Tranches
LL.	New Tranches

1.8 **Time of the Essence**

Time shall in all respects be of the essence of this Agreement.

1.9 **No Novation**

The parties hereto hereby acknowledge and agree that this Agreement does not novate any of the obligations of the parties pursuant to the Principal Muskrat/LTA Project Finance Agreement and that it is not their intention to effect in any way novation of such obligations. To the extent necessary and for all legal purposes, the Collateral Agent and the GAA Finance Parties hereby expressly reserve the security granted in their favour or for their benefit as security for the obligations pursuant to the Principal Muskrat/LTA Project Finance Agreement, including, without limitation, the Security Documents.

## 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 tranches, namely the Tranches.

##### 3.2 Purpose

Each 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 Muskrat/LTA Second Amendment and Restatement Effective Date, the aggregate amount of the Muskrat/LTA Construction Facility is CDN\$4,450,000,000 comprised of the following:

3.3.1.1 as to CDN\$2,600,000,000, the Initial Tranches, each such Initial Tranche being for an amount equal to the aggregate principal amount of FV Bonds issued under the series of FV Bonds listed in Schedule "KK" under the heading "Corresponding FV Bonds Series" opposite the name of such Initial Tranche; and

3.3.1.2 as to CDN\$1,850,000,000, each such New Tranche being for an amount equal to the aggregate principal amount of FV Bonds issued under the series of FV Bonds listed in Schedule "LL" under the heading "Corresponding FV Bonds Series" opposite the name of such New Tranche.

3.3.2 Where pursuant to the terms hereof the Muskrat/LTA Construction Facility or any Tranche thereof is cancelled, reduced or terminated, any such

cancellation, reduction or termination thereof shall be permanent and, with respect to any reduction, such amount may not be subsequently increased.

### 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 an Advance previously repaid, any such repayment automatically reducing the Muskrat/LTA Construction Facility by an amount equal to the amount repaid. Any such reduction of the Muskrat/LTA Construction Facility resulting from (i) a prepayment on any Muskrat/LTA Voluntary Prepayment Date shall result in a rateable reduction of each Initial Tranche or each New Tranche, as the case may be, and (ii) a repayment pursuant to Section 3.6 shall result in a reduction of the Tranche to which such repayment relates by an amount equal to such repayment.

3.4.2 The parties acknowledge and agree that prior to the date hereof, an amount of CDN\$2,600,000,000 was drawn under the Muskrat/LTA Construction Facility, and that accordingly that amount is no longer available for drawdown under the Muskrat/LTA Construction Facility. The balance of 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 a Drawdown on a Drawdown Date, the Credit Parties must deliver to the Collateral Agent a Draw Request at the latest by 5:00 p.m., Newfoundland Time, at least two (2) Business Days prior to the proposed Drawdown Date. The first Drawdown was apportioned rateably amongst each of the Initial Tranches, and the second Drawdown shall be apportioned rateably amongst each of the New Tranches. Once delivered, a Draw Request may not subsequently be revoked or withdrawn by the Credit Parties.

### 3.6 **Repayments**

The Credit Parties hereby agree to repay in respect of each Tranche on the Corresponding Tranche Maturity Date, the sum of (a) the entire amount of the Corresponding Tranche 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 such Tranche, up to, but excluding the Corresponding Tranche Maturity Date;

#### 3.6A **Maintenance of Minimum WCR Requirement**

The Credit Parties hereby agree to:

3.6A1 request in any Funds Release Request that immediately follows a WCR Release, an amount sufficient for purpose of funding the Working Capital Reserve Account, such that thereafter the amount on deposit in the

Working Capital Reserve Account shall be equal to the Minimum WCR Requirement provided, however, that no such request shall be required to be made in the circumstances contemplated in either one of clauses (a) and (b) of paragraph (ii) of the definition of Funding Requirements; and

- 3.6A2 use the proceeds of each such request exclusively for the relevant purpose set forth in Section 3.6A.1.

### 3.7 Voluntary Prepayments

- 3.7.1 The Credit Parties may voluntarily prepay at any time (a) the whole (and the whole only) of the Muskrat/LTA Loan outstanding under the Initial Tranches or (b) the whole (and the whole only) of the Muskrat/LTA Loan outstanding under the New Tranches, in each case, by paying to the Collateral Agent, for the account of the Funding Vehicle, before 1:00 p.m., Newfoundland 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 under the Initial Tranches or, as the case may be, under the New Tranches; (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., Newfoundland 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 under the Initial Tranches or, as the case may be, under the New Tranches 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 such Muskrat/LTA Loan, anything herein to the contrary notwithstanding, and from and after such Muskrat/LTA Voluntary Prepayment, if the moneys necessary to prepay such Muskrat/LTA Loan are paid as herein provided, such Muskrat/LTA Loan will not be considered outstanding hereunder and interest will cease in respect of the portion of the Muskrat/LTA Construction Facility relating to such Muskrat/LTA Loan.

### 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 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. The Credit Parties shall invest any amounts held in the Sinking Fund Account in accordance with Schedule "Z".

### 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, the Base Equity Contributions or the Contingency Equity Contributions 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, on a proportionate basis, to each of the Sinking Fund Payments set forth in Schedule "Y" hereto for each Sinking Fund Deposit Date in the chronological order thereof.

## ARTICLE 4

### **INTEREST AND GUARANTEE FEE**

#### 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, such interest to be reduced in accordance with subsection 4.1.7.

4.1.2 The Muskrat/LTA Construction Loan shall bear interest from and including the date of the first Advance hereunder at a rate equal to the Applicable Interest Rate payable semi-annually in arrears on each Muskrat/LTA Interest Payment Date, such interest to be reduced in accordance with subsection 4.1.7.

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 first Advance hereunder up to and including the second 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 and including the immediately preceding Muskrat/LTA Interest Payment Date up to and excluding 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 applicable 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 in respect of 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, commencing on December 31, 2014 an amount equal to CDN\$10,000 in accordance with their respective Project Rateable Share.
- 4.1.7 The interest payable by the Credit Parties pursuant to Article 4 at any time shall be reduced by an amount equal to the total of the amount on deposit in the FV Proceeds Account and the FV Payment Account as at such time.
- 4.1.8 The payment of interest as provided in subsections 4.1.1 to 4.1.5 shall be funded in part by the transfers of the Income on Account Balances referred to in paragraph 8.1.1.3.

#### 4.2 **Guarantee Fee**

The Credit Parties hereby covenant and agree to pay to the Collateral Agent, for the account of Canada, on an annual basis, starting on the Muskrat/LTA Interest Payment Date in May 2018 and on the Muskrat/LTA Interest Payment Date in May of each year thereafter, a guarantee fee on account of the issuance by Canada of the Additional Federal Loan Guarantee equal to 0.5% of the Net FLG2 Debt (the "**Guarantee Fee**"), 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, including the Guarantee Fee, 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, including the Guarantee Fee, 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, subject to paragraph 8.1.1.3, 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, in the case of the Guarantee Fee, for the account of and remittance to Canada.

5.2.2 Subject to paragraph 8.1.1.3, 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., Newfoundland 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., Newfoundland 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, 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;
- 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.

Also for such purpose, on or prior to the second Drawdown, each of Muskrat and Labrador Transco shall:

- 6.1.10 amend the Muskrat/LTA Collateral Trust Deed to which it is a party;
- 6.1.11 amend the debenture issued as contemplated in subsection 6.1.2 under the terms of the Muskrat/LTA Collateral Trust Deed to which it is a party;
- 6.1.12 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\$1,850,000,000;
- 6.1.13 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 6.1.12;
- 6.1.14 amend the relevant existing blocked account agreement in favour of the Muskrat/LTA Security Trustee so as to include reference to the Equity Prefunding Reserve Account;
- 6.1.15 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 and not already delivered pursuant to subsection 6.1.9.

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 **Conditions Precedent to the Second Amendment and Restatement**

Notwithstanding the execution of this Agreement by the parties hereto, the provisions hereof shall not come into force and the provisions of the Principal Muskrat/LTA Project Finance Agreement shall continue to bind the parties hereto until such time as the Collateral Agent shall have issued a notice in writing to the Credit Parties declaring that each of the following conditions precedent (the "**Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement**") has been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent (the date of such notice shall be referred to herein as the "**Muskrat/LTA Second Amendment and Restatement Effective Date**"):

#### 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 and Nalcor of its

obligations under such of the Muskrat/LTA Project Finance Documents to which it is a party that are being executed in order to give effect to this Agreement, 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 and Labrador Transco and Nalcor executing such of the Muskrat/LTA Project Finance Documents to which it is a party and that are being executed in order to give effect to this 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;
- 7.1.1.5 orders in council from NL Crown or other forms of provincial government authorizations for purposes of authorizing such of the Muskrat/LTA Project Finance Documents to which it is a party that are being executed in order to give effect to this Agreement;

#### **FINANCIAL DUE DILIGENCE**

- 7.1.2 since the last Funding Request delivered pursuant to the Principal Muskrat/LTA Project Finance Agreement, no event has occurred or failed to occur which has or would have a Material Adverse Effect;

#### **PROJECT DUE DILIGENCE**

- 7.1.3 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:
  - 7.1.3.1 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;

- 7.1.3.2 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;
- 7.1.4 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 issued by the Insurance Consultant;
- 7.1.5 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";
- 7.1.6 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;
- 7.1.7 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;
- 7.1.8 the Credit Parties shall have established with the Collateral Agent all Project Accounts required to be established by the 2017 Closing Date;

#### **MATERIAL PROJECT DOCUMENTS AND OTHER DOCUMENTS**

- 7.1.9 the Collateral Agent shall be satisfied that each of the Muskrat/LTA Project Finance Documents, the Initial Material Project Documents, 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;
- 7.1.10 the Collateral Agent shall have received the IGA, duly executed by NL Crown and Canada;

#### **OTHER LOWER CHURCHILL PROJECTS**

- 7.1.11 the Collateral Agent has received confirmation that the LIL Conditions Precedent to the Second Amendment and Restatement (other than those set forth in subsection 7.1.10 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;

#### **TITLE MATTERS**

- 7.1.12 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 2017 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;
- 7.1.13 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 2017 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**

- 7.1.14 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;
- 7.1.15 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 2017 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 7.1.16;
- 7.1.16 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that concurrently with the making of the second Drawdown, 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**

- 7.1.17 to the extent not already provided, 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, the Collateral Agent, 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;
- 7.1.18 to the extent not already provided, 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, the Collateral Agent, as first loss payee, accompanied with a standard mortgagee clause;

**LEGAL OPINIONS**

- 7.1.19 the Collateral Agent shall have received the legal opinions of the Credit Parties' Counsel, dated the Muskrat/LTA Second Amendment and Restatement Effective Date, regarding the Credit Parties and Nalcor, which shall be in form and substance satisfactory to the Collateral Agent.

Such legal opinions shall cover such matters incident to the transactions contemplated by such of the Muskrat/LTA Project Finance Documents that are being executed in order to give effect to this Agreement, as the Collateral Agent may request, including the legality, validity, binding nature and enforceability thereof;

**COMPLIANCE**

- 7.1.20 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the 2017 Closing Date;
- 7.1.21 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 2017 Closing Date 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
- 7.1.22 no Muskrat/LTA Event of Default shall have occurred and be continuing.

Notwithstanding the foregoing provisions of this Section 7.1, the last paragraph of each of Section 7.4 and Section 0 shall come into full force and effect immediately upon the execution and delivery of this Agreement.

7.2 **Conditions Precedent to Second Advance under the Muskrat/LTA Construction Facility**

The second Advance shall not be made by the Funding Vehicle pursuant to the Muskrat/LTA Construction Facility until the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement and the following conditions precedent (the "**Musktrat/LTA Second 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 second 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 a Draw Request within the time periods herein provided requesting the second Drawdown on the corresponding Drawdown Date in an amount equal to the amount then available under 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 2017 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 following the Muskrat/LTA Second Amendment and Restatement Effective Date**

At any time following the execution and delivery of this Agreement, the Credit Parties can request a Funds Release (and such Funds Release shall not be required to occur on a Funds Release Date) to be used exclusively for purposes of funding:

- 7.3.1 their respective Project Rateable Share of 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 second 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 second Commitment Letter and the second Underwriting Agreement;

7.3.2 their respective Project Rateable Share of 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 second Commitment Letter until the date of such Funds Release; and

7.3.3 the Working Capital Reserve Account in an amount equal to the Minimum WCR Requirement;

subject to and upon compliance with all of the relevant terms and conditions of this Agreement, and provided, however, that the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement and the Muskrat/LTA Second Drawdown Conditions Precedent have been met or, as the case may be, waived by the Collateral Agent, and the following conditions (the "**Second Amendment and Restatement First Muskrat/LTA Funds Release Conditions Precedent**") 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 in respect of the amounts contemplated in subsections 7.3.1, 7.3.2, 7.3.3 and **Erreur ! Source du renvoi introuvable.**, and concurrently shall also have received a Funds Release Request in connection with the Funds Release required further to such Funding Request;

7.3.5 the Collateral Agent has received confirmation that the Second Amendment and Restatement 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 7.2.6 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 Second Drawdown Conditions Precedent and the Second Amendment and Restatement First Muskrat/LTA Funds Release 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 7.11 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 Guarantee Fee, 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, on the sixth (6th) Business Day; and

7.4.1.2 in the case of a Funding Request delivered in May or November, 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 (or subsection **Erreur ! Source du renvoi introuvable.**, as the case may be), 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 date of the last Construction Report to the date of the Construction Report received pursuant to subsection 7.4.2, 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 Construction Report received pursuant to subsection 7.4.2, 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 7.1.17 or 7.1.18, 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, the Collateral Agent, 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 and, in the case that a WCR Release is to be effected pursuant to Section 7.11, the Collateral Agent shall also have received a WCR Release and Equity Funding Notice within the aforesaid time periods;
- 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% following the 2017 Closing Date, 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, provided further, however, that where a Funds Release without a concurrent equity Investment would result in a DER that exceeds 65%, then clause (ii) of this subsection shall be deemed to apply instead, 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, in the proportion required pursuant to the MF Equity Rateable Share. 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 in the case that a WCR Release from the Working Capital Reserve Account is to be effected pursuant to Section 7.11, Muskrat or Labrador Transco shall have requested pursuant to the Deposit Note Letter Agreement that the FRDN be purchased on the relevant WCR Release Date, provided, however, that where any portion of the proceeds of a previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remains on deposit at such time in the Working Capital Reserve Account, the amount of the purchase of the FRDN required to be requested under this subsection 7.4.13 shall be the difference between the amount of the WCR Release to be effected from the Working Capital Reserve Account and the amount of the proceeds of such previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remaining on deposit at such time in the Working Capital Reserve Account. Such request shall be made by way of a written request in the form set forth in Schedule "JJ";
- 7.4.14 in the case that a WCR Release from the Working Capital Reserve Account is to be effected pursuant to Section 7.11, the entirety or the portion, as the case may be, of the FRDN requested to be purchased pursuant to the written request delivered as contemplated in subsection 7.4.13 shall have been purchased by the issuer of the FRDN, and the amount of the purchase price in connection with such purchase shall have been transferred to the Working Capital Reserve Account;
- 7.4.15 the Collateral Agent shall have confirmed that the aggregate amount of the requested Funds Release made by Muskrat is not greater than Muskrat's Funding Deficiency Rateable Share of the amounts then standing to the credit of the Muskrat/LTA Proceeds Account (excluding the Income on Account Balances on deposit at such time in the Muskrat/LTA Proceeds Account) plus, where the Funding Request contemplates that the funding of the Funding Requirements of Muskrat, in whole or in part, are to be effected by way of a WCR Release pursuant to Section 7.11, the amount of such WCR Release is not greater than Muskrat's Funding Deficiency Rateable Share of the amounts then standing to the credit of the Working Capital Reserve Account;
- 7.4.16 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
- 7.4.17 no Muskrat/LTA Event of Default shall have occurred and be continuing.

It is hereby acknowledged and agreed that Muskrat may request a Funds Release prior to the date on which the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement and the Muskrat/LTA Second Drawdown Conditions Precedent have been met to the satisfaction of the Collateral Agent, or as the case may be, waived by the Collateral Agent, and that should the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement or the Muskrat/LTA Second Drawdown Conditions Precedent not be met to the satisfaction of the Collateral Agent, or as the case may be,

waived by the Collateral Agent, by no later than May 30, 2017, then the Funding Request delivered in connection with such Funds Release shall be deemed to have been delivered pursuant to the terms of the Principal Muskrat/LTA Project Finance Agreement, provided, however, that in such circumstances, such Funding Request shall be deemed to provide for a LTA Equity Rateable Share and MF Equity Rateable Share of 100% in respect of the Funding Requirements set forth therein.

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 Muskrat/LTA Second Drawdown Conditions Precedent and the Second Amendment and Restatement First Muskrat/LTA Funds Release 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 7.11 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 Guarantee Fee, 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, on the sixth (6th) Business Day; and

7.5.1.2 in the case of a Funding Request delivered in May or November, 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 (or subsection **Erreur ! Source du renvoi introuvable.**, as the case may be), 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 date of the last Construction Report to the date of the Construction Report received pursuant to subsection 7.5.2, 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 Construction Report received pursuant to subsection 7.5.2, 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 7.1.17 or 7.1.18, 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, the Collateral Agent, as first loss payee, accompanied with a standard mortgage 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% following the 2017 Closing Date, 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, provided further, however, that where a Funds Release without a concurrent equity Investment would result in a DER that exceeds 65%, then clause (ii) of this subsection shall be deemed to apply instead, and (ii) following the DER being equal to 65%, the Collateral Agent shall have received or there shall 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, in the proportion required pursuant to the LTA Equity Rateable Share. 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 in the case that a WCR Release from the Working Capital Reserve Account is to be effected pursuant to Section 7.11, Labrador Transco or Muskrat shall have requested pursuant to the Deposit Note Letter Agreement that the FRDN be purchased on the relevant WCR Release Date, provided, however, that where any portion of the proceeds of a previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remains on deposit at such time in the Working Capital Reserve Account, the amount of the purchase of the FRDN required to be requested under this subsection 7.5.13 shall be the difference between the amount of the WCR Release to be effected from the Working Capital Reserve Account and the amount of the proceeds of such previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remaining on deposit at such time in the Working Capital Reserve Account. Such request shall be made by way of a written request in the form set forth in Schedule "JJ";
- 7.5.14 in the case that a WCR Release from the Working Capital Reserve Account is to be effected pursuant to Section 7.11, the entirety or the portion, as the case may be, of the FRDN requested to be purchased pursuant to the written request delivered as contemplated in subsection 7.5.13 shall have been purchased by the issuer of the FRDN, and the amount of the purchase price in connection with such purchase shall have been transferred to the Working Capital Reserve Account;
- 7.5.15 the Collateral Agent shall have confirmed that the aggregate amount of the requested Funds Release made by Labrador Transco is not greater than Labrador Transco's Funding Deficiency Rateable Share of the amounts then standing to the credit of the Muskrat/LTA Proceeds Account (excluding the Income on Account Balances on deposit at such time in the Muskrat/LTA Proceeds Account) plus, where the Funding Request contemplates that the funding of the Funding Requirements of Labrador Transco, in whole or in part, are to be effected by way of a WCR Release pursuant to Section 7.11, the amount of such WCR Release is not greater than Labrador Transco's Funding Deficiency Rateable Share of the amounts then standing to the credit of the Working Capital Reserve Account;
- 7.5.16 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
- 7.5.17 no Muskrat/LTA Event of Default shall have occurred and be continuing.

It is hereby acknowledged and agreed that Labrador Transco may request a Funds Release prior to the date on which the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement and the Muskrat/LTA Second Drawdown Conditions

Precedent have been met to the satisfaction of the Collateral Agent, or as the case may be, waived by the Collateral Agent, and that should the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement or the Muskrat/LTA Second Drawdown Conditions Precedent not be met to the satisfaction of the Collateral Agent, or as the case may be, waived by the Collateral Agent, by no later than May 30, 2017, then the Funding Request delivered in connection with such Funds Release shall be deemed to have been delivered pursuant to the terms of the Principal Muskrat/LTA Project Finance Agreement, provided, however, that in such circumstances, such Funding Request shall be deemed to provide for a LTA Equity Rateable Share and MF Equity Rateable Share of 100% in respect of the Funding Requirements set forth therein.

#### 7.6 **Conditions Precedent to Funds Releases on Account of the Punch List Costs**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Muskrat/LTA Second Drawdown Conditions Precedent and the Second Amendment and Restatement First Muskrat/LTA Funds Release 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), 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 sixth (6<sup>th</sup>) 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 (7<sup>th</sup>) 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 in the proportion required pursuant to the applicable Equity Rateable Share. 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 confirmed 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 (excluding the Income on Account Balances on deposit at such time in the Muskrat/LTA Proceeds Account and 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**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Muskrat/LTA Second Drawdown Conditions Precedent and the Second Amendment and Restatement First Muskrat/LTA Funds Release 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), 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 sixth (6<sup>th</sup>) 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 (7<sup>th</sup>) 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 in the proportion required pursuant to the applicable Equity Rateable Share. 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 confirmed 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 (excluding the Income on Account Balances on deposit at such time in the Muskrat/LTA Proceeds Account and 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**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the Muskrat/LTA Second Drawdown Conditions Precedent and the Second Amendment and Restatement First Muskrat/LTA Funds Release 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), 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 sixth (6<sup>th</sup>) 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 (7<sup>th</sup>) 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 confirmed 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 (excluding the Income on Account Balances on deposit at such time in the Muskrat/LTA Proceeds Account and 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 Funds Releases; 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 pursuant to subsection 10.6.2 and naming the Collateral Agent and the Muskrat/LTA Security Trustee as additional insured and, the Collateral Agent, 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 to the extent that the Muskrat/LTA Proceeds Account Balance is more than nil immediately prior to 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, each of the conditions precedent set forth in Section 0 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 to the extent that the Muskrat/LTA Proceeds Account Balance is more than nil immediately prior to 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, 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;
- 7.9.15 to the extent that the Muskrat/LTA Proceeds Account Balance is more than nil immediately prior to 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, 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 date on which the DSRA Prefunding occurs, this condition precedent shall not apply; and

- 7.9.16 to the extent that the Muskrat/LTA Proceeds Account Balance is nil immediately prior to 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 Collateral Agent shall have received a Final Funding Request delivered in accordance with subsections 7.6.1, 7.7.1 and 7.8.1 and the conditions precedent expressed in subsections 7.6.2, 7.7.2 and 7.8.2 shall have been met.

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 the 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 Second Drawdown Conditions Precedent and Second Amendment and Restatement First Muskrat/LTA Funds Release Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent (and provided that (i) the WCR Release Date occurs between two successive Funds Release Dates and (ii) no WCR Release has been made at any time following the Muskrat/LTA Second Amendment and Restatement Effective Date pursuant to Section 7.11), 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 either Credit Party shall have requested pursuant to the Deposit Note Letter Agreement that the FRDN be purchased on the relevant WCR Release Date, provided, however, that where any portion of the proceeds of a previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remains on deposit at such time in the Working Capital Reserve Account, the amount of the purchase of the FRDN required to be requested under this subsection 7.10.2 shall be the difference between the amount of the WCR Release to be effected from the Working Capital Reserve Account and the amount of the proceeds of such previous purchase of the FRDN pursuant to the Deposit Note Letter Agreement remaining on deposit at such time in the Working Capital Reserve Account. Such request shall be made by way of a written request in the form set forth in Schedule "JJ";
- 7.10.3 the entirety or the portion, as the case may be, of the FRDN requested to be purchased pursuant to the written request delivered as contemplated in subsection 7.10.2 shall have been purchased by the issuer of the FRDN, and the amount of the purchase price in connection with such purchase shall have been transferred to the Working Capital Reserve Account;
- 7.10.4 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
- 7.10.5 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 funding Eligible Project Costs**

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 Second Drawdown Conditions Precedent and Second Amendment and Restatement First Muskrat/LTA Funds Release Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent (and, following the Muskrat/LTA Second Amendment and Restatement Effective Date, 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 funding Eligible Project Costs and for deposit into its Project Funding Account but only if the conditions precedent set forth in Section **Erreur! Source du renvoi introuvable.** or **Erreur! Source du renvoi introuvable.**, as the case may be, applicable *mutatis mutandis*, are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent.

## 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 each Advance under the Muskrat/LTA Construction Facility made under this Agreement;

8.1.1.2 subject to paragraph 8.1.1.3, 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 Article 7; and

8.1.1.3 immediately prior to the Funds Release Date to occur in May and November of every year, the Collateral Agent shall transfer the Income on Account Balances on deposit at such time in the Muskrat/LTA Proceeds Account to the FV Payment Account for the purposes described in subsection 3.4.5 of the Collateral Agency Agreement, the whole in accordance with the applicable Funding Request or Final Funding Request, as the case maybe.

#### 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 and all WCR Releases under Section 7.11, in each case, made to Muskrat under this Agreement, other than (a) Funds Releases and, but only in the case where a DSRA Prefunding is to be effected, WCR Releases under Section 7.11, 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 Working Capital Reserve Account up to the Minimum WCR Requirement, and (e) a Funds Release made pursuant to subsection 3.9.2;
- (ii) the proceeds of all Funds Releases and, but only in the case where a DSRA Prefunding is to be effected, WCR Releases under Section 7.11, 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 Working Capital Reserve Account up to the Minimum WCR Requirement;
  - (vi) all amounts to be paid thereto from the Working Capital Reserve Account in accordance with the provisions of paragraph 8.16.2.2;
  - (vii) by Nalcor, the proceeds of any MF Base Equity Contribution, as provided for pursuant to Section 2.3 of the MFESA;
  - (viii) by Nalcor, the proceeds of any MF Contingency Equity Contribution (other than such proceeds for purposes of funding the Equity Prefunding Reserve Account pursuant to subsection 8.17A.1), as provided for pursuant to Section 2.4 of the MFESA, and all amounts transferred from the Equity Prefunding Reserve Account pursuant to subsection 8.17A.2. for purposes of funding a MF Contingency Equity Contribution;
  - (ix) the proceeds of any Additional Debt of Muskrat;
  - (x) 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;
  - (xi) by NL Crown, any amount paid with respect to the MF Contingency Equity Contribution (other than such proceeds for purposes of funding the Equity Prefunding Reserve Account pursuant to subsection 8.17A.1), as provided for pursuant to paragraphs 2.3.1.2 or 2.3.2.2 of the MFESG;

- (xii) by NL Crown, any amount paid on account of interest pursuant to Section 2.6 of the MFESG;
- (xiii) by Nalcor, the proceeds of any MF DSRA Equity Contribution, as provided for pursuant to Section 2.5 of the MFESA, and all amounts transferred from the Equity Prefunding Reserve Account and the Muskrat Cost Overrun Escrow Account pursuant to subsections 8.17A.2 and 8.17A.3 and Section 10.27 for purposes of funding a MF DSRA Equity Contribution;
- (xiv) 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;
- (xv) by Nalcor, the proceeds of any MF LRA Equity Contribution, as provided for pursuant to Section 2.6 of the MFESA;
- (xvi) 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;
- (xvii) any amounts to be transferred into the Muskrat Project Funding Account pursuant to subsections 8.14.3 and 8.14.4, paragraphs 8.16.2.3 and 8.17.2.3 and Section 8.19;
- (xviii) all reimbursements from Governmental Authorities of Sales Taxes, and
- (xix) 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, as well as any Taxes pertaining thereto, 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, but excluding the proceeds of any equity Investment in Muskrat to which reference is made in paragraph 7.10.1.2 which shall be deposited directly into the Muskrat Project Operating Account pursuant to paragraph 8.3.2.1;

- 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, effecting a repayment of the Muskrat/LTA Loan and effecting a payment of any Taxes 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 Project Operating 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), (xii) (to the extent the amount deposited pursuant to such clause (xii) relates to the MF DSRA Equity Contribution), (xiii) or (xiv) of paragraph 8.2.1.1, including, without limitation, for purposes of a DSRA Prefunding, shall be transferred only to the DSRA;
- 8.2.1.5 amounts in the Muskrat Project Funding Account deposited therein pursuant to clauses (ii) and (iii) of paragraph 8.2.1.1 or, for purposes of defraying the Muskrat Punch List Costs, pursuant to clauses (vii), (viii), (ix), (x), (xi) or (xii) 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 (vii), (viii), (ix), (x), (xi) or (xii) 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 (xii) (to the extent the amount deposited pursuant to such clause (xii) relates to the MF LRA

Equity Contribution), (xv) and (xvi) 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 Eligible 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, which shall be deposited directly into the Muskrat Prepaid Debt Service Escrow Account pursuant to paragraph 8.18.1.1, provided, however, that any Taxes pertaining to Base Block Payments Attributable to Debt Service shall be deposited into the Muskrat Project Funding Account), as well as any Taxes pertaining thereto, **(ii)** the proceeds of any Additional Debt of Muskrat, **(iii)** any amounts to be transferred to the Muskrat Project Funding Account pursuant to subsections 8.14.3, 8.14.4 and 8.15.2 and paragraphs 8.5.1.3, 8.17.2.2, 8.17.2.3 and 8.18.1.3 **(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 and Taxes 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 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 and the Guarantee Fee 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 (i) the Muskrat Project Funding Account in accordance with the provisions of subsections 8.2.1 and 8.2.2, (ii) the Muskrat Punch List Costs Account in accordance with the provisions of subsection 8.6.4 and (iii) the Muskrat Demobilization Costs Account in accordance with the provisions of subsection 8.7.4.

8.3.2 During the Construction Period:

8.3.2.1 there shall be deposited directly into the Muskrat Project Operating Account (i) the proceeds of any equity Investment for the account of Muskrat to which reference is made in paragraph 7.10.1.2 and (ii) all WCR Releases under the Working Capital Reserve Account made to Muskrat under this Agreement, other than the proceeds of any WCR Releases under Section 7.11 made to Muskrat, which are to be deposited into the Muskrat Project Funding Account Pursuant to paragraph 8.2.1.1;

- 8.3.2.2 subject to paragraph 8.3.2.5, 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;
- 8.3.2.4 subject to paragraph 8.3.2.5, funds in the Muskrat Project Operating Account and forming part of the Aggregate Muskrat Eligible Account Balances shall remain in the Muskrat Project Operating 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; and
- 8.3.2.5 funds in the Muskrat Project Operating Account which at any time form part of the Aggregate Muskrat Eligible Account Balances may be used at any time during the period between the issuance of a Funding Request (for purposes of this paragraph, the "first Funding Request") and the next following Funding Request or the Final Funding Request, as the case may be, to defray MF Project Costs that are evidenced either by (i) an unanticipated invoice received and that was not reported in the first Funding Request or any other preceding Funding Request, the payment of which is required to be made prior to the Funds Release Date or WCR Release Date (relating to a WCR Release pursuant to Section 7.11), as the case may be, following the next Funding Request, and (ii) any anticipated invoice received during such period and that was reported in the first Funding Request, but which is for an amount higher than expected and reported in the first Funding Request, and with respect to which the proceeds identified in the first Funding Request are insufficient to pay such higher amount of such invoice.

8.3.3 During the Operating Period:

- 8.3.3.1 funds in the Muskrat Project Operating Account (other than amounts contemplated in paragraphs 8.3.3.2 and 8.3.3.3) 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*;

8.3.3.2 amounts in the Muskrat Project Operating Account deposited therein pursuant to subsection 8.6.4 shall be applied towards the payment of O&M Costs; and

8.3.3.3 amounts in the Muskrat Project Operating Account deposited therein pursuant to subsection 8.7.4 shall be applied towards the payment of O&M Costs.

#### 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;

8.4.1.2 there shall be deposited, on the LRA Release Date, into the Muskrat Distribution Reserve Account the Project Rateable Share of Muskrat of the amount contemplated in subsection 8.15.3; and

8.4.1.3 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 and all WCR Releases under Section 7.11, in each case, made to Labrador Transco under this Agreement, other than (a) Funds Releases and, but only in the case where a DSRA Prefunding is to be effected, WCR Releases under Section 7.11, 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 Working Capital

- Reserve Account up to the Minimum WCR Requirement, and (e) a Funds Release made pursuant to subsection 3.9.2;
- (ii) the proceeds of all Funds Releases and, but only in the case where a DSRA Prefunding is to be effected, WCR Releases under Section 7.11, made under this Agreement to Labrador Transco 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 Working Capital Reserve Account up to the Minimum WCR Requirement;
  - (vi) all amounts to be paid thereto from the Working Capital Reserve Account in accordance with the provisions of paragraph 8.16.2.2;
  - (vii) by Nalcor, the proceeds of any LTA Base Equity Contribution, as provided for pursuant to Section 2.3 of the LTAESA;
  - (viii) by Nalcor, the proceeds of any LTA Contingency Equity Contribution (other than such proceeds for purposes of funding the Equity Prefunding Reserve Account pursuant to subsection 8.17A.1), as provided for pursuant to Section 2.4 of the LTAESA, and all amounts transferred from the Equity Prefunding Reserve Account pursuant to subsection 8.17A.2 for purposes of funding a LTA Contingency Equity Contribution;
  - (ix) the proceeds of any Additional Debt of Labrador Transco;
  - (x) 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;
  - (xi) by NL Crown, any amount paid with respect to the LTA Contingency Equity Contribution (other than such proceeds for purposes of funding the Equity Prefunding Reserve Account pursuant to subsection 8.17A.1), as provided for pursuant to paragraphs 2.3.1.2 or 2.3.2.2 of the LTAESG;
  - (xii) by NL Crown, any amount paid on account of interest pursuant to Section 2.6 of the LTAESG;

- (xiii) by Nalcor, the proceeds of any LTA DSRA Equity Contribution, as provided for pursuant to Section 2.5 of the LTAESA, and all amounts transferred from the Equity Prefunding Reserve Account and the Labrador Transco Cost Overrun Escrow Account pursuant to subsections 8.17A.2 and 8.17A.3 and Section 10.27 for purposes of funding a LTA DSRA Equity Contribution;
- (xiv) 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;
- (xv) by Nalcor, the proceeds of any LTA LRA Equity Contribution, as provided for pursuant to Section 2.6 of the LTAESA;
- (xvi) 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;
- (xvii) any amounts to be transferred into the Labrador Transco Project Funding Account pursuant to subsections 8.14.3 and 8.14.4, paragraphs 8.16.2.3 and 8.17.2.3 and Section 8.21;
- (xviii) all reimbursements from Governmental Authorities of Sales Taxes; and
- (xix) 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, as well as any Taxes pertaining thereto, 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, but excluding the proceeds of any equity Investment in Labrador Transco to which reference is made in paragraph 7.10.1.2 which shall be deposited directly into the Labrador Transco Project Operating Account pursuant to paragraph 8.9.2.1;

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, Labrador Transco's Other Project Costs, including for purposes of effecting any Sinking Fund Payments into the Sinking Fund Account, effecting a repayment of the Muskrat/LTA Loan and effecting a payment of any Taxes 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;

- 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), (xii) (to the extent the amount deposited pursuant to such clause (xii) relates to the LTA DSRA Equity Contribution), (xiii), or (xiv) of paragraph 8.8.1.1, including, without limitation, for purposes of a DSRA Prefunding, 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 (vii), (viii), (ix), (x), (xi) or (xii) 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 (vii), (viii), (ix), (x), (xi) or (xii) of paragraph 8.8.1.1, 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 (xii) (to the extent the amount deposited pursuant to such clause (xii) relates to the

LTA LRA Equity Contribution), (xv) and (xvi) 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 Eligible Account Balances shall remain in the Labrador Transco Project Funding Account to be applied for purposes of subsequent Funding Requests as per clause (v) 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, provided, however, that any Taxes pertaining to LTA Payments Attributable to Debt Service shall be deposited into the LTA Project Funding Account), as well as any Taxes pertaining thereto, (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 subsections 8.14.3, 8.14.4 and 8.15.2 and paragraphs 8.11.1.3, 8.17.2.2, 8.17.2.3 and 8.20.1.3, (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 and Taxes 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 and the Guarantee Fee 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 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 (i) the Labrador Transco Project Funding Account in accordance with the provisions of subsections 8.8.1 and 8.8.2, (ii) the Labrador Transco Punch List Costs in accordance with the provisions of subsection 8.12.4 and (iii) the Labrador Transco Demobilization Costs Account in accordance with the provisions of subsection 8.13.4.

8.9.2 During the Construction Period:

8.9.2.1 there shall be deposited directly into the Labrador Transco Project Operating Account (i) the proceeds of any equity Investment for the account of Labrador Transco to which reference is made in paragraph 7.10.1.2 and (ii) all WCR Releases under the Working Capital Reserve Account made to Labrador Transco under this Agreement, other than the proceeds of any WCR Releases under Section 7.11 made to



Labrador Transco, which are to be deposited into the Labrador Transco Project Funding Account pursuant to paragraph 8.8.1.1;

8.9.2.2 subject to paragraph 8.9.2.5, 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;

8.9.2.4 subject to paragraph 8.9.2.5, funds in the Labrador Transco Project Operating Account and forming part of the Aggregate Labrador Transco Eligible Account Balances shall remain in the Labrador Transco Project Operating Account to be applied for purposes of subsequent Funding Requests as per clause (v) 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"; and

8.9.2.5 funds in the Labrador Transco Project Operating Account which at any time form part of the Aggregate Labrador Transco Eligible Account Balances may be used at any time during the period between the issuance of a Funding Request (for purposes of this paragraph, the "first Funding Request") and the next following Funding Request or the Final Funding Request, as the case may be, to defray LTA Project Costs that are evidenced either by (i) an unanticipated invoice received and that was not reported in the first Funding Request or any other preceding Funding Request, the payment of which is required to be made prior to the Funds Release Date or the WCR Release Date (relating to a WCR Release pursuant to Section 7.11), as the case may be, following the next Funding Request, and (ii) any anticipated invoice received during such period and that was reported in the first Funding Request, but which is for an amount higher than expected and reported in the first Funding Request, and with respect to which the proceeds identified in the first Funding Request are insufficient to pay such higher amount of such invoice.

8.9.3 During the Operating Period:

8.9.3.1 funds in the Labrador Transco Project Operating Account (other than amounts contemplated in paragraphs 8.9.3.2 and 8.9.3.3)

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 (g) of paragraph 8.8.2.2, *mutatis mutandis*

8.9.3.2 amounts in the Labrador Transco Project Operating Account deposited therein pursuant to subsection 8.12.4 shall be applied towards the payment of O&M Costs; and

8.9.3.3 amounts in the Labrador Transco Project Operating Account deposited therein pursuant to subsection 8.13.4 shall be applied towards the payment of O&M Costs.

#### 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;

8.10.1.2 there shall be deposited, on the LRA Release Date, into the Labrador Transco Distribution Reserve Account the Project Rateable Share of Labrador Transco of the amount contemplated in subsection 8.15.3; and

8.10.1.3 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 the date on which the DSRA Prefunding occurs, 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 date on which the DSRA Prefunding occurs, 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, during the Operating Period, 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, and, during the Construction Period, amounts to be deposited therein pursuant to paragraphs 8.2.1.4 and 8.8.1.4, 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 date on which the DSRA Prefunding occurs, 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 date on which the DSRA Prefunding occurs, at any time that interest constituting Income on Account Balances is deposited into the DSRA, the Collateral Agent shall transfer such Income on Account Balances to the Muskrat Project Funding Account and the Labrador Transco Project Funding Account in the proportions indicated pursuant to the instructions to be given by Muskrat and Labrador Transco following such deposit, it being understood that such proportions shall represent the Project Rateable Share of each Credit Party of such Income on Account Balances.

## 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 interest constituting Income on Account Balances is deposited into the LRA, the Collateral Agent shall transfer such Income on Account Balances to the Muskrat Project Funding Account and the Labrador Transco Project Funding Account in the proportions indicated pursuant to the instructions to be given by Muskrat and Labrador Transco following such deposit, it being understood that such proportions shall represent the Project Rateable Share of each Credit Party of such Income on Account Balances.
- 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 Funds Release under Section **Erreur ! Source du renvoi introuvable.** and from time to time thereafter, subject to the provisions of subsection 0 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 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 Funding Accounts, the whole subject to Section 7.11;
- 8.16.2.3 at any time that interest constituting Income on Account Balances is deposited into the Working Capital Reserve Account, the Collateral Agent shall transfer such Income on Account Balances to the Muskrat Project Funding Account and the Labrador Transco Project Funding Account in the

proportions indicated pursuant to the instructions to be given by Muskrat and Labrador Transco following such deposit.

- 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, Base Equity Contributions or Contingency Equity Contributions 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 paragraph 8.3.3.1, clause (d) of paragraph 8.8.1.2 and paragraph 8.9.2.2, and clause (e) of paragraph 8.8.2.2 and paragraph 8.9.3.1; and

8.17.2.2 there shall be transferred, on each of the Corresponding Tranche Maturity Dates relating to the Initial Tranches 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 and that the Credit Parties shall have delivered a certificate in the form attached hereto as Schedule "EE", signed by Responsible Officers of the Credit Parties each in his

capacity as an officer of the applicable Credit Party and without personal liability.

#### 8.17A **Equity Prefunding Reserve Account**

Prior to the 2017 Closing Date, the Credit Parties shall establish with the Collateral Agent a joint account in their names called "Equity Prefunding Reserve Account" at the Collateral Agent's Office (the "**Equity Prefunding Reserve Account**").

- 8.17A.1 During the Construction Period, on the 13<sup>th</sup> day to occur in each of December of 2017, December of 2018 and December of 2019, the Credit Parties shall cause a deposit to be made into the Equity Prefunding Reserve Account in an amount equal to the difference, if any, between the Equity Prefunding Base Amount and the total of the Contingency Equity Contributions (without taking into account any portion of Contingency Equity Contributions funded to or from the Equity Prefunding Reserve Account) made, in the case of December of 2017, since March 31, 2017 and in the case of each of December of 2018 and December of 2019, since the preceding day on which the Equity Prefunding Reserve Account was funded pursuant to this subsection 8.17A.1;
- 8.17A.2 During the Construction Period, other than for purposes of the DSRA Prefunding, any Equity Rateable Share to be funded by Muskrat or Labrador Transco on a Funds Release Date or any equity Investment to be made pursuant to Section 7.10 or Section 7.11 on a WCR Release Date, as the case may be, shall be funded first from the balance of the amounts in the Equity Prefunding Reserve Account, and for that purpose there shall be effected on such Funds Release Date or WCR Release Date, as the case may be, a transfer from the Equity Prefunding Reserve Account of an amount sufficient to fund such Equity Rateable Share or equity Investment under Section 7.10 or Section 7.11, as the case may be, or where such amounts in the Equity Prefunding Reserve Account are insufficient to fund such Equity Rateable Share or equity Investment under Section 7.10 or Section 7.11, as the case may be, a transfer of the full amount in the Equity Prefunding Reserve Account, with the balance to be funded by a new equity Investment from Nalcor;
- 8.17A.3 During the Construction Period, for purposes of the DSRA Prefunding, the DSRA Equity Contributions required to be made in connection therewith shall be funded first from the balance of the amounts in the Equity Prefunding Reserve Account (together with, to the extent permitted pursuant to paragraphs 10.28.2.4 and 10.28.3.4, the balance of the amounts in the Cost Overrun Escrow Accounts as contemplated in Section 10.27), and for that purpose there shall be effected on the date of the DSRA Prefunding a transfer from the Equity Prefunding Reserve Account of an amount sufficient (taking into account any transfer from the Cost Overrun Escrow Accounts to the extent permitted pursuant to paragraphs 10.28.2.4 and 10.28.3.4 as contemplated in Section 10.27) to fund such DSRA Equity Contributions, or where such amounts in the Equity Prefunding Reserve Account (taking into



account any transfer from the Cost Overrun Escrow Accounts to the extent permitted pursuant to paragraphs 10.28.2.4 and 10.28.3.4 as contemplated in Section 10.27) are insufficient to fund such DSRA Equity Contributions, a transfer of the full amount in the Equity Prefunding Reserve Account, with the balance to be funded by a new equity Investment from Nalcor;

- 8.17A.4 At any time that interest constituting Income on Account Balances is deposited into the Equity Prefunding Reserve Account, the Collateral Agent shall transfer such Income on Account Balances to the Muskrat Project Funding Account and the Labrador Transco Project Funding Account in the proportions indicated pursuant to the instructions to be given by Muskrat and Labrador Transco following such deposit;
- 8.17A.5 Where immediately prior to Commissioning any balance remains outstanding in the Equity Prefunding Reserve Account, then upon Commissioning, such balance shall be released from the Equity Prefunding Reserve Account and applied at the option of the Credit Parties;
- 8.17A.6 The parties hereby acknowledge and agree that as at March 31, 2017, an amount equal in the aggregate to the Equity Prefunding Base Amount was funded into the Muskrat Cost Overrun Escrow Account with the intention that it be used for the purposes set forth in this Section 8.17A and that on the 2017 Closing Date any portion of such aggregate amount remaining outstanding be transferred to the Equity Prefunding Reserve Account to continue to be used thereafter for the purposes set forth in this Section 8.17A, and accordingly, on the 2017 Closing Date, any such aggregate amount remaining outstanding in the Muskrat Cost Overrun Escrow Account shall be transferred to the Equity Prefunding Reserve Account. Moreover, also on the 2017 Closing Date, any other amounts in the Cost Overrun Escrow Accounts on such date shall be transferred to the Equity Prefunding Reserve Account;
- 8.17A.7 For all purposes of calculating the DER, upon any amounts (other than amounts constituting Income on Account Balances) being transferred out of the Equity Prefunding Reserve Account in accordance with the terms hereof, such amounts shall be deemed to form part of the Capital Account of (i) Muskrat, in the event they are transferred in connection with an equity Investment required to be made in Muskrat or (ii) Labrador Transco, in the event they are transferred in connection with an equity Investment required to be made in Labrador Transco. Moreover, for greater certainty, for all purposes of calculating the DER, amounts transferred to the Equity Prefunding Reserve Account shall not be deemed to form part of the Capital Account of either Credit Party;
- 8.17A.8 Any amount on deposit in the Equity Prefunding Reserve Account shall be used exclusively to fund Project Costs, and, for greater certainty, shall not be used for the payment of any debt service obligations, other than to the extent that they constitute Project Costs.

### 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 (other than any Taxes pertaining thereto);

8.18.1.2 immediately prior to any Muskrat/LTA Interest Payment Date (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;

8.18.1.3 Muskrat shall have executed an irrevocable direction pursuant to which at any time that interest constituting Income on Account Balances in respect of the Muskrat Prepaid Debt Service Escrow Account is to be paid, The Toronto-Dominion Bank, in its capacity as account bank pursuant to the blocked account agreement entered into pursuant to subsection 6.1.7, shall deposit such Income on Account Balances directly into the Muskrat Project Funding 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. The Collateral Agent shall have executed an irrevocable direction pursuant to which at any time that interest constituting Income on Account Balances in respect of the Muskrat Cost Overrun Escrow Account is to be paid, The Toronto-Dominion Bank, in its capacity as account bank pursuant to subsection 6.1.7, shall deposit such Income on Account Balances directly into the Muskrat Project Funding Account.

### 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 (other than any Taxes pertaining thereto);
  - 8.20.1.2 immediately prior to any Muskrat/LTA Interest Payment Date (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;
  - 8.20.1.3 Labrador Transco shall have executed an irrevocable direction pursuant to which at any time that interest constituting Income on Account Balances in respect of the Labrador Transco Prepaid Debt Service Escrow Account is to be paid, The Toronto-Dominion Bank, in its capacity as account bank pursuant to the blocked account agreement entered into pursuant to subsection 6.1.7, shall deposit such Income on Account Balances directly into the Labrador Transco Project Funding 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. The Collateral Agent shall have executed an irrevocable direction pursuant to which at any time that interest constituting Income on Account Balances in respect of the Labrador Transco Cost Overrun Escrow Account is to be paid, The Toronto-Dominion Bank, in its capacity as account bank pursuant to the blocked account agreement entered into pursuant to subsection 6.1.7, shall deposit such Income on Account Balances directly into the Labrador Transco Project Funding Account.

#### 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 or the 2017 Closing Date, as the case may be, 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 of the Initial Muskrat/LTA Project Finance Agreement, 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 2017 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 otherwise disclosed, 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**

Musktrat is engaged solely in the business of undertaking the MF Plant and, following the Commissioning Date, the business of Musktrat 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. Notwithstanding the foregoing, Labrador Transco may also engage in the business of operating and maintaining the LTA on an interim basis prior to Commissioning pursuant to agreements to be executed with one or more of its Affiliates.

**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 (iv) and Part B (i) and (iv) of Schedule "B":

- 9.24.1 comprise all of the property interests and rights necessary to constitute any right material to the acquisition, leasing, development, construction, installation, commissioning, operation and maintenance of the 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 each Advance hereunder and each Funds Release 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 MSA, 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.

#### 10.4 **Compliance and Environmental Law**

Each Credit Party will comply, in all material respects, with all applicable Environmental Law and the requirements as to environmental status and compliance as set out in the Material Project Documents.

The Credit Parties shall deliver to the Collateral Agent notice of the following events after Knowledge thereof (which notice shall in any event be given within twenty (20) days after the Credit Parties have Knowledge thereof):

- 10.4.1 legal action or proceeding commenced against it with respect to any environmental matter referenced under subsection 11.6.1;
- 10.4.2 any Release of any Hazardous Material referenced in subsection 11.6.4; and
- 10.4.3 orders, notices or Authorizations from environmental Governmental Authorities referenced in subsection 11.6.5.

#### 10.5 **Keeping of Records**

Each Credit Party will keep or cause to be kept, proper and lawful records and books of account and make or cause to be made therein, true and faithful entries of all dealings and transactions in relation to its business, all in accordance with GAAP and, subject to Section 1.13 of the Master Definitions Agreement, applied on a consistent basis.

#### 10.6 **Insurance**

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 to the Collateral Agent, 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 and the Collateral Agent 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 and the Collateral Agent 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 Collateral Agent as first mortgagee and loss payees under direct damage policies (property, boiler and machinery, builders risk) and, the Collateral Agent and the Muskrat/LTA Security Trustee 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 twice per calendar year, or, as may be agreed to by the parties, as often as circumstances may require, 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, 2017 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 each 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 second 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 “as-built” marked-up drawings for the Projects. On or prior to the Date Certain, the Credit Parties shall deliver to the Collateral Agent (a) a surveyor's real property report with respect to the MF Plant Site, the Churchill Falls substation and the MF substation, with the surveyor's certification that there are no visible signs of encroachments (other than Permitted Encumbrances) from or onto the lands comprising the MF Plant Site, the Churchill Falls substation and the MF substation and (b) a surveyor's certification that there are no visible signs of encroachment (other than Permitted Encumbrances) from or onto the lands comprising the LTA. 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 7<sup>th</sup> anniversary of the first Funds Release Date to have occurred under the Initial Muskrat/LTA Project Finance Agreement, it shall, on the Funds Release Date immediately following such 7<sup>th</sup> anniversary date, fund its Project Rateable Share of the DSRA in an amount equal to 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, and further acknowledge and agree that all or a portion of the DSRA Equity Contributions required to be made by Nalcor in connection with the DSRA Prefunding may be made by way of a transfer of the funds on deposit in the Equity Prefunding Reserve Account, as provided for in subsection 8.17A.3 and the Cost Overrun Escrow Accounts to the extent permitted pursuant to paragraphs 10.28.2.4 and 10.28.3.4. For greater certainty, in the event that the Muskrat/LTA Proceeds Account Balance is not nil, but without limiting the provisions of Sections **Erreur ! Source du renvoi introuvable.**, **Erreur ! Source du renvoi introuvable.** and 7.11, 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 October 31, 2017, 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 Cost Overruns Certificate (in the case of the first such Cost Overruns Certificate, based on the June 2016 MF Project Budget and the June 2016 LTA Project Budget, and, in the case of the subsequent Cost Overruns Certificates, based on the most up to date information then available), to be signed by a Responsible Officer of Devco, by a Responsible Officer of Muskrat and by a Responsible Officer of Labrador Transco, in each case in his capacity as an officer of Devco, Muskrat or Labrador Transco, as the case may be and without personal liability:
- 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, in the form attached hereto as Schedule "FF", delivered to the Collateral Agent within 7 (seven) days following the delivery of the corresponding 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.
- 10.28.1A Five (5) Business Days prior to each anniversary date of the first Funds Release Date to have occurred under the Initial Muskrat/LTA Project Finance Agreement, up to the Commissioning Date, the Credit Parties shall cause Devco to deliver to the Collateral Agent: (a) a certificate, to be signed by a Responsible Officer of Devco, by a Responsible Officer of Muskrat and by a Responsible Officer of Labrador Transco, in each case in his capacity as an officer of Devco, Muskrat or Labrador Transco, as the case may be and without personal liability, confirming that the information provided in the Cost Overruns Certificate delivered in the same year pursuant to subsection 10.28.1 is the most up to date available as at the date of the certificate to be delivered pursuant to this subsection 10.28.1A, and where information that is more up to date has become available since such Cost Overruns Certificate, a new Cost Overruns Certificate based on such up to date information shall instead be delivered; and (b) within 2 (two) days following the delivery of such new Cost Overruns Certificate, a certificate

from the Independent Engineer confirming the amounts in such new Cost Overruns Certificate substantially similar to the certificate requested to be delivered by the Independent Engineer pursuant to paragraph 10.28.1.4.

10.28.2 Muskrat hereby covenants and agrees that any Cost Overruns shall be funded as follows:

10.28.2.1 on the fourth anniversary date of the first Funds Release Date to have occurred under the Initial Muskrat/LTA Project Finance Agreement (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 October 31, 2017 (or where an up to date Cost Overruns Certificate has been delivered pursuant to subsection 10.28.1A, calculated as at the date thereof), 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 fifth anniversary date of the first Funds Release Date to have occurred under the Initial Muskrat/LTA Project Finance Agreement, 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 June 2016 MF Project Budget exceed the Cost Overruns relating to the MF Plant reported as at the date of the Cost Overruns Certificate delivered in the previous year pursuant to subsection 10.28.1 or 10.28.1A, as the case may be, 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 after the 2017 Closing Date, where the Muskrat/LTA Proceeds Account Balance is nil and the amounts on deposit in the Working Capital Reserve Account are nil, or where following a Funds Release and WCR Release, the Muskrat/LTA Proceeds Account Balance and the amounts on deposit in the Working Capital Reserve Account would be 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 following the 2017 Closing 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, upon any amounts (other than amounts constituting Income on Account Balances) being transferred out of the Muskrat Cost Overrun Escrow Account in accordance with the terms hereof (other than pursuant to paragraph 10.28.2.9) such amounts shall be deemed to form part of the Capital Account of Muskrat. Moreover, for greater certainty, for all purposes of calculating the DER, amounts transferred to the Muskrat Cost Overrun Escrow Account shall not be deemed to form part of the Capital Account of Muskrat;
- 10.28.2.7 subject to paragraph 10.28.2.9, 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;
- 10.28.2.8 the parties acknowledge and agree that any amounts payable pursuant to subsection 10.28.2 of the Principal Muskrat/LTA Project Finance Agreement shall no longer be payable and Muskrat shall forever be discharged from such obligation; and

- 10.28.2.9 the parties hereby acknowledge and agree that as at March 31, 2017, an amount equal in the aggregate to the Equity Prefunding Base Amount was funded into the Muskrat Cost Overrun Escrow Account with the intention that it be used for the purposes set forth in Section 8.17A, and that on the 2017 Closing Date any portion of such aggregate amount remaining outstanding be transferred to the Equity Prefunding Reserve Account to continue to be used thereafter for the purposes set forth in Section 8.17A, and accordingly, on the 2017 Closing Date, any portion of such aggregate amount remaining outstanding in the Muskrat Cost Overrun Escrow Account shall be transferred to the Equity Prefunding Reserve Account. Moreover, also on the 2017 Closing Date, any other amounts in the Muskrat Cost Overrun Escrow Account on such date shall be transferred to the Equity Prefunding Reserve Account.
- 10.28.3 Labrador Transco hereby covenants and agrees that any Cost Overruns shall be funded as follows:
- 10.28.3.1 on the fourth anniversary date of the first Funds Release Date to have occurred under the Initial Muskrat/LTA Project Finance Agreement (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 the last day of October first following the 2017 Closing Date (or where an up to date Cost Overruns Certificate has been delivered pursuant to subsection 10.28.1A, calculated as at the date thereof), 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 fifth anniversary date of the first Funds Release Date to have occurred under the Initial Muskrat/LTA Project Finance Agreement, 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 June 2016 LTA Project Budget exceed the Cost Overruns relating to the LTA reported as at the date of the Cost Overruns Certificate delivered in the previous year pursuant to subsection 10.28.1 or 10.28.1A, as the case may be, 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 after the 2017 Closing Date, where the Muskrat/LTA Proceeds Account Balance is nil and the amounts on deposit in the Working Capital Reserve Account are nil, or where following a Funds Release and WCR Release, the Muskrat/LTA Proceeds Account Balance and the amounts on deposit in the Working Capital Reserve Account would be 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 following the 2017 Closing 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, upon any amounts (other than amounts constituting Income on Account Balances) being transferred out of the Labrador Transco Cost Overrun Escrow Account in accordance with the terms hereof, such amounts shall be deemed to form part of the Capital Account of

Labrador Transco. Moreover, for greater certainty, for all purposes of calculating the DER, amounts transferred to the Labrador Transco Cost Overrun Escrow Account shall not be deemed to form part of the Capital Account of Labrador Transco;

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; and

10.28.3.8 the parties acknowledge and agree that any amounts payable pursuant to subsection 10.28.3 of the Principal Muskrat/LTA Project Finance Agreement shall no longer be payable and Labrador Transco shall forever be discharged from such obligation.

#### 10.29 **Schedules to be Completed Following the 2017 Closing Date**

The Credit Parties hereby undertake, within thirty (30) days after the first Funds Release Date following the 2017 Closing Date, to deliver to the Collateral Agent, Schedule "E", Schedule "T", Part II (Soft Costs) of Schedule "U", Schedule "DD" and Schedule "LL" 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.

#### 10.30 **Forward looking financial information**

The Credit Parties hereby undertake, within thirty (30) days after the first Funds Release Date following the 2017 Closing Date, to deliver to the Collateral Agent updated forward looking financial modeling information constructed in Excel© with respect to the Credit Parties together with, 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:

10.30.1 the updated forward looking financial modeling information constructed in Excel© with respect to Muskrat is based upon assumptions believed to be reasonable by Muskrat as of the date that they were prepared; and

10.30.2 the updated forward looking financial modeling information constructed in Excel© with respect to Labrador Transco is based upon assumptions believed to be reasonable by Labrador Transco as of the date that they were prepared.

## 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 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 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**").

#### 11.1A Quarterly Cash Flow Forecasts

Within sixty (60) days after the end of each fiscal quarter in respect of each fiscal year of each Credit Party, the Credit Parties shall deliver to the Collateral Agent during the Construction Period, quarterly revised cash flow forecasts, including an explanation of any change in anticipated equity contribution requirements and timing;



## 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 (20<sup>th</sup>) day of each month or, where the twentieth (20<sup>th</sup>) day of a month is not a Business Day, the Business Day immediately following the twentieth (20<sup>th</sup>) day of such month, with respect to the prior month, which report shall be executed by a Responsible Officer of Devco, by a Responsible Officer of Muskrat and by a Responsible Officer of Labrador Transco, in each case, in his capacity as an officer of Devco, Muskrat or Labrador Transco, as the case may be, 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 MF Project Budget;
- 11.3.2 an analysis of the Cost to Complete the MF Plant, provided, however, that such analysis shall relate to Hard Costs only;
- 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), provided, however, that such description shall relate to Hard Costs only;
- 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 established milestones in the MF Project Schedule, provided, however, that should any Construction Report report a change in the estimated Commissioning Date as reported in the preceding Construction Report, a column shall be added to Schedule "F" of such Construction Report and subsequent Construction Reports listing the relative dates under the Initial Project Schedule, it being understood, notwithstanding the foregoing proviso, that the "Status" column of Schedule "F" of the Construction Report and the narrative report would continue to be provided solely as regards the Project Schedule. Until such change in the reporting of the estimated Commissioning Date, any changes to the individual milestone dates shall be reported under the "Forecast" and "Status" columns of Schedule "F" of the Construction Report;
- 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 LTA Project Budget;
- 11.3.10 an analysis of the Cost to Complete the LTA, provided, however, that such analysis shall relate to Hard Costs only;
- 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), provided, however, that such description shall relate to Hard Costs only;
- 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 established milestones in the LTA Project Schedule, provided, however, that should any Construction Report report a change in the estimated

Commissioning Date as reported in the preceding Construction Report, a column shall be added to Schedule "F" of such Construction Report and subsequent Construction Reports listing the relative dates under the Initial Project Schedule, it being understood, notwithstanding the foregoing proviso, that the "Status" column of Schedule "F" of the Construction Report and the narrative report would continue to be provided solely as regards the Project Schedule. Until such change in the reporting of the estimated Commissioning Date, any changes to the individual milestone dates shall be reported under the "Forecast" and "Status" columns of Schedule "F" of the Construction Report;

- 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**").

### 11.3A **Delivery of Funding Requests and Final Funding Request**

On a monthly basis, at the times set forth in subsection **Erreur ! Source du renvoi introuvable.** or **Erreur ! Source du renvoi introuvable.**, or, as the case may be, subsections 7.6.1, 7.7.1 and 7.8.1, at all times prior to the Commissioning Date, including at any time that the Muskrat/LTA Proceeds Account Balance and the Working Capital Reserve Account Balance are nil, the Credit Parties shall deliver a Funding Request or a Final Funding Request, as the case may be.

### 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, to be signed by a Responsible Officer of such Credit Party, in his capacity as an officer of such Credit Party and without personal liability, must be delivered to the Collateral Agent no less than five (5) Business Days prior to the proposed Distribution Date:

11.4.1 setting forth a calculation of Distribution Funds; and

11.4.2 certifying whether each of the Distribution Conditions has been met or will be met on the relevant Distribution Date.

### 11.5 **Budget Information**

During the Operating Period, 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, (ii) immediately after incurring such Additional Debt and after giving effect thereto, no Muskrat/LTA Event of Default shall exist and (iii) if such Additional Debt is incurred (a) during the Operating Period, the Prospective DSCR would not be less than 1.40 and the DER would not be greater than 65% as evidenced by a certificate, in the form attached hereto as Schedule "GG", 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 (b) during the Construction Period, a certificate, in the form attached hereto as Schedule "HH" 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 will therefore be funded as any other Project Costs under the terms of this Agreement during the Construction Period and during the Operating Period the servicing of such Additional Debt 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 Neither Credit Party may declare or make any Distribution to any Person during the Operating Period save and except that:

12.6.2.1 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; and

12.6.2.2 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, in the case of Labrador Transco, the Labrador Transco Cost Overrun Escrow Account, in accordance with paragraph 10.28.3.5 and in the case of each of the Credit Parties, the Equity Prefunding Reserve Account, in accordance with subsection 8.17A.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, the PPA, the MSA or the agreements referenced in Section 9.22 and that are to be executed with one or more of its Affiliates in connection with the operation and maintenance by Labrador Transco of the LTA on an interim basis prior to Commissioning) 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, subject to Permitted Encumbrances, in favour of the Collateral Agent or Canada, as the case may be.

**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 amount of principal, interest or fees, including the Guarantee Fee, 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 such Credit Party by the Collateral Agent of a notice thereof, provided however that with respect to the requirement in Section 10.3 to perform or comply with any Applicable Law or the terms or conditions of any Authorizations, a Credit Party shall be deemed not to have failed to so perform or comply where such failure would not have a Material Adverse Effect or would not prevent Commissioning being achieved by the Date Certain.

**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 90<sup>th</sup> 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, (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 (iv) the Guarantee Fee; 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 a 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 FV Bond latest to mature under the Tranches, 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 each 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  
9<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2  
Attention: Emilia Casado



Loan Syndications - Agency

Fax: 416-944-6976

E-mail: emilia.casado@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: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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

17.2.1.3 To Muskrat or Labrador Transco:

Muskrat Falls Corporation  
500 Columbus Drive  
P.O. Box 15000, Station A  
St. John's, NL A1B 0M4

Attention: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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]**

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT (2017) - SIGNATURE PAGE

**IN WITNESS WHEREOF** the parties have executed this MF/LTA Project Finance Agreement.

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

By:   
Name: **Emilia Casado**  
Title: **Vice President, Loan Syndications-Agency**

By: \_\_\_\_\_  
Name:  
Title:

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT (2017) - 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  
as Funding Vehicle

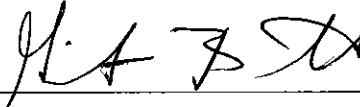
By:   
Name: **Emilia Casado**  
Title: **Vice President, Loan Syndications-Agency**

By: \_\_\_\_\_  
Name:  
Title:

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT (2017) - SIGNATURE PAGE

**MUSKRAT FALLS CORPORATION,**  
as a Credit Party

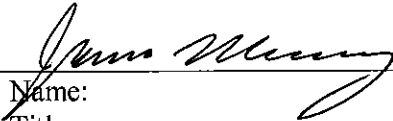
By:   
Name: **James Meaney**  
Title: **VP Finance Power Supply**


By:   
Name: \_\_\_\_\_  
Title: **Gilbert J. Bennett**  
**Exec. VP Power Development**



SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT (2017) - SIGNATURE PAGE

**LABRADOR TRANSMISSION  
CORPORATION,**  
as a Credit Party

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**James Meaney**  
**VP Finance Power Supply**

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**John H. MacIsaac**  
**Exec. VP Power Supply**

SCHEDULE "A"

FUNDS RELEASE REQUEST

Date:     Note 1    

TO:                   **The Toronto-Dominion Bank**, as Collateral Agent

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

We also refer you to the Funding Request dated as of \_\_\_\_\_ (the "**Applicable Funding Request**"), a copy of which is attached hereto as Schedule "A".

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 Sections [7.3/7.4/7.5/7.6/7.7/7.8] of the Muskrat/LTA Project Finance Agreement, the undersigned hereby request a Funds Release in an amount of CDN\$     Note 2     on     Note 3    .

**[Note: The following italicized text is applicable in respect of the Funds Release to be effected concurrently with a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement.]**

*In addition to the amount of CDN\$     Note 2     to be funded further to a Funds Release,     Note 4     shall be funded further to a WCR Release as per the WCR Release and Equity Funding Notice delivered concurrently herewith.*

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**

Per: \_\_\_\_\_

---

**Notes:**

1. Each Funds Release Request must be delivered at least six (6) Business Days prior to the last day of the month during which the relevant Funding Request shall have been delivered, or in the case of a Funds Release Request delivered in May or November, at least seven (7) Business Days prior to the last day of the month during which the relevant Funding Request shall have been delivered.
2. 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.
3. Insert the proposed Funds Release Date.
4. Insert the amount of the WCR Release requested pursuant to the WCR Release and Equity Funding Notice delivered concurrently herewith.

**LABRADOR TRANSMISSION  
CORPORATION**

Per: \_\_\_\_\_

**SCHEDULE "A"**  
**APPLICABLE FUNDING REQUEST**

**SCHEDULE "B"**

**MATERIAL PROJECT DOCUMENTS AND AUTHORIZATIONS**

**A. MUSKRAT FALLS CORPORATION**

**(i) Authorizations – Obtained by Muskrat Falls Corporation**

*Permanent Land Rights*

Instrument No.	Type	Purpose
51472	Grant	Dam & Powerhouse
51471	Grant	North Spur (Stability)
143845	Easement	Access Road (South Side)
143846	Easement	Access Road (North Side)

*Temporary Land Rights*

Instrument No.	Type	Purpose
147358	Permission to Occupy	Quarry Access Road
149735	Licence to Occupy	Fish Habitat Works (near Pinus River)
149738	Licence to Occupy	Fish Habitat Works (Churchill River)
149912	Permission to Occupy	Quarry Access Road (near Pinus River)
140921	Easement (Term)	Fibre Optic Line

*Protected Road Zone Permits*

LCP Name	DESCRIPTION	PERMIT #
Edwards Brook Quarry	Quarry	206655
Pinus River Quarry AR	Quarry Access Road	206657

*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

**PUB-Nalcor-019, Attachment 8**  
**Rate Mitigation Options and Impacts Reference, Page 140 of 385**  
 SCHEDULE "B" - PAGE 2  
 SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

Quarry Materials Act

Permit Number	Permit Name	DNR File No.
4E-SLI-0000-0035	Blanket Quarry Permit - Reservoir Clearing	71110287
4E-SLI-0000-0001	Quarry Permit - SSAR - Quarry 1 + 900	7119623
4E-SLI-0000-0002	Quarry Permit - SSAR - Quarry 3 + 800	7119620
4E-SLI-0000-0003	Quarry Permit - SSAR - Quarry 4 + 350	7119621
4E-SLI-0000-0004	Quarry Permit - SSAR - Quarry 5 + 450	7119622
4E-SLI-0000-0005	Quarry Permit - SSAR - Quarry 7 + 400	7119641
4E-SLI-0000-0006	Quarry Permit - SSAR - Quarry 6 + 850	7119642
4E-SLI-0000-0007	Quarry Permit - SSAR - Quarry 8 + 400	7119643
4E-SLI-0000-0008	Quarry Permit - SSAR - Quarry 9 + 700	7119644
4E-SLI-0000-0009	Quarry Permit - SSAR - Quarry 11+ 400	7119645
4E-SLI-0000-0010	Quarry Permit - SSAR - Quarry 14 + 600	7119646
4E-SLI-0000-0011	Quarry Permit - SSAR - Quarry 17 + 450	7119647
4E-SLI-0000-0012	Quarry Permit - SSAR - Quarry 19 + 750	7119649
4E-SLI-0000-0013	Quarry Permit - SSAR - Quarry 0 + 100	7119772
4E-SLI-0000-0018	Quarry Permit - SSAR Accommodations complex site	7119900
4E-SLI-2000-0027	Quarry Permit - GD5	7119834
4E-SLI-2000-0034	Quarry Permit - GD8	7119835
4E-SLI-2000-0046	Quarry Permit - TD7	7119837
4E-SLI-2000-0048	Quarry Permit - TD8	7119836
4E-SLI-2000-0059	Quarry Permit - GD11	7119948
4E-SLI-2000-0060	Quarry Permit - GD7	7119982
4E-SLI-2000-0061	Quarry Permit - TD4	71110055
4E-SLI-2000-0062	Quarry Permit - TD6	71110056
4E-SLI-2000-0063	Quarry Permit - TD7A	71110057
4E-SLI-2000-0064	Quarry Permit - TD7B	71110058
4E-SLI-2800-0002	Quarry Permit_GR-2	711:9987
4E-SLI-2800-0003	Quarry Permit_GR-3	711:9988
4E-SLI-2800-0004	Quarry Permit_GR-4_9985	711:9985
4E-SLI-2800-0005	Quarry Permit_GR-5_9983	711:9983
4E-SLI-2800-0005a	Quarry Permit_GR-5_9984	711:9984
4E-SLI-2800-0006	Quarry Permit_T-4B	711:9989
4E-SLI-2800-0007	Quarry Permit - Q1	711:9990
4E-SLI-2800-0008	Quarry Permit - Q6	711:10012



**PUB-Nalcor-019, Attachment 8**  
**Rate Mitigation Options and Impacts Reference, Page 141 of 385**

SCHEDULE "B" - PAGE 3

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-2800-0012	Quarry Permit - Q7 - North Spur	71110322
4E-SLI-2800-0014	Quarry Permit - Q6 Extension	71110977
4E-SLI-2300-0004	C1 - Quarry Permit	71111446
4E-SLI-2300-0005	C2 - Quarry Permit	71111447
4E-SLI-2300-0006	C3 - Quarry Permit	71111448
4E-SLI-2300-0007	D1 - Quarry Permit	71111449
4E-SLI-2300-0008	D2 - Quarry Permit	71111450
4E-SLI-2300-0009	E - Quarry Permit	71111445
4E-SLI-2300-0010	F - Quarry Permit	71111453
4E-SLI-2300-0011	G1 - Quarry Permit	71111452
4E-SLI-2300-0012	G2 - Quarry Permit	71111451
4E-SLI-2300-0013	B1 - Quarry Permit	71111516
4E-SLI-2300-0014	B2 - Quarry Permit	71111517
4E-SLI-2130-0002	Edwards Camp Area - Quarry Permit	71111454
4E-SLI-2130-0003	Pinus River East - Quarry Permit	71111455
4E-SLI-2130-0004	Pinus River Area - Quarry Permit	71111456
4E-SLI-2130-0006	Fish Habitat Works (Sand) - Quarry Permit	71111514
4E-SLI-2130-0007	Fish Habitat Works (Cobble) - Quarry Permit	71111515
4E-SLI-2130-0008	Fish Habitat Works (Sand)ext - Quarry Permit	71111744
4E-SLI-2130-0009	Fish Habitat Works (Cobble) ext - Quarry Permit	71111742
4E-SLI-2130-0010	Fish Habitat Works (Cobble)B - Quarry Permit	71111743
4E-SLI-2130-0011	Fish Habitat Works - Edwards Camp Area Extension - Quarry Permit	71111805

Water Resources Management Division, Dept. of Municipal Affairs and Environment

<b>Permit Number</b>	<b>Permit Name</b>	<b>WRMD File No.</b>
4E-SLI-2000-0014	DOEC Blanket Permit to Alter a Body of Water - Dams	ALT6933-2013
4E-SLI-2130-0001	DOEC Permit to Alter a Body of Water - Log Boom Installation	ALT8779-2016
4E-SLI-2300-0002	DOEC Permit to Alter a Body of Water - Removal of Roller Compacted Concrete Dam	ALT8566-2016 File No. 536-12

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Forestry Act

Permit Number	Permit Name	Forestry File No.
4E-SLI-0000-0022	Commercial Cutting/Operating Permit - 2017 Clearing Reservoir Clearing	17-19-00532
4E-SLI-0000-0024	Commercial Cutting/Operating Permit - 2017 Clearing North Spur and Construction Site	17-19-00532

Fisheries Act (Federal) Authorizations

Permit Number	Permit Name	DFO File No.
4E-SLI-2300-0003	DFO Project Review - Removal of Roller Compacted Concrete Dam	16-HNFL-00068

*Service NL, Storage and Handling of Gasoline and Associated Products Regulations*

Permit Number	Permit Name	Service NL File No.
4E-SLI-3200-0001	GAP Registration - 11,400 L Diesel Tank - Serial # D589021 - Intake and Powerhouse Gates Muskrat Falls - Spillway - Andritz Hydro	13771
4E-SLI-3200-0002	GAP Registration - 1,325 L Diesel Tank - Serial # 86634 - Intake and Powerhouse Gates Muskrat Falls -Spillway - Andritz Hydro	13887

**(ii) Initial Material Project Documents – Obtained**

CONTRACT	COMPANY	SCOPE
CH0030-001	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
LC-G-002	SNC Lavalin Inc.	Engineering, Procurement and Construction Management (EPCM) Services
CH0007-001	Astaldi Canada Inc.	Construction of Intakes & Powerhouse, Spillway and Transition Dams
CH0032-001	Andritz Hydro Canada Inc.	Supply and Install of Powerhouse Hydro-Mechanical Equipment
CH0009-001	Barnard Pennecon	Construction of North and South Dams
SH0018-001	Labrador Catering	Provision of Catering, Housekeeping & Janitorial Services (MF)
PH0014-001	ABB Inc.	Supply of Generator Step-up Transformers
PH0016-001	ABB Inc.	Supply of Generator Circuit Breakers
CH0008-001	Gilbert Newfoundland and Labrador Contracting	Construction of North Spur Stabilization Works

Power Purchase Agreement between Muskrat Falls Corporation and Newfoundland and Labrador Hydro

(iii) **Additional Material Documents to be entered into by Muskrat**

CONTRACT	COMPANY	SCOPE
CH0031-001		Supply and Install Mechanical Electrical Auxiliaries

**(iv) Authorizations Obtained by Nalcor - Not Transferred to Muskrat**

Temporary Land Rights

<b>Instrument No.</b>	<b>Type</b>	<b>Purpose</b>
139181	Licence to Occupy	North Side Construction Site
140593	Easement	Distribution Line
140594	Licence to Occupy	Electrical Substation
140743	Licence to Occupy	Accommodations Camp
141225	Licence to Occupy	Lay Down Yard
141228	Licence to Occupy	Generating Station (south side construction)
141229	Licence to Occupy	Gen. Sta.(south side shoreline reservation)
141539	Licence to Occupy	Gatehouse on Existing Access Rd.
142055	Licence to Occupy	North Spur (north side shoreline reservation)
142172	Permission to Occupy	Public Parking Area
142670	Licence to Occupy	Generator Pad
143513	Permission to Occupy	Roads in Reservoir (north side)
143707	Licence to Occupy	Accommodations Camp in Reservoir
143725	Permission to Occupy	Quarry Access Roads
145505	Licence to Occupy	Wharf and Landing Area (MF) Reservoir)

Protected Road Zone Permits

<b>LCP Name</b>	<b>DESCRIPTION</b>	<b>PERMIT #</b>
TLH-1	Reservoir Access Road	163614
TLH-2	Reservoir Access Road	163614
TLH-3	Reservoir Access Road	163614
TLH-4	Reservoir Access Road	163614
TLH-5	Reservoir Access Road	163614
TLH-6	Reservoir Access Road	163614
TLH-7	Reservoir Access Road	163614
TLH-8	Reservoir Access Road	163614
TLH-9	Reservoir Access Road	163614
TLH-10	Reservoir Access Road	163614
TLH-11	Reservoir Access Road	163614
TLH-12	Reservoir Access Road	163614
TLH-13	Reservoir Access Road	163614
FIBRE OPTIC CROSSING TLH	Fibre Optic Crossing	161369
Q-1	Quarry Access Road	166236
Q-6	Quarry Access Road	166236
T-4B	Quarry Access Road	166236
GR-3	Quarry Access Road	166236
GR-2	Quarry Access Road	166236
GR-4	Quarry Access Road	166236
Q-1	Quarry	166236
Q-6	Quarry	166236
GR-3	Quarry	166236
GR-2	Quarry	166236
GR-4	Quarry	166236

Navigable Water Protection Act (Transport Canada)

<b>Permit Number</b>	<b>Permit Name</b>	<b>TC File No.</b>
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)

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Water Resources Management Division, Dept. of Municipal Affairs and Environment

Permit Number	Permit Name	WRMD File No.
4E-SLI-1100-0003	Alter a Body of Water - Temporary Bridge C7(5+800)	ALT6271-2012
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
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-2000-0028	Alter a Body of Water - Culvert - Access Road to GD5	ALT7006-2013
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

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<b>Permit Number</b>	<b>Permit Name</b>	<b>WRMD File No.</b>
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
4E-SLI-2000-0056	Permit to alter a Body of Water - Stream Diversion - C22 (21+963)	ALT6480-2012
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
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 - Fording	ALT6655-2012
4E-SLI-0000-0017	Blanket Permit (AC Line and RC) Alter Body of Water - Within 15m	ALT6655-2012



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Fisheries Act (Federal) Authorizations

Permit Number	Permit Name	DFO File No.
	Fisheries Act Authorization - Dam at Muskrat Falls	13-01-005
4E-SLI-1100-0006	DFO Project Review C7(5+800)	12-HNFL-NA5-00023
4E-SLI-1100-0017	DFO Project Review C8 (7+590)	12-HNFL-NA5-00021
4E-SLI-1100-0012	DFO Project Review - Culvert C7A (5+672)	06-HNFL-NA1-00100 (F) 12-HNFL-NA5-00066 (C)
4E-SLI-1100-0027	DFO Project Review C9 (10+572)	12-HNFL-NA5-00021
4E-SLI-1100-0031	DFO Project Review C10 (11+837)	06-HNFL-NA1-00100 (F) 12-HNFL-NA1-00100 (C)
4E-SLI-1100-0034	DFO Project Review - ACC1 (Accommodations Complex)	
4E-SLI-1100-0037	DFO Project Review - ACC (0+699) (Road to Accommodations Complex)	06-HNFL-NA1-00100 (F) 12-HNFL-NA1-00100 (C)
4E-SLI-1100-0040	DFO Project Review C12 (13+221)	06-HNFL-NA1-00100 (F) 12-HNFL-NA1-00100 (C)
4E-SLI-1100-0043	DFO Project Review C13 (14+084)	06-HNFL-NA1-00100 (F) 12-HNFL-NA1-00100 (C)
4E-SLI-1100-0047	DFO Project Review C14 (14+906)	06-HNFL-NA1-00100 (F) 12-HNFL-NA1-00100 (C)
4E-SLI-1100-0050	DFO Project Review C17 (15+710)	06-HNFL-NA1-00100 (F) 12-HNFL-NA5-00033 (C)
4E-SLI-1100-0054	DFO Project Review C18 (15+791)	06-HNFL-NA1-00100 (F) 12-HNFL-NA5-00034 (C)
4E-SLI-1100-0061	DFO Project Review C20 (20+625)	06-HNFL-NA1-00100 (F) 12-HNFL-NA5-00035 (C)
4E-SLI-1100-0064	DFO Project Review C21 (21+149)	06-HNFL-NA1-00100 (F) 12-HNFL-NA5-00036 (C)
4E-SLI-1100-0067	DFO Project Review C22 (21+827) - SSAR	06-HNFL-NA1-00100 (F) 12-HNFL-NA5-00037 (C)
4E-SLI-1100-0072	DFO Notification for Upgrades to the SSAR Existing Forest Access Road	13-HNFL-NA1-00333
4E-SLI-2000-0017	DFO Project Review - C30 - Access Road to the Spoil Area	13-HNFL-NA1-00004
4E-SLI-2000-0018	DFO Notification - blasting in the water at Muskrat Falls	13-HNFL-NA1-00091
4E-SLI-2000-0037	DFO Project Review - Culvert Access Road to GD8	13-HNFL-NA1-00004
4E-SLI-2000-0042	DFO Project Review Culvert 1 - Access Road to GD11	13-HNFL-NA1-00004
4E-SLI-2000-0045	DFO Project Review - Culvert 2 - Access Road to GD11	13-HNFL-NA1-00004
4E-SLI-0000-0037	DFO Notification for Water Use for Hvac Line clearing and construction, reservoir clearing and Muskrat Falls Generation	06-HNFL-NA1-00100

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Permit Number	Permit Name	DFO File No.
4E-SLI-0000-0033	DFO Notification - Stream Crossings for Reservoir Clearing and Hvac line clearing and construction	DFO File No.: 13-HNFL-NA1-00085

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	BA 30086A
4E-CON-1500-0004	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PA for Liannu	EA-30023BD
4E-CON-1500-0005	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PB for Liannu	EA-30023BE
4E-CON-1500-0006	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PC for Liannu	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	EA-30023BG
4E-CON-1500-0009	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PF for Liannu	EA-30023BH
4E-CON-1500-0010	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PG for Liannu	EA-30023BI
4E-CON-1500-0011	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PH for Liannu	EA-30023BJ
4E-CON-1500-0012	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PI for Liannu	EA-30023BK

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4E-CON-1500-0013	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm PJ for Liannu	EA-30023BL
4E-CON-1500-0014	Building Accessibility Exemption/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Dorm	EA-30023BM

Permit Number	Permit Name	Service NL File No.
	PK for Liannu	
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
4E-SLI-1500-0018	Fire and Life Safety Review and Building Accessibility / Exemption for pumphouse/chlorination building Unit 1	EA-30023
4E-SLI-1500-0019	Fire and Life Safety Review and Building Accessibility / Exemption for pumphouse/chlorination building Unit 2	EA-30023A
4E-SLI-1500-0021	Fire and Life Safety Review and Building Accessibility / Exemption for 49 person dormitory Dorm 4	EA-30023E
4E-SLI-1500-0022	Fire and Life Safety Review and Building Accessibility / Exemption for 49 person dormitory - Dorm 5	EA-30023F
4E-SLI-1500-0023	Fire and Life Safety Review and Building Accessibility / Exemption for 49 person dormitory - Dorm 6	EA-30023G
4E-SLI-1500-0027	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Accommodations Camp - Pump house/chlorination building	EA 30023CW
4E-SLI-1500-0028	Building Accessibility Design Registration/Fire and Life Safety Review - Dorm H - Muskrat Falls Accommodations Camp - Camp Expansion	EA30023XF
4E-SLI-1500-0029	Building Accessibility Design Registration/Fire and Life Safety Review - Dorm I - Muskrat Falls Accommodations Camp - Camp Expansion	EA30023XG
4E-SLI-1500-0030	Building Accessibility Design Registration/Fire and Life Safety Review - Dorm K - Muskrat Falls Accommodations Camp - Camp Expansion	EA30023XH
4E-SLI-1500-0031	Building Accessibility Design Registration/Fire and Life Safety Review - Dorm L - Muskrat Falls Accommodations Camp - Camp Expansion	EA30023XI
4E-SLI-1500-0032	Building Accessibility Design Registration/Fire and Life Safety Review - Dorm M - Muskrat Falls Accommodations Camp - Camp Expansion	EA30023XJ
4E-SLI-1500-0033	Building Accessibility Design Registration/Fire and Life Safety Review - Dorm N - Muskrat Falls Accommodations Camp - Camp Expansion	EA30023XK

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4E-SLI-1500-0034	Building Accessibility Design Registration/Fire and Life Safety Review - Dorm P - Muskrat Falls Accommodations Camp - Camp Expansion	EA30023XL
4E-SLI-1500-0035	Building Accessibility Design Registration/Fire and Life Safety Review - Dorm S - Muskrat Falls Accommodations Camp - Camp Expansion	EA30023XM
4E-SLI-1540-0001	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Administration Buildings - Security Building	BA30086E
4E-SLI-1540-0002	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Administration Buildings - Communications Building	BA30086G
4E-SLI-1540-0003	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Administration Buildings - Gate House	BA30086H
4E-SLI-1540-0004	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Administration Buildings - Concrete Lab and Tech Office	BA30086I
4E-SLI-1540-0005	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Administration Buildings - Fire and Ambulance Shelter	EA-30023CU
4E-SLI-1540-0006	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Administration Buildings - Camp Maintenance Workshop	EA-30023CV
4E-SLI-1540-0008	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Administration Buildings - Washroom and Access Corridor	BA30086J
4E-SLI-1540-0009	Building Accessibility Design Registration/Fire and Life Safety Review - Muskrat Falls Administration Buildings - Administrative Office Buildings	BA30086K

Service NL

Permit Number	Permit Name	Service NL File No.
4E-SLI-1500-0014	Sewerage Permit – Temporary Camp	SS13-041208A File No. 1208A
4E-SLI-1500-0015	Water System Permit - Temporary Camp	CB-AA-030351
4E-SLI-1500-0024	Water and Sewerage Application – Muskrat Falls Accommodation Complex	SS13-121224 (Water System) File No. SS1224 (Water System) SS-111223 (Sewage System) File No. 1223 (Sewage System)
4E-SLI-1500-0025	Water and Sewerage Application - Muskrat Falls Accommodations Complex - Phase 1 temporary utilities	SS13-101221 CB-AA13-030351 File No. 1221
4E-SLI-1540-0010	Water and Septic System - Muskrat Falls Administration Buildings - holding tanks for Gatehouse	LB-SS14-08002
4E-SLI-1540-0011	Water and Septic System - Muskrat Falls Administration Buildings - holding tanks for Concrete Lab	LB-SS14-08001

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Service NL, Storage and Handling of Gasoline and Associated Products Regulations

Permit Number	Permit Name	Service NL File No.
4E-SLI-1500-0016	GAP Registration day tanks No 1 and No 2	L-GAP-13-030195.01 L-GAP-13-030195.02
4E-SLI-1500-0017	GAP Registration tanks No 1 and No 2	L-GAP-13-030195.03 L-GAP-13-030195.04

Nav Canada Land Use

Permit Number	Permit Name	Nav Canada File No.
4E-SLI-2000-0059	NAV Canada Land Use Proposal - Blasting Main Site	13-0979

Historic Resources Act [These permits have been issued to Dr. Frederick A Schwarz with Stantac]

Permit Number	Permit Name	PAO File No.
	Historic Resources Impact Assessment - Muskrat Falls South 2013	13.35
	2013 Stage 2 and 3 Historic Resources Impact Assessment - North Spur	13.29
	2014 Stage 2/3 Historic Resources Impact Assessment - Muskrat Falls Reservoir	14.39
4E-SLI-0000-0039	Application for an Historic Resources Impact Assessment Permit - Lower Churchill Hydroelectric Development Project Historic Resources Assessment and Recovery Program 2015	15.09
4E-SLI-0000-0041	Application for an Historic Resources Impact Assessment Permit - Lower Churchill Hydroelectric Development Project Historic Resources Assessment and Recovery Program 2016	16.09

**(v) Authorizations required for Project beyond those listed above**

Historic Resources Act

Permit Number	Permit Name	PAO File No.
	Application for an Historic Resources Impact Assessment Permit - Lower Churchill Hydroelectric Development Project Historic Resources Assessment and Recovery Program 2017	Pending approval

**B. LABRADOR TRANSMISSION CORPORATION**

**(i) Authorizations – Obtained by Labrador Transmission Corporation**

*Permanent Land Rights*

Instrument No.	Type	Purpose
140744	Statutory Easement	315kv Hvac Transmission Line
51478	Grant	Switch Yard (Muskrat Falls)
51718	Grant	Switch Yard (Churchill Falls)
145878	Statutory Easement	735 kV Interconnect and Hvac 315 kv TL ROW (Churchill Falls)

*Temporary Land Rights*

Instrument No.	Type	Purpose
145652	Permission to Occupy	Access Roads (Muskrat Falls to Churchill Falls)
145944	Permission to Occupy	Access Roads (HVac)
146105	Permission to Occupy	Bypass Roads (HVac)
146157	Permission to Occupy	Access Roads (HVac)
148373	Permission to Occupy	Access Road (HVac - 60km west of Gull Island)
148659	Permission to Occupy	Access Road (HVac - near Ozzie's Brook)

*Protected Road Zone Permits*

LCP Name	DESCRIPTION	PERMIT #
VAL-BT-67	Bypass Road	176560
VAL-BT-90	Bypass Road	176560
VAL-BT-122	Bypass Road	176560
VAL-BT-135	Bypass Road	176560
VAL-BT-209	Bypass Road	176560
VAL-BT-247	Bypass Road	176560
VAL-BT-249	Bypass Road	176560
VAL-BT-272	Bypass Road	176560

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*Quarry Materials Act*

<b>Permit Number</b>	<b>Permit Name</b>	<b>DNR File No.</b>
4E-SLI-6100-0006	Blanket Quarry Permit - HVac Line Corridor	71110105
4E-SLI-6100-0006A	JCL Quarry ID-2 Hvac line clearing	71110377
4E-SLI-6100-0006B	JCL Quarry at Churchill Falls Switchyard	71110406
4E-SLI-6100-0012	Quarry Permit - Marshalling Yard (GD-1)	7119981
4E-SLI-6100-0059	Quarry Application - AT140 - HVac Transmission Line Construction - Labrador	71111005
4E-SLI-6100-0060	Quarry Application - AT111 - HVac Transmission Line Construction - Labrador	71111092
4E-SLI-6100-0061	Quarry Application - AT140_North of highway - HVac Transmission Line Construction - Labrador	71111093
4E-SLI-6100-0062	Quarry Application - Q5 Muskrat Falls - HVac Transmission Line Construction - Labrador	71111222
4E-SLI-4000-0022	Quarry Application - 71110406 Churchill Falls Switchyard Extension	71111870

*Forestry Act*

<b>Permit Number</b>	<b>Permit Name</b>	<b>Forestry File No.</b>
4E-SLI-0000-0021	Commercial Cutting/Operating Permit - 2016 Clearing for Hvac Line	16-19-00518 OP0507

*Service NL*

<b>Permit Number</b>	<b>Permit Name</b>	<b>Service NL File No.</b>
4E-SLI-4000-0006	GAP Registration - Oil Water Separator - AC Substation - Churchill Falls - Alstom Grid	13773
4E-SLI-4000-0007	GAP Registration - Oil Water Separator - AC Substation - Muskrat Falls - Alstom Grid	13886

(ii) **Initial Material Project Documents – Obtained**

CONTRACT	COMPANY	SCOPE
LC-G-002	SNC Lavalin Inc.	Engineering, Procurement and Construction Management (EPCM) Services
CT0319-001	Valard Construction	Construction of 315 kV Hvac Transmission Line (MF to CF)
CD0502-001	Grid Solutions Canada	Construction of AC Substations

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 by Labrador Transco**

Nil.



**PUB-Nalcor-019, Attachment 8**  
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SCHEDULE "B" - PAGE 19  
 SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

**(iv) Authorizations Obtained by Nalcor - Not Transferred to Labrador Transmission Corporation**

*Protected Road Zone Permits*

<b>LCP Name</b>	<b>DESCRIPTION</b>	<b>PERMIT #</b>
CF TERMINAL STATION	Terminal Station	151535
REVISED CF TERMINAL STATION	Terminal Station	161355
AT 3	Access Road	159839
AR 5	Reservoir Access Road	163614
AR 6	Reservoir Access Road	163614
AT 6A	Access Road	170727
AT 7	Access Road	159839
AT-240-8	Access Road	159839
AT-240-9	Access Road	159839
AT-240-10	Access Road	159839
AT 11	Access Road	159839
AT 12	Access Road	159839
AT 13	Access Road	159839
AR 14	Access Road	159839
AT 15	Access Road	159839
AT 16	Access Road	159839
AT 17	Access Road	159839
AT-240-18	Access Road	159839
AT 240-19	Access Road	159839
AT 20	Access Road	159839
AR 21	Access Road	159839
AT-240-23	Access Road	159839
AT-240-24	Access Road	159839
AT-240-26	Access Road	159839
AR 28	Access Road	159839
AT-30A	Access Road	170725
AR 34	Access Road	159839
AT 34A	Access Road	170725
AR 35	Access Road	159839
AT 36	Access Road	159839
AT 38	Access Road	159839
AT-240-44	Access Road	159839
AR 45	Access Road	159839
AT-240-47	Access Road	159839
AT-240-48	Access Road	159839
AT 49A	Access Road	170725

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SCHEDULE "B" - PAGE 20

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

AR 50	Access Road	159839
AT 51	Access Road	159839
AT-240-52	Access Road	159839
AR 53	Access Road	159839
AT-240-54	Access Road	159839
AT 58	Access Road	159839
AT 60	Access Road	159839
AT 62	Access Road	159839
AT 63	Access Road	159839
AT 65	Access Road	159839
AT 66	Access Road	159839
AT-240-67	Access Road	159839
AT 68	Access Road	159839
AR 69	Access Road	159839
AT 72	Access Road	159839
AT 74	Access Road	159839
AT 75	Access Road	159839
AR 76	Access Road	159839
AR 79	Access Road	159839
AT 82	Access Road	159839
AT 85	Access Road	159839
AT 86	Access Road	159839
AR 87	Access Road	159839
AT 90	Access Road	159839
AR 93	Access Road	159839
AT 95	Access Road	159839
AR 96	Access Road	159839
AT 99	Access Road	159839
AT 100	Access Road	159839
AR 101	Access Road	159839
AT 105	Access Road	159839
AT 107	Access Road	159839
AR 108	Access Road	159839
AT-240-111	Access Road	159839
AT 112	Access Road	159839
AT 113	Access Road	159839
AT 114	Access Road	159839
AT 115	Access Road	159839
AR 117	Access Road	159839
AR 119	Access Road	159839
AT 122	Access Road	159839
AR 123	Access Road	159839
AT 125	Access Road	159839

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SCHEDULE "B" - PAGE 21  
 SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

AT 126	Access Road	159839
AR 127	Access Road	159839
AT 130	Access Road	159839
AT 137	Access Road	159839
AT 140	Access Road	159839
AT 142	Access Road	159839
AR 144	Access Road	159839
AT 146	Access Road	159839
AT 147	Access Road	159839
AT 149	Access Road	159839
AT 151	Access Road	159839
AR 152	Access Road	159839
AR 154	Access Road	159839
AR 155	Access Road	159839
AR 157	Access Road	159839
AR 158	Access Road	159839
AR 159	Access Road	159839
AT 160	Access Road	159839
AT-240-161	Access Road	159839
AT 163	Access Road	159839
AT 164	Access Road	159839
AT-240-165	Access Road	159839
AT-240-167	Access Road	159839
AT 168	Access Road	159839
AT-240-170	Access Road	159839
AT 171	Access Road	159839
AT 172	Access Road	159839
AT 172A	Access Road	163614
AT 174	Access Road	159839
AT 176	Access Road	159839
AT 177	Access Road	159839
AR 178	Access Road	159839
AT 179	Access Road	159839
AT 180	Access Road	159839
AT 181	Access Road	159839
AT 182	Access Road	159839
AT 183	Access Road	159839
AR 187	Access Road	159839
AT 188	Access Road	159839
AR 192	Access Road	159839
AR 195	Access Road	159839
CROSSING # 1	Crossing @ Tlh	159568
CROSSING # 2	Crossing @ Tlh	159568

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**Rate Mitigation Options and Impacts Reference, Page 160 of 385**

SCHEDULE "B" - PAGE 22

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

CROSSING # 3	Crossing @ Tlh	159568
CROSSING # 4	Crossing @ Tlh	159568
CROSSING # 5	Crossing @ Tlh	159568
CROSSING # 6	Crossing @ Tlh	159568
CROSSING # 7	Crossing @ Tlh	159568
CROSSING # 8	Crossing @ Tlh	159568
CROSSING # 9	Crossing @ Tlh	159568
CROSSING # 10	Crossing @ Tlh	159568
CROSSING # 11	Crossing @ Tlh	159568
CROSSING # 12	Crossing @ Tlh	159568
CROSSING # 13	Crossing @ Tlh	159568
CROSSING # 14	Crossing @ Tlh	159568
CROSSING # 15	Crossing @ Tlh	159568
CROSSING # 16	Crossing @ Tlh	159568
CROSSING # 17	Crossing @ Tlh	159568
CROSSING # 18	Crossing @ Tlh	159568
CROSSING # 19	Crossing @ Tlh	159568
SECTION # 1 & 2	Parallel	159568
SECTION # 3	Parallel	159568
SECTION # 4	Parallel	159568
SECTION # 5	Parallel	159568
SECTION # 6	Parallel	159568
SECTION # 7	Parallel	159568
SECTION # 8	Parallel	159568
SECTION # 9	Parallel	159568
SECTION # 10	Parallel	159568
SECTION # 11	Parallel	159568
SECTION # 12	Parallel	159568
SECTION # 13	Parallel	159568
SECTION # 14	Parallel	159568
SECTION # 15	Parallel	159568
BT-30	Bypass Road	159839
BT-56	Bypass Road	159839
BT-61	Bypass Road	159839
BT-70	Bypass Road	159839
BT-92	Bypass Road	159839
BT-98	Bypass Road	159839
BT-102	Bypass Road	159839
BT-103	Bypass Road	159839
BT-104	Bypass Road	159839
BT-106	Bypass Road	159839
BT-124	Bypass Road	159839
BT-162	Bypass Road	159839

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SCHEDULE "B" - PAGE 23

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

BT-169	Bypass Road	159839
BT-184	Bypass Road	159839
CAMP # 1	Gull Island Access Road @ Tlh	160201
CAMP # 2	Tlh @ Metchin River	160210
HVac 2	Quarry	166236
HVac 3	Quarry	166236
HVac 6	Quarry	170718
HVac 7	Quarry	170723
HVac 8	Quarry	170724
VAL-Hwy-115	Access Road	163614
VAL-Hwy-136	Access Road	163614
VAL-Hwy-389	Access Road	163614
VAL-Hwy-391	Access Road	163614
VAL-Hwy-393	Access Road	163614
VAL-Hwy-442	Access Road	163614
VAL-Hwy-440	Access Road	163614
VAL-Hwy-441	Access Road	163614
VAL-Hwy-447	Access Road	163614
VAL-Hwy-540	Access Road	163614
Reservoir Road 1	Access Road	163614
JCL-186	Access Road	163614
JCL-145	Access Road	163614
JCL-184	Access Road	163614
JCL-165	Access Road	163614
JCL-166	Access Road	163614
JCL-83	Access Road	163614
JCL-86	Access Road	163614
JCL-95	Access Road	163614
JCL-134	Access Road	163614
JCL-120	Access Road	163614
JCL-ID-1	Quarry	166236
JCL-ID-2	Quarry	166236
JCL-ID-3	Quarry	166236
JCL-ID-4	Quarry	166236
JCL-ID-5	Quarry	166236
JCL-ID-6	Quarry	166236
JCL-ID-7	Quarry	166236

*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

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SCHEDULE "B" - PAGE 24

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

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
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-6100-0053	Navigable Waters Protection Act Minor Works Assessment - Hvac line ROW temporary bridges	8200-2012-700249
4E-SLI-6100-0054	Navigable Waters Protection Act Minor Works Assessment - Hvac Line access road temporary bridges	8200-2012-700244-001
4E-SLI-6100-0055	Navigable Waters Protection Act Minor Works Assessment - Hvac Line overhead lines	8200-2012-700250

*Water Resources Management Division, Dept. of Municipal Affairs and Environment*

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 - Fording	ALT6655-2012
4E-SLI-6000-0001	Permit for Drilling Water Well - Marshalling yard	GW7161-2013
4E-SLI-0000-0036	Blanket Water Use Licence_Reservoir Clearing and Hvac Line Clearing and Construction	WUL-13-058 File: 517

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SCHEDULE "B" - PAGE 25  
 SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

*Fisheries Act*

Permit Number	Permit Name	DFO File No.
4E-SLI-0000-0033	DFO Notification Stream Crossings for Reservoir Clearing and Hvac line clearing and construction	13-HNFL-NA1-00085
4E-SLI-0000-0037	DFO Notification for Water Use for Hvac Line clearing and construction, reservoir clearing and Muskrat Falls Generation site	06-HNFL-NA1-00100

*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 Camp - 30 bed dormitory Dorm 4 for Humber Valley Paving	EA-30023AE
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
4E-CON-1580-0011	Building Accessibility Exemption /Fire and Life Safety Review - Churchill Falls Temporary Accommodations Camp - Recreation Trailer - Labrador Catering	EA-30023FE

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SCHEDULE "B" - PAGE 26

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

4E-SLI-4000-0015	Building Accessibility Exemption/Fire and Life Safety Review - Control Building - Soldiers Pond	EA30023VH
4E-SLI-4000-0009	Building Accessibility Exemption/Fire and Life Safety Review - Control Building - Churchill Falls	EA30023VC
4E-SLI-4000-0010	Building Accessibility Exemption/Fire and Life Safety Review - GIS Building - Churchill Falls	EA30023VD
4E-SLI-4000-0011	Building Accessibility Exemption/Fire and Life Safety Review - Interface Relay Building - Churchill Falls	EA30023VE
4E-SLI-4000-0017	Septic Application - Permanent Sewage Holding Tank - Control Building - Churchill Falls	HS-2016 107564 00
4E-SLI-4000-0012	Building Accessibility Exemption/Fire and Life Safety Review - Control Building - Muskrat Falls	EA30023VF
4E-SLI-4000-0013	Building Accessibility Exemption/Fire and Life Safety Review - GIS Building - Muskrat Falls	EA30023VG

*Service NL, Storage and Handling of Gasoline and Associated Products Regulations*

Permit Number	Permit Name	Service NL File No.
4E-CON-1580-0007	Water and Sewerage Permit - Churchill Falls 130 person temporary camp	WS7120-2013
4E-SLI-4000-0016	Septic Application - Permanent Sewage Holding Tank - Control Building - Soldiers Pond	SS16-081259 File No. 1259
4E-SLI-4000-0017	Septic Application - Permanent Sewage Holding Tank - Control Building - Churchill Falls	HS-2016 107564 00
4E-SLI-4000-0018	Septic Application - Permanent Sewage Holding Tank - Control Building - Muskrat Falls	HS-2016 107075 00

*Nav Canada Land Use*

Permit Number	Permit Name	Nav Canada File No.
4E-SLI-6100-0025	Nav Canada Approval - Linear Structures: Transmission Line - Muskrat Falls, NL  (N53° 14' 48.96" W60° 46' 47.54" / 176.2467' AGL / 359.9737' AMSL)_p-WC-1e	12-3284



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SCHEDULE "B" - PAGE 27

SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

*Historic Resources Act* [These permits have been issued to Dr. Frederick A Schwarz with Stantac]

<b>Permit Number</b>	<b>Permit Name</b>	<b>PAO File No.</b>
	Historic Resources Impact Assessment - HVac Transmission Line	13.37

(v) **Authorizations required for Project beyond those listed above**

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, 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**

NunatuKavut Community Council Inc. - Supreme Court of Newfoundland and Labrador – Trial  
Division - File No. 2011-01-G1093.

**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 CORPORATION**

2.1. 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**

NunatuKavut Community Council Inc. - Supreme Court of Newfoundland and Labrador  
– Trial Division - File No. 2011-01-G1093.

**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 Second Amended and Restated Muskrat/LTA Project Finance Agreement dated as of May 10, 2017 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 (as further amended, supplemented or restated from time to time, the "**Finance Agreement**") and Her Majesty 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 Second amended and Restated Master Definitions Agreement dated as of May 10, 2017 among, *inter alia*, the Borrower, the Lender and the Collateral Agent, as further amended, supplemented or restated from time to time.

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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 Devco, and <@> of Muskrat, in my capacity as an officer and without personal liability, do hereby certify the matters set forth in Section A below, and I, <@>, the undersigned, the <@> of Devco, and <@> of Labrador Transco, in my capacity as an officer 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 during the Applicable Month with respect to the MF Plant by and compared as against the 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 it relates to Hard Costs, 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 they relate to Hard Costs, as at the end of the Applicable Month, with a narrative explanation as to any variances from the MF Project Budget.
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 and compared as against the established milestones in the MF Project Schedule.
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, as at the date hereof 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 during the Applicable Month with respect to the LTA and compared as against the LTA Project Budget.
15. Attached hereto as Part II of Schedule "B" is a true and accurate analysis of the Cost to Complete for the LTA, as it relates to Hard Costs, 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 they relate to Hard Costs, as at the end of the Applicable Month, with a narrative explanation as to any variances from the LTA Project Budget.
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 and compared as against the established milestones in the LTA Project Schedule.
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, as at the date hereof 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 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 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, as it relates to Hard Costs only.]**

**Part II - Labrador Transco Cost to Complete**

**[NOTE TO DRAFT: Please provide a detailed analysis of the Cost to Complete the LTA, as it relates to Hard Costs only.]**

## **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), as they relate to Hard Costs only.]**

### **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), as they relate to Hard Costs only.]**

**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 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 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 CERTIFICATE

Date:   Note 1  

**TO: THE TORONTO-DOMINION BANK**, as Collateral Agent

**TO: MWH CANADA INC.**, as Independent Engineer

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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\$   Note 2
7. Labrador Transco Punch List Costs amount to: CDN\$   Note 3
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 \_\_\_\_\_ (\_\_\_\_<sup>th</sup>) 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.
2. Note that for purposes of the Final Funding Request, the Muskrat Punch List Costs should include an amount representing 5% of the Eligible Project Costs for the MF Plant identified in clause (i) of the definition of "Funding Requirements".
3. Note that for purposes of the Final Funding Request, the LTA Punch List Costs should include an amount representing 5% of the Eligible Project Costs for the LTA identified in clause (i) of the definition of "Funding Requirements".

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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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  
11<sup>th</sup> 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 CERTIFICATE

Date:     Note 1    

**The Toronto-Dominion Bank**  
as Collateral Agent

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 Section 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 (h) of clause [<@>8.2.2.2/8.8.2.2<@>] 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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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.

Unless otherwise stated, 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):

<b>Sources of Funds for the Funding Requirements of Muskrat</b>	
Application of Aggregate Muskrat Eligible Account Balances	CDN\$ _____ (see Schedule "B" for details)
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)

As such, in order to fund the Funding Requirements of Muskrat, we hereby request the Collateral Agent to effect the transfers set forth in Part I of Schedule "I" hereto.

**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):

<b>Sources of Funds for the Funding Requirements of Labrador Transco</b>	
Application of Aggregate Labrador Transco Eligible 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)

As such, in order to fund the Funding Requirements of Labrador Transco, we hereby request the Collateral Agent to effect the transfers set forth in Part II of Schedule "I" hereto.

**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 "J" hereto;
2. a reconciliation of amounts disbursed from the Muskrat Project Operating Account to amounts set forth and approved in any Funding Request and any WCR Release and Equity Funding Notice provided during the previous month is provided in Schedule "K" hereto;

3. a reconciliation of Project Costs funded from the Muskrat Project Operating Account pursuant to paragraph 8.3.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month is provided in Schedule "K" hereto;
4. Soft Costs incurred for the MF Plant as at   **Note 2**   amount to CDN\$\_\_\_\_\_ and are described in Schedule "L" hereto. Except as noted in Schedule "L" hereto, there are no variances greater than CDN\$25,000,000 from the Project Budget for Soft Costs;
5. the balance of the Capital Account of Muskrat as of the Effective Date is CDN\$\_\_\_\_\_;
6. the DER is   **Note 3**   and the DER (after taking into account the funding of the Funding Requirements contemplated in this Final Funding Request) will be   **Note 3**  ; and
7. 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 "M" hereto;
2. a reconciliation of amounts disbursed from the Labrador Transco Project Operating Account to amounts set forth and approved in any Funding Request and any WCR Release and Equity Funding Notice provided during the previous month is provided in Schedule "N" hereto;
3. a reconciliation of Project Costs funded from the Labrador Transco Project Operating Account pursuant to paragraph 8.9.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month is provided in Schedule "N" hereto;
4. Soft Costs incurred for the LTA as at   **Note 2**   amount to CDN\$\_\_\_\_\_ and are described in Schedule "O" hereto. Except as noted in Schedule "O" hereto, there are no variances greater than CDN\$25,000,000 from the Project Budget for Soft Costs;
5. the balance of the Capital Account of Labrador Transco as of the Effective Date is CDN\$\_\_\_\_\_;
6. the DER is   **Note 3**  ; and
7. 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.
3. The DER corresponds to the following (expressed as a percentage):

$$DER = \frac{(A + B) - C}{[(A + B) - C] + D}$$

Where:

**A** = Principal amount of the Funds Releases made to the Credit Parties;

**B** = Principal amount of all outstanding Additional Debt;

**C** = Balance on deposit in the Sinking Fund Account; and

**D** = Aggregate outstanding balance of the Capital Accounts of the Credit Parties.

**SCHEDULE "A"**

**CALCULATION OF FUNDING REQUIREMENTS OF MUSKRAT**

**A. Calculation of Funding Requirements of Muskrat**

- |     |                                                                                                                                             |                                |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| 1.  | the Muskrat Final Eligible Project Costs amount to (see Section B below for details):                                                       | CDN\$ <u>  <b>Note 1</b>  </u> |
| 2.  | Muskrat's Project Rateable Share of the Minimum DSRA Requirement is                                                                         | CDN\$ <u>  <b>Note 2</b>  </u> |
| 3.  | the Muskrat Punch List Costs amount to (see Section C):                                                                                     | CDN\$ <u>  <b>Note 3</b>  </u> |
| 4.  | the Muskrat Demobilization Costs amount to:                                                                                                 | CDN\$ _____                    |
| 5.  | the amount of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.2 of the Muskrat /LTA Project Finance Agreement is: | CDN\$ <u>  <b>Note 4</b>  </u> |
| 6.  | the Funding Requirements of Muskrat amount to:                                                                                              | CDN\$ <u>  <b>Note 5</b>  </u> |
| 7.  | the Final Funding Muskrat Rateable Share of the funding of the Final Eligible Project Costs is:                                             | <u>  <b>Note 6</b>  </u> %     |
| 8.  | the Final Funding Muskrat Rateable Share of the funding of Muskrat's Project Rateable Share of the Minimum DSRA Requirement is:             | <u>  <b>Note 7</b>  </u> %     |
| 9.  | the Final Funding Muskrat Rateable Share of the funding of the Muskrat Punch List Costs is:                                                 | <u>  <b>Note 8</b>  </u> %     |
| 10. | the Final Funding Muskrat Rateable Share of the funding of the Muskrat Demobilization Costs is:                                             | <u>  <b>Note 9</b>  </u> %     |

**B. Calculation of Muskrat Final Eligible Project Costs (See Schedule "P")**

- |     |                                                                                          |                                 |
|-----|------------------------------------------------------------------------------------------|---------------------------------|
| 11. | Hard Costs for the MF Plant incurred to and invoiced up to the Effective Date amount to: | CDN\$ _____                     |
| 12. | Soft Costs for the MF Plant incurred to and invoiced up to the Effective Date amount to: | CDN\$ _____                     |
| 13. | all other MF Project Costs incurred to and invoiced up to the Effective Date amount to:  | CDN\$ <u>  <b>Note 10</b>  </u> |

14. the aggregate amount of MF Project Costs expected to be invoiced after the Effective Date until the Funds Release Date amounts to: CDN\$   Note 11
15. the aggregate amount of MF Project Costs to be funded pursuant to this Final Funding Request amounts to: CDN\$   Note 12
- C. Calculation of Muskrat Punch List Costs**
16. the aggregate amount of costs required to complete work on all Punch List Items related to the MF Plant amounts to: CDN\$ \_\_\_\_\_
17. the Punch List Costs contingency amount representing 5% of the amount in line 14 above amounts to: CDN\$ \_\_\_\_\_
18. the aggregate amount of Punch List Costs related to the MF Plant to be funded pursuant to this Final Funding Request amounts to: CDN\$   Note 13

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**Notes:**

1. Insert the amount in line 15 of this Schedule.
2. This amount is determined by multiplying Muskrat's Project Rateable Share by the Minimum DSRA Requirement.
3. Insert the amount in line 18 of this Schedule.
4. 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 7.10.1.2 of the Muskrat/LTA Project Finance Agreement.
5. This amount is equal to the sum of lines 1 to 5 of this Schedule, inclusively.
6. 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 the sum of line 1 to line 4 of this Schedule, inclusively.
7. The Final Funding Muskrat Rateable Share of the funding of the Minimum DSRA Requirement is determined by dividing line 2 of this Schedule the sum of line 1 to line 4 of this Schedule, inclusively.
8. The Final Rateable Muskrat Share of the funding of the Punch List Costs is determined by dividing line 3 of this Schedule with the sum of line 1 to line 4 of this Schedule, inclusively.



9. The Final Rateable Muskrat Share of the funding of the Demobilization Costs is determined by dividing line 4 of this Schedule with the sum of line 1 to line 4 of this Schedule, inclusively.
10. 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.
11. This amount includes all Hard Costs, Soft Costs and other MF Project Costs expected to be incurred to and invoiced after the Effective Date until the Funds Release Date.
12. This amount is equal to the sum of lines 11 to 14 of this Schedule, inclusively.
13. This amount is equal to the sum of lines 16 and 17 of this Schedule.

**SCHEDULE "B"**

**CALCULATION OF AGGREGATE MUSKRAT ACCOUNT BALANCES**

**A. Calculation of Aggregate Muskrat Eligible Account Balances**

1. the balance on deposit in the Muskrat Project Funding Account (5230696) is: CDN\$   Note 1
  
2. the Income on Account Balances deriving from amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request amounts to: CDN\$   Note 2
  
3. the balance of any amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request, and that had been deposited therein to fund MF Project Costs that have since been fully satisfied for a lesser amount is: CDN\$   Note 2
  
4. the balance of any amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding MF Project Costs expected to be invoiced after the Effective Date of such Funding Request and by the related Funds Release Date, but with respect to which, as at the Effective Date of this Final Funding Request, invoices have been received for an amount less than anticipated in such previous Funding Request is: CDN\$   Note 2
  
5. the balance of any amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding MF Project Costs that, at the time of the Effective Date of such Funding Request, were expected to be invoiced at a later date, but with respect to which no invoice has been received by the Effective Date of this Final Funding Request is: CDN\$   Note 2
  
6. the balance of any amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request that formed part of the contingency amount identified in line 4 of Schedule "A" of such previous Funding Request, but that, as at the Effective Date of this Final Funding Request, have since not been used to pay for CDN\$   Note 2

MF Project Costs:

7. the Aggregate Muskrat Eligible Account Balances is: CDN\$ Note 3
- B. Calculation of Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance**
8. The balance on deposit in the Working Capital Reserve Account is: CDN\$ Note 4
9. Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is: CDN\$ Note 5
- C. Calculation of Aggregate Muskrat Account Balances**
10. the Aggregate Muskrat Eligible Account Balances is: CDN\$ Note 6
11. Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is: CDN\$ Note 7
12. 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**
13. the Funding Requirements of Muskrat are: CDN\$ Note 9
14. 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**
15. the portion of the Aggregate Muskrat Account Balances attributable to the funding of the Muskrat Final Eligible Project Costs is: CDN\$ Note 11
16. 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
17. the portion of the Aggregate Muskrat Account Balances attributable to the funding of the Muskrat Punch List Costs is: CDN\$ Note 13
18. the portion of the Aggregate Muskrat Account Balances attributable to the funding of the Muskrat Demobilization Costs is: CDN\$ Note 14

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**Notes:**

1. This amount is determined after the application of paragraphs 8.2.1.2 to 8.2.1.7, 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 8.3.2.2, 8.3.2.3 and 8.3.2.4 of the Muskrat/LTA Project Finance Agreement.
3. This amount is equal to the sum of lines 1 to 6 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 8 of this Schedule.
6. Insert the amount in line 7 of this Schedule.
7. Insert the amount in line 9 of this Schedule.
8. This amount is equal to the sum of lines 10 and 11 of this Schedule.
9. Insert the amount in line 6 of Schedule "A".
10. This amount corresponds to the lesser of line 13 and line 12 of this Schedule.
11. This amount is determined by multiplying line 7 of Schedule "A" with line 14 of this Schedule.
12. This amount is determined by multiplying line 8 of Schedule "A" with line 14 of this Schedule.
13. This amount is determined by multiplying line 9 of Schedule "A" with line 14 of this Schedule.
14. This amount is determined by multiplying line 10 of Schedule "A" with line 14 of this Schedule.

**SCHEDULE "C"**

**DEBT RATEABLE SHARE OF FUNDING REQUIREMENTS OF MUSKRAT**

**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 (after subtracting the Aggregate Muskrat Account Balances) is: CDN\$ Note 6
7. the portion of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement that exceeds the MF Equity Rateable Share of the Funding Requirements (after subtracting the Aggregate Muskrat Eligible Account Balances) of Muskrat is: CDN\$ Note 7

**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**

8. the funding of the Muskrat Final Eligible Project Costs amounts to: CDN\$ Note 8
9. the funding of Muskrat's Project Rateable Share of the Minimum DSRA Requirement amounts to: CDN\$ Note 9
10. the funding of the Muskrat Punch List Costs amounts to: CDN\$ Note 10
11. the funding of the Muskrat Demobilization Costs amounts to: CDN\$ Note 11

**C. Aggregate amount of the required Funds Release**

12. the aggregate amount of the required Funds Release required is: CDN\$ Note 12
13. the aggregate amount of the required WCR Release is: CDN\$ Note 13

**Notes:**

1. Insert the amount in line 6 of Schedule "A".
2. Insert the amount in line 14 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% following the 2017 Closing Date, the MF Debt Rateable Share corresponds to 100%, unless the MF Debt Rateable Share of 100% would result in a DER that exceeds 65%, in which case the MF Debt Rateable Share shall be the percentage resulting from the following calculation:

$$\frac{[0.65 \times (A + C)] - B}{C}$$

where:

**A** = the sum of **(i)** the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), **(ii)** the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, and **(iii)** the aggregate outstanding balance of the Capital Account of each of Muskrat and Labrador Transco, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of **(i)** the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), and **(ii)** the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit

Party, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of the Funding Requirements of each of Muskrat and Labrador Transco less the amount of the sum of the Aggregate Muskrat Eligible Account Balances and the Aggregate Labrador Transco Eligible Account Balances used to fund such combined Funding Requirements; and

(ii) Where the funding of the Funding Requirements of Muskrat is made following the date on which DER first becomes equal to 65% following the 2017 Closing Date, the MF Debt Rateable Share corresponds to:

(A) prior to the Muskrat/LTA Proceeds Account Balance being fully released and the amounts on deposit in the Working Capital Reserve Account being nil, with respect to any Funding Requirements of Muskrat that are to be funded at any particular time, and in relation to which a Funds Release is to be effected or a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, 65%;

unless, as a result of the calculations in part (A) above, Muskrat is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such MF Debt Rateable Share by reason of:

(a) the portion of such Funding Requirements represented by such MF Debt Rateable Share exceeding Muskrat's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance; and

(b) Muskrat not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess as reduced by any such Additional Debt proposed to be incurred shall be referred to herein as the "**MF Funding Deficiency**");

in which case the MF Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where:

**A** = the sum of the Additional Debt proposed to be incurred and Muskrat's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance;

**B** = the amount of such Funding Requirements, less the amount of the Aggregate Muskrat Eligible Account Balances and Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance, used to fund such Funding Requirements.

provided, however, that at all times where the Muskrat/LTA Proceeds Account has been fully released but:

- (i) Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is sufficient to meet the Funding Requirements of Muskrat that are to be funded, then the MF Debt Rateable Share of such Funding Requirements shall mean 100%; and
- (ii) Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is insufficient to meet the Funding Requirements of Muskrat that are to be funded, then the MF Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where "A" and "B" shall each have the same definition as above;

- (B) at all times thereafter, with respect to any Funding Requirements of Muskrat that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, the lesser of 65% and the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred by Muskrat to fund such Funding Requirements}}{\text{such Funding Requirements}}$$

- 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 5 of Schedule "D" from line 6 of Schedule "D". Where the result of this subtraction is a negative amount, insert 0.



8. This amount is determined by multiplying line 7 of Schedule "A" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
9. This amount is determined by multiplying line 8 of Schedule "A" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
10. This amount is determined by multiplying line 9 of Schedule "A" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
11. This amount is determined by multiplying line 10 of Schedule "A" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
12. This amount is determined by subtracting line 4 and line 7 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 12 of this Schedule shall be equal to the Muskrat/LTA Proceeds Account Balance.
13. This amount is determined by subtracting line 4, line 7 and line 12 of this Schedule from line 6 of this Schedule.

**SCHEDULE "D"**

**EQUITY RATEABLE SHARE OF FUNDING REQUIREMENTS OF MUSKRAT**

- 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 (after subtracting the Aggregate Muskrat Account Balances) is: CDN\$ Note 5
  6. the amount of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement is: CDN\$ Note 6
- 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**
7. the funding of the Muskrat Final Eligible Project Costs by equity amounts to: CDN\$ Note 7
  8. the funding of Muskrat's Project Rateable Share of the Minimum DSRA Requirement by equity amounts to: CDN\$ Note 8
  9. the funding of the Muskrat Punch List Costs by equity amounts to: CDN\$ Note 9
  10. the funding of the Muskrat Demobilization Costs by equity amounts to: CDN\$ Note 10
- C. Aggregate amount of equity to be invested**
11. the equity investment required to be made to complete funding of the MF Equity Rateable Share is: CDN\$ Note 11

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**Notes:**

1. Insert the amount in line 6 of Schedule "A".
2. Insert the amount in line 14 of Schedule "B".
3. This amount is determined by subtracting line 2 of this Schedule from line 1 of this Schedule.
4. The Equity Rateable Share corresponds to 100% minus line 5 of Schedule "C".
5. This amount is determined by multiplying line 4 of this Schedule with line 3 of this Schedule.
6. Insert the amount in line 5 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 6 of this Schedule.
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 6 of this Schedule.
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 6 of this Schedule.
10. This amount is determined by multiplying line 10 of Schedule "A" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 10 of Schedule "A" multiplied by line 6 of this Schedule.
11. This amount is equal to the sum of lines 7 to 10 of this Schedule, inclusively.

**SCHEDULE "E"**

**CALCULATION OF FUNDING REQUIREMENTS OF LABRADOR TRANSCO**

- 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\$ Note 1
  2. Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement is CDN\$ Note 2
  3. the Labrador Transco Punch List Costs amount to: CDN\$ Note 3
  4. the Labrador Transco Demobilization Costs amount to: CDN\$ \_\_\_\_\_
  5. the amount of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.2 of the Muskrat /LTA Project Finance Agreement is: CDN\$ Note 4
  6. the Funding Requirements of Labrador Transco amount to: CDN\$ Note 5
  7. the Final Funding Labrador Transco Rateable Share of the funding of the Final Eligible Project Costs is: Note 6 %
  8. the Final Funding Labrador Transco Rateable Share of the funding of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement is: Note 7 %
  9. the Final Funding Labrador Transco Rateable Share of the funding of the Labrador Transco Punch List Costs is: Note 8 %
  10. the Final Funding Labrador Transco Rateable Share of the funding of the Labrador Transco Demobilization Costs is: Note 9 %
- B. Calculation of Labrador Transco Final Eligible Project Costs (See Schedule "Q")**
11. Hard Costs for the LTA incurred to and invoiced up to the Effective Date amount to: CDN\$ \_\_\_\_\_
  12. Soft Costs for the LTA incurred to and invoiced up to the Effective Date amount to: CDN\$ \_\_\_\_\_
  13. all other LTA Project Costs incurred to and invoiced up to the Effective Date amount to: CDN\$ Note 10

14. the aggregate amount of LTA Project Costs expected to be invoiced after the Effective Date until the Funds Release Date amount to: CDN\$   **Note 11**
15. the aggregate amount of LTA Project Costs to be funded pursuant to this Final Funding request amount to: CDN\$   **Note 12**
- C. Calculation of Punch List Costs**
16. the aggregate amount of costs required to complete work on all Punch List Items related to the LTA amounts to: CDN\$ \_\_\_\_\_
17. the Punch List Costs contingency amount representing 5% of the amount in line 14 above amounts to: CDN\$ \_\_\_\_\_
18. the aggregate amount of Punch List Costs related to the LTA to be funded pursuant to this Final Funding Request amounts to: CDN\$   **Note 13**

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**Notes:**

1. Insert the amount in line 15 of this Schedule.
2. This amount is determined by multiplying Labrador Transco's Project Rateable Share by the Minimum DSRA Requirement.
3. Insert the amount in line 18 of this Schedule.
4. 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 7.10.1.2 of the Muskrat/LTA Project Finance Agreement.
5. This amount is equal to the sum of lines 1 to 5 of this Schedule, inclusively.
6. 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 the sum of line 1 to line 4 of this Schedule, inclusively.
7. 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 the sum of line 1 to line 4 of this Schedule, inclusively.
8. The Final Rateable Labrador Transco Share of the funding of the Punch List Costs is determined by dividing line 3 of this Schedule with the sum of line 1 to line 4 of this Schedule, inclusively.

9. The Final Rateable Labrador Transco Share of the funding of the Demobilization Costs is determined by dividing line 4 of this Schedule with the sum of line 1 to line 4 of this Schedule, inclusively.
10. 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.
11. This amount includes all Hard Costs, Soft Costs and other LTA Project Costs expected to be incurred to and invoiced after the Effective Date until the Funds Release Date.
12. This amount is equal to the sum of lines 11 to 14 of this Schedule, inclusively.
13. This amount is equal to the sum of lines 16 and 17 of this Schedule.

**SCHEDULE "F"**

**CALCULATION OF  
AGGREGATE LABRADOR TRANSCO ACCOUNT BALANCES**

**A. Calculation of Aggregate Labrador Transco Eligible Account Balances**

1. the balance on deposit in the Labrador Transco Project Funding Account (5230785) is: CDN\$   **Note 1**
  
2. the Income on Account Balances deriving from amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request amounts to: CDN\$   **Note 2**
  
3. the balance of any amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request, and that had been deposited therein to fund LTA Project Costs that have since been fully satisfied for a lesser amount is: CDN\$   **Note 2**
  
4. the balance of any amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding LTA Project Costs expected to be invoiced after the Effective Date of such Funding Request and by the related Funds Release Date, but with respect to which, as at the Effective Date of this Final Funding Request, invoices have been received for an amount less than anticipated in such previous Funding Request is: CDN\$   **Note 2**
  
5. the balance of any amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding LTA Project Costs that, at the time of the Effective Date of such Funding Request, were expected to be invoiced at a later date, but with respect to which no invoice has been received by Effective Date of this Final Funding Request is: CDN\$   **Note 2**
  
6. the balance of any amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request and formed part of the contingency amount identified in line 4 of Schedule "E" of such previous Funding Request, but that, as at the Effective CDN\$   **Note 2**

Date of this Final Funding Request, have since not been used to pay for LTA Project Costs:

7. the Aggregate Labrador Transco Eligible Account Balances is: CDN\$ Note 3
  
- B. Calculation of Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance**
8. The balance on deposit in the Working Capital Reserve Account is: CDN\$ Note 4
9. Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is: CDN\$ Note 5
  
- C. Calculation of Aggregate Labrador Transco Account Balances**
10. the Aggregate Labrador Transco Eligible Account Balances is: CDN\$ Note 6
11. Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is: CDN\$ Note 7
12. 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**
13. the Funding Requirements of Labrador Transco are: CDN\$ Note 9
14. 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**
15. the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of the Labrador Transco Final Eligible Project Costs is: CDN\$ Note 11
16. the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of Labrador Transco's CDN\$ Note 12



Project Rateable Share of the Minimum DSRA Requirement is:

- |     |                                                                                                                                             |                                 |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 17. | the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of the Labrador Transco Punch List Costs is:     | CDN\$ <u>  <b>Note 13</b>  </u> |
| 18. | the portion of the Aggregate Labrador Transco Account Balances attributable to the funding of the Labrador Transco Demobilization Costs is: | CDN\$ <u>  <b>Note 14</b>  </u> |

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**Notes:**

1. This amount is determined after the application of paragraphs 8.8.1.2 to 8.8.1.7, 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 8.9.2.2, 8.9.2.3 and 8.9.2.4 of the Muskrat/LTA Project Finance Agreement.
3. This amount is equal to the sum of lines 1 to 6 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 8 of this Schedule.
6. Insert the amount in line 7 of this Schedule.
7. Insert the amount in line 9 of this Schedule.
8. This amount is equal to the sum of lines 10 and 11 of this Schedule.
9. Insert the amount in line 6 of Schedule "E".
10. This amount corresponds to the lesser of line 13 and line 12 of this Schedule.
11. This amount is determined by multiplying line 7 of Schedule "E" with line 14 of this Schedule.
12. This amount is determined by multiplying line 8 of Schedule "E" with line 14 of this Schedule.
13. This amount is determined by multiplying line 9 of Schedule "E" with line 14 of this Schedule.

14. This amount is determined by multiplying line 10 of Schedule "E" with line 14 of this Schedule.

**SCHEDULE "G"**

**DEBT RATEABLE SHARE OF FUNDING REQUIREMENTS  
OF LABRADOR TRANSCO**

**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 (after subtracting the Aggregate Labrador Transco Account Balances) is: CDN\$ Note 6
7. the portion of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement that exceeds the LTA Equity Rateable Share of the Funding Requirements (after subtracting the Aggregate Labrador Transco Eligible Account Balances) of Labrador Transco is: CDN\$ Note 7

**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**

8. the funding of the Labrador Transco Final Eligible Project Costs amounts to: CDN\$ Note 8
9. the funding of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement amounts to: CDN\$ Note 9
10. the funding of the Labrador Transco Punch List Costs amounts to: CDN\$ Note 10

11. the funding of the Labrador Transco Demobilization Costs amounts to: CDN\$ Note 11
- C. Aggregate amount of the required Funds Release**
12. the aggregate amount of the required Funds Release is: CDN\$ Note 12
13. the aggregate amount of the required WCR Release is: CDN\$ Note 13
- 

**Notes:**

1. Insert the amount in line 6 of Schedule "E".
2. Insert the amount in line 14 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% following the 2017 Closing Date, the LTA Debt Rateable Share corresponds to 100%, unless the LTA Debt Rateable Share of 100% would result in a DER that exceeds 65%, in which case the LTA Debt Rateable Share shall be the percentage resulting from the following calculation:

$$\frac{[0.65 \times (A + C)] - B}{C}$$

where:

**A** = the sum of **(i)** the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), **(ii)** the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, and **(iii)** the aggregate outstanding balance of the Capital Account of each of Labrador Transco and Muskrat, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of **(i)** the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), and **(ii)** the principal amount of all outstanding Additional Debt (without taking into account the

Additional Debt proposed to be incurred) incurred by each Credit Party, the whole less the amount of the balance on deposit in the Sinking Fund Account;

C = the amount of the Funding Requirements of each of Muskrat and Labrador Transco less the amount of the sum of the Aggregate Muskrat Eligible Account Balances and the Aggregate Labrador Transco Eligible Account Balances used to fund such combined Funding Requirements; and

(ii) Where the funding of the Funding Requirements of Labrador Transco is made following the date on which DER first becomes equal to 65% following the 2017 Closing Date, the LTA Debt Rateable Share corresponds to:

(A) prior to the Muskrat/LTA Proceeds Account Balance being fully released and the amounts on deposit in the Working Capital Reserve Account being nil, with respect to any Funding Requirements of Labrador Transco that are to be funded at any particular time, and in relation to which a Funds Release is to be effected or a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, 65%;

unless, as a result of the calculations in part (A) above, Labrador Transco is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such LTA Debt Rateable Share by reason of:

- (a) the portion of such Funding Requirements represented by such LTA Debt Rateable Share exceeding Labrador Transco's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance; and
- (b) Labrador Transco not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess as reduced by any such Additional Debt proposed to be incurred shall be referred to herein as the "**LTA Funding Deficiency**");

in which case the LTA Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where:

**A** = the sum of the Additional Debt proposed to be incurred and Labrador Transco's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance;

**B** = the amount of such Funding Requirements, less the amount of the Aggregate Labrador Transco Eligible Account Balances, and Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance, used to fund such Funding Requirements;

provided, however, that at all times where the Muskrat/LTA Proceeds Account has been fully released but:

- (i) Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is sufficient to meet the Funding Requirements of Labrador Transco that are to be funded, then the LTA Debt Rateable Share of such Funding Requirements shall mean 100%; and
- (ii) Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is insufficient to meet the Funding Requirements of Labrador Transco that are to be funded, as the case may be, then the LTA Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where "A" and "B" shall each have the same definition as above;

- (B) at all times thereafter, with respect to any Funding Requirements of Labrador Transco that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, the lesser of 65% and the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred by Labrador Transco to fund such Funding Requirements}}{\text{such Funding Requirements}}$$

- 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 5 of Schedule "H" from line 6 of Schedule "H". Where the result of this subtraction is a negative amount, insert 0.

8. This amount is determined by multiplying line 7 of Schedule "E" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
9. This amount is determined by multiplying line 8 of Schedule "E" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
10. This amount is determined by multiplying line 9 of Schedule "E" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
11. This amount is determined by multiplying line 10 of Schedule "E" with the positive difference, if any, between line 6 of this Schedule and line 7 of this Schedule. In the event that the difference between line 6 of this Schedule and line 7 of this Schedule is negative, insert 0.
12. This amount is determined by subtracting line 4 and line 7 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 12 of this Schedule shall be equal to the Muskrat/LTA Proceeds Account Balance.
13. This amount is determined by subtracting line 4, line 7 and line 12 of this Schedule from line 6 of this Schedule.

**SCHEDULE "H"**

**EQUITY RATEABLE SHARE OF FUNDING REQUIREMENTS  
OF MUSKRAT**

**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 (after subtracting the Aggregate Labrador Transco Account Balances) is: CDN\$ Note 5
6. the amount of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement is: CDN\$ Note 6

**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**

7. the funding of the Labrador Transco Final Eligible Project Costs by equity amounts to: CDN\$ Note 7
8. the funding of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement by equity amounts to: CDN\$ Note 8
9. the funding of the Labrador Transco Punch List Costs by equity amounts to: CDN\$ Note 9
10. the funding of the Labrador Transco Demobilization Costs by equity amounts to: CDN\$ Note 10



**C. Aggregate amount of equity to be invested**

11. the equity investment required to be made to complete funding of the LTA Equity Rateable Share is:

CDN\$     **Note 11**    

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**Notes:**

1. Insert the amount in line 6 of Schedule "E".
2. Insert the amount in line 14 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. Insert the amount in line 5 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 6 of this Schedule.
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 6 of this Schedule.
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 6 of this Schedule.
10. This amount is determined by multiplying line 10 of Schedule "E" with line 5 of this Schedule, and subtracting therefrom an amount corresponding to the result of line 10 of Schedule "E" multiplied by line 6 of this Schedule.
11. This amount is equal to the sum of lines 7 to 10 of this Schedule, inclusively.

**SCHEDULE "I"**

**REQUESTED TRANSFERS**

**SCHEDULE "J"**

**MUSKRAT PERMITTED INVESTMENTS**

**[NOTE TO DRAFT: Please include details regarding the Permitted Investments in the Muskrat Project Accounts.]**

**SCHEDULE "K"**

**MUSKRAT RECONCILIATION**

**[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 and any WCR Release and Equity Funding Notice provided during the prior month.]**

**[NOTE TO DRAFT: Please include a reconciliation of Project Costs funded from the Muskrat Project Operating Account pursuant to paragraph 8.3.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month.]**

**SCHEDULE "L"**

**MUSKRAT SOFT COSTS**

(as at <@>)

**[NOTE TO DRAFT: Calculations of Soft Costs for the MF Plant as at the Effective Date of the most recent Construction Report to be included.]**

**SCHEDULE "M"**

**LABRADOR TRANSCO PERMITTED INVESTMENTS**

**[NOTE TO DRAFT: Please include details regarding the Permitted Investments in the Labrador Transco Project Accounts.]**

**SCHEDULE "N"**


**LABRADOR TRANSCO RECONCILIATION**

**[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 and any WCR Release and Equity Funding Notice provided during the prior month.]**

**[NOTE TO DRAFT: Please include a reconciliation of Project Costs funded from the Labrador Transco Project Operating Account pursuant to paragraph 8.9.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month.]**

**SCHEDULE "O"**

**LABRADOR TRANSCO SOFT COSTS**


(as at )

**[NOTE TO DRAFT: Calculations of Soft Costs for the LTA as at the Effective Date of the most recent Construction Report to be included.]**




**SCHEDULE "P"**

**MF PROJECT COSTS**

(as at )

**SCHEDULE "Q"**

**LTA PROJECT COSTS**

(as at )

**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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 7.4.1 of the Muskrat/LTA Project Finance Agreement.

Unless otherwise stated, 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 Eligible Account Balances	CDN\$_____ (see Schedule "B" for details)
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)

As such, in order to fund the Funding Requirements of Muskrat, we hereby request the Collateral Agent to effect the transfers set forth in Part I of Schedule "I" hereto.

**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 Eligible 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)

As such, in order to fund the Funding Requirements of Labrador Transco, we hereby request the Collateral Agent to effect the transfers set forth in Part II of Schedule "I" hereto.

**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 "J" hereto;

2. a reconciliation of amounts disbursed from the Muskrat Project Operating Account to amounts set forth and approved in any Funding Request and any WCR Release and Equity Funding Notice provided during the previous month is provided in Schedule "K" hereto;
3. a reconciliation of Project Costs funded from the Muskrat Project Operating Account pursuant to paragraph 8.3.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month is provided in Schedule "K" hereto;
4. Soft Costs incurred for the MF Plant as at Note 2 amount to CDN\$\_\_\_\_\_ and are described in Schedule "L" hereto. Except as noted in Schedule "L" hereto, there are no variances greater than CDN\$25,000,000 from the Project Budget for Soft Costs;
5. the balance of the Capital Account of Muskrat as of the Effective Date is CDN\$\_\_\_\_\_;
6. the DER is Note 3 and the DER (after taking into account the funding of the Funding Requirements contemplated in this Funding Request) will be Note 3; and
7. 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 "M" hereto;
2. a reconciliation of amounts disbursed from the Labrador Transco Project Operating Account to amounts set forth and approved in any Funding Request and any WCR Release and Equity Funding Notice provided during the previous month is provided in Schedule "N" hereto;
3. a reconciliation of Project Costs funded from the Labrador Transco Project Operating Account pursuant to paragraph 8.9.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month is provided in Schedule "N" hereto;
4. Soft Costs incurred for the LTA as at Note 2 amount to CDN\$\_\_\_\_\_ and are described in Schedule "O" hereto. Except as noted in Schedule "O" hereto, there are no variances greater than CDN\$25,000,000 from the Project Budget for Soft Costs;
5. the balance of the Capital Account of Labrador Transco as of the Effective Date is CDN\$\_\_\_\_\_;
6. the DER is Note 3;
7. 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: \_\_\_\_\_

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**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.
3. The DER corresponds to the following (expressed as a percentage):

$$DER = \frac{(A + B) - C}{[(A + B) - C] + D}$$

Where:

- A** = Principal amount of the Funds Releases made to the Credit Parties;
- B** = Principal amount of all outstanding Additional Debt;
- C** = Balance on deposit in the Sinking Fund Account; and
- D** = Aggregate outstanding balance of the Capital Accounts of the Credit Parties.

**SCHEDULE "A"**

**CALCULATION OF FUNDING REQUIREMENTS OF MUSKRAT**

**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\$   **Note 1**
2. the deficiency in the Working Capital Reserve Account (5230661) attributable to MF Project Costs amounts to: CDN\$   **Note 2**
3. the amount of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement is: CDN\$   **Note 3**
4. the contingency amount representing 5% of the amount in line 9 below amounts to: CDN\$ \_\_\_\_\_
5. the Funding Requirements of Muskrat amount to: CDN\$   **Note 4**

**B. Calculation of the Eligible Project Costs for the MF Plant (see Schedule "P"   **Note 5**  )**

6. Hard Costs for the MF Plant incurred to and invoiced up to the Effective Date amount to: CDN\$ \_\_\_\_\_
7. Soft Costs for the MF Plant incurred to and invoiced up to the Effective Date amount to: CDN\$ \_\_\_\_\_
8. all other MF Project Costs incurred to and invoiced up to the Effective Date amount to: CDN\$   **Note 6**
9. MF Project Costs expected to be incurred to and invoiced after the Effective Date until the Funds Release Date amount to: CDN\$   **Note 7**
10. the aggregate amount of Eligible Project Costs for the MF Plant to be funded pursuant to this Funding Request amounts to: CDN\$   **Note 8**

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**Notes:**

1. Insert amount in line 10 of this Schedule.
2. Where the funding of the Funding Requirements is made prior to the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, this amount is



equal to the difference between the Minimum WCR Requirement and the amount on deposit in the Working Capital Reserve Account, and then subtracting therefrom all amounts that were withdrawn from the Working Capital Reserve Account in order to fund LTA Project Costs. Where the result of this calculation is a negative number, insert 0. Where the funding of the Funding Requirements is made concurrently with the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement or at any time thereafter, this amount is equal to 0.

3. 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 immediately preceding Funding Request and ending on the Effective Date of this Funding Request, the whole in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement.
4. This amount is equal to the sum of lines 1 to 4 of this Schedule, inclusively.
5. The MF Project Costs identified in lines 6, 7, 8 and 9 of this Schedule must be MF Project Costs with respect to work done and goods delivered prior to the Effective Date or with respect to deposits on contracts and in each case with respect to which no previous Funding Request has been issued or with respect to which a Funding Request has previously been issued and the proceeds thereof form, or have formed, part of Aggregate Muskrat Eligible Account Balances identified in clause (b) (y) of the definition of "Aggregate Muskrat Eligible Account Balances".
6. 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 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, 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 and whether such Project Costs are invoiced to Muskrat, Devco or Nalcor.
7. This amount includes all Hard Costs, Soft Costs and other MF Project Costs expected to be incurred to and invoiced after the Effective Date until the Funds Release Date.
8. This amount is equal to the sum of lines 6 to 9 of this Schedule, inclusively.

**SCHEDULE "B"**

**CALCULATION OF AGGREGATE MUSKRAT ELIGIBLE ACCOUNT BALANCES**

**A. Calculation of Aggregate Muskrat Eligible Account Balances**

1. the balance on deposit in the Muskrat Project Funding Account (5230696) is: CDN\$ Note 1
  
2. the Income on Account Balances deriving from amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request amounts to: CDN\$ Note 2
  
3. the balance of any amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request, and that had been deposited therein to fund MF Project Costs that have since been fully satisfied for a lesser amount is: CDN\$ Note 2
  
4. the balance of any amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding MF Project Costs expected to be invoiced after the Effective Date of such Funding Request and by the related Funds Release Date or WCR Release Date (relating to a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement), as the case may be, but with respect to which, as at the Effective Date of this Funding Request, invoices have been received for an amount less than anticipated in such previous Funding Request is: CDN\$ Note 2
  
5. the balance of any amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding MF Project Costs that, at the time of the Effective Date of such Funding Request, were expected to be invoiced at a later date, but with respect to which no invoice has been received by the Effective Date of this Funding Request is: CDN\$ Note 2
  
6. the balance of any amounts deposited in the Muskrat Project Operating Account (5230718) pursuant to a previous Funding Request that formed part of the contingency amount identified in line 4 of Schedule "A" of such previous Funding Request, but that, as at the Effective Date of this CDN\$ Note 2

Funding Request, have since not been used to pay for MF Project Costs is:

7. the Aggregate Muskrat Eligible Account Balances is: CDN\$ Note 3
- B. Application of the Aggregate Muskrat Eligible Account Balances to the funding of the Funding Requirements of Muskrat**
8. the Funding Requirements of Muskrat are: CDN\$ Note 4
9. the portion of the Aggregate Muskrat Eligible Account Balances used to fund the Funding Requirements of Muskrat is: CDN\$ Note 5

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**Notes:**

1. This amount is determined after the application of paragraphs 8.2.1.2 to 8.2.1.7, 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 paragraphs 8.3.2.2, 8.3.2.3 and 8.3.2.5 of the Muskrat/LTA Project Finance Agreement;
3. This amount is equal to the sum of lines 1 to 6 of this Schedule.
4. Insert the amount in line 5 of Schedule "A".
5. This amount corresponds to the lesser of line 7 and line 8 of this Schedule.

**SCHEDULE "C"**

**MF DEBT RATEABLE SHARE OF FUNDING REQUIREMENTS OF MUSKRAT**

- 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 Eligible 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 (after subtracting the Aggregate Muskrat Eligible Account Balances) of Muskrat is: CDN\$ Note 6
  7. the portion of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement that exceeds the MF Equity Rateable Share of the Funding Requirements (after subtracting the Aggregate Muskrat Eligible Account Balances) of Muskrat is: CDN\$ Note 7
- B. Aggregate amount of the required Funds Release and/or WCR Release**
8. the aggregate amount of the required Funds Release is: CDN\$ Note 8
  9. the aggregate amount of the required WCR Release is: CDN\$ Note 9

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**Notes:**

1. Insert the amount in line 5 of Schedule "A".
2. Insert the amount in line 9 of Schedule "B".

3. This amount is determined by subtracting line 2 of this Schedule from line 1 of this Schedule.
4. Insert the amount of Additional Debt proposed to be incurred to fund the Funding Requirements 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% following the 2017 Closing Date, the MF Debt Rateable Share corresponds to 100%, unless the MF Debt Rateable Share of 100% would result in a DER that exceeds 65%, in which case the MF Debt Rateable Share shall be the percentage resulting from the following calculation:

$$\frac{[0.65 \times (A + C)] - B}{C}$$

where:

**A** = the sum of (i) the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), (ii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, and (iii) the aggregate outstanding balance of the Capital Account of each of Muskrat and Labrador Transco, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of (i) the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), and (ii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of the Funding Requirements of each of Muskrat and Labrador Transco less the amount of the sum of the Aggregate Muskrat Eligible Account Balances and the Aggregate Labrador Transco Eligible Account Balances used to fund such combined Funding Requirements; and.

(ii) Where the funding of the Funding Requirements of Muskrat is made following the date on which DER first becomes equal to 65% following the 2017 Closing Date, the MF Debt Rateable Share corresponds to:

- (A) prior to the Muskrat/LTA Proceeds Account Balance being fully released and the amounts on deposit in the Working Capital Reserve Account being nil, with respect to any Funding Requirements of Muskrat that are to be funded at any particular

time, and in relation to which a Funds Release is to be effected or a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, 65%;

unless, as a result of the calculations in part (A) above, Muskrat is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such MF Debt Rateable Share by reason of:

- (a) the portion of such Funding Requirements represented by such MF Debt Rateable Share exceeding the sum of Muskrat's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance and Muskrat's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account; and
- (b) Muskrat not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess, as reduced by any such Additional Debt proposed to be incurred, shall be referred to herein as the "**MF Funding Deficiency**");

in which case the MF Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where:

**A** = the sum of the Additional Debt proposed to be incurred, Muskrat's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance and Muskrat's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account;

**B** = the amount of such Funding Requirements less the amount of the Aggregate Muskrat Eligible Account Balances;

provided, however, that at all times where the Muskrat/LTA Proceeds Account has been fully released but:

- (i) Muskrat's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account is sufficient to meet the Funding Requirements of Muskrat that are to be funded and in relation to which a

WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, then the MF Debt Rateable Share of such Funding Requirements shall mean 100%; and

- (ii) Muskrat's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account is insufficient to meet the Funding Requirements of Muskrat that are to be funded and in relation to which a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, then the MF Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where "A" and "B" shall each have the same definition as above;

- (B) at all times thereafter, with respect to any Funding Requirements of Muskrat that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, the lesser of 65% and the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred by Muskrat to fund such Funding Requirements}}{\text{such Funding Requirements}}$$

6. This amount is determined by multiplying line 5 of this Schedule by line 3 of this Schedule.
7. This amount is determined by subtracting line 5 of Schedule "D" from line 6 of Schedule "D". Where the result of this subtraction is a negative amount, insert 0.
8. This amount is determined by subtracting line 4 and line 7 of this Schedule from line 6 of this Schedule. If the Funding Request relates to (i) any Funds Release prior to the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, the full amount will be advanced from the amount on deposit in the Muskrat/LTA Proceeds Account, (ii) the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, where the amount on deposit in the Muskrat/LTA Proceeds Account is greater than nil immediately prior to such Funds Release, the amount to be advanced will be divided between a Funds Release and a WCR Release, and will result in the amount on deposit in the Muskrat/LTA Proceeds Account being reduced to nil and (iii) the first WCR Release pursuant to Section 7.11 of the

Muskrat/LTA Project Finance Agreement, where the amount on deposit in the Muskrat/LTA Proceeds Account is nil immediately prior to such advance, the full amount will be advanced as a WCR Release and (iv) any advance after the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, the full amount will be advanced as a WCR Release.

9. This amount is determined by subtracting line 4, line 7 and line 8 of this Schedule from line 6 of this Schedule.



**SCHEDULE "D"**

**MF EQUITY RATEABLE SHARE OF FUNDING REQUIREMENTS OF MUSKRAT**

- 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 Eligible 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 (after subtracting the Aggregate Muskrat Eligible Account Balances) is: CDN\$   **Note 5**
  6. the amount of the equity Investment made in Muskrat in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement is: CDN\$   **Note 6**
- B. Aggregate amount of equity to be invested**
7. the equity investment required to be made to complete funding of the MF Equity Rateable Share of the Funding Requirements of Muskrat is: CDN\$   **Note 7**

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**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 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. Where this subtraction results in a negative amount, insert 0.

**SCHEDULE "E"**

**CALCULATION OF FUNDING REQUIREMENTS OF LABRADOR TRANSCO**

**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\$ Note 1
2. the deficiency in the Working Capital Reserve Account (5230661) attributable to LTA Project Costs amounts to: CDN\$ Note 2
3. the amount of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement is: CDN\$ Note 3
4. the contingency amount representing 5% of the amount in line 9 below amounts to: CDN\$ \_\_\_\_\_
5. the Funding Requirements of Labrador Transco amount to: CDN\$ Note 4

**B. Calculation of the Eligible Project Costs for the LTA (See Schedule "Q" Note 5)**

6. Hard Costs for the LTA incurred to and invoiced up to the Effective Date amount to: CDN\$ \_\_\_\_\_
7. Soft Costs for the LTA incurred to and invoiced up to the Effective Date amount to: CDN\$ \_\_\_\_\_
8. all other LTA Project Costs incurred to and invoiced up to the Effective Date amount to: CDN\$ Note 6
9. LTA Project Costs expected to be incurred to and invoiced after the Effective Date until the Funds Release Date amount to: CDN\$ Note 7
10. the aggregate amount of Eligible Project Costs for the LTA to be funded pursuant to this Funding request amounts to: CDN\$ Note 8

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**Notes:**

1. Insert amount in line 10 of this Schedule.

2. Where the funding of the Funding Requirements is made prior to the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, this amount is equal to the difference between the Minimum WCR Requirement and the amount on deposit in the Working Capital Reserve Account, and then subtracting therefrom all amounts that were withdrawn from the Working Capital Reserve Account in order to fund MF Project Costs. Where the result of this calculation is a negative number, insert 0. Where the funding of the Funding Requirements is made concurrently with the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement or at any time thereafter, this amount is equal to 0.
3. Insert the amount of the equity Investment made in LTA at any time during the period commencing on the day following the Effective Date of the immediately preceding Funding Request and ending on the Effective Date of this Funding Request, the whole in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement.
4. This amount is equal to the sum of lines 1 to 4 of this Schedule, inclusively.
5. The LTA Project Costs identified in lines 6, 7, 8 and 9 of this Schedule must be LTA Project Costs with respect to work done and goods delivered prior to the Effective Date or with respect to deposits on contracts and in each case with respect to which no previous Funding Request has been issued or with respect to which a Funding Request has previously been issued and the proceeds thereof form, or have formed, part of Aggregate Labrador Transco Eligible Account Balances identified in clause (b) (y) of the definition of "Aggregate Labrador Transco Eligible Account Balances".
6. 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 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, 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 and whether such Project Costs are invoiced to Labrador Transco, Devco or Nalcor.
7. This amount includes all Hard Costs, Soft Costs and other LTA Project Costs expected to be incurred to and invoiced after the Effective Date until the Funds Release Date.
8. This amount is equal to the sum of lines 6 to 9 of this Schedule, inclusively.

**SCHEDULE "F"**

**CALCULATION OF AGGREGATE LABRADOR TRANSCO ELIGIBLE ACCOUNT  
BALANCES**

**A. Calculation of Aggregate Labrador Transco Eligible Account Balances**

1. the balance on deposit in the Labrador Transco Project Funding Account (5230785) is: CDN\$ Note 1
  
2. the Income on Account Balances deriving from amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request amounts to: CDN\$ Note 2
  
3. the balance of any amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request, and that had been deposited therein to fund LTA Project Costs that have since been fully satisfied for a lesser amount is: CDN\$ Note 2
  
4. the balance of any amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding LTA Project Costs expected to be invoiced after the Effective Date of such Funding Request and by the related Funds Release Date or WCR Release Date (relating to a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement), as the case may be, but with respect to which, as at the Effective Date of this Funding Request, invoices have been received for an amount less than anticipated in such previous Funding Request is: CDN\$ Note 2
  
5. the balance of any amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request, and that had been so deposited for purposes of funding LTA Project Costs that, at the time of the Effective Date of such Funding Request, were expected to be invoiced at a later date, but with respect to which no invoice has been received by the Effective Date of this Funding Request is: CDN\$ Note 2
  
6. the balance of any amounts deposited in the Labrador Transco Project Operating Account (5230793) pursuant to a previous Funding Request and formed part of the contingency amount identified in line 4 of Schedule "E" of CDN\$ Note 2

such previous Funding Request, but that, as at the Effective Date of this Funding Request, have since not been used to pay for LTA Project Costs is:

7. the Aggregate Labrador Transco Eligible Account Balances is: CDN\$ Note 3
- B. Application of the Aggregate Labrador Transco Eligible Account Balances to the funding of the Funding Requirements of Labrador Transco**
8. the Funding Requirements of Labrador Transco are: CDN\$ Note 4
9. the portion of the Aggregate Labrador Transco Eligible Account Balances used to fund the Funding Requirements of Labrador Transco is: CDN\$ Note 5

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**Notes:**

1. This amount is determined after the application of paragraphs 8.8.1.2 to 8.8.1.7, 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 paragraphs 8.9.2.2, 8.9.2.3 and 8.9.2.5 of the Muskrat/LTA Project Finance Agreement;
3. This amount is equal to the sum of lines 1 to 6 of this Schedule.
4. Insert the amount in line 5 of Schedule "E".
5. This amount corresponds to the lesser of line 7 and line 8 of this Schedule.

**SCHEDULE "G"**

**LTA DEBT RATEABLE SHARE OF FUNDING REQUIREMENTS OF  
LABRADOR TRANSCO**

**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 Eligible 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 (after subtracting the Aggregate Labrador Transco Eligible Account Balances) of Labrador Transco is: CDN\$ Note 6
7. the portion of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement that exceeds the LTA Equity Rateable Share of the Funding Requirements (after subtracting the Aggregate Labrador Transco Eligible Account Balances) of Labrador Transco is: CDN\$ Note 7

**B. Aggregate amount of the required Funds Release**

8. the aggregate amount of the required Funds Release is: CDN\$ Note 8
9. the aggregate amount of the required WCR Release is: CDN\$ Note 9

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**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. 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% following the 2017 Closing Date, the LTA Debt Rateable Share corresponds to 100%, unless the LTA Debt Rateable Share of 100% would result in a DER that exceeds 65%, in which case the LTA Debt Rateable Share shall be the percentage resulting from the following calculation:

$$\frac{[0.65 \times (A + C)] - B}{C}$$

where:

**A** = the sum of **(i)** the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), **(ii)** the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, and **(iii)** the aggregate outstanding balance of the Capital Account of each of Labrador Transco and Muskrat, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of **(i)** the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), and **(ii)** the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of the Funding Requirements of each of Muskrat and Labrador Transco less the amount of the sum of the Aggregate Muskrat Eligible Account Balances and the Aggregate Labrador Transco Eligible Account Balances used to fund such combined Funding Requirements; and.

(ii) Where the funding of the Funding Requirements of Labrador Transco is made following the date on which DER first becomes equal to 65% following the 2017 Closing Date, the LTA Debt Rateable Share corresponds to:

- (A) prior to the Muskrat/LTA Proceeds Account Balance being fully released and the amounts on deposit in the Working Capital Reserve Account being nil, with respect to any Funding Requirements of Labrador Transco that are to be funded at any



particular time, and in relation to which a Funds Release is to be effected or a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, 65%;

unless, as a result of the calculations in part (A) above, Labrador Transco is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such LTA Debt Rateable Share by reason of:

- (a) the portion of such Funding Requirements represented by such LTA Debt Rateable Share exceeding the sum of Labrador Transco's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance and Labrador Transco's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account; and
- (b) Labrador Transco not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess as reduced by any such Additional Debt proposed to be incurred shall be referred to herein as the "**LTA Funding Deficiency**");

in which case the LTA Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where:

**A** = the sum of the Additional Debt proposed to be incurred, Labrador Transco's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance and Labrador Transco's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account;

**B** = the amount of such Funding Requirements less the amount of the Aggregate Labrador Transco Eligible Account Balances;

provided, however, that at all times where the Muskrat/LTA Proceeds Account has been fully released but:

- (i) Labrador Transco's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account is sufficient to meet the Funding Requirements of Labrador Transco that are to be funded and in relation to which a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, then the LTA Debt Rateable Share of such Funding Requirements shall mean 100%; and
- (ii) Labrador Transco's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account is insufficient to meet the Funding Requirements of Labrador Transco that are to be funded and in relation to which a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, then the LTA Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where "A" and "B" shall each have the same definition as above;

- (B) at all times thereafter, with respect to any Funding Requirements of Labrador Transco that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, the lesser of 65% and the percentage resulting from the following calculation:

*the amount of Additional Debt proposed to be incurred  
by Labrador Transco to fund such Funding Requirements  
such Funding Requirements*

- 6. This amount is determined by multiplying line 5 of this Schedule by line 3 of this Schedule.
- 7. This amount is determined by subtracting line 5 of Schedule "H" from line 6 of Schedule "H". Where the result of the subtraction is a negative amount, insert 0.
- 8. This amount is determined by subtracting line 4 and line 7 of this Schedule from line 6 of this Schedule. If the Funding Request relates to (i) any Funds Release prior to the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, the full amount will be advanced from the amount on deposit in the Muskrat/LTA Proceeds Account, (ii) the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, where the amount on deposit in the Muskrat/LTA Proceeds Account is greater than nil immediately prior to such Funds

Release, the amount to be advanced will be divided between a Funds Release and a WCR Release, and will result in the amount on deposit in the Muskrat/LTA Proceeds Account being reduced to nil and (iii) the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, where the amount on deposit in the Muskrat/LTA Proceeds Account is nil immediately prior to such advance, the full amount will be advanced as a WCR Release and (iv) any advance after the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, the full amount will be advanced as a WCR Release.

9. This amount is determined by subtracting line 4, line 7 and line 8 of this Schedule from line 6 of this Schedule.

**SCHEDULE "H"**

**LTA EQUITY RATEABLE SHARE OF FUNDING REQUIREMENTS OF  
LABRADOR TRANSCO**

**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 Eligible 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 (after subtracting the Aggregate Labrador Transco Eligible Account Balances) of Labrador Transco is: CDN\$ Note 5
  
6. the amount of the equity Investment made in Labrador Transco in accordance with paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement is: CDN\$ Note 6

**B. Aggregate amount of equity to be invested**

7. the equity investment required to be made to complete funding of the LTA Equity Rateable Share of the Funding Requirements of Labrador Transco is: CDN\$ Note 7

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**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 LTA Equity Rateable Share corresponds to 100% minus line 5 of Schedule "G".

**PUB-Nalcor-019, Attachment 8**  
**Rate Mitigation Options and Impacts Reference, Page 265 of 385**

SCHEDULE "P" – PAGE 27  
SECOND AMENDED AND RESTATED MF/LTA PROJECT FINANCE AGREEMENT

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. Where this subtraction results in a negative amount, insert 0.

**SCHEDULE "I"**

**REQUESTED TRANSFERS**

**SCHEDULE "J"**

**MUSKRAT PERMITTED INVESTMENTS**

**[NOTE TO DRAFT: Please include details regarding the Permitted Investments in the Muskrat Project Accounts.]**

**SCHEDULE "K"**

**MUSKRAT RECONCILIATION**


**[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 and any WCR Release and Equity Funding Notice provided during the prior month.]**

**[NOTE TO DRAFT: Please include a reconciliation of Project Costs funded from the Muskrat Project Operating Account pursuant to paragraph 8.3.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month.]**



**SCHEDULE "L"**

**MUSKRAT SOFT COSTS**

(as at )

**[NOTE TO DRAFT: Calculations of Soft Costs for the MF Plant as at the Effective Date of the most recent Construction Report to be included.]**

**SCHEDULE "M"**

**LABRADOR TRANSCO PERMITTED INVESTMENTS**

**[NOTE TO DRAFT: Please include details regarding the Permitted Investments in the Labrador Transeo Project Accounts.]**

**SCHEDULE "N"**

**LABRADOR TRANSCO RECONCILIATION**

**[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 and any WCR Release and Equity Funding Notice provided during the prior month.]**

**[NOTE TO DRAFT: Please include a reconciliation of Project Costs funded from the Labrador Transco Project Operating Account pursuant to paragraph 8.9.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month.]**

**SCHEDULE "O"**


**LABRADOR TRANSCO SOFT COSTS**

(as at <@>)

**[NOTE TO DRAFT: Calculations of Soft Costs for the LTA as at the Effective Date of the most recent Construction Report to be included.]**

**SCHEDULE "P"**

**MF PROJECT COSTS**

(as at )

**SCHEDULE "Q"**

**LTA PROJECT COSTS**

(as at <@>)

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 Second Amended and Restated MF/LTA Project Finance Agreement dated as of May 10, 2017 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 (as further amended, supplemented or restated from time to time, the "**Finance Agreement**") and Her Majesty 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 Second Amended and Restated Master Definitions Agreement dated as of May 10, 2017 among, *inter alia*, the Borrower, the Lender and the Collateral Agent, as further amended, supplemented or restated from time to time.

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 funds release requirements of Section 7.3/7.4/7.5/7.6/7.7, as applicable, with the following exceptions:

[ \_\_\_\_\_  
\_\_\_\_\_ ]

3. Assuming the Borrower and Devco exercise proper engineering and construction management throughout the remainder of the Project, we have no reason to believe that the Commissioning Date will not occur prior to the Date Certain, or that the total Project Costs will exceed [ \$ \_\_\_\_\_ ] with the following exceptions:

[ \_\_\_\_\_  
\_\_\_\_\_ ]

This Draw Confirmation Certificate is solely for the information and assistance of the Collateral Agent and Canada in connection with the Funding Request and shall not be used, circulated or relied upon for any other purpose or by any other party.

Dated: \_\_\_\_\_

**MWH CANADA, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_



SCHEDULE "R"

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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 / 2017 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, subject to Section 1.13 of the MDA, 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)<sup>1</sup>.
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):

---

<sup>1</sup> 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.

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\$   **Note 1**
- (c) Cash Operating Costs CDN\$ \_\_\_\_\_
- (ii) the Total Debt Service for the period of the most recently completed twelve (12) calendar months: CDN\$   **Note 2**
- 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 or Bullet Additional Debt, 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>  <b>Note 1</b>  </u>
(c) Cash Operating Costs	CDN\$ _____
(ii) the Total Debt Service for such period:	CDN\$ <u>  <b>Note 2</b>  </u>
 <b>Prospective DSCR = <math>\frac{(i)}{(ii)}</math> =</b>	 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 or Bullet Additional Debt, 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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 first Drawdown will be apportioned rateably amongst each of the Initial Tranches. The second Drawdown will be apportioned rateably amongst each of the New Tranches.
3. Insert proposed Drawdown Date.



**SCHEDULE "T"**

**MINIMUM DSRA REQUIREMENT**

On the date indicated below, 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"**

**INITIAL PROJECT BUDGET AND JUNE 2016 PROJECT BUDGET**

(See attached)

**PART I**

**INITIAL PROJECT BUDGET**

- A) **Hard Costs**  
(See attached)

LOWER CHURCHILL PROJECT - PHASE 1

Project Budget - Hard Costs

28-Nov-13

Muskrat Falls

Description	Budget
Owner, Admin and EPCM	\$ 378,968,887
Feasibility engineering	\$ 18,344,723
Environmental and regulatory compliance	\$ 20,311,596
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

**B) Soft Costs**

(See attached)

**LOWER CHURCHILL PROJECT - PHASE 1**  
**Project Budget - Soft Costs**  
**31-Jan-14**

**Muskrat Falls**

<b>Description</b>	<b>Budget</b>
Underwriting Fees	\$ 6,723,317
Collateral & Fiscal Agent Fees	\$ 465,539
Trustee & Administrator Fees	\$ 264,891
Credit Rating Agencies	\$ 4,136,107
Independent Engineer & Insurance Consultant	\$ 3,687,418
Legal & Financial Advisory	\$ 9,897,471
Administrative & Other Related Costs	\$ 1,021,048
Interest During Construction (Net)	\$ 313,153,728
Innu Payments	\$ 30,160,504
<b>Total</b>	<b>\$ 369,510,022</b>



**LOWER CHURCHILL PROJECT - PHASE 1**  
**Project Budget - Soft Costs**  
**31-Jan-14**

**Labrador Transmission Assets**

<b>Description</b>	<b>Budget</b>
Underwriting Fees	\$ 1,475,850
Collateral & Fiscal Agent Fees	\$ 102,192
Trustee & Administrator Fees	\$ 58,147
Credit Rating Agencies	\$ 996,333
Independent Engineer & Insurance Consultant	\$ 827,141
Legal & Financial Advisory	\$ 1,859,402
Administrative & Other Related Costs	\$ 222,485
Interest During Construction (Net)	\$ 70,264,951
<b>Total</b>	<b>\$ 75,806,501</b>

**PART II**

**JUNE 2016 PROJECT BUDGET**

**A) Hard Costs**

(See attached)

**Muskrat Falls  
 June 2016 Project Budget - Hard Costs**

Description	Budget
Owners Team, Admin & EPCM Services	\$ 536,422,965
Feasibility Engineering	\$ 17,625,535
Environmental & Regulatory Compliance	\$ 25,824,610
Aboriginal Affairs	\$ 15,369,836
Procurement & Construction	\$ 3,927,984,433
Commercial & Legal	\$ 42,430,555
Contingency	\$ 235,754,502
Sub Total	\$ 4,801,412,436
Transition to Operations / Pre-Commissioning Costs	\$ 28,071,975
<b>Total</b>	<b>\$ 4,829,484,411</b>

**Labrador Transmission Assets  
 June 2016 Project Budget - Hard Costs**

Description	Budget
Owners Team, Admin & EPCM Services	\$ 144,957,895
Feasibility Engineering	\$ 220,033
Environmental & Regulatory Compliance	\$ 811,327
Aboriginal Affairs	\$ 188,302
Procurement & Construction	\$ 709,643,025
Commercial & Legal	\$ 3,891,286
Contingency	\$ 17,845,509
Sub Total	\$ 877,557,377
Transition to Operations / Pre-Commissioning Costs	\$ 13,304,612
<b>Total</b>	<b>\$ 890,861,989</b>

**B) Soft Costs**

On the date indicated below, 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"**

**INITIAL 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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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.

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 "A"**

**EXAMPLE CALCULATION**

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 under the Initial Tranches or, as the case may be, under the New Tranches; **(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 Redemption Date; and **(iii)** the Muskrat/LTA Make-Whole Amount.

SCHEDULE "X"

WCR RELEASE AND EQUITY FUNDING NOTICE

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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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.

**[Note: The following italicized text is applicable in respect of a WCR Release pursuant to Section 7.10 of the Muskrat/LTA Project Finance Agreement.]**

*Pursuant to subsection 7.10 of the Muskrat/LTA Project Finance Agreement, we hereby request a WCR Release from the Working Capital Reserve Account (5230661) for deposit into the [Muskrat / Labrador Transco] Project Operating Account [<@>(5230718)/(5230793)<@>] 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: The following italicized paragraph is to be included where the previous italicized paragraph has been included and 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 (5230661) 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 CDNS Note 5 will be made on or prior to the WCR Release Date.*

**[Note: The following italicized text is applicable in respect of a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement.]**

*Pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, we hereby request a WCR Release from the Working Capital Reserve Account (5230661) for deposit into the [Muskrat / Labrador Transco] Project Funding Account [(<@>5230696)/(5230785)<@>] in an amount of CDNS Note 6 on Note 7. This amount is in addition to the amount of Note 8 to be funded further to a Funds Release as per the Funds Release Request delivered concurrently herewith.*

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.

**[Note: The following italicized paragraph is to be included where a WCR Release is to be effected pursuant to Section 7.10 of the Muskrat/LTA Project Finance Agreement.]**

*You will find attached all supporting documentation and information sufficient to justify the necessity to fund Eligible Project Costs by way of a WCR Release prior to the subsequent Funds Release Date.*

*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. In the case of a WCR Release pursuant to Section 7.10 of the Muskrat/LTA Project Finance Agreement, the WCR Release and Equity Funding Notice must be delivered at least one (1) Business Day prior to the WCR Release Date. In the case of a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement, the WCR Release and Equity Funding Notice must be delivered concurrently with the relevant Funds Release Request (i.e. at least six (6) Business Days prior to the WCR Release Date, or in the case of a WCR Release and Equity Funding Notice delivered in May or November, at least seven (7) Business Days 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 (see Note 1 for timing of WCR Release Date).
4. Insert the aggregate amount of Eligible Project Costs for the MF Plant or LTA, as the case may be, 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).
6. The amount of the WCR Release must be less or equal to the amount on deposit in the Working Capital Reserve Account, and must be equal to the amount inserted in Note 4 of the Funds Release Request delivered concurrently herewith.
7. Insert the proposed WCR Release Date, which must be the same as the Funds Release Date identified in the Funds Release Request delivered concurrently herewith.
8. Insert the amount of the Funds Release requested pursuant to the Funds Release Request delivered concurrently herewith.

**SCHEDULE "Y"**

**SINKING FUND PAYMENT**

(see attached)



<b>MFLTA Schedule Y</b>		
<b><u>Date</u></b>	<b><u>Contributions</u></b>	<b><u>Balance</u></b>
1-Dec-20	36,111,112	36,111,112
1-Jun-21	36,111,112	72,222,223
1-Dec-21	36,111,112	108,333,335
1-Jun-22	36,111,112	144,444,447
1-Dec-22	36,111,112	180,555,558
1-Jun-23	36,111,112	216,666,670
1-Dec-23	36,111,112	252,777,782
1-Jun-24	36,111,112	288,888,893
1-Dec-24	36,111,112	325,000,005
1-Jun-25	36,111,112	361,111,117
1-Dec-25	36,111,112	397,222,228
1-Jun-26	36,111,112	433,333,340
1-Dec-26	36,111,112	469,444,452
1-Jun-27	36,111,112	505,555,563
1-Dec-27	36,111,112	541,666,675
1-Jun-28	36,111,112	577,777,787
1-Dec-28	36,111,112	613,888,898
30-May-29	36,111,112	-
1-Dec-29	42,187,500	42,187,500
1-Jun-30	42,187,500	84,375,000
1-Dec-30	42,187,500	126,562,500
1-Jun-31	42,187,500	168,750,000
1-Dec-31	42,187,500	210,937,500
1-Jun-32	42,187,500	253,125,000
1-Dec-32	42,187,500	295,312,500
1-Jun-33	42,187,500	337,500,000
1-Dec-33	42,187,500	379,687,500
1-Jun-34	42,187,500	421,875,000
1-Dec-34	42,187,500	464,062,500
1-Jun-35	42,187,500	506,250,000
1-Dec-35	42,187,500	548,437,500
1-Jun-36	42,187,500	590,625,000
1-Dec-36	42,187,500	632,812,500
28-May-37	42,187,500	-
1-Dec-37	55,434,783	55,434,783
1-Jun-38	55,434,783	110,869,566
1-Dec-38	55,434,783	166,304,349
1-Jun-39	55,434,783	221,739,132
1-Dec-39	55,434,783	277,173,915
1-Jun-40	55,434,783	332,608,698
1-Dec-40	55,434,783	388,043,481
1-Jun-41	55,434,783	443,478,264
1-Dec-41	55,434,783	498,913,047
1-Jun-42	55,434,783	554,347,830
1-Dec-42	55,434,783	609,782,613
1-Jun-43	55,434,783	665,217,396
1-Dec-43	55,434,783	720,652,179
1-Jun-44	55,434,783	776,086,962
1-Dec-44	55,434,783	831,521,745
1-Jun-45	55,434,783	886,956,528
1-Dec-45	55,434,783	942,391,311
1-Jun-46	55,434,783	997,826,094
1-Dec-46	55,434,783	1,053,260,877
1-Jun-47	55,434,783	1,108,695,660
1-Dec-47	55,434,783	1,164,130,443
1-Jun-48	55,434,783	1,219,565,226
27-Nov-48	55,434,783	-

**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 (issued by or fully guaranteed by) and AAA Corporates	0%	50%	AAA	Provinces 12.5% Corporate 5%
AA Provinces (issued by or fully guaranteed by)	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


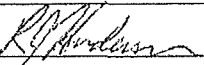
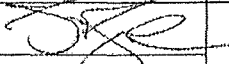
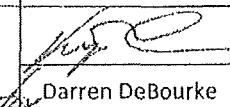
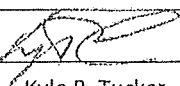
Comments:  <p style="text-align: center;"><b>Issued for Decision Gate 3</b></p>	Total # of Pages (Including Cover): 37
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Status/Revision	Date	Reason For Issue	Prepared By Engineering Manager	Checked By Deputy PM (Generation + Island Link)	Project Manager (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
<b>CONFIDENTIALITY NOTE:</b>			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.				

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**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.

<b>Basis of Design</b>	A compilation of the fundamental criteria, principles and/or assumptions upon which design philosophies and engineering design briefs will be developed.
<b>Bulkhead Gates</b>	Steel gates used to isolate water passages for inspection or maintenance, which are installed and removed under balanced pressures.
<b>Cavitation Resistant Design</b>	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.
<b>Change Control Board</b>	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.



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<b>Cofferdam</b>	A temporary barrier for excluding water from an area that could otherwise be submerged.
<b>Construction Flood</b>	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.
<b>Converter Station</b>	A <i>converter station</i> consists of equipment that converts power from ac to dc (rectifier) and dc to ac (inverter).
<b>Counterpoise</b>	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.
<b>Electrode</b>	A grounded means to provide a return path for unbalanced dc current for HVdc transmission system, enabling it to operate in mono-polar mode.
<b>Electrode Line</b>	A transmission line connecting the <i>electrode</i> site to the <i>converter station</i> .
<b>Fail Safe Design</b>	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.
<b>Fish Compensation Flow</b>	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.
<b>Fish Habitat Compensation</b>	This involves replacing the loss of fish habitat with newly created habitat or improving the productive capacity of some other natural habitat.

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<b>Flip Bucket</b>	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.
<b>Francis Turbine</b>	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> .
<b>Full Supply Level</b>	The maximum normal operating water level, corresponding to the top of the live storage, in a reservoir.
<b>Generator</b>	An assembly of stationary and rotating components coupled to the turbine converting mechanical energy to electrical energy.
<b>Good Utility Practice</b>	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.
<b>Kaplan Turbine</b>	A reaction type, axial flow, adjustable blade turbine that converts hydraulic energy to mechanical energy.
<b>Life Cycle Cost Analysis</b>	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.
<b>Low Supply Level</b>	The minimum normal operating water level, corresponding to the bottom of the live storage, in a reservoir.

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<b>Mass Impregnated (MI)</b>	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.
<b>Mitigation</b>	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.
<b>Overhead Ground Wire (OHGW)</b>	Provides lightning protection for the power conductors. When used, direct lightning strikes are minimized, and potential disturbances due to lightning are reduced.
<b>Optical Ground Wire (OPGW)</b>	Performs the same function as <i>Overhead Ground Wire</i> ; however, it also carries a fibre optic communication system within the wire strands.
<b>Penstock</b>	A conduit that conveys water from the intake to the turbine.
<b>Plunge Pool</b>	A deep depression downstream of a spillway into which spilled water “plunges” to dissipate energy.
<b>Probable Maximum Flood (PMF)</b>	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”.
<b>Proven Technology</b>	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).

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<b>Rehabilitation</b>	Measures taken to remedy environmental damage to the environment.
<b>Reliability Level Return Period</b>	A statistical measurement denoting the average recurrence interval over an extended period of time. Used to estimate loads to design transmission lines.
<b>Rotor</b>	The multi-poled rotating component of the <i>generator</i> .
<b>Split Yard</b>	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.
<b>Stoplog</b>	Steel sections used to isolate water passages for inspection or maintenance and are installed and removed under balanced pressures.
<b>Tailrace</b>	A watercourse that carries water away from a turbine or powerhouse.
<b>Terrestrial Habitat Compensation</b>	Specific mitigations that would encourage the development of riparian and wetland habitat.
<b>Trash Boom</b>	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> .
<b>Trash Racks</b>	Equally spaced rectangular bars installed at the entrance to the intake to protect the turbine from impinging objects.
<b>Waste Management</b>	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.
<b>Wicket Gates</b>	Adjustable guide vanes used to regulate the flow of water into a turbine.

#### **4.0 Abbreviations and Acronyms**

<b>ac</b>	alternating current
<b>ADSS</b>	All Dielectric Self-Supporting
<b>BCC</b>	Backup Control Center
<b>BMS</b>	Building Management Systems
<b>BOD</b>	<i>Basis of Design</i>
<b>CCTV</b>	Closed Circuit Television
<b>CF</b>	Churchill Falls Generating Facility
<b>CFRD</b>	Concrete Faced Rockfill Dam
<b>CPU</b>	Central Processing Unit
<b>CTS</b>	Cellular Telephone System
<b>dc</b>	direct current
<b>DFO</b>	Department of Fisheries and Oceans
<b>EPP</b>	Environmental Protection Plan
<b>ECC</b>	Energy Control Centre
<b>FSL</b>	<i>Full Supply Level (Reservoir)</i>
<b>GI</b>	Gull Island Generating Facility
<b>HADD</b>	Harmful Alteration Damage or Disruption (Fish Habitat)
<b>HDD</b>	Horizontal Directional Drilling
<b>HVac</b>	High Voltage alternating current
<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>HVdc</b>	High Voltage direct current
<b>HVGB</b>	Happy Valley – Goose Bay
<b>kV</b>	kilovolts
<b>kWs</b>	Kilo Watt Seconds
<b>kVA</b>	Kilo Volt Amp
<b>LCC</b>	Line Commutated Converter
<b>LCP</b>	Lower Churchill Project
<b>LEED</b>	Leadership In Energy and Environmental Design
<b>LITL</b>	Labrador – Island Transmission Link Project
<b>LMRS</b>	Land Mobile Radio System
<b>LSL</b>	<i>Low Supply Level (Reservoir)</i>

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<b>LTA</b>	Labrador Transmission Asset Project
<b>MF</b>	Muskrat Falls Generating Facility
<b>MFL</b>	Maximum Flood Level (Reservoir)
<b>MI</b>	<i>Mass Impregnated</i>
<b>MIS</b>	Mobile Internet System
<b>MVA</b>	Mega Volt Ampere
<b>MVAR</b>	Mega Volt Ampere Reactive
<b>MW</b>	MegaWatt
<b>NE</b>	Nalcor Energy
<b>NMS</b>	Network Management Systems
<b>OHGW</b>	<i>Over-Head Ground Wire</i>
<b>OLTC</b>	On-load Tap Changer
<b>OPGW</b>	<i>Optical Ground Wire</i>
<b>OTN</b>	Optical Transport Network
<b>pf</b>	power factor
<b>PMF</b>	<i>Probable Maximum Flood</i>
<b>RCC</b>	Roller Compacted Concrete
<b>ROW</b>	Right of Way
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SACS</b>	Security and Access Control System
<b>SLD</b>	Single Line Diagram
<b>SOBI</b>	Strait of Belle Isle
<b>SONET</b>	Synchronous Optical Network
<b>TBD</b>	To Be Determined
<b>TL</b>	Transmission Line
<b>TLH</b>	Trans Labrador Highway
<b>Vac</b>	Voltage Alternating Current
<b>Vdc</b>	Voltage Direct Current
<b>VSC</b>	Voltage Source Converter

## 5.0 Reference Documents and/or Associated Forms

### Engineering Studies comprising the 2007/2008/2009/2010 Engineering Program

#### Gull Island Generating Facility

- GI1010 Gull Island 2007 Site Investigation
- GI1013 Gull Island 2008 Site Investigation
- GI1015 Inspection and Structural Analysis Goose Bay Dock
- GI1017 Update Report - Reassessment of Gull Island Diversion
- GI1020 Study of Concrete Face Rockfill Dam (CFRD) Alternative
- GI1030 Powerhouse Configuration
- GI1050 Tailrace Channel Improvements Phase 1 – Preliminary Assessment
- GI1060 Review of Structure Layouts and Interfaces
- GI1061 Review of Structure Layouts and Interfaces, 5x450 MW
- GI1070 Ice Study (Gull Island and Muskrat Falls) (by Hatch)
- GI1071 Ice Studies (Gull Island) (by SNCL)
- GI1076 Ice Observation Program (2010-2011)
- GI1090 Review of Construction Camp and Other Infrastructure
- GI1100 Review of Access Roads and Bridges
- GI1110 Hydraulic Modeling of River
- GI1130 River Operation during Construction & Impounding
- GI1140 PMF and Construction Design Flood Study
- GI1141 Upper Churchill PMF and Flood Handling Procedures Update
- GI1170 Seismicity Analysis
- GI1180 Review of Site Access, Goose Bay and Off-Site Infrastructure
- GI1190 Dam Break Study
- GI1200 Gull Island Constructability Review
- GI1230 Gull Island Site Information for Tenderers
- GI1280 Gull Island – Diversion Facilities Numerical Modeling
- GI1281 Gull Island – Power Intake and Spillway Facilities – Numerical Modeling
- GI1282 Gull Island – Diversion Facilities Physical Modeling Technical Specifications
- GI1290 Hydraulic Production Model
- GI1300 Gull Island 2008 Report Plates (drawings)
- GI1310 Workshop Report on Design and Operational Problems Resulting from Reservoir Preparation
- GI1602 Bank Stability and Fish Habitat Deltas

#### Muskrat Falls Generating Facility

- MF1010 Review of Variants
- MF1020 Muskrat Falls Site Investigations
- MF1050 Spillway Design Review
- MF1080 Review of Construction Camp and Other Infrastructure
- MF1090 Review of Access Roads and T&W Bridge

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- MF1091 Desktop Study – Implications/Consequences of Constructing Muskrat Falls Prior to Gull Island
- MF1120 Potential Impact of Reservoir Flooding on the TLH
- MF1130 River Operation during Construction and Impounding
- MF1250 Numerical Modeling of Muskrat Falls Structures
- MF1260 Condition Assessment of Existing Pumpwell System (2007)
- MF1271 Condition Evaluation of Wells and Pumps in the Muskrat Falls Pumpwell System (2009)
- MF1272 Installation of New Piezometers in the Muskrat Falls Pumpwell System
- MF1281 Pumpwell System Telecommunication Upgrades
- MF1300 2010 Field Investigation Program
- MF1310 Site Access Review
- MF1320 Power and Energy Study
- MF1330 Report #1: Hydraulic Model of the River - 2010 Update
- MF1330 Report #2: PMF and Construction Design Study
- MF1330 Report #3: Dam Break Study
- MF1330 Report #4: Ice Study
- MF1330 Report #5: Review of Gull Island 1:60 year Construction Design Flood
- MF1330 Report #6: Regulation Study
- MF1340 Review and Confirmation of Structure Layout Interfaces
- MF1360 Review of Numerical Modeling
- MF1380 Site Information for Tenderers
- MF1390 Review Impacts of Earlier Construction of MF on GI and Later Construction of GI on MF

HVAc Transmission Systems

- AC1020 Tower type selection, 735 kV
- AC1030 Field Investigations and Construction Requirements - 735 kV TL - GI to CF
- AC1050 Tower type selection, 230 kV
- AC1060 Field Investigations and Construction Requirements - 230 kV TL - GI to MF
- AC1080 Load Control and Failure Containment
- AC1090 Assess Cable De-icing
- AC1100 Conductor Selection
- AC1130 Corridor Selection & Construction Infrastructure - 735 kV Transmission Line - Gull Island to Quebec Border

HVdc Transmission Systems

- DC1010 Voltage and Conductor Optimization
- DC1020 HVdc System Integration Study
- DC1050 Corridor Selection & Construction Infrastructure-Gull Island to Soldiers Pond
- DC1051 Field Investigations – HVdc TL – Gull Island to Soldiers Pond
- DC1060 Corridor Selection & Construction Infrastructure-Taylor's Brook to Cape Ray
- DC1070 Preliminary Meteorological Load Review



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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 m<sup>3</sup>/s based on a 1:20 year return period.
- *Fish Compensation Flow* will be approximately 550 m<sup>3</sup>/s equivalent to 30% of mean annual flow.
- *Fish Compensation Flow* will be through spillway structure.

Basis of Design

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2300 Dams & Cofferdams - General

- Development flood capacity is based on the PMF, equal to 25,060 m<sup>3</sup>/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.

Basis of Design

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- 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 telecommunication services and infrastructure during the construction phase to the end of the Project along the 315 kV HVac and the  $\pm 350$  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,  $\pm 350$  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,  $\pm 350$  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,  $\pm 350$  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.

Basis of Design

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**A.0 Activity Flow Chart**

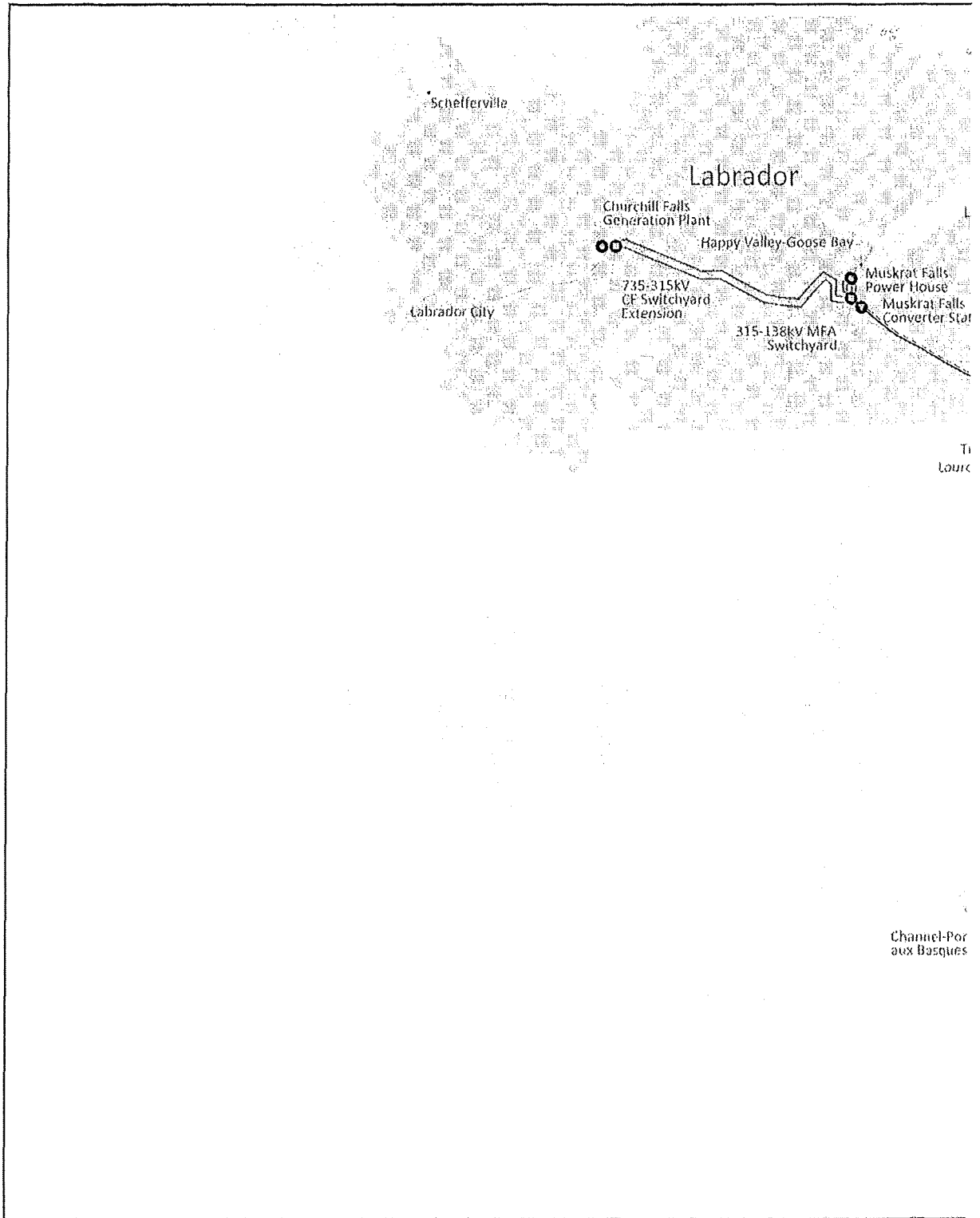
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**B.0 Attachments/Appendices**

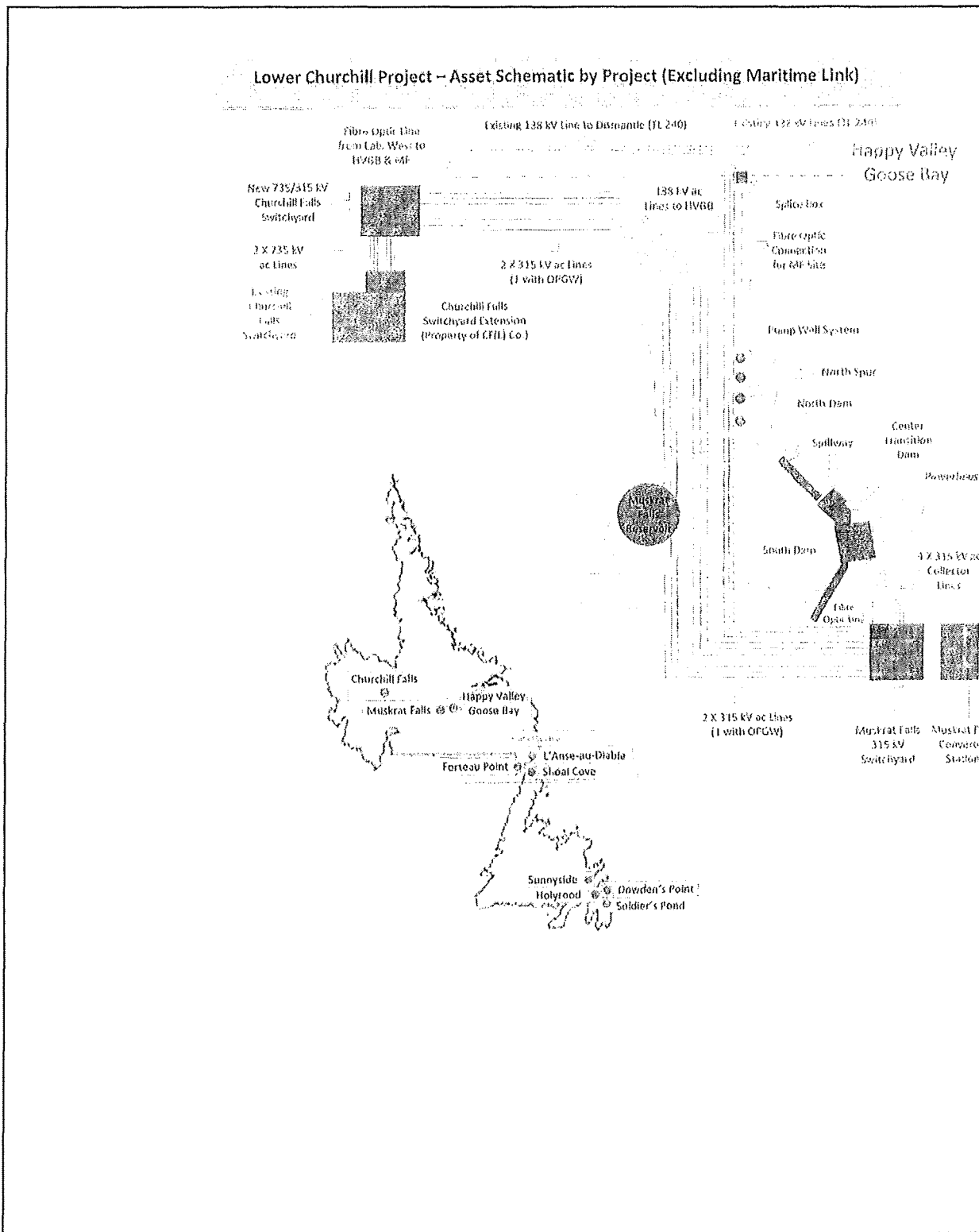
**B.1 DRAWINGS**

1. Key Plan
2. Schematic
3. Single Line Diagram
4. Muskrat Falls – General Arrangement
5. Muskrat Falls - Elevation
6. Muskrat Falls

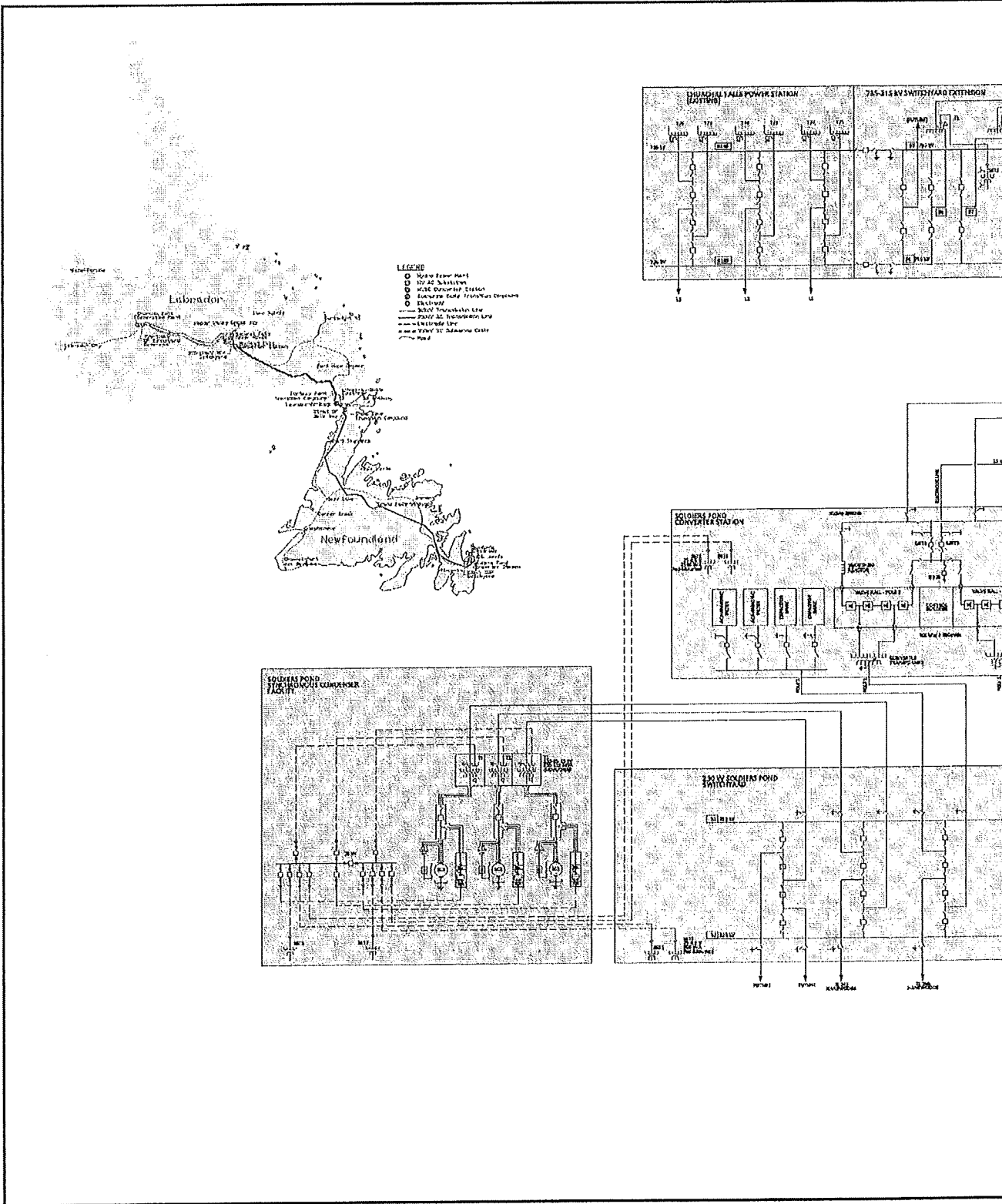
Basis of Design



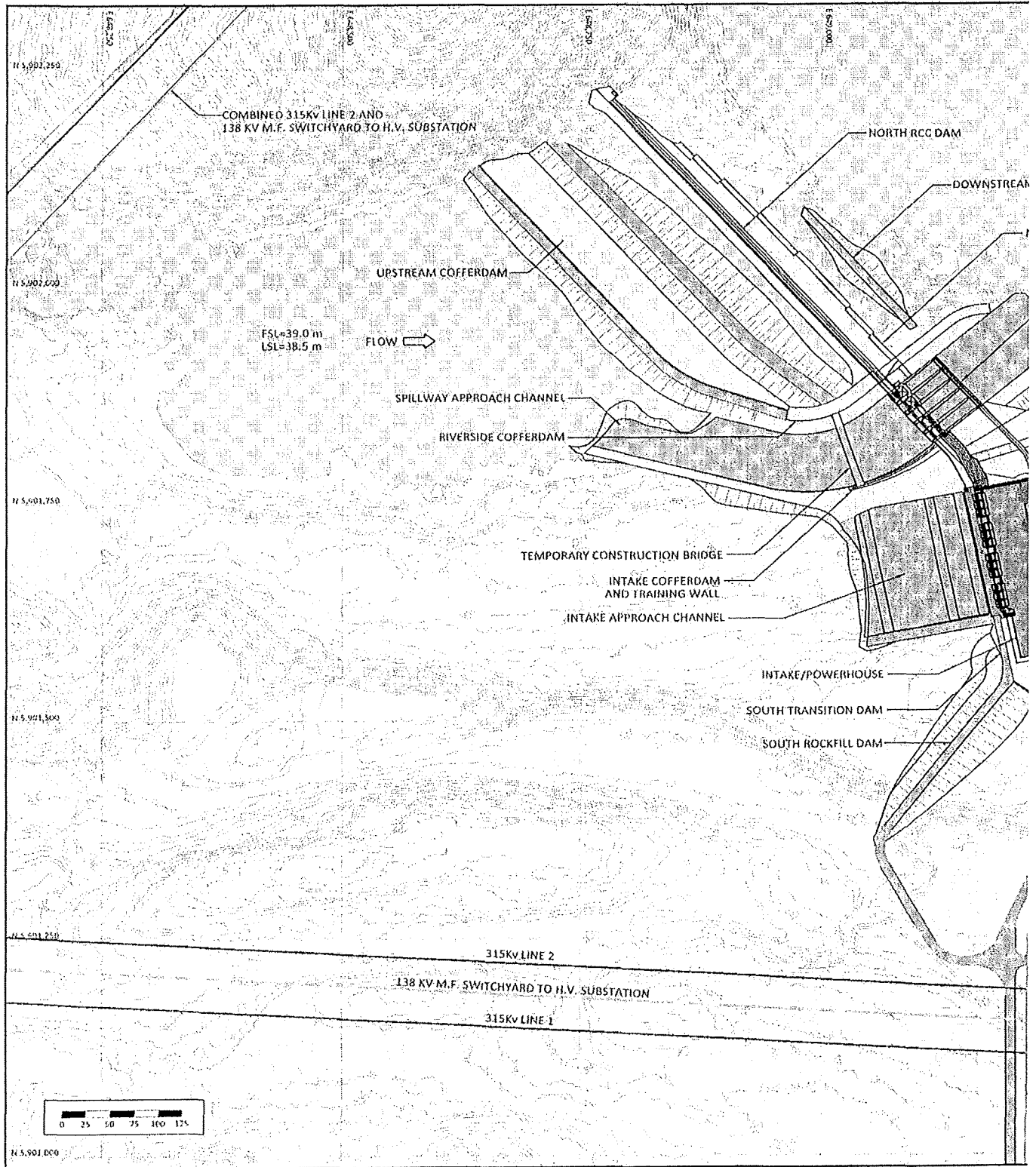
Basis of Design



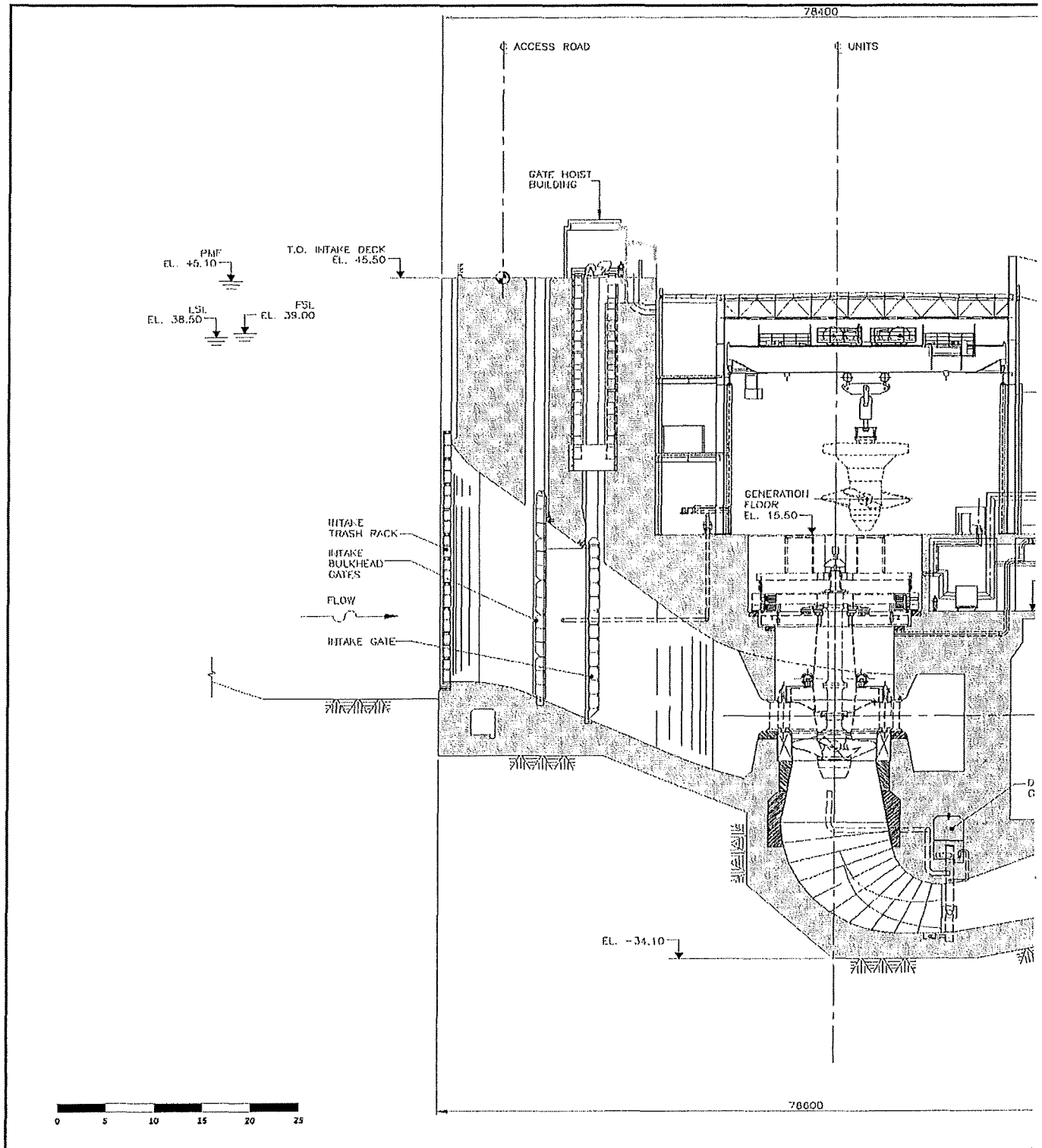
Basis of Design



Basis of Design



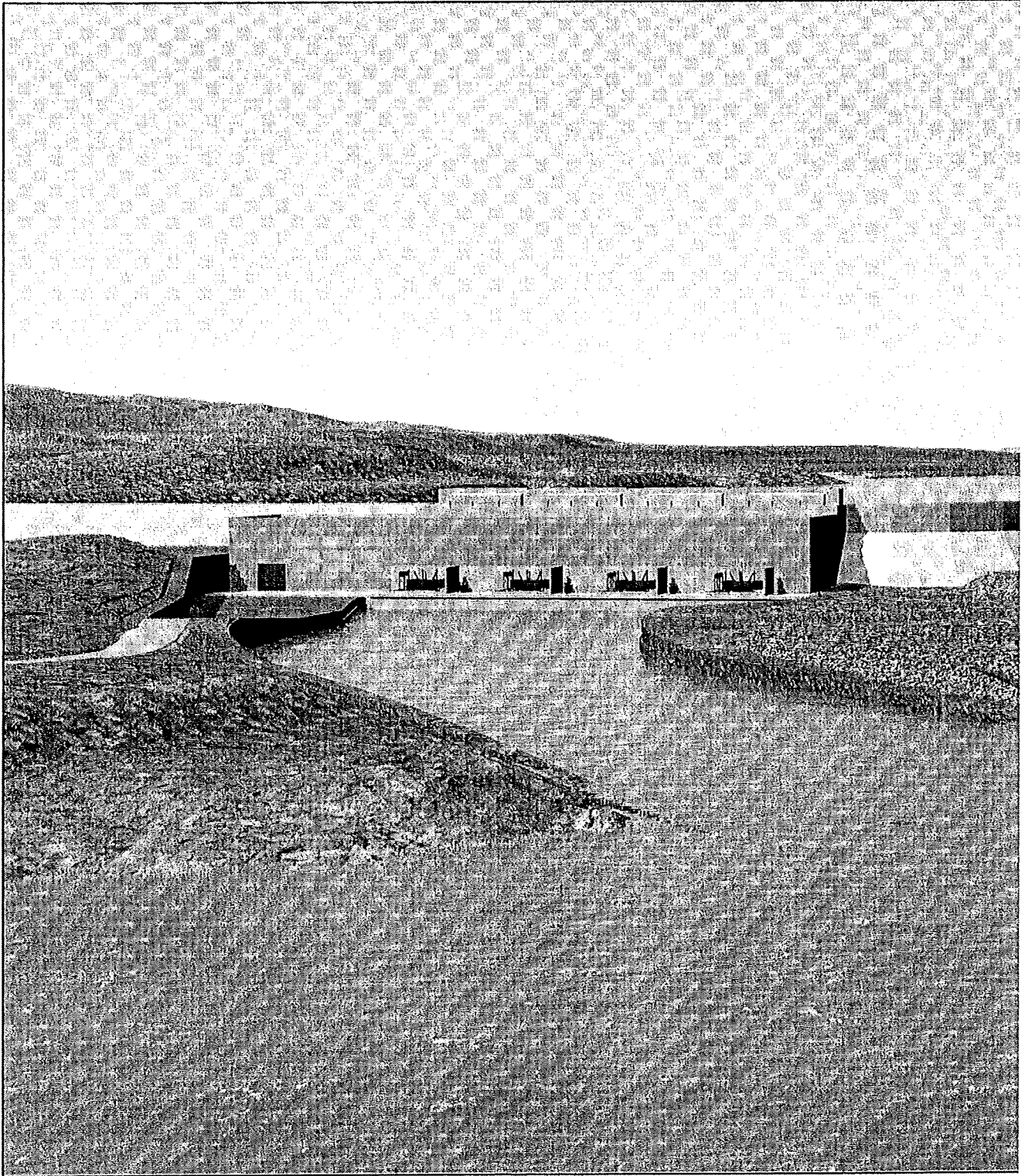
Basis of Design





Basis of Design

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**SCHEDULE "BB"**

**BASE EQUITY COMMITMENT**

<b>BASE EQUITY COMMITMENT</b>	
Muskkrat	CDN\$1,577,515,642
Labrador Transco	CDN\$346,275,429

**SCHEDULE "CC"**

**FUNDING REQUEST SUPPORTING DOCUMENTATION**

(see attached)

<b>Lower Churchill Project October 2013 Cash Call</b>			
<b>CCA</b>	<b>Company</b>	<b>Net Funds Required</b>	
		<b>CDN</b>	<b>USD</b>
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	-
<b>Total</b>		<b>96,799,830.60</b>	<b>95,616.24</b>

<b>Consolidated Amounts Above Were Compiled From The Following</b>		
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
<b>Total</b>	<b>96,799,830.60</b>	<b>95,616.24</b>

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  
Total Cash Call PM+ USD - October

\$ 85,174,773.83  
\$ 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	14829-08	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	15168-08	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	14829-08	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	Juhv25/13	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	390000036408	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	15089-08	5.1	\$ 5,210.32	\$ 4,610.90	CAD	AP
Osler	11565142	3-Oct-13	15089-08	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	14708-08	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	14708-08	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	15168-08	5.1	\$ 1,900.66	\$ 1,682.00	CAD	AP
McInnes Cooper	2013021547	4-Oct-13	15168-08	5.1	\$ 23,704.58	\$ 20,977.50	CAD	AP
McInnes Cooper	2013021555	4-Oct-13	15168-08	5.1	\$ 3,393.50	\$ 3,003.10	CAD	AP
McInnes Cooper	2013022059	4-Oct-13	15168-08	5.1	\$ 18,645.00	\$ 16,500.00	CAD	AP
McInnes Cooper	2013021532	4-Oct-13	15168-08	5.1	\$ 10,433.06	\$ 9,232.80	CAD	AP
Air Resources	SIN722465	4-Oct-13	LCP00774	5.1	\$ 430.53	\$ 381.00	CAD	AP
Air Resources	SIN722471	4-Oct-13	LCP00785	5.1	\$ 3,885.03	\$ 3,438.08	CAD	AP
Air Resources	SIN722685	4-Oct-13	LCP01523	5.1	\$ 5,546.94	\$ 4,908.80	CAD	AP
Air Resources	SIN722684	4-Oct-13	LCP01455	5.1	\$ 22,351.40	\$ 19,780.00	CAD	AP
Air Resources	SIN722611	4-Oct-13	LCP00785	5.1	\$ 19,469.24	\$ 17,229.42	CAD	AP
Air Resources	SIN722610	4-Oct-13	LCP00774	5.1	\$ 13,869.62	\$ 12,274.00	CAD	AP
Air Resources	SIN722683	4-Oct-13	LCO01450	5.1	\$ 6,736.61	\$ 5,961.60	CAD	AP
Air Resources	SIN722686	4-Oct-13	LCP00785	5.1	\$ 4,992.11	\$ 4,417.80	CAD	AP
Bren-kir Industrial Supplies	MP-00392428	4-Oct-13	LCP01525	5.1	\$ 1,101.63	\$ 28.74	CAD	AP
Bren-kir Industrial Supplies	MP-00392430	4-Oct-13	LCP01525	5.1	\$ 350.74	\$ 310.39	CAD	AP
RJP Services	2013-09	5-Oct-13	LC-PM-005	5.1	\$ 31,396.82	\$ 27,784.80	CAD	AP
A Taste of Class	4866	5-Oct-13	LCP01119	5.1	\$ 161.01	\$ 142.49	CAD	AP
A Taste of Class	4885	5-Oct-13	LCP01119	5.1	\$ 20.89	\$ 18.49	CAD	AP
A Taste of Class	4880	5-Oct-13	LCP01119	5.1	\$ 568.77	\$ 503.34	CAD	AP
Triware	144935	5-Oct-13	LCP01635	5.1	\$ 847.50	\$ 750.00	CAD	AP
Executive Coffee	108702	5-Oct-13	LCP00029	5.1	\$ 253.91	\$ 224.70	CAD	AP
Bell Aliant	August 27/13	5-Oct-13	LCP01042	5.1	\$ 2,712.00	\$ 2,400.00	CAD	AP
Triware	144908	5-Oct-13	LC-PM-130	5.1	\$ 8,044.47	\$ 7,119.00	CAD	AP
Corporate Express	33609573	6-Oct-13	LCP01291	5.1	\$ 102.21	\$ 90.45	CAD	AP
Cahill Business Solution	09C-13-083	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	50022050	10-Oct-13	LCP00829	5.1	\$ 382.35	\$ 2,112.50	CAD	AP
Provincial Airlines	50022273	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	4838	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	\$ 287.48	\$ 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	15011-08	5.1	\$ 34,741.70	\$ 30,744.87	CAD	AP
Acquaint	13-942	11-Oct-13	LCP01333	5.1	\$ 7,038.18	\$ 6,228.48	CAD	AP
Acquaint	13-943	11-Oct-13	LCP01409	5.1	\$ 12,945.60	\$ 11,456.28	CAD	AP
Acquaint	13-944	11-Oct-13	LCP01534	5.1	\$ 13,866.91	\$ 12,271.60	CAD	AP
LIL GP / Intercompany	0017	11-Oct-13	72	5.1	\$ 107.70	\$ 95.31	CAD	AP



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LIL Hold Co/ Intercompany	0018	11-Oct-13	74	5.1	\$ 107.70	\$ 95.31	CAD	AP
Noramtec	180372	12-Oct-13	LCP00772	5.1	\$ 41,438.18	\$ 36,670.96	CAD	AP
Noramtec	180370	12-Oct-13	LCP00768	5.1	\$ 33,140.64	\$ 29,328.00	CAD	AP
The Telegram	TE0442421	12-Oct-13	LCP01463	5.1	\$ 1,863.31	\$ 1,648.95	CAD	AP
Noramtec	180147	12-Oct-13	LCP01431	5.1	\$ 37,149.43	\$ 32,875.60	CAD	AP
The Telegram	TE00443032	12-Oct-13	LCP01463	5.1	\$ 342.90	\$ 303.45	CAD	AP
Contract Land Staff, LLC	2099.13.01-0069669	12-Oct-13	LC-EN-031	5.1	\$ 2,112.50	\$ 2,112.50	USD	AP
Project Solutions Inc	LCP-2013-15	13-Oct-13	15011-08	5.1	\$ 21,597.13	\$ 19,112.50	CAD	AP
Provincial Airlines	S0022504	13-Oct-13	LCP00829	5.1	\$ 3,671.10	\$ 3,248.76	CAD	AP
Bell Aliant	INV2901847	13-Oct-13	LCP01042	5.1	\$ (32.08)	\$ (28.39)	CAD	AP
Bell Aliant	INV2902612	13-Oct-13	LCP01042	5.1	\$ 893.72	\$ 790.90	CAD	AP
Eastern Region Business Solutions	687335717	13-Oct-13	LCP01634	5.1	\$ 270.07	\$ 239.00	CAD	AP
Millennium Express	76740	13-Oct-13	LCP01136	5.1	\$ 19.09	\$ 16.89	CAD	AP
Millennium Express	76749	13-Oct-13	LCP01136	5.1	\$ 86,726.37	\$ 76,749.00	CAD	AP
The Telegram	TE00439802	13-Oct-13	LCP01463	5.1	\$ 9,040.00	\$ 8,000.00	CAD	AP
The Telegram	TE00437940	13-Oct-13	LCP01463	5.1	\$ 940.16	\$ 832.00	CAD	AP
Agility Partners	5297	13-Oct-13	LC-PM-133	5.1	\$ 2,475.00	\$ 2,475.00	USD	AP
Brenkir	MP-00392828	13-Oct-13	LCP01525	5.1	\$ 210.75	\$ 186.50	CAD	AP
Brenkir	MP-00392776	13-Oct-13	LCP01525	5.1	\$ 120.82	\$ 106.92	CAD	AP
Brenkir	MP-00392778	13-Oct-13	LCP01525	5.1	\$ 275.44	\$ 243.75	CAD	AP
Brenkir	MP-00392775	13-Oct-13	LCP01525	5.1	\$ 324.95	\$ 287.57	CAD	AP
NL News	2504	13-Oct-13	LCP01041	5.1	\$ 4,054.12	\$ 3,587.72	CAD	AP
Fed Ex	7-232-67209	13-Oct-13	TBD	5.1	\$ 596.82	\$ 528.16	CAD	AP
Xerox	F45132022	16-Oct-13	14708-0B	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 Peddie Consulting Limited	2013-008	16-Oct-13	15571-0B	5.1	\$ 26,235.27	\$ 23,217.05	CAD	AP
Dovre Canada Ltd.	33404	17-Oct-13	LCP00584	5.1	\$ 13,973.58	\$ 12,366.00	CAD	AP
Dovre Canada Ltd.	33221	17-Oct-13	LCP00585	5.1	\$ 12,638.60	\$ 11,184.60	CAD	AP
Dovre Canada Ltd.	33259	17-Oct-13	LCP00587	5.1	\$ 36,971.34	\$ 32,718.00	CAD	AP
Dovre Canada Ltd.	33362	17-Oct-13	LCP00590	5.1	\$ 20,285.76	\$ 17,952.00	CAD	AP
Dovre Canada Ltd.	33403	17-Oct-13	LCP00595	5.1	\$ 4,101.90	\$ 3,630.00	CAD	AP
Dovre Canada Ltd.	33253	17-Oct-13	LCP00601	5.1	\$ 10,824.91	\$ 9,579.57	CAD	AP
Dovre Canada Ltd.	33408	17-Oct-13	LCP00675	5.1	\$ 6,957.36	\$ 6,156.96	CAD	AP
Dovre Canada Ltd.	33264	17-Oct-13	LCP00727	5.1	\$ 9,478.44	\$ 8,388.00	CAD	AP
Dovre Canada Ltd.	33391	17-Oct-13	LCP01038	5.1	\$ 24,159.68	\$ 21,380.25	CAD	AP
Dovre Canada Ltd.	33392	17-Oct-13	LCP01039	5.1	\$ 22,771.20	\$ 20,151.50	CAD	AP
Dovre Canada Ltd.	33393	17-Oct-13	LCP01049	5.1	\$ 24,437.38	\$ 21,626.00	CAD	AP
Dovre Canada Ltd.	33260	17-Oct-13	LCP01129	5.1	\$ 8,847.90	\$ 7,830.00	CAD	AP
Dovre Canada Ltd.	33266	17-Oct-13	LCP01211	5.1	\$ 4,465.76	\$ 3,952.00	CAD	AP
Dovre Canada Ltd.	33262	17-Oct-13	LCP01279	5.1	\$ 31,891.99	\$ 28,223.00	CAD	AP
Dovre Canada Ltd.	33225	17-Oct-13	LCP01332	5.1	\$ 11,814.69	\$ 10,455.48	CAD	AP
Dovre Canada Ltd.	33255	17-Oct-13	LCP01533	5.1	\$ 23,540.16	\$ 20,832.00	CAD	AP
Dovre Canada Ltd.	33261	17-Oct-13	LCP01538	5.1	\$ 6,221.77	\$ 5,505.99	CAD	AP
Dovre Canada Ltd.	33409	17-Oct-13	LCP01631	5.1	\$ 3,955.00	\$ 3,500.00	CAD	AP
Victoria Stanford Visa	May 27/13	17-Oct-13	PCard	5.1	\$ 526.57	\$ 465.99	CAD	AP
Ian Hickey Visa	Aug 26/13	17-Oct-13	PCard	5.1	\$ 5,926.53	\$ 5,244.72	CAD	AP
Cision	681762	17-Oct-13	LCP00554	5.1	\$ 561.53	\$ 496.93	CAD	AP
NL News	2447	17-Oct-13	LCP00554	5.1	\$ 4,740.70	\$ 4,195.31	CAD	AP
Brenkir	MP-00393134	18-Oct-13	LCP01525	5.1	\$ 106.39	\$ 94.15	CAD	AP
Brenkir	MP-00393027	18-Oct-13	LCP01525	5.1	\$ 305.64	\$ 270.48	CAD	AP

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Brenkir	MP-00393025	18-Oct-13	LCP01525	5.1	\$ 298.74	\$ 264.37	CAD	AP
CBDC Labrador Inc	YV1	18-Oct-13	TBD	5.1	\$ 282.50	\$ 250.00	CAD	AP
MicroAge Computer Centers	IN130438	18-Oct-13	TBD	5.1	\$ 4,271.40	\$ 3,780.00	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 Institutue	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
SRI 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
Bell Aliant	INV40408576	1-Oct-13	LCP01539	5.1	\$ (43,595.29)	\$ (38,579.90)	CAD	Carry forward last cash call
Bell Aliant	INV2442025	1-Oct-13	LCP01042	5.1	\$ (12,044.05)	\$ (10,658.45)	CAD	Carry forward last cash call
The Telegram	TE00439276	1-Oct-13	TBD	5.1	\$ (383.71)	\$ (339.57)	CAD	Carry forward last cash call
Van Ness	104675	1-Oct-13	14829-OB	5.1	\$ (69,602.50)	\$ (69,602.50)	USD	Carry forward last cash call
Hatch	90456549	1-Oct-13	LCP01511	5.1	\$ (37,268.56)	\$ (32,981.03)	CAD	Carry forward last cash call
Noramtec	179442	1-Oct-13	LCP00772	5.1	\$ (1,564.01)	\$ (1,384.08)	CAD	Carry forward last cash call
Coulson Hydrotech Inc	673	1-Oct-13	LC-PM-126	5.1	\$ (29,461.46)	\$ (26,072.09)	CAD	Carry forward last cash call
The Telegram	TE00441076	1-Oct-13	TBD	5.1	\$ (443.75)	\$ (392.70)	CAD	Carry forward last cash call
Hatch	90455333	25-Aug-13	15074-OB	5.2	\$ 44,873.86	\$ 39,711.38	CAD	AP
Fasken	751056	26-Sep-13	14672-OB	5.2	\$ 12,857.83	\$ 11,378.61	CAD	AP
Fasken	751035	26-Sep-13	14672-OB	5.2	\$ 38,930.59	\$ 34,451.85	CAD	AP

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McInnes Cooper	2013021525	4-Oct-13	15168-08	5.2	\$ 8,642.14	\$ 7,647.91	CAD	AP
McInnes Cooper	2013021522	4-Oct-13	15168-08	5.2	\$ 7,176.52	\$ 6,350.90	CAD	AP
Navigant	402271	5-Oct-13	15366-08	5.2	\$ 2,260.00	\$ 2,000.00	CAD	AP
Hatch	90458928	5-Oct-13	15074-08	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	15074-08	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	90454081	21-Aug-13	LCP01401	5.3	\$ 33,116.31	\$ 29,306.47	CAD	AP
McInnes Cooper	2013016216	23-Aug-13	15168-08	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	15432-08	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	15168-08	5.3	\$ 72,532.68	\$ 64,188.21	CAD	AP
McInnes Cooper	2013021552	4-Oct-13	15168-08	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	2013-608	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	\$ 4,674.95	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	CAO	AP
Dept of Environment & Conservation	22012271	13-Oct-13	LCP01270	5.3	\$ 30.45	\$ 26.95	CAD	AP
Newfound Recruiting	130904-1292	13-Oct-13	LCP01544	5.3	\$ 2,115.36	\$ 1,872.00	CAD	AP
Dovre Canada Ltd.	33444	17-Oct-13	LCP00578	5.3	\$ 43,179.36	\$ 38,211.82	CAD	AP
Dovre Canada Ltd.	33410	17-Oct-13	LCP00581	5.3	\$ 29,992.81	\$ 26,542.31	CAD	AP
Dovre Canada Ltd.	33224	17-Oct-13	LCP00602	5.3	\$ 43,638.32	\$ 38,617.98	CAD	AP
Dovre Canada Ltd.	33450	17-Oct-13	LCP00660	5.3	\$ 31,684.50	\$ 28,039.38	CAD	AP
Dovre Canada Ltd.	33265	17-Oct-13	LCP01064	5.3	\$ 27,322.84	\$ 24,179.50	CAD	AP
Dovre Canada Ltd.	33223	17-Oct-13	LCP01540	5.3	\$ 27,844.90	\$ 24,641.50	CAD	AP
Dovre Canada Ltd.	33220	17-Oct-13	LCP01542	5.3	\$ 21,675.75	\$ 19,182.08	CAD	AP
Goose Bay Airport Corporation	VP08-13	18-Oct-13	LCP01397	5.3	\$ 169.50	\$ 150.00	CAD	AP
CGI Development Inc	2452	18-Oct-13	LCP01581	5.3	\$ 95,943.78	\$ 84,906.00	CAD	AP
Maderra	1485	18-Oct-13	LCP01131	5.3	\$ 43,916.30	\$ 38,863.98	CAD	AP
Maderra	1486	18-Oct-13	LCP01131	5.3	\$ 1,865.86	\$ 1,651.20	CAD	AP
Campbell Scientific	108640	18-Oct-13	LCP01606	5.3	\$ 2,740.25	\$ 2,425.00	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
Cyril French Visa	July 25/13	19-Oct-13	Peard	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

Lower Churchill Project  
PRISM Cash Call Report  
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Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
Hatch	90461274	19-Oct-13	LCP01316	5.3	\$ 25,064.03	\$ 22,180.56	CAD	AP
Raj Kaushik Visa	Aug 26/13	19-Oct-13	PCard	5.3	\$ 2,704.85	\$ 2,393.67	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.3	\$ 433,700.00	\$ 383,805.31	CAD	AP
Corporate - PHH	Est	31-Oct-13	TBD	5.3	\$ 30,000.00	\$ 26,548.67	CAD	AP
CF(L)co	130843	31-Oct-13	TBD	5.3	\$ 4,706.45	\$ 4,165.00	CAD	AP
CF(L)co	130842	31-Oct-13	TBD	5.3	\$ 10,277.35	\$ 9,095.00	CAD	AP
CF(L)co	130837	31-Oct-13	TBD	5.3	\$ 106,568.80	\$ 94,308.67	CAD	AP
CF(L)co	130836	31-Oct-13	TBD	5.3	\$ 97,451.49	\$ 86,240.26	CAD	AP
Hatch	90454133	1-Oct-13	LCP01315	5.3	\$ (28,289.48)	\$ (25,034.94)	CAD	Carry forward last cash call
Hatch	90454030	1-Oct-13	LCP01402	5.3	\$ (36,681.25)	\$ (32,461.28)	CAD	Carry forward last cash call
Hatch	90454031	1-Oct-13	LCP01401	5.3	\$ (33,116.31)	\$ (29,306.47)	CAD	Carry forward last cash call
McInnes Cooper	2013016216	1-Oct-13	15168-OB	5.3	\$ (46,356.05)	\$ (41,023.05)	CAD	Carry forward last cash call
Orion Holdings	NAL-003	1-Oct-13	LC-PM-129	5.3	\$ (37,021.87)	\$ (32,762.72)	CAD	Carry forward last cash call
Hatch	90456550	1-Oct-13	LCP01549	5.3	\$ (16,805.36)	\$ (14,872.00)	CAD	Carry forward last cash call
Hatch	90456548	1-Oct-13	LCP01510	5.3	\$ (23,617.00)	\$ (20,900.00)	CAD	Carry forward last cash call
Hatch	90456545	1-Oct-13	LCP01414	5.3	\$ (16,953.70)	\$ (15,003.27)	CAD	Carry forward last cash call
Hatch	90456544	1-Oct-13	LCP01401	5.3	\$ (28,360.01)	\$ (25,097.35)	CAD	Carry forward last cash call
Hatch	90456543	1-Oct-13	LCP01402	5.3	\$ (46,145.12)	\$ (40,836.39)	CAD	Carry forward last cash call
Hatch	90456542	1-Oct-13	LCP01384	5.3	\$ (26,035.20)	\$ (23,040.00)	CAD	Carry forward last cash call
Hatch	90456541	1-Oct-13	LCP01383	5.3	\$ (30,916.80)	\$ (27,360.00)	CAD	Carry forward last cash call
Hatch	90456540	1-Oct-13	LCP01385	5.3	\$ (37,734.09)	\$ (33,393.00)	CAD	Carry forward last cash call
Hatch	90456539	1-Oct-13	LCP01382	5.3	\$ (3,227.28)	\$ (2,856.00)	CAD	Carry forward last cash call
Hatch	90456538	1-Oct-13	LCP01324	5.3	\$ (38,608.71)	\$ (34,167.00)	CAD	Carry forward last cash call
Hatch	90456535	1-Oct-13	LCP01316	5.3	\$ (3,034.05)	\$ (2,685.00)	CAD	Carry forward last cash call
Hatch	90456551	1-Oct-13	LCP01552	5.3	\$ (34,949.89)	\$ (30,929.11)	CAD	Carry forward last cash call
Orion Holdings	NAL-004R1	1-Oct-13	LC-PM-129	5.3	\$ (47,628.70)	\$ (42,149.29)	CAD	Carry forward last cash call
EFCO Enterprises	25446-2	1-Oct-13	LC-MF-003	5.3	\$ (17,978.30)	\$ (15,910.00)	CAD	Carry forward last cash call
Hatch	90454170	21-Aug-13	LCP01471	5.4	\$ 53,251.58	\$ 47,125.29	CAD	AP
Nexus Energy Inc	NEI-NEL-T0005	10-Sep-13	LC-PM-102	5.4	\$ 899.33	\$ 795.87	CAD	AP
Hatch	90460830	10-Sep-13	LC-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-Oct-13	LCP01304	5.4	\$ 37,742.00	\$ 33,400.00	CAD	AP
Nexus Energy Inc	NEI-NEL-0019	5-Oct-13	LC-PM-102	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEP13-001	9-Oct-13	LC-PM-053	5.4	\$ 8,336.02	\$ 7,377.01	CAD	AP
Rosanne Williams Expense Claim	Sept6/13	10-Oct-13	Tclaim	5.4	\$ 42.02	\$ 37.19	CAD	AP
DeBourke Enterprises	2013-009	10-Oct-13	LC-PM-110	5.4	\$ 20,136.60	\$ 17,820.00	CAD	AP

Lower Churchill Project  
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Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
Inmarsat	R101079201308	11-Oct-13	LCP00983	5.4	\$ 28.74	\$ 28.74	USD	AP
Golder Associates	566179	11-Oct-13	LC-EV-088	5.4	\$ 14,141.95	\$ 12,515.00	CAD	AP
SFO Subsea Inc	TE20130922	11-Oct-13	LC-PM-051	5.4	\$ 6,486.21	\$ 5,740.01	CAD	AP
3266195 Nova Scotia	201308	11-Oct-13	LC-PM-108	5.4	\$ 28,928.00	\$ 25,600.00	CAD	AP
LIL LP/ Intercompany	0002	11-Oct-13	75	5.4	\$ 1,130.00	\$ 1,000.00	CAD	AP
LIL LP/ Intercompany	0015	11-Oct-13	75	5.4	\$ 5,215,472.11	\$ 4,615,462.04	CAD	AP
Noramtec	180373	12-Oct-13	LCP01611	5.4	\$ 11,390.40	\$ 10,080.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Noramtec	180371	12-Oct-13	LCP01293	5.4	\$ 14,238.00	\$ 12,600.00	CAD	AP
Provincial Aerospace	C0001142	12-Oct-13	LC-SB-002	5.4	\$ 30,433.16	\$ 26,932.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-002	13-Oct-13	LC-PM-053	5.4	\$ 3,399.80	\$ 3,008.67	CAD	AP
Nexus Energy Inc	NEI-NEL-T0006	13-Oct-13	LC-PM-102	5.4	\$ 761.29	\$ 673.71	CAD	AP
Newfound Recruiting	130904-1290	13-Oct-13	LCP01547	5.4	\$ 18,306.00	\$ 16,200.00	CAD	AP
Nexans	195153294	16-Oct-13	LC-SB-008	5.4	\$ 4,307,633.53	\$ 3,812,065.07	CAD	AP
Dovre Canada Ltd.	33222	17-Oct-13	LCP00582	5.4	\$ 16,800.28	\$ 14,867.50	CAD	AP
Dovre Canada Ltd.	33257	17-Oct-13	LCP00586	5.4	\$ 14,530.67	\$ 12,859.00	CAD	AP
Dovre Canada Ltd.	33449	17-Oct-13	LCP00763	5.4	\$ 22,475.70	\$ 19,890.00	CAD	AP
Dovre Canada Ltd.	33288	17-Oct-13	LCP01410	5.4	\$ 19,933.20	\$ 17,640.00	CAD	AP
VF Solutions	VFS-NLCP-EXP-SEPT13-003	18-Oct-13	LC-PM-053	5.4	\$ 760.22	\$ 672.76	CAD	AP
Amec	G85208	18-Oct-13	LC-SB-017	5.4	\$ 76,026.40	\$ 67,280.00	CAD	AP
Yankee Point - Hydro	12-Sep	19-Oct-13	LCP00128	5.4	\$ 116.62	\$ 103.20	CAD	AP
Hatch	90461410	19-Oct-13	LCP01647	5.4	\$ 9,944.00	\$ 8,800.00	CAD	AP
Hatch	90461405	19-Oct-13	LCP01305	5.4	\$ 44,790.70	\$ 39,637.79	CAD	AP
Hatch	90461337	19-Oct-13	LCP01295	5.4	\$ 33,462.40	\$ 29,612.74	CAD	AP
Direct Horizontal Drilling	est	20-Oct-13	LC-SB-022	5.4	\$ 39,550.00	\$ 35,000.00	CAD	AP
SRL Consulting	Est	30-Oct-13	LC-PM-071	5.4	\$ 25,990.00	\$ 23,000.00	CAD	AP
VF Solutions	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
SFO Subsea Inc	Est	30-Oct-13	LC-PM-053	5.4	\$ 33,900.00	\$ 30,000.00	CAD	AP
Robco	Est	30-Oct-13	LC-PM-059	5.4	\$ 35,030.00	\$ 31,000.00	CAD	AP
Nexus Energy Inc	Est	30-Oct-13	LC-PM-102	5.4	\$ 15,255.00	\$ 13,500.00	CAD	AP
Whelan Engineering	Est	30-Oct-13	LC-PM-140	5.4	\$ 22,600.00	\$ 20,000.00	CAD	AP
C&T Enterprises	est	31-Oct-13	LC-SB-021	5.4	\$ 158,200.00	\$ 140,000.00	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.4	\$ 26,300.00	\$ 23,274.34	CAD	AP
Nalcor Energy	August	31-Oct-13	TBD	5.4	\$ (5,216,817.51)	\$ (4,616,652.66)	CAD	AP
Hatch	90454170	1-Oct-13	LCP01471	5.4	\$ (53,251.58)	\$ (47,125.29)	CAD	Carry forward last cash call
Hatch	90456546	1-Oct-13	LCP01471	5.4	\$ (37,787.20)	\$ (33,440.00)	CAD	Carry forward last cash call
Hatch	90456537	1-Oct-13	LCP01305	5.4	\$ (27,653.36)	\$ (24,472.00)	CAD	Carry forward last cash call
Hatch	90456536	1-Oct-13	LCP01295	5.4	\$ (26,244.79)	\$ (23,225.48)	CAD	Carry forward last cash call
LGL	13576	1-Oct-13	LC-EV-049	5.4	\$ (1,002.34)	\$ (887.03)	CAD	Carry forward last cash call
Amec	G44453	1-Oct-13	LC-EV-108	5.4	\$ (50,940.40)	\$ (45,080.00)	CAD	Carry forward last cash call
McInnes Cooper	2013006697	3-May-13	15168-0B	5.5	\$ 89,015.30	\$ 78,774.60	CAD	AP
McInnes Cooper	2013010325	1-Jun-13	15168-0B	5.5	\$ 3,995.68	\$ 3,536.00	CAD	AP
McInnes Cooper	2013013991	5-Jul-13	15168-0B	5.5	\$ 960.50	\$ 850.00	CAD	AP
McInnes Cooper	2013016181	23-Aug-13	15168-0B	5.5	\$ 67,191.03	\$ 59,461.09	CAD	AP
BWC Consulting	25	25-Aug-13	LC-PM-072	5.5	\$ 19,364.40	\$ 17,136.64	CAD	AP
Erimus	2013-1011	3-Oct-13	15025-0B	5.5	\$ 67,589.30	\$ 59,813.54	CAD	AP
McInnes Cooper	2013021554	4-Oct-13	15168-0B	5.5	\$ 50,680.26	\$ 44,849.79	CAD	AP
McInnes Cooper	2013021530	4-Oct-13	15168-0B	5.5	\$ 48,040.03	\$ 42,513.30	CAD	AP
A Taste of Class	4841	11-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
A Taste of Class	4839	11-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP

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Vendor	Invoice #	Payment Due Date	Contract/ PO #	CCA Code	Invoice Amount (incl HST)	Invoice Amount (Excl. HST)	Currency	Data Source
TransGrid Solution	2382	11-Oct-13	LC-EN-027	5.5	\$ 16,272.00	\$ 2,475.00	CAD	AP
TransGrid Solution	2383	11-Oct-13	LC-EN-027	5.5	\$ 1,349.38	\$ 1,194.14	CAD	AP
A Taste of Class	4836	19-Oct-13	LCP00606	5.5	\$ 49.20	\$ 43.54	CAD	AP
Salaries	Est	31-Oct-13	TBD	5.5	\$ 6,100.00	\$ 5,398.23	CAD	AP
McInnes Cooper	2013006697	1-Oct-13	15168-OB	5.5	\$ (89,015.30)	\$ (78,774.60)	CAD	Carry forward last cash call
McInnes Cooper	2013010325	1-Oct-13	15168-OB	5.5	\$ (3,995.68)	\$ (3,536.00)	CAD	Carry forward last cash call
McInnes Cooper	2013013391	1-Oct-13	15168-OB	5.5	\$ (960.50)	\$ (850.00)	CAD	Carry forward last cash call
McInnes Cooper	2013016181	1-Oct-13	15168-OB	5.5	\$ (67,191.03)	\$ (59,461.09)	CAD	Carry forward last cash call
BWC Consulting	25	1-Oct-13	LC-PM-072	5.5	\$ (19,364.40)	\$ (17,136.64)	CAD	Carry forward last cash call
CBCL Ltd	424101	26-Jul-13	LC-EN-042	5.6	\$ 51,541.45	\$ 45,611.90	CAD	AP
CBCL Ltd	424434	17-Aug-13	LC-EN-042	5.6	\$ 21,277.30	\$ 18,829.47	CAD	AP
Hatch	90456534	12-Sep-13	LCP01312	5.6	\$ 27,653.36	\$ 24,472.00	CAD	AP
CBCL Ltd	424869	18-Sep-13	LC-EN-042	5.6	\$ 1,822.13	\$ 1,612.50	CAD	AP
McInnes Cooper	2013021549	4-Oct-13	15168-OB	5.6	\$ 22,556.04	\$ 19,961.10	CAD	AP
NSB Energy Inc	2013-584	4-Oct-13	LCP01558	5.6	\$ 58.31	\$ 51.60	CAD	AP
PF Collins	011N0000683753	13-Oct-13	LC-PM-124	5.6	\$ 540.14	\$ 478.00	CAD	AP
PF Collins	011N0000683805	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, 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 "EE"

**CERTIFICATE RELATING TO TRANSFER OF INCOME  
ON ACCOUNT BALANCES FROM THE SINKING FUND ACCOUNT**

Date: \_\_\_\_\_

**THE TORONTO-DOMINION BANK**

AS COLLATERAL AGENT  
66 Wellington Street West  
9th Floor  
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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.

As of the date hereof, the Income on Account Balances on deposit in the Sinking Fund Account (5230688) is equal to CDN\$ Note 1. We hereby request that an amount equal to CDN\$ Note 2 of such Income on Account Balances be transferred to the Project Funding Accounts on Note 3. Of the amount of CDN\$ Note 2, Note 4 is to be transferred to the Labrador Transco Project Funding Account (5230785) and Note 5 is to be transferred to the Muskrat Project Funding Account (5230696).

I, <@>, the undersigned, the <@> of Muskrat, in my capacity as an officer of Muskrat and without personal liability, and I, <@>, the undersigned, the <@> of Labrador Transco, in my

capacity as an officer of Labrador Transco and without personal liability, do hereby certify pursuant to subsection 8.17.2.3 of the Muskrat/LTA Project Finance Agreement that the balance remaining in the Sinking Fund Account (5230688), following the aforesaid transfer of such amount of the Income on Account Balances on deposit in the Sinking Fund Account (5230688), will, on a mark-to-market basis, be greater than or equal to the balance required to be maintained in the Sinking Fund Account (5230688) at such time pursuant to Schedule "Y" of the Muskrat/LTA Project Finance Agreement.

Signed at <@>, this <@> day of <@>, <@>.

---

Name:

Title:

---

**Notes:**

1. Specify the full amount of the Income on Account Balances on deposit as of the date hereof in the Sinking Fund Account.
2. Specify the amount of the Income on Account Balances on deposit in the Sinking Fund Account to be transferred to the Project Funding Accounts.
3. Specify the date of the requested transfer.
4. Specify the amount representing Labrador Transco's Project Rateable Share of the amount specified pursuant to Note 2.
5. Specify the amount representing Muskrat's Project Rateable Share of the amount specified pursuant to Note 2.

**SCHEDULE "FF"**

**IE COST OVERRUNS CONFIRMATION CERTIFICATE**

This IE Cost Overruns 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 Second Amended and Restated MF/LTA Project Finance Agreement dated as of May 10, 2017 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 (as amended, supplemented or restated from time to time, the "**Finance Agreement**") and Her Majesty in Right of Canada, as represented by the Minister of Natural Resources ("**Canada**"). Capitalized terms used in this IE Cost Overruns Confirmation Certificate and not otherwise defined herein shall have the meanings assigned to them in the Second Amended and Restated Master Definitions Agreement dated May 10, 2017 among, *inter alia*, the Borrower, the Lender and the Collateral Agent, as amended, supplemented or restated from time to time.

The Independent Engineer has (i) reviewed the Cost Overruns Certificate, attached as Schedule "A" hereto delivered to the Collateral Agent pursuant to Section [10.28.1 / 10.28.1A], (ii) reviewed the events that gave rise to the Cost Overruns, (iii) discussed matters believed pertinent to this IE Cost Overruns Confirmation Certificate with Devco, the Borrower and any relevant Material Project Participants, and (iv) made such other inquiries as we have determined appropriate.

On the basis of the foregoing limited review procedures and on the understanding and assumption that the factual information contained in the Cost Overruns Certificate dated \_\_\_\_\_ (the "**Cost Overruns Certificate**") 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. We have been provided with reports and documents that identify and quantify the Cost Overrun which is the subject of this IE Cost Overruns Confirmation Certificate and are satisfied they appropriately identified the cause and resolution of the circumstances that have given rise to the Cost Overrun.
2. We have been provided with the Material Project Documents or amendments to the Material Project Documents that engage <@> under such Material Project Documents to complete the additional work (or to quantify the additional costs in a valid and binding manner).

3. We have no reason to believe that such reports, documents, Material Project Documents or amendments to Material Project Documents misrepresent the required additional costs or work in any material manner.

This IE Cost Overruns Confirmation Certificate is solely for the information and assistance of the Collateral Agent and Canada in connection with the Cost Overruns Certificate 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 "A"**

**COST OVERRUNS CERTIFICATE**

**[NOTE: Please attach the Cost Overruns Certificate]**

SCHEDULE "GG"

ADDITIONAL DEBT CERTIFICATE (OPERATING PERIOD)

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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 12.2.5(iii)(a) of the Muskrat/LTA Project Finance Agreement.

I, , the  of   **Note 1**  , in my capacity as an officer of   **Note 1**   and without personal liability, do hereby certify that:

- I 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, and the incurrence of the Proposed Additional Debt (as defined below) shall not, on its own, result in a Muskrat/LTA Event of Default;

2. The calculations below are made in connection with Additional Debt in an amount of CDN\$ \_\_\_\_\_ (the "**Proposed Additional Debt**") expected to be incurred on Note 2 (the "**Date of Incurrence**"), and the information provided for purposes of such calculations is provided as at the Date of Incurrence;

3. As at the Date of Incurrence, immediately following the incurrence of the Proposed Additional Debt, the Prospective DSCR, calculated on a rolling twelve (12) month basis, and on a combined basis for Labrador Transco and Muskrat, would be \_\_\_\_\_, and is calculated as follows:

(i) the Base Cash Flow of Labrador Transco and Muskrat for the period of the twelve (12) calendar months immediately following the Date of Incurrence (line (a) – line (b)): CDN\$ \_\_\_\_\_

(a) Contracted Revenues CDN\$ \_\_\_\_\_

(b) Cash Operating Costs CDN\$ \_\_\_\_\_

(ii) the Total Debt Service for such period: CDN\$ Note 3

**Prospective DSCR =  $\frac{(i)}{(ii)}$  =** \_\_\_\_\_

4. As at the Date of Incurrence, immediately following the incurrence of the Proposed Additional Debt, the DER would be \_\_\_\_\_, and is calculated as follows:

(i) the principal amount of the Funds Releases made to the Credit Parties: CDN\$ \_\_\_\_\_

(ii) the principal amount of all outstanding Additional Debt: CDN\$ \_\_\_\_\_

(iii) the Proposed Additional Debt: CDN\$ \_\_\_\_\_

(iv) the balance on deposit in the Sinking Fund Account: CDN\$ \_\_\_\_\_

(v) the aggregate outstanding balance of the Capital Accounts of the Credit Parties: CDN\$ \_\_\_\_\_

(vi) the amount of equity proposed to be invested concurrently with the incurrence of the proposed Additional Debt (including any amounts to be transferred from the Equity Prefunding Reserve Account pursuant to Section 10.27 and subsections 8.17A.2 and 8.17A.3 of the Muskrat/LTA Project Finance Agreement and from the Cost Overrun Escrow Accounts pursuant to Section 10.27 and paragraphs 10.28.2.4 and 10.28.3.4 of the Muskrat/LTA CDN\$ \_\_\_\_\_

Project Finance Agreement):

$$DER = \frac{((i) + (ii) + (iii)) - (iv)}{[((i) + (ii) + (iii)) - (iv)] + (v) + (vi)}$$

---

**Notes:**

1. Insert "Labrador Transco" or "Muskrat".
2. The Date of Incurrence must be at least five (5) Business Days after the date of delivery of this certificate.
3. Total Debt Service is to be calculated on a rolling basis and is to include the Additional Debt proposed to be incurred as if such Additional Debt had been incurred on the Date of Incurrence. Where the period includes the maturity of any Tranche or Bullet Additional Debt, there shall be excluded from the calculation of Total Debt Service the principal amount payable or, as the case may be, paid on such maturity date.

Signed at <@>, this <@> day of <@>, <@>.

---

Name:

Title: <@> of [<@>Labrador Transmission Corporation<@>] / [<@>Muskrat Falls Corporation<@>]



SCHEDULE "HH"

ADDITIONAL DEBT CERTIFICATE (CONSTRUCTION PERIOD)

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 second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 12.2.5(iii)(b) of the Muskrat/LTA Project Finance Agreement.

I, , the  of   **Note 1**  , in my capacity as an officer of   **Note 1**   and without personal liability, do hereby certify that:

1. I 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, and the incurrence of the Proposed Additional Debt (as defined below) shall not, on its own, result in a Muskrat/LTA Event of Default;

2. This certificate is delivered in connection with Additional Debt in an amount of CDN\$ \_\_\_\_\_ (the "**Proposed Additional Debt**") expected to be incurred on  **Note 2**  (the "**Date of Incurrence**");
3. The servicing of the Proposed Additional Debt constitutes Project Costs and will therefore be funded as any other Projects Costs under the terms of the Muskrat/LTA Project Finance Agreement;
4. During the Operating Period, the servicing of the Proposed Additional Debt is provided for under the PPA as part of the Base Block Payments.

---

**Notes:**

- 1 Insert "Labrador Transco" or "Muskrat".
- 2 The Date of Incurrence must be at least five (5) Business Days after the date of delivery of this certificate.

Signed at <@>, this <@> day of <@>, <@>.

---

Name:

Title: <@> of [<@>Labrador Transmission Corporation<@>] / [<@>Muskrat Falls Corporation<@>]

DRAFT  
dated May 5, 2017

SCHEDULE "II"

COST OVERRUNS CERTIFICATE

Date: Note 1

**THE TORONTO-DOMINION BANK**

AS COLLATERAL AGENT  
66 Wellington Street West  
9th Floor  
Toronto, Ontario M5K 1A2

Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as 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 Cost Overruns Certificate is delivered to you pursuant to subsection [10.28.1 / 10.28.1A] of the Muskrat/LTA Project Finance Agreement.

I, <@>, the undersigned, the <@> of Devco, and <@> of Muskrat, in my capacity as an officer and without personal liability, do hereby certify the matters set forth in Section A below, and I, <@>, the undersigned, the <@> of Devco, and <@> of Labrador Transco, in my capacity as an officer 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;
2. attached hereto in Part I of Schedule "A" is a true and accurate analysis of the Cost to Complete with respect to the MF Plant as at the date hereof;
3. attached hereto in Part I of Schedule "B" is a true and accurate analysis of the Cost Overruns with respect to the MF Plant as at the date hereof, with a narrative explanation as to any variances from the Initial MF Project Budget;
4. the estimated Commissioning Date is currently <@> [<@>Please refer to in Part I of Schedule "C" hereto for details.<@>] **[NOTE: Bracketed language to be included where the estimated Commissioning Date differs from the estimated Commissioning Date set out in the Project Schedule.];** and
5. the Cost Overruns with respect to the MF Plant identified in this Cost Overruns Certificate have been funded in accordance with the terms of the Muskrat/LTA Project Finance Agreement.

**B. LABRADOR TRANSCO MATTERS**

6. I have conducted such investigations as I have deemed necessary to provide the information set out in this report;
7. attached hereto in Part II of Schedule "A" is a true and accurate analysis of the Cost to Complete with respect to the LTA as at the date hereof;
8. attached hereto in Part II of Schedule "B" is a true and accurate analysis of the Cost Overruns with respect to the LTA as at the date hereof, with a narrative explanation as to any variances from the Initial LTA Project Budget;
9. the estimated Commissioning Date is currently <@> [<@>Please refer to in Part II of Schedule "C" hereto for details.<@>] **[NOTE: Bracketed language to be included where the estimated Commissioning Date differs from the estimated Commissioning Date set out in the Project Schedule.];** and
10. the Cost Overruns with respect to the LTA identified in this Cost Overruns Certificate have been funded in accordance with the terms of the Muskrat/LTA Project Finance Agreement.

Signed at <@>, this <@> day of <@>, <@>.

\_\_\_\_\_  
Name:

Title:

\_\_\_\_\_  
**Notes:**

1. A Cost Overruns Certificate is to be delivered **(i)** on October 31, 2017 and on each anniversary date thereafter, and **(ii)** five (5) Business Days prior to each anniversary date of the first Funds Release Date to have occurred under the Initial Muskrat/LTA Project Finance Agreement where, in accordance with subsection 10.28.1A of the Muskrat/LTA Project Finance Agreement, the information provided in the Cost Overrun Certificate delivered during the same year pursuant to subsection 10.28.1 of the Muskrat/LTA Project Finance Agreement no longer contains the most up to date available information.

## **SCHEDULE "A"**

### **Part I - Muskrat Cost to Complete**

**[NOTE TO DRAFT: Please provide a detailed analysis of the Cost to Complete the MF Plant.]**

**[NOTE TO DRAFT: See Note to Draft regarding paragraphs 3 and 4 of this Cost Overruns Certificate.]**

### **Part II - Labrador Transco Cost to Complete**

**[NOTE TO DRAFT: Please provide a detailed analysis of the Cost to Complete the LTA.]**

**[NOTE TO DRAFT: See Note to Draft regarding paragraphs 7 and 8 of this Cost Overruns Certificate.]**

**SCHEDULE "B"**

**Part I - Muskrat Cost Overruns**

**[NOTE TO DRAFT: Please provide a description of any Cost Overruns with respect to the MF Plant detailing any variances from the initial MF Project Budget (with a narrative explanation of such variances.)]**

**[NOTE TO DRAFT: See Note to Draft regarding paragraphs 3 and 4 of this Cost Overruns Certificate.]**

**Part II - Labrador Transco Cost Overruns**

**[NOTE TO DRAFT: Please provide a description of any Cost Overruns with respect to the LTA detailing any variances from the initial LTA Project Budget (with a narrative explanation of such variances.)]**

**[NOTE TO DRAFT: See Note to Draft regarding paragraphs 7 and 8 of this Cost Overruns Certificate.]**

## SCHEDULE "C"

### **Part I - Muskrat Estimated Commissioning Date**

**[NOTE TO DRAFT: Please provide details regarding the variances from the estimated Commissioning Date set forth in the Initial 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 Initial LTA Project Schedule (with a narrative explanation of such variances).]**



SCHEDULE "JJ"

FRDN PURCHASE REQUEST

Date: \_\_\_\_\_



Gentlemen:

We refer you to the second amended and restated financing agreement dated as of May 10, 2017 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 further 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 second amended and restated master definitions agreement dated as of May 10, 2017 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 In Right of the Province of Newfoundland and Labrador, Muskrat, as a credit party, and Labrador Transco, as a credit party (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

We finally refer you to the letter agreement executed on \_\_\_\_\_ by the addressee and the Credit Parties in connection with the ADN, the AFRDN and the FRDN (the "**Deposit Note Letter Agreement**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to Section 1.1 of the Deposit Note Letter Agreement, we hereby request that The Toronto-Dominion Bank purchase on   **Note 1**   (the "**Purchase Date**") a portion of the FRDN represented by a par value of   **Note 2**  , plus accrued interest to but excluding the Purchase Date, for a total purchase price of   **Note 3**  .

Yours truly,

[<@>MUSKRAT FALLS  
CORPORATION<@>]  
[<@>LABRADOR TRANSMISSION  
CORPORATION<@>]

Per: \_\_\_\_\_

---

**Notes:**

1. Insert the date on which the purchase of the FRDN, in whole or in part, is required to be made.
2. Insert the par value representing the portion of the FRDN requested to be purchased.
3. Insert the total of the amount inserted in Note 2 and the accrued interest to but excluding the Purchase Date.

**SCHEDULE "KK"**

**INITIAL TRANCHES**

<b><u>Initial Tranche</u></b>	<b><u>Corresponding FV Bond Series</u></b>
1. Tranche A	Series A Bonds
2. Tranche B	Series B Bonds
3. Tranche C	Series C Bonds

**SCHEDULE "LL"**

**NEW TRANCHES**

On the date indicated below, Muskrat and Labrador Transco have delivered this Schedule 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: \_\_\_\_\_

**New Tranche**

**Corresponding FV Bond Series**

1. Tranche [<@>D<@>]

Series [<@>D<@>] Bonds

2. Tranche [<@>E<@>]

Series [<@>E<@>] Bonds

**[NOTE TO DRAFT: To be completed with appropriate lettering in respect of the series of bonds and to reflect all of the series of bonds under FLG2.]**

**SECOND AMENDED AND RESTATED  
MASTER DEFINITIONS AGREEMENT**

**AMONG**

**THE TORONTO-DOMINION BANK,  
as Collateral Agent and as Paying Agent**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as Issuer Trustee of  
MUSKRAT FALLS/LABRADOR TRANSMISSION ASSETS FUNDING TRUST,  
as a GAA Finance Party**

**AND**

**COMPUTERSHARE TRUST COMPANY OF CANADA,  
as Muskrat/LTA Security Trustee and FV Security Trustee**

**AND**

**NALCOR ENERGY  
as the Contributing Party**

**AND**

**HER MAJESTY IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR  
as Guarantor of the Contributing Party**

**AND**

**MUSKRAT FALLS CORPORATION,  
as a Credit Party**

**AND**

**LABRADOR TRANSMISSION CORPORATION,  
as a Credit Party**

**DATED AS OF MAY 10, 2017**

---

**THIS SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT**  
is made as of May 10, 2017

**AMONG:**            **THE TORONTO-DOMINION BANK**, as Collateral Agent and Paying Agent

**AND:**            **BNY TRUST COMPANY OF CANADA**, as Issuer Trustee of **MUSKRAT FALLS/LABRADOR TRANSMISSION ASSETS FUNDING TRUST**, as a GAA Finance Party

**AND:**            **COMPUTERSHARE TRUST COMPANY OF CANADA**, as Muskrat Falls/LTA Security Trustee and FV Security Trustee

**AND:**            **NALCOR ENERGY**, as the Contributing Party

**AND:**            **HER MAJESTY IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR**, as Guarantor of the Contributing Party

**AND:**            **MUSKRAT FALLS CORPORATION**, as a Credit Party

**AND:**            **LABRADOR TRANSMISSION CORPORATION**, as a Credit Party

**WITNESSETH THAT:**

**WHEREAS** the parties hereto entered into a master definitions agreement as of November 29, 2013 in order to consolidate the definitions required for the Muskrat/LTA Project Finance Documents and the Guarantee Transaction Documents to which they are respectively party (the "**Initial Master Definitions Agreement**");

**WHEREAS** the Initial Master Definitions Agreement was amended and restated pursuant to an amended and restated master definitions agreement entered into by the parties hereto as of July 16, 2015 (the "**Principal Master Definitions Agreement**");

**WHEREAS** a project finance agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Muskrat Falls/Labrador Transmission Assets Funding Trust, as a GAA Finance Party, Muskrat Falls Corporation, as a Credit Party and Labrador Transmission Corporation, as a Credit Party (the "**Initial Muskrat/LTA Project Finance Agreement**");

**WHEREAS** the Initial Muskrat/LTA Project Finance Agreement was amended and restated pursuant to an amended and restated project finance agreement entered into as of July 16, 2015 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Muskrat Falls/Labrador Transmission Assets Funding Trust, as a GAA Finance Party, Muskrat Falls Corporation, as a Credit Party and Labrador Transmission Corporation, as a Credit Party (the "**Principal Muskrat/LTA Project Finance Agreement**");

**WHEREAS** a collateral agency agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, TD Securities Inc. and Goldman, Sachs & Co., as lead arranger, Her Majesty the Queen in Right of Canada, as a GAA Finance Party, BNY Trust Company of Canada, as Issuer Trustee of Muskrat Falls/Labrador Transmission Assets Funding Trust, Computershare Trust Company of Canada, as Muskrat/LTA Security Trustee and FV Security Trustee, Muskrat Falls Corporation and Labrador Transmission Corporation, as Credit Parties (the "**Initial Collateral Agency Agreement**");

**WHEREAS** the Initial Collateral Agency Agreement was amended and restated pursuant to an amended and restated collateral agency agreement entered into as of July 16, 2015 (the "**Principal Collateral Agency Agreement**");

**WHEREAS** the parties to the Principal Muskrat/LTA Project Finance Agreement intend to amend and restate same, and shall execute the Muskrat/LTA Project Finance Agreement concurrently with this Agreement in order to reflect such amendment and restatement;

**WHEREAS** the parties to the Principal Collateral Agency Agreement intend to amend and restate same, and shall execute the Collateral Agency Agreement concurrently with this Agreement in order to reflect such amendment and restatement;

**AND WHEREAS** the parties hereto wish to amend certain provisions of the Principal Master Definitions Agreement and to restate the Principal Master Definitions Agreement as so amended in its entirety, but without novation, the whole as herein provided;

**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 have agreed that the Principal Master Definitions Agreement is hereby amended and restated in its entirety, but without novation, as follows:

## **ARTICLE 1**

### **INTERPRETATION**

#### **1.1 Definitions**

Unless a clear contrary intention appears in a Muskrat/LTA Project Finance Document or a Guarantee Transaction Document, the capitalized terms used in each Muskrat/LTA Project Finance Document and Guarantee Transaction Document shall have the following meanings:



"**2017 Closing Date**" means the date that the Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement, the IT Conditions Precedent to the Second Amendment and Restatement and the LIL Conditions Precedent to the Second Amendment and Restatement are met to the satisfaction of the Collateral Agent or waived by it;

"**Additional Debt**" means (i) operating lines of credit up to a maximum principal amount of CDN\$10,000,000 for Muskrat and Labrador Transco combined and (ii) other Debt for Borrowed Money incurred by the Credit Parties to finance realized Cost Variances or Cost Overruns prior to Commissioning;

"**Additional Federal Loan Guarantee**" means the guarantee agreement executed on or about the date hereof by Canada in favor of the Indenture Trustee pursuant to the Funding Transaction Documents;

"**Additional Labrador Transco Cost Overrun**" has the meaning ascribed thereto in paragraph 10.28.3.2 of the Muskrat/LTA Project Finance Agreement;

"**Additional Material Project Documents**" means the Muskrat Additional Material Project Documents and the LTA Additional Material Project Documents;

"**Additional Muskrat Cost Overrun**" has the meaning ascribed thereto in paragraph 10.28.2.2 of the Muskrat/LTA Project Finance Agreement;

"**Administration Agreement**" means the administration agreement entered into among the Funding Vehicle, the Administrator, Canada and the Credit Parties;

"**Administrator**" means the Person that will act as administrator to the Funding Vehicle pursuant to the terms of the Administration Agreement;

"**ADN**" refers to the amortizing deposit note referenced in the Deposit Note Letter Agreement;

"**Advance**" means any amount of money advanced or to be advanced (as the context requires) to the Credit Parties pursuant to the Muskrat/LTA Project Finance Agreement;

"**Affected Funds**" has the meaning ascribed to it in Section 15.2 of the Muskrat/LTA Project Finance Agreement;

"**Affiliate**" means, with respect to any Person, any other Person, who directly or indirectly, Controls, is Controlled by or is under direct or indirect common Control with, such Person; provided, however, that NL Crown shall be deemed not to be an Affiliate of Nalcor or any Credit Party;

"**AFRDN**" refers to the amortizing floating rate deposit note referenced in the Deposit Note Letter Agreement;

**"Aggregate Labrador Transco Account Balances"** means as at the Effective Date of the Final Funding Request, the aggregate amount of the Aggregate Labrador Transco Eligible Account Balances and Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance;

**"Aggregate Labrador Transco Eligible Account Balances"** means, as at any time, the aggregate of (i) the balance on deposit at such time in the Labrador Transco Project Funding Account, following the application of paragraphs 8.8.1.2 to 8.8.1.7, inclusively, of the Muskrat/LTA Project Finance Agreement including, for greater certainty, any Income on Account Balances deriving therefrom, and (ii) the portion of the balance on deposit at such time in the Labrador Transco Project Operating Account following the application of paragraphs 8.9.2.2, 8.9.2.3 and 8.9.2.5 of the Muskrat/LTA Project Finance Agreement 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 (w) had been so deposited for purposes of funding LTA Project Costs that, at the time of calculation of the Aggregate Labrador Transco Eligible Account Balances, have since been fully satisfied for a lesser amount, (x) had been so deposited for purposes of funding LTA Project Costs expected to be invoiced after the Effective Date of a previous Funding Request and by the related Funds Release Date or WCR Release Date (relating to a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement), as the case may be, but with respect to which, at the time of calculation of the Aggregate Labrador Transco Eligible Account Balances, invoices have been received for an amount less than anticipated in such Funding Request, (y) had been deposited with respect to Project Costs that at the time of the Effective Date of the previous Funding Request were expected to be invoiced at a later date, but with respect to which no invoice has been received by the time of calculation of the Aggregate Labrador Transco Eligible Account Balances, or (z) had been so deposited further to clause (iv) of the definition of "Funding Requirements", but that, at the time of calculation of the Aggregate Labrador Transco Eligible Account Balances, have since not been used to defray Project Costs;

**"Aggregate Muskrat Account Balances"** means as at the Effective Date of the Final Funding Request, the aggregate amount of the Aggregate Muskrat Eligible Account Balances and Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance;

**"Aggregate Muskrat Eligible Account Balances"** means, as at any time, the aggregate of (i) the balance on deposit at such time in the Muskrat Project Funding Account, following the application of paragraphs 8.2.1.2 to 8.2.1.7, inclusively, of the Muskrat/LTA Project Finance Agreement including, for greater certainty, Income on Account Balances deriving therefrom, and (ii) the portion of the balance on deposit at such time in the Muskrat Project Operating Account following the application of paragraphs 8.3.2.2, 8.3.2.3 and 8.3.2.5 of the Muskrat/LTA Project Finance Agreement 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 **(w)** had been so deposited for purposes of funding MF Project Costs that, at the time of calculation of the Aggregate Muskrat Eligible Account Balances, have since been fully satisfied for a lesser amount, **(x)** had been so deposited for purposes of funding MF Project Costs expected to be invoiced after the Effective Date of a previous Funding Request and by the related Funds Release Date or WCR Release Date (relating to a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement), as the case may be, but with respect to which, at the time of calculation of the Aggregate Muskrat Eligible Account Balances, invoices have been received for an amount less than anticipated in such Funding Request, **(y)** had been deposited with respect to Project Costs that at the time of the Effective Date of the previous Funding Request were expected to be invoiced at a later date, but with respect to which no invoice has been received by the time of calculation of the Aggregate Muskrat Eligible Account Balances, or **(z)** that had been so deposited further to clause (iv) of the definition of "Funding Requirements", but that, at the time of calculation of the Aggregate Muskrat Eligible Account Balances, have since not been used to defray Project Costs,

"**AML Legislation**" has the meaning ascribed to it in subsection 10.26 of the Muskrat/LTA Project Finance Agreement;

"**Annual Labrador Transco Cost Overrun Instalment Payment**" has the meaning ascribed thereto in paragraph 10.28.3.2 of the Muskrat/LTA Project Finance Agreement;

"**Annual Maintenance Plan**" has the meaning ascribed to it from time to time **(i)** in the PPA with respect to Muskrat and the MF Plant, and **(ii)** in the GIA with respect to Labrador Transco and the LTA;

"**Annual Muskrat Cost Overrun Instalment Payment**" has the meaning ascribed thereto in paragraph 10.28.2.2 of the Muskrat/LTA Project Finance Agreement;

"**Applicable Interest Rate**" means, with respect to interest payable on any Corresponding Tranche Construction Loan, the Corresponding FV Bond Series Interest Rate;

"**Applicable Law**" means any Law applicable or relating to any specified Person, property, transaction or event or any of such Person's Assets, and any judgment or award of any Governmental Authority in any proceeding or action to which the Person in question is a party or by which such Person or any of its Assets is bound;

"**Assets**" means the property and assets, whether tangible or intangible, personal or real, of a specified Person and (to the extent the context so admits) also includes its business and operations. Wherever reference is made to a Credit Party's Assets, such reference shall include the MF Plant or LTA, as the case may be, and all rights of the applicable Credit Party relative thereto;

"**Attributable Debt**" means, with respect to any Person, in connection with any Sale and Leaseback Transaction, at any date as of which the amount thereof is to be determined,

the lesser of (i) the fair market value of the property subject to such Sale and Leaseback Transaction (as determined in good faith by the board of directors of such Person) and (ii) the total net amount of rent required to be paid by such Person under the lease which is the subject of such Sale and Leaseback Transaction during the remaining term thereof (including the initial term and any period for which such lease may be renewed or extended) discounted from the respective due dates thereof to such date at the debt rate implicit in such lease per annum compounded annually. The net amount of rent required to be paid under any such lease for any such period shall be the amount of the rent payable by the lessee with respect to such period, after excluding amounts required to be paid on account of maintenance and repairs, insurance, Taxes, assessments, water rates and similar charges. In the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated;

**"Authorization"** means any authorization, approval, consent, exemption, licence, permit, franchise or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's Assets or from any Person in connection with any contractual right;

**"Available LTA Base Equity Commitment"** means, as at any time, the amount, if any, by which the LTA Base Equity Commitment exceeds the LTA Base Equity Contributions made as at such time;

**"Available MF Base Equity Commitment"** means, as at any time, the amount, if any, by which the MF Base Equity Commitment exceeds the MF Base Equity Contributions made as at such time;

**"Base Block Payments"** has the meaning ascribed thereto from time to time in, and is to be calculated in accordance with, the PPA;

**"Base Block Payments Attributable to Debt Service"** means any portion of Base Block Payments intended to be used for purposes of funding the debt service obligations of Muskrat;

**"Base Cash Flow"** means, for any period, Contracted Revenues for such period plus, at any time prior to the LRA Release Date, the Liquidity Reserves, less all Cash Operating Costs;

**"Base Equity Contributions"** is the collective reference to the LTA Base Equity Contribution and the MF Base Equity Contribution and **"Base Equity Contribution"**, as the context may require, means either one of the LTA Base Equity Contribution or the MF Base Equity Contribution;

**"Basis of Design"** means the basis of design described in Schedule "AA" of the Muskrat/LTA Project Finance Agreement to the extent it relates to the Projects;

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in NL or the Province of Ontario or any other day on which banking institutions in St. John's, NL or Toronto, Ontario are not open for the transaction of business;

"**CA Indemnified Parties**" means the Collateral Agent, its Affiliates, directors, officers, employees, advisers, representatives and agents;

"**Canada**" means Her Majesty the Queen in Right of Canada;

"**Canada Project Costs and Expenses**" means the reasonable costs and expenses (including all reasonable costs and expenses incurred by Canada under any enforcement proceeding instituted pursuant to any of the Funding Transaction Documents or the Muskrat/LTA Project Finance Documents) due and payable, as well as any indemnity obligations due and payable by Canada to the Collateral Agent pursuant to the Collateral Agency Agreement or by the Funding Vehicle to Canada pursuant to the Funding Transaction Documents other than with respect to the reimbursement obligations of the Funding Vehicle set forth in Section 3.01(a)(1) of the GAA;

"**Canadian Dollars**" or "**CDN\$**" means the lawful currency of Canada;

"**Capital Account**" means, with respect to each Credit Party, the stated capital account maintained by such Credit Party with respect to its Capital Stock, provided, however, that for all purposes of calculating the DER, upon any amounts (other than amounts constituting Income on Account Balances) being transferred from the Cost Overrun Escrow Account of such Credit Party (other than pursuant to paragraph 10.28.2.9 of the Muskrat/LTA Project Finance Agreement) or any amounts (other than amounts constituting Income on Account Balances) being transferred from the Equity Prefunding Reserve Account, such amounts shall be deemed to form part of the Capital Account, but not before, and provided further, that where a Funding Request or a Final Funding Request pertains to Funding Requirements which include for such Credit Party an amount invested in such Credit Party and referenced in clause (iii) of the definition of Funding Requirements, then for the purposes of the calculation of the LTA Debt Rateable Share or the MF Debt Rateable Share, as the case may be, and the DER as at the Effective Date of such Funding Request or Final Funding Request, as the case may be, the aggregate outstanding balance of the Capital Account of such Credit Party shall be deemed to be reduced by the said amount referenced in clause (iii) of the definition of Funding Requirements. Moreover, for greater certainty, for all purposes of calculating DER, amounts transferred to the Equity Prefunding Reserve Account or the Cost Overrun Escrow Accounts shall not be deemed to form part of the Capital Account of either Credit Party;

"**Capital Lease**" means, with respect to any Person, any lease or other arrangement relating to property or assets which, in accordance with GAAP, would be accounted for as a capital lease obligation on a balance sheet of such Person. The amount of any Capital Lease at any date shall be the amount of the obligation in respect thereof which would be included within such balance sheet;

"**Capital Stock**" means common shares, preferred shares or other equivalent equity interests (howsoever designated) of capital stock of a body corporate, equity preferred or common interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent such ownership interest;

"**Cash Operating Costs**" means, for any period, all cash costs of the Credit Parties relating to the operation of the Projects during such period including any Taxes, insurance premiums, management and service fees, professional fees and expenses but excluding Total Debt Service paid during such period;

"**Change in Law**" means (i) the adoption or the coming into force of any Law, directive, guideline (whether or not having the force of law) or the interpretation or the administration thereof by a court or a Governmental Authority or other authority charged with such interpretation or administration, (ii) any change in any Law, directive or guideline whether or not having the force of law, or in the interpretation or administration thereof by any court or Governmental Authority or other authority charged with the interpretation or administration thereof, (iii) any reversal by any court or Governmental Authority or other authority of an interpretation of any Law, directive or guideline whether or not having the force of Law or (iv) any change in GAAP or any requirement, guideline, directive, interpretation or administrative position with respect to GAAP, in each case, which becomes effective after the Closing Date;

"**Change Order**" means any modification to the scope of work or the contract price pursuant to any Material Project Document which under the terms of subsection 3.1.1 of the Muskrat PDMA or the Labrador Transco PDMA requires the consent of either Credit Party;

"**Clean-Up**" means the remediation, containment, removal, treatment, elimination or disposal of any Hazardous Material;

"**Clearing Agency**" means (i) CDS or, if a successor is appointed, a successor organization recognized by the Ontario Securities Commission as a "clearing agency" pursuant to the *Securities Act* (Ontario), or (ii) if permitted under the Supplemental Indenture for a Series of FV Bonds, an organization performing similar functions in another jurisdiction, including The Depository Trust Company (DTC) and Central Securities Depositories which are members of the Euroclear group;

"**Closing Date**" means the date that the Muskrat/LTA Initial Conditions Precedent, the IT Initial Conditions Precedent and the LIL Initial Conditions Precedent are met to the satisfaction of the Collateral Agent or waived by it;

"**Collateral Agency Agreement**" means the second amended and restated collateral agency agreement dated the date hereof entered into among, *inter alios*, the Collateral Agent, the Muskrat/LTA Security Trustee, the GAA Finance Parties and the Credit Parties;

**"Collateral Agent"** means The Toronto-Dominion Bank, in its capacity as collateral agent for the GAA Finance Parties pursuant to the Collateral Agency Agreement, and includes any successor thereof in such capacity;

**"Collateral Agent's Counsel"** means such counsel as the Collateral Agent may appoint, and as approved by the Partnership;

**"Collateral Agent's Office"** means generally, the office of the Collateral Agent located at 140 Water Street, St. John's, NL, A1C 6H6 or such other office as the Collateral Agent with the agreement of the Credit Parties may specify from time to time;

**"Collateral Agent Standard"** means based on the experience of the Collateral Agent in project financing transactions of nature and magnitude similar to the Projects and taking into account the covenants of Nalcor and NL Crown under the Equity Agreements and as if the Collateral Agent was a direct lender to the Credit Parties;

**"Collateral Mortgage Bond"** means a senior secured bond issued by a Credit Party pursuant to a Security Document;

**"Collateral Mortgage Bond Pledge"** means any pledge agreement in favour of a GAA Finance Party or the Collateral Agent pursuant to the terms of which a Collateral Mortgage Bond is pledged;

**"Commissioning"** means, the commissioning deemed to have occurred upon the issuance by the Collateral Agent of the Commissioning Confirmation, and **"Commission"** and **"Commissioning"** shall have correlative meanings;

**"Commissioning Certificate"** means a certificate, substantially in the form of the one attached as Schedule "L" to the Muskrat/LTA Project Finance Agreement, executed by a Responsible Officer of Devco and a Responsible Officer of each Credit Party, in each case in his capacity as an officer of, respectively, Devco and each Credit Party and without personal liability, addressed to the Collateral Agent and the Independent Engineer, in form and substance satisfactory to the Collateral Agent, attesting:

- (i) the realized Cost Variances, if any;
- (ii) the Punch List Costs and Demobilization Costs;
- (iii) that the static and dynamic commissioning inspections and tests have been achieved in accordance with the approved commissioning procedures and that 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;
- (iv) that 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

- (v) that he has no reason to believe that, assuming the proper operation and maintenance of the plant and related equipment and devices forming part of the Projects, it will not be able to maintain such required specifications and operating objectives for a period of at least thirty-five (35) years;

and shall be accompanied with all such supporting documentation and information as will permit the Collateral Agent and the Independent Engineer, in their judgment, to verify the information and calculations given and made in such certificate;

**"Commissioning Confirmation"** means the confirmation to be issued by the Collateral Agent pursuant to Section 7.9 of the Muskrat/LTA Project Finance Agreement, and which shall be in the form attached as Schedule "M" of the Muskrat/LTA Project Finance Agreement;

**"Commissioning Date"** means the date and time specified on the Commissioning Confirmation, as the date the Conditions Precedent to Commissioning are met to the satisfaction of the Collateral Agent or waived by it;

**"Commissioning Tests"** means the successful completion of the specified static and dynamic commissioning tests and inspections in accordance with the approved commissioning procedures and the specified reliability and Performance Testing, in order to demonstrate that the Projects are able to meet the requirements of the Basis of Design;

**"Commitment Letter"** means as the context requires, (i) the commitment letter relating to the financing contemplated in the Funding Transaction Documents executed as of November 5, 2013 among the lead arranger, the Funding Vehicle, the Credit Parties and Nalcor or (ii) the commitment letter relating to the financing contemplated in the Funding Transaction Documents executed on or about the date hereof among the Lead Arranger, the Funding Vehicle, the Credit Parties and Nalcor;

**"Compliance Certificate"** means a certificate, substantially in the form of the one attached as Schedule "R" to the Muskrat/LTA Project Finance Agreement, signed by a Responsible Officer of each Credit Party in his capacity as an officer of such Credit Party and without personal liability:

- (i) setting forth the calculations required to establish the Retrospective DSCR and the Prospective DSCR, provided, however, that no such calculations shall be provided in any Compliance Certificate delivered during the Construction Period;
- (ii) attesting that all of the terms, 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;

- (iii) attesting that no Muskrat/LTA Event of Default has occurred and is continuing on the date thereof; and
- (iv) attesting that, to the Knowledge of said officer, 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 such 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;

**"Conditions Precedent to Commissioning"** has the meaning ascribed thereto in Section 7.9 of the Muskrat/LTA Project Finance Agreement;

**"Consolidated Transaction Documents"** refers collectively to the Funding Transaction Documents, the Guarantee Transaction Documents, the Muskrat/LTA Project Finance Documents and the Administration Agreement;

**"Construction Period"** means the period commencing on the Closing Date and terminating on the earliest of:

- (i) the day immediately preceding the Commissioning Date;
- (ii) the Date Certain;
- (iii) the date that the Muskrat/LTA Construction Facility is terminated and cancelled in its entirety under the provisions of Section 14.2 of the Muskrat/LTA Project Finance Agreement; and
- (iv) the date of any other cancellation of the Muskrat/LTA Construction Facility in its entirety;

**"Construction Report"** has the meaning ascribed thereto in Section 11.3 of the Muskrat/LTA Project Finance Agreement;

**"Contingency Equity Contributions"** is the collective reference to the LTA Contingency Equity Contribution and the MF Contingency Equity Contribution and **"Contingency Equity Contribution"**, as the context may require, means either one of the LTA Contingency Equity Contribution or the MF Contingency Equity Contribution;

**"Contracted Revenues"** means, for any period, the sum of the following amounts:

- (i) all Base Block Payments and all other revenues of Muskrat arising from power purchase agreements entered into between it and any Person purchasing power generated by Muskrat and having an Investment Grade

Rating, based on total annual energy sales not to exceed the P50 Average Annual Energy Production; and

- (ii) all LTA Payments;

**"Contributing Party"** means Nalcor;

**"Control"** of a Person means the possession, direct or indirect, of the power to elect or appoint a majority of such Person's board of directors or similar governing body, or to direct or cause the direction of the management, business and/or policies of such Person, whether through ownership of Voting Capital Stock, by contract or otherwise, and, without limiting the generality of the foregoing, a Person shall be deemed to **"Control"** any partnership of which, at the time, the Person is a general partner or Controls the general partner, in the case of a limited partnership, or is a partner who, under the partnership agreement, has authority to bind the partnership in all other cases (and the terms **"Controlled by"** and **"under common Control with"** have a correlative meaning);

**"Corresponding FV Bond Series Interest Rate"** means, in respect of each series of FV Bonds indicated in each of Schedule "KK" and Schedule "LL" of the Muskrat/LTA Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule, the interest rate per annum applicable to such series of FV Bonds pursuant to the relevant MTI and the relevant Supplemental Indenture to such MTI;

**"Corresponding Tranche Construction Loan"** means, as at any time, in respect of each Tranche, the aggregate of the principal amount of Advances then outstanding under such Tranche;

**"Corresponding Tranche Maturity Date"** means, in respect of each Tranche, the date which is two (2) Business Days prior to the maturity date (i) in respect of any Initial Tranche, of the series of FV Bonds listed in Schedule "KK" of the Muskrat/LTA Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule opposite the name of such Initial Tranche, and (ii) in respect of any New Tranche, of the series of FV Bonds listed in Schedule "LL" of the Muskrat/LTA Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule opposite the name of such New Tranche, in each case pursuant to the relevant MTI and the relevant Supplemental Indenture;

**"Cost Overrun Escrow Accounts"** means the Muskrat Cost Overrun Escrow Account and the Labrador Transco Cost Overrun Escrow Account;

**"Cost Overruns"** means in respect of the Projects, on any date, an amount equal to: (A) the aggregate remaining project costs to achieve completion of the Projects including (i) the remaining costs and payment obligations payable pursuant to the contracted items of the June 2016 Project Budget including the cost of work completed but not yet paid for, *plus* (ii) any amounts set out in the June 2016 Project Budget for non-contracted items of the June 2016 Project Budget, *plus* (iii) all other remaining project costs including owners costs (included in the June 2016 Project Budget but not covered by contract costs) and (iv) any appropriate contingencies and adjustments to such

contingencies and escalation amounts and reasonably expected savings payable pursuant to the contracted items and non-contracted items of the June 2016 Project Budget all as determined by the Credit Parties and as reviewed by the Independent Engineer as being reasonable, *plus* (v) finance costs estimated to be payable to the Commissioning Date in excess of the amount specified for that item in the June 2016 Project Budget *less* (B) (i) total project costs in the June 2016 Project Budget less cumulative Project Costs incurred to date by the Projects *plus* (ii) any cash deposits contained in the Cost Overrun Escrow Accounts;

**"Cost Overruns Certificate"** means the certificate to be issued pursuant to Section 10.28 of the Muskrat/LTA Project Finance Agreement, and which shall be in the form attached thereto in Schedule "II";

**"Cost to Complete"** means, as at any date, the estimate of the Hard Costs and Soft Costs which will be required to be incurred to attain Commissioning by the Date Certain (including the Punch List Costs and the Demobilization Costs), it being understood that the Project Costs incurred on or prior to such date, and whether already financed or requested to be financed pursuant to any Funding Request or the Final Funding Request, shall not form part of the Cost to Complete;

**"Cost Variances"** means, with respect to each Project, with regard to particular construction phase or component of construction and start-up of such Project, the amount by which costs in respect of such construction phase or component is expected to exceed amounts allocated thereto in the MF Project Budget or the LTA Project Budget, as the case may be;

**"Credit Parties"** as at any time, refers collectively to Muskrat and Labrador Transco and **"Credit Party"** refers to either one thereof;

**"Credit Parties' Counsel"** means Fasken Martineau DuMoulin LLP and McInnes Cooper and each additional or replacement firm of solicitors of recognized national standing as the Credit Parties may select from time to time;

**"Credit Parties' Real Property Counsel"** means McInnes Cooper and each additional or replacement firm of solicitors of recognized national standing as the Credit Parties may select from time to time;

**"Date Certain"** means February 28, 2021 as extended as hereinafter provided. The Credit Parties may request that the Date Certain be extended once only, for a period of up to six (6) months by issuing to the Collateral Agent a written request at least thirty (30) days prior to February 28, 2021, which request shall:

- (i) state that no Muskrat/LTA Event of Default (other than a Muskrat/LTA Event of Default which has occurred as a direct result of an event of Force Majeure) has occurred and is continuing;
- (ii) designate the date to which the Date Certain is requested to be extended;

- (iii) be accompanied by written evidence satisfactory to the Collateral Agent that (a) no Material Project Document shall terminate as a result of such extension and each Material Project Document which as of the date of the request has not been terminated shall continue to be in effect until such extended Date Certain except to the extent already terminated as a consequence of a scheduled termination and (b) that such extension would not result in a Material Adverse Effect; and
- (iv) demonstrate to the satisfaction of the Collateral Agent and the Independent Engineer that Commissioning can be reasonably expected to occur during the period of such extension;

With respect to such request, in the event that such request shall comply with the requirements set forth above and that the Collateral Agent shall be satisfied that the information set forth in such request is true and accurate in all material respects and that it is appropriate that the Date Certain be extended to the date set forth in the Credit Parties' request, and subject to the further requirement that no Muskrat/LTA Event of Default shall have occurred and be continuing on February 28, 2021, the Date Certain shall be extended to the date set forth in such request; provided, however, that, if at any time during the period of any such extension any of the conditions set forth above relating to such extension ceases to be true, upon delivery of written notice to the Credit Parties by the Collateral Agent, such period of extension shall terminate on the date specified in such written notice;

"DBRS" means DBRS Limited and its successors;

"Debt for Borrowed Money" means, with respect to any Person, without duplication, such Person's:

- (i) obligations for borrowed money;
- (ii) obligations under letters of credit or letters of guarantee or obligations to financial institutions who issued such letters of credit or letters of guarantee for the account of such Person;
- (iii) obligations under banker's acceptances, depository bills or depository notes (as these latter two expressions are defined in the *Depository Bills and Notes Act* (Canada));
- (iv) Purchase Money Obligations;
- (v) obligations evidenced by bonds, debentures or promissory notes;
- (vi) redeemable shares of its Capital Stock which are either redeemable at the option of the holder thereof, are redeemable at a fixed date or are redeemable during fixed intervals. The amount of Debt for Borrowed Money of any such Capital Stock shall be the maximum fixed redemption or repurchase price therefor;

- (vii) Attributable Debt with respect to Sale and Leaseback Transactions;
- (viii) the mark to market exposure of such Person under Derivative Instruments; and
- (ix) obligations under Guarantees with respect to obligations referred to in paragraphs (i) to (viii) inclusively;

**"Debt Service"** means, at any given time with respect to each Project, the applicable Project Rateable Share of the amount of principal, interest and fees, including the Guarantee Fee, due and payable with respect to the Muskrat/LTA Construction Loan at such time;

**"Deemed Principal Repayments"** means, with respect to any Additional Debt of either Credit Party that, by its terms, is repayable in its entirety only at maturity, the amount of the deemed principal repayments calculated as a level dollar principal amortization over the term of such Additional Debt and fully amortizing the principal amount thereof with annual installments and shall apply to and be deemed to be required to be made by such Credit Party;

**"Demobilization Costs"** means the Muskrat Demobilization Costs and the LTA Demobilization Costs;

**"Demobilization Costs Accounts"** means the Muskrat Demobilization Costs Account and the Labrador Transco Demobilization Costs Account;

**"Demobilization Costs Funds Releases"** means the Demobilization Costs Muskrat Funds Release and the Demobilization Costs LTA Funds Release;

**"Demobilization Costs LTA Funds Release"** means the single Funds Release to be made to Labrador Transco pursuant to the provisions of Section 7.7 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xxviii) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the LTA Demobilization Costs, the whole subject to the amount then outstanding to the credit of the Muskrat/LTA Proceeds Account at such time;

**"Demobilization Costs Muskrat Funds Release"** means the single Funds Release to be made to Muskrat pursuant to the provisions of Section 7.7 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xvi) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the Muskrat Demobilization Costs, the whole subject to the amount then outstanding to the credit of the Muskrat/LTA Proceeds Account at such time;

**"Demobilization List Items"** has the meaning ascribed to it in Section 10.20 of the Muskrat/LTA Project Finance Agreement;

**"Demobilization Work"** means the work, including any incomplete or outstanding Performance Testing, associated with the dismantling of facilities and associated environmental remedial work, disposal and disposition of tools, machinery, equipment and materials, removal of temporary systems, demobilization of personnel, close out of leases, payments of fees, licences, legal fees, close-out teams and offices, computers, support systems and personnel, information systems and information technology, performance testing personnel and equipment, final documentation close-out and transfer to operations in accordance with the provisions of the MSA;

**"Deposit Note Letter Agreement"** means the letter agreement, or letter agreements, to be executed in connection with the ADN, AFRDN and the FRDN by the issuers thereof and the Credit Parties;

**"DER"** means:

- (i) during the Construction Period:
  - (A) in connection with the incurrence test for Additional Debt contemplated in subsection 12.2.5 of the Muskrat/LTA Project Finance Agreement, (a) the sum of the principal amount of the Funds Releases made to the Credit Parties, the principal amount of all outstanding Additional Debt and the principal amount of all the Additional Debt proposed to be incurred, less the amount of the balance on deposit in the Sinking Fund Account, divided by (b) the sum of the total under clause (i)(A)(a) of this definition plus the aggregate outstanding balance of the Capital Accounts of the Credit Parties and any equity proposed to be invested (including any amounts to be transferred from the Equity Prefunding Reserve Account pursuant to Section 10.27 and subsections 8.17A.2 and 8.17A.3 of the Muskrat/LTA Project Finance Agreement and from the Cost Overrun Escrow Accounts pursuant to Section 10.27 and paragraphs 10.28.2.4 and 10.28.3.4 of the Muskrat/LTA Project Finance Agreement) concurrently with the incurrence of the proposed Additional Debt, expressed as a percentage;
  - (B) for all other purposes, (a) as at the time of the relevant calculation of DER the sum of the principal amount of Funds Releases made to the Credit Parties and the principal amount of all outstanding Additional Debt, less the amount of the balance on deposit in the Sinking Fund Account, divided by (b) the sum of the total under clause (i)(B)(a) of this definition and the aggregate outstanding balance of the Capital Accounts of the Credit Parties, expressed as a percentage;

- (ii) during the Operating Period:
  - (A) in connection with the incurrence test for Additional Debt contemplated in subsection 12.2.5 of the Muskrat/LTA Project Finance Agreement, (a) the sum of the Muskrat/LTA Construction Loan, the principal amount of all outstanding Additional Debt and the principal amount of all the Additional Debt proposed to be incurred, less the amount of the balance on deposit in the Sinking Fund Account, divided by (b) the sum of the total under clause (ii)(A)(a) of this definition plus the aggregate outstanding balance of the Capital Accounts of the Credit Parties and any equity proposed to be invested concurrently with the incurrence of the proposed Additional Debt, expressed as a percentage;
  - (B) for all other purposes, (a) the sum of the Muskrat/LTA Construction Loan and the principal amount of all outstanding Additional Debt, less the amount of the balance on deposit in the Sinking Fund Account, divided by (b) the sum of the total under clause (ii)(B)(a) of this definition and the aggregate outstanding balance of the Capital Accounts of the Credit Parties, expressed as a percentage;

**"Derivative Instruments"** means any "Swap Transaction" as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. and/or any agreement evidencing such transaction;

**"Devco"** means Lower Churchill Management Corporation, a NL corporation, and includes any successor thereto;

**"Distribution Certificate"** means the certificate to be issued by a Credit Party pursuant to Section 11.4 of the Muskrat/LTA Project Finance Agreement, and which shall be in the form attached thereto as Schedule "N";

**"Distribution Conditions"** means, as at any proposed Distribution Date, the following:

- (i) the Compliance Certificate delivered pursuant to Section 11.1 or 11.2 of the Muskrat/LTA Project Finance Agreement on or immediately prior to such Distribution Date shall demonstrate, to the satisfaction of the Collateral Agent, that the Credit Parties achieved a Retrospective DSCR and a Prospective DSCR of at least 1.20:1;
- (ii) the DSRA is funded with an amount equal to the Minimum DSRA Requirement as at such Distribution Date; and
- (iii) no Muskrat/LTA Event of Default then exists;

**"Distribution Date"** means a Business Day after the sixth (6<sup>th</sup>) month following the first day of the Operating Period which can occur (i) no more frequently than once per quarter,

(ii) no earlier than five (5) Business Days following the delivery to the Collateral Agent of a Distribution Certificate and (iii) in any particular month, only after the date on which the Collateral Agent, on behalf of the Funding Vehicle, is scheduled to receive payment of all amounts due and payable by the Credit Parties in respect of the Muskrat/LTA Loan, including Sinking Fund Payments;

**"Distribution Funds"** means the amount, determined on a Distribution Date, of:

- (i) with respect to Muskrat: (A) cash in the Muskrat Project Funding Account after application of all amounts in the Muskrat Project Funding Account pursuant to clauses (a) to (h) of paragraph 8.2.2.2 of the Muskrat/LTA Project Finance Agreement) and (B) cash in the Muskrat Distribution Reserve Account; and
- (ii) with respect to Labrador Transco: (A) cash in the Labrador Transco Project Funding Account after application of all amounts in the Labrador Transco Project Funding Account pursuant to clauses (a) to (h) of paragraph 8.8.2.2 of the Muskrat/LTA Project Finance Agreement and (B) cash in the Labrador Transco Distribution Reserve Account;

**"Distribution Reserve Accounts"** means the Muskrat Distribution Reserve Account and the Labrador Transco Distribution Reserve Account;

**"Distributions"** with respect to any Person, means:

- (i) the payment or declaration of any dividend or the making of any distribution of any kind or character (whether in cash or property, but expressly excluding any such distribution by way of the payment of dividends by the issuance of Capital Stock of such Person) in respect of any class of the Capital Stock of such Person or to the holders of any class of its Capital Stock;
- (ii) the purchase, redemption or other acquisition or retirement for value of any of its Capital Stock or of any options, warrants or rights to purchase or acquire shares of its Capital Stock;
- (iii) the payment of management fees, commission fees, guarantee fees and other fees or amounts to any holder of Capital Stock of such Person other than in accordance with or pursuant to the provisions of the Material Project Documents; and
- (iv) the setting aside of any funds for any of the foregoing purposes;

**"Drawdown"** means as the context requires, (i) the single Advance under the Initial Muskrat/LTA Project Finance Agreement or (ii) the single Advance under the Muskrat/LTA Project Finance Agreement made following the Muskrat/LTA Second Amendment and Restatement Effective Date;



**"Drawdown Date"** means as the context requires, (i) the day on which a Drawdown was made under the Initial Muskrat/LTA Project Finance Agreement or (ii) the day on which a Drawdown is made under the Muskrat/LTA Project Finance Agreement;

**"Draw Request"** means a notice, substantially in the form of the one attached as Schedule "S" to the Muskrat/LTA Project Finance Agreement, issued by the Credit Parties to the Collateral Agent in connection with a Drawdown requested by the Credit Parties under the Muskrat/LTA Project Finance Agreement;

**"DSCR"** is the collective reference to Retrospective DSCR and Prospective DSCR;

**"DSCR Consultation Period"** has the meaning ascribed to it in Section 10.25 of the Muskrat/LTA Project Finance Agreement;

**"DSRA"** has the meaning ascribed to it in Section 8.14 of the Muskrat/LTA Project Finance Agreement;

**"DSRA Equity Contributions"** is the collective reference to the LTA DSRA Equity Contribution and the MF DSRA Equity Contribution and **"DSRA Equity Contribution"**, as the context may require, means either one of the LTA DSRA Equity Contribution or the MF DSRA Equity Contribution;

**"DSRA Funds Releases"** means the DSRA Muskrat Funds Release and the DSRA LTA Funds Release;

**"DSRA LTA Funds Release"** means the single Funds Release to be made to Labrador Transco pursuant to the provisions of Section 7.8 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xxvi) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the DSRA LTA Funds Release, the whole subject to the amount then outstanding to the credit of the Muskrat/LTA Proceeds Account at such time;

**"DSRA Muskrat Funds Release"** means the Funds Release to be made to Muskrat pursuant to the provisions of Section 7.8 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (xiv) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the DSRA Muskrat Funds Release, the whole subject to the amount then outstanding to the credit of the Muskrat/LTA Proceeds Account at such time;

**"DSRA Prefunding"** has the meaning ascribed to it in Section 10.27 of the Muskrat/LTA Project Finance Agreement;

**"Easements"** means all easements, rights-of-way, rights in the nature of easements, rights of ownership, rights of first refusal or otherwise to acquire same, necessary for the development, maintenance or operation of the Projects;

**"Effective Date"** means the date as of which financial information relating to the Projects is being provided, it being understood that with respect to:

- (i) any Funding Request or the Final Funding Request, such date shall be the day immediately preceding the date of such Funding Request or Final Funding Request;
- (ii) any Construction Report, such date shall be the last Business Day of the month preceding the month during which such Construction Report is delivered; and
- (iii) any WCR Release and Equity Funding Notice, such date shall be the day immediately preceding the date of such WCR Release and Equity Funding Notice;

**"Eligible Project Costs"** means, as at any Effective Date, as determined by the Collateral Agent in consultation with the Credit Parties, the aggregate amount required by a Credit Party to defray the MF Project Costs or LTA Project Costs, as the case may be, incurred to and invoiced by such date or, as supported by supporting documentation for the relevant Funding Request or the Final Funding Request in the form sample attached as Schedule "CC" to the Muskrat/LTA Project Finance Agreement, expected to be incurred to and invoiced by the relevant Funds Release Date with respect to work done and goods delivered prior to such dates or with respect to deposits on contracts and in each case with respect to which no previous Funding Request has been issued or with respect to which a Funding Request has previously been issued and the proceeds thereof form part of, with respect to Labrador Transco, Aggregate Labrador Transco Eligible Account Balances identified in clause (b)(y) of the definition of "Aggregate Labrador Transco Eligible Account Balances", and, with respect to Muskrat, Aggregate Muskrat Eligible Account Balances identified in clause (b)(y) of the definition of "Aggregate Muskrat Eligible Account Balances";

**"Enforcement Event"** means:

(i) each one of the Muskrat/LTA Events of Default set forth below:

1. a Muskrat/LTA Event of Default under Section 13.6 of the Muskrat/LTA Project Finance Agreement resulting from an Insolvency Event other than an Insolvency Event under clause (v) of the definition of "Insolvency Event";
2. a Muskrat/LTA Event of Default under Section 13.7 of the Muskrat/LTA Project Finance Agreement;
3. a Muskrat/LTA Event of Default under Section 13.10 of the Muskrat/LTA Project Finance Agreement;
4. a Muskrat/LTA Event of Default under Section 13.12 of the Muskrat/LTA Project Finance Agreement;

5. a Muskrat/LTA Event of Default under Section 13.18 of the Muskrat/LTA Project Finance Agreement, but only to the extent that it relates to the PPA or the GIA;
6. a Muskrat/LTA Event of Default under Section 13.22 of the Muskrat/LTA Project Finance Agreement;
7. a Muskrat/LTA Event of Default under Section 13.26 or 13.27 of the Muskrat/LTA Project Finance Agreement, 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); or

(ii) a Muskrat/LTA Event of Default other than a Muskrat/LTA Event of Default described in clause (i) above, but, in the case of clause (ii), only to the extent that the Remedies Consultation Period relating to such Muskrat/LTA Event of Default has expired and such Muskrat/LTA Event of Default continues following such expiry of the Remedies Consultation Period.

"**Enforcement Proceeding**", with respect to any Person, refers to:

- (i) any right granted to such Person against another Person or the Assets of such other Person as a result of such first Person holding, directly or beneficially, Liens on the Assets of such other Person including: (a) the right to require the surrender of the Assets subject to such Liens; (b) the right to exercise any power of sale over or to foreclose on the Assets subject to such Liens; (c) the right to appoint a receiver for such Person or its Assets; (d) the right to withdraw any authorization to collect accounts subject to such Liens; (e) the right to vote any Capital Stock subject to such Liens or to withdraw any power of attorney to vote any such Capital Stock; and (f) the right to take possession, administer, sell or lease any of the Assets subject to such Liens;
- (ii) the right to seize or request the seizure of the Assets of any other Person; and
- (iii) the right to institute or prosecute any judicial proceeding seeking injunctive relief, the appointment of a receiver, the sale of any Assets or for foreclosure;

"**Environmental Law**" means, with respect to any Person, any Applicable Law relating to the environment and to such Person or any of its Assets;

"**Environmental Losses**" has the meaning ascribed to it in Section 15.3 of the Muskrat/LTA Project Finance Agreement;

"**EPCM**" means the agreement for engineering, procurement and construction management services for the Project entered into effective as of February 1, 2011 between Nalcor and SNC Lavalin Inc. as assigned to Devco on or about November 29, 2013;

"**Equity Agreements**" refers collectively to the ESAs and the ESGs;

"**Equity Contribution Release Conditions**" means, during any period of time that Excluded Deposits are outstanding in any Project Account, either (i) where the Muskrat/LTA Construction Facility has not been fully disbursed, the Collateral Agent exercises its rights under subsection 14.2.1 of the Muskrat/LTA Project Finance Agreement and declares the Muskrat/LTA Construction Facility to be cancelled or terminated, or (ii) where the Muskrat/LTA Construction Facility has been fully disbursed but the amount then standing to the credit of the Muskrat/LTA Proceeds Accounts has not been released to the Credit Parties and following the exercise by the Collateral Agent of any Right, Recourse and/or Remedy under Section 14.2 of the Muskrat/LTA Project Finance Agreement, the GAA Finance Parties advise the Credit Parties that they have determined not to proceed to have Commissioning of the Project achieved;

"**Equity Prefunding Base Amount**" means \$184,000,000;

"**Equity Prefunding Reserve Account**" has the meaning ascribed thereto in Section 8.17A of the Muskrat/LTA Project Finance Agreement;

"**Equity Rateable Share**" as the context may require, shall mean the LTA Equity Rateable Share or the MF Equity Rateable Share;

"**ESAs**" means the MFESA and the LTAESA;

"**ESGs**" means the MFESG and the LTAESG;

"**Event of Default**" means a FV Event of Default, a Muskrat/LTA Event of Default and a GAA Event of Default;

"**Excise Tax Act**" means the *Excise Tax Act* (Canada);

"**Excluded Collateral**" means (i) all Excluded Deposits, (ii) all GHG Credits, (iii) the proceeds of all NLH External Market Sales deemed to be made by Muskrat on behalf of NLH in accordance with the PPA, and (iv) all of Muskrat's right, title, and interest in the Gull Island Rights and in the Water Lease as they pertain to the Gull Island Rights;

"**Excluded Deposits**" is, at any time, the collective reference to any amount deposited into any Project Account that represents a Base Equity Contribution, a Contingency Equity Contribution or a DSRA Equity Contribution including, without limitation, any amounts on deposit in the Cost Overrun Escrow Accounts or the Equity Prefunding Reserve Account, the release of which for purposes of funding Project Costs cannot be made in accordance with Section 2.9 of the applicable ESA and Section 2.4 of the applicable ESG;

**"Expropriation Event"** means any compulsory transfer or taking by condemnation, expropriation, eminent domain or exercise of a similar power, or transfer under threat of such compulsory transfer or taking, of any part of the Assets of a Person by any Governmental Authority;

**"Federal Environmental Assessment"** means the decision made by the Minister of Fisheries in his capacity as responsible authority to release the Lower Churchill Hydroelectric Generation Project from environmental assessment with the approval of the Governor in Council on March 15, 2012 pursuant to Section 37(1) of the Canadian Environmental Assessment Act, S.C. 1992, c. 37;

**"Federal Loan Guarantee"** means, as the context may require, (a) the Initial Federal Loan Guarantee and (b) the Additional Federal Loan Guarantee and **"Federal Loan Guarantees"** is the collective reference to such guarantee agreements;

**"Final Eligible Project Costs"** means the Muskrat Final Eligible Project Costs and the Labrador Transco Final Eligible Project Costs;

**"Final Funding Labrador Transco Rateable Share"** means, in respect of the funding of each of Labrador Transco's Project Rateable Share of the DSRA, the Labrador Transco Punch List Costs Account, the Labrador Transco Demobilization Costs Account and the Labrador Transco Final Eligible Project Costs on the Commissioning Date, the rateable share of the aggregate amount of Funding Requirements requested pursuant to the Final Funding Request attributable to such funding;

**"Final Funding Muskrat Rateable Share"** means, in respect of the funding of each of Muskrat's Project Rateable Share of the DSRA, the Muskrat Punch List Costs Account, the Muskrat Demobilization Costs Account and the Muskrat Final Eligible Project Costs on the Commissioning Date, the rateable share of the aggregate amount of Funding Requirements requested pursuant to the Final Funding Request attributable to such funding;

**"Final Funding Request"** means a request, substantially in the form of Schedule "O" to the Muskrat/LTA Project Finance Agreement, addressed by the Credit Parties to the Collateral Agent and the Independent Engineer, specifying:

- (i) the Final Eligible Project Costs;
- (ii) the Punch List Costs;
- (iii) the Demobilization Costs;
- (iv) that no Muskrat/LTA Event of Default has occurred and is continuing;
- (v) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date, the Final Funding Muskrat Rateable Share

of the Aggregate Muskrat Account Balances attributable to the funding of such Final Eligible Project Costs;

- (vi) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Muskrat's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the Final Funding Muskrat Rateable Share of the Aggregate Muskrat Account Balances attributable to such funding of the DSRA;
- (vii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date, the Final Funding Muskrat Rateable Share of the Aggregate Muskrat Account Balances attributable to such funding of the Muskrat Punch List Costs Account;
- (viii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date, the Final Funding Muskrat Rateable Share of the Aggregate Muskrat Account Balances attributable to such funding of the Muskrat Demobilization Costs Account;
- (ix) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available MF Base Equity Commitment or the MF Contingency Equity Commitment, as the case may be, and representing the MF Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (v) of this definition, minus **(b)** the Final Funding Muskrat Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Muskrat Final Eligible Project Costs, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (x) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Muskrat's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, **(a)** the aggregate amount to be invested under MF DSRA Equity Commitment and representing the MF Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of Muskrat's Project Rateable Share of the DSRA on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (vi) of this definition, minus **(b)** the Final Funding Muskrat Rateable Share of the

amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of Muskrat's Project Rateable Share of the DSRA, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available MF Base Equity Commitment or the MF Contingency Equity Commitment, as the case may be, and representing the MF Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (vii) of this definition, minus **(b)** the Final Funding Muskrat Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Muskrat Punch List Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available MF Base Equity Commitment or the MF Contingency Equity Commitment, as the case may be, and representing the MF Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (viii) of this definition, minus **(b)** the Final Funding Muskrat Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Muskrat Demobilization Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xiii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date, the aggregate amount of the Funds Release requested by Muskrat and representing the MF Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (v) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xiv) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Muskrat's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the aggregate amount of the Funds Release requested by Muskrat and representing the MF Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of Muskrat's Project Rateable Share of the DSRA on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (vi) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xv) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date, the aggregate amount of the Funds Release requested by Muskrat and representing the MF Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (vii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xvi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date, the aggregate amount of the Funds Release requested by Muskrat and representing the MF Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Muskrat Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Muskrat Account Balances calculated in paragraph (viii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xvii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date, the Final Funding Labrador Transco Rateable Share of the Aggregate Labrador Transco Account Balances attributable to the funding of such Final Eligible Project Costs;
- (xviii) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the Final Funding Labrador Transco Rateable Share of the Aggregate Labrador Transco Account Balances attributable to such funding of the DSRA;



- (xix) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date, the Final Funding Labrador Transco Rateable Share of the Aggregate Labrador Transco Account Balances attributable to such funding of the Labrador Transco Punch List Costs Account;
- (xx) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date, the Final Funding Labrador Transco Rateable Share of the Aggregate Labrador Transco Account Balances attributable to such funding of the Labrador Transco Demobilization Costs Account;
- (xxi) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date, (a) the aggregate amount to be invested under the Available LTA Base Equity Commitment or the LTA Contingency Equity Commitment, as the case may be, and representing the LTA Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xvii) of this definition, minus (b) the Final Funding Labrador Transco Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Labrador Transco Final Eligible Project Costs, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxii) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, (a) the aggregate amount to be invested under the LTA DSRA Equity Commitment and representing the LTA Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of Labrador Transco's Project Rateable Share of the DSRA on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xviii) of this definition, minus (b) the Final Funding Labrador Transco Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of Labrador Transco's Project Rateable Share of the DSRA, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xxiii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available LTA Base Equity Commitment or the LTA Contingency Equity Commitment, as the case may be, and representing the LTA Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xix) of this definition, minus **(b)** the Final Funding Labrador Transco Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Labrador Transco Punch List Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxiv) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date, **(a)** the aggregate amount to be invested under the Available LTA Base Equity Commitment or the LTA Contingency Equity Commitment, as the case may be, and representing the LTA Equity Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xx) of this definition, minus **(b)** the Final Funding Labrador Transco Rateable Share of the amount determined in clause (iii) of the definition of Funding Requirements attributable to such funding of the Labrador Transco Demobilization Costs Account, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxv) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date, the aggregate amount of the Funds Release requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Final Eligible Project Costs on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xvii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxvi) for purposes of funding the Funding Requirements necessary in connection with the funding of the DSRA up to Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the aggregate amount of the Funds Release

requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of Labrador Transco's Project Rateable Share of the DSRA on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xviii) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

- (xxvii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date, the aggregate amount of the Funds Release requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Punch List Costs Account on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xix) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxviii) for purposes of funding the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date, the aggregate amount of the Funds Release requested by Labrador Transco and representing the LTA Debt Rateable Share of the difference between the Funding Requirements necessary in connection with the funding of the Labrador Transco Demobilization Costs Account on the Commissioning Date and the portion of the Aggregate Labrador Transco Account Balances calculated in paragraph (xx) of this definition, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;
- (xxix) for purposes of the prefunding of the Sinking Fund Account pursuant to Section 3.9 of the Muskrat/LTA Project Finance Agreement, the Aggregate Labrador Transco Account Balances and Aggregate Muskrat Account Balances minus the amounts thereof applied as per the foregoing paragraphs of this definition;
- (xxx) a reconciliation of amounts disbursed from each Project Operating Account to amounts set forth and approved in any Funding Request and any WCR Release and Equity Funding Notice provided during the prior month;
- (xxxi) Soft Costs for each Project incurred as at the Effective Date of the Construction Report delivered in the same month as the Final Funding Request by major expense category and compared as against the MF Project Budget or LTA Project Budget, as the case may be;

- (xxxii) a reconciliation of Project Costs funded from the Muskrat Project Operating Account pursuant to paragraphs 8.3.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month;
- (xxxiii) a reconciliation of Project Costs funded from the Labrador Transco Project Operating Account pursuant to paragraph 8.9.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month;

**"Final WCRA Rateable Share"**, in connection with the Final Funding Request:

- (i) with respect to Muskrat, means, expressed as a percentage:

$$\frac{A}{A + B}$$

- (ii) with respect to Labrador Transco, means, expressed as a percentage:

$$\frac{B}{A + B}$$

Where:

A = The difference between (x) the sum of Muskrat's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the Muskrat Punch List Costs on the Commissioning Date, the Muskrat Demobilization Costs on the Commissioning Date and the Muskrat Final Eligible Project Costs on the Commissioning Date and (y) the Aggregate Muskrat Eligible Account Balances as at the Effective Date of the Final Funding Request, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

B = The difference between (x) the sum of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement on the Commissioning Date, the Labrador Transco Punch List Costs on the Commissioning Date, the Labrador Transco Demobilizations Costs on the Commissioning Date, and the Labrador Transco Final Eligible Project Costs on the Commissioning Date and (y) the Aggregate Labrador Transco Eligible Account Balances as at the Effective Date of the Final Funding Request, provided, however, that if the result of such calculation is negative, such amount shall be deemed to be nil;

**"Financial Statements"** means, with respect to any Person, for any period, all prepared in accordance with GAAP, the balance sheet of such Person as at the end of such period and the related statements of income, retained earnings, shareholders' or partners' equity and cash flows for such period, setting forth in each case, in comparative form, the figures for the corresponding period of the previous fiscal quarter or for the previous fiscal year, as the case may be;

"**Financing Structure**" has the meaning ascribed to it from time to time in the recitals to the Collateral Agency Agreement;

"**Fiscal Agent**" means the Indenture Trustee, the depositaries of the Funds or FV Accounts required under each MTI or any sub-account thereof, any Paying Agent, or any or all of them as the context may require;

"**Fiscal and Paying Agency Agreement**" means, as the context requires (i) the fiscal and paying agency agreement entered into on December 13, 2013 among the FV, the Indenture Trustee and The Toronto-Dominion Bank, as Fiscal Agent and Paying Agent, and (ii) the fiscal and paying agency agreement to be entered into on or about the date upon which the New FV Bonds shall have been issued among the FV, the Indenture Trustee and the Fiscal Agent and Paying Agent;

"**Force Majeure**" has the meaning ascribed thereto in the PPA;

"**Fraudulent Conveyances Law**" means the *Fraudulent Conveyances Act* (NL), or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign;

"**FRDN**" refers to the floating rate deposit note referenced in the Deposit Note Letter Agreement;

"**Fund**" means any fund, reserve fund or account required to be established pursuant to either MTI;

"**Funding Deficiency Rateable Share**", with respect to any Funding Request:

- (i) as relates to Muskrat, means, expressed as a percentage:

$$\frac{A}{A+B}$$

- (ii) as relates to Labrador Transco, means, expressed as a percentage:

$$\frac{B}{A+B}$$

Where:

A = 65% of the "Net Funding Requirements of Muskrat" that are identified in such Funding Request. For the purposes of this definition, "Net Funding Requirements of Muskrat" means the amount of such Funding Requirements of Muskrat less the amount of the Aggregate Muskrat Eligible Account Balances used to fund such Funding Requirements of Muskrat;

B = 65% of the "Net Funding Requirements of Labrador Transco" that are identified in such Funding Request. For the purposes of this definition, "Net Funding Requirements of Labrador Transco" means the amount of such Funding

Requirements of Labrador Transco less the amount of the Aggregate Labrador Transco Eligible Account Balances used to fund such Funding Requirements of Labrador Transco;

**"Funding Duties"** means the FV Trust Activities with respect to (i) the borrowing of money and the issuance of FV Bonds from time to time pursuant to the MTIs and the other Funding Transaction Documents in a manner that enables the Funding Vehicle to lend money to the Credit Parties pursuant to the Muskrat/LTA Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Funding Vehicle under the Funding Transaction Documents and Guarantee Transaction Documents, (iii) subject to fulfilling the Funding Duty Requirement, the execution of all Funding Transaction Documents and Guarantee Transaction Documents on behalf of the Funding Vehicle, and (iv) all matters incidental or ancillary to the activities described in clauses (i), (ii) and (iii) of this definition including the matters contemplated in Sections 3.1, 3.4 and 3.5 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Funding Vehicle and Canada, each acting reasonably;

**"Funding Duty Requirement"** has the meaning ascribed to it from time to time in Section 4.1 of the Collateral Agency Agreement;

**"Funding Request"** means a request, substantially in the form of Schedule "P" to the Muskrat/LTA Project Finance Agreement, addressed by the Credit Parties to the Collateral Agent and the Independent Engineer, specifying:

- (i) the amount of Eligible Project Costs for each Project remaining unpaid as at the Effective Date thereof;
- (ii) the Permitted Investments made with the funds in the Project Accounts;
- (iii) that no Muskrat/LTA Event of Default has occurred and is continuing;
- (iv) for purposes of funding the Funding Requirements of Muskrat, the Aggregate Muskrat Eligible Account Balances as at the Effective Date;
- (v) for purposes of funding the Funding Requirements of Labrador Transco, the Aggregate Labrador Transco Eligible Account Balances as at the Effective Date;
- (vi) for purposes of funding the Funding Requirements of Muskrat, (a) the aggregate amount to be invested under either the Available MF Base Equity Commitment or the MF Contingency Equity Commitment, as the case may be, and representing the MF Equity Rateable Share of the difference between the Funding Requirements of Muskrat and the Aggregate Muskrat Eligible Account Balances as at the Effective Date, minus (b) the amount determined in clause (iii) of the definition of Funding Requirements that applies to Muskrat;

- (vii) for purposes of funding the Funding Requirements of Muskrat, the aggregate amount of the Funds Release and WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement requested by Muskrat and representing **(a)** the MF Debt Rateable Share of the difference between the Funding Requirements of Muskrat and the Aggregate Muskrat Eligible Account Balances as at the Effective Date minus **(b)** the difference between the amount determined in clause (iii) of the definition of Funding Requirements that applies to Muskrat and the MFEquity Rateable Share of the difference between the Funding Requirements of Muskrat and the Aggregate Muskrat Eligible Account Balances as at the Effective Date;
- (viii) for purposes of funding the Funding Requirements of Labrador Transco, **(a)** the aggregate amount to be invested under either the Available LTA Base Equity Commitment or the LTA Contingency Equity Commitment, as the case may be, and representing the LTA Equity Rateable Share of the difference between the Funding Requirements of Labrador Transco and the Aggregate Labrador Transco Eligible Account Balances as at the Effective Date, minus **(b)** the amount determined in clause (iii) of the definition of Funding Requirements that applies to Labrador Transco;
- (ix) for purposes of funding the Funding Requirements of Labrador Transco, the aggregate amount of the Funds Release and WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement requested by Labrador Transco and representing **(a)** the LTA Debt Rateable Share of the difference between the Funding Requirements of Labrador Transco and the Aggregate Labrador Transco Eligible Account Balances as at the Effective Date minus **(b)** the difference between the amount determined in clause (iii) of the definition of Funding Requirements that applies to Labrador Transco and the LTA Equity Rateable Share of the difference between the Funding Requirements of Labrador Transco and the Aggregate Labrador Transco Eligible Account Balances as at the Effective Date;
- (x) a reconciliation of amounts disbursed from the Muskrat Project Operating Account to amounts set forth and approved in any Funding Request and any WCR Release and Equity Funding Notice provided during the prior month;
- (xi) a reconciliation of amounts disbursed from the Labrador Transco Project Operating Account to amounts set forth and approved in any Funding Request and any WCR Release and Equity Funding Notice provided during the prior month;
- (xii) Soft Costs for each Project incurred as at the Effective Date of the Construction Report delivered in the same month as the relevant Funding

Request by major expense category and compared as against the MF Project Budget or LTA Project Budget, as the case may be;

- (xiii) a reconciliation of Project Costs funded from the Muskrat Project Operating Account pursuant to paragraph 8.3.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month; and
- (xiv) a reconciliation of Project Costs funded from the Labrador Transco Project Operating Account pursuant to paragraph 8.9.2.5 of the Muskrat/LTA Project Finance Agreement defrayed or paid during the prior month;

**"Funding Requirements"** means, with respect to each Credit Party, as at any date, as determined by the Collateral Agent, the aggregate of:

- (i) the Eligible Project Costs for the MF Plant or the LTA, as the case may be, as at the Effective Date of the Funding Request or Final Funding Request;
- (ii) if at the Effective Date of the Funding Request pertaining to such Funding Requirements, the amount on deposit in the Working Capital Reserve Account is less than the Minimum WCR Requirement, the amount of such difference attributable to such Credit Party's Project Costs funded therewith, provided, however, that in respect of each Credit Party, the amount determined under this paragraph (ii) shall be deemed to be nil as at the Effective Date of such Funding Request in the following circumstances: (a) if the first WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement following the Muskrat/LTA Second Amendment and Restatement Effective Date has already occurred or will be occurring under such Funding Request, or (b) if the inclusion of the amount of such difference in the Funding Request as part of the Funding Requirements of such Credit Party would result in either (x) the MF Debt Rateable Share or LTA Debt Rateable Share, as the case may be, of the Net Funding Requirements of such Credit Party being greater than such Credit Party's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance, or (y) where the amount on deposit in the Working Capital Reserve Account is nil, a MF Funding Deficiency or LTA Funding Deficiency, as the case may be. For the purposes of this paragraph (ii), "Net Funding Requirements" means, in respect of each Credit Party, the amount of the Funding Requirements of such Credit Party described in the applicable Funding Request (which, for the purposes of the calculations contemplated in this paragraph (ii), includes the amount corresponding to the portion of the difference between the Minimum WCR Requirement and the amount on deposit in the Working Capital Reserve Account that is attributable to such Credit Party's Project Costs funded therewith), less the amount of the Aggregate Muskrat Eligible Account Balances or



Aggregate Labrador Transco Eligible Account Balances, as the case may be;

- (iii) if at any time following the Effective Date of the immediately preceding Funding Request, an equity Investment contemplated in paragraph 7.10.1.2 of the Muskrat/LTA Project Finance Agreement was made in such Credit Party, the amount of such equity Investment; and
- (iv) an amount representing 5% of that portion of the Eligible Project Costs for the MF Plant or the LTA, as the case may be, identified in clause (i) of this definition that is comprised of Eligible Project Costs expected to be incurred to and invoiced after the relevant Effective Date and by the relevant Funds Release Date or WCR Release Date, as the case may be, provided, however, that such an amount shall not be included in the calculation of Funding Requirements for purposes of the Final Funding Request, save as otherwise provided in the definitions of LTA Punch List Costs and Muskrat Punch List Costs;

**"Funding Transaction Documents"** means the agreements entered into from time to time with respect to such portion of the FV Trust Activities as pertains to the borrowings to be made by or for the benefit of the Funding Vehicle for purposes of onlending to the Credit Parties pursuant to the Muskrat/LTA Project Finance Documents, including each MTI, the FV Bonds, any other loan and debt documents, entered into in connection therewith and any security documents executed by the Funding Vehicle in order to secure its obligations under the foregoing;

**"Funding Vehicle"** means Muskrat Falls / Labrador Transmission Assets Funding Trust, a trust formed under the Laws of NL pursuant to the FV Declaration of Trust;

**"Funding Vehicle Project Costs and Expenses"** means costs and expenses due and payable by the Funding Vehicle to its advisors in connection with the Funding Transaction Documents or the Muskrat/LTA Project Finance Documents, including the Independent Engineer and legal advisors including all reasonable costs and expenses incurred by the Funding Vehicle under any Enforcement Proceedings instituted pursuant to any of the Funding Transaction Documents or the Muskrat/LTA Project Finance Documents;

**"Funds Release"** means a release of all or a portion of the Muskrat/LTA Proceeds Account Balance to a Credit Party;

**"Funds Release Date"** means any day on which a Funds Release occurs, provided, however, that (i) in the case of each Funds Release made pursuant to a Funding Request or Final Funding Request, as the case may be, delivered other than in May or November, the Funds Release Date shall occur on the last Business Day of the month during which delivery of such Funding Request or Final Funding Request, as the case may be, occurred, and (ii) in the case of each Funds Release made pursuant to a Funding Request or Final Funding Request, as the case may be, delivered in May or November, the Funds

Release Date shall occur on the second to last Business Day of the month during which delivery of such Funding Request or Final Funding Request, as the case may be, occurred;

**"Funds Release Request"** means a request, substantially in the form of the one attached as Schedule "A" to the Muskrat/LTA Project Finance Agreement, addressed by a Credit Party to the Collateral Agent in connection with any Funds Release pursuant to the terms of which such Credit Party requests a Funds Release in an amount equal to the lesser of (A) the Muskrat/LTA Proceeds Account Balance and (B) the amount of such Credit Party's Funding Requirements to be funded with the proceeds of the requested Funds Release;

**FV Account**" means any fund, reserve fund or account required to be established pursuant to either MTI;

**"FV Bonds"** is a collective reference to the Initial FV Bonds and the New FV Bonds;

**"FV Bond Acceleration Date"** means (i) in respect of the Initial FV Bonds, the date on which the Initial FV Bonds are called for payment as a result of the Initial FV Bonds being accelerated pursuant to the Initial MTI and the Supplemental Indentures thereto, and (ii) in respect of the New FV Bonds, the date on which the New FV Bonds are called for payment as a result of the New FV Bonds being accelerated pursuant to the New MTI and the Supplemental Indentures thereto;

**"FV Bondholder"** or **"holder"** or words of similar import, when used with reference to a FV Bond, means any Person who is, at the relevant time, the Person whose name is entered in the FV Bond Registers as the holder of such FV Bond, including any Person in whose name a FV Pledge Bond is registered as trustee, security holder or in a fiduciary capacity;

**"FV Bond Make-Whole Amount"** means (i) in respect of the Initial FV Bonds, the aggregate make-whole amount or premium that would be payable by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be, pursuant to the Initial MTI and the Supplemental Indentures thereto in respect of the Initial FV Bonds being all redeemed or accelerated at such time prior to their stated maturity and (ii) in respect of the New FV Bonds, the aggregate make-whole amount or premium that would be payable by the Funding Vehicle on the FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be, pursuant to the New MTI and the Supplemental Indentures thereto in respect of the New FV Bonds being all redeemed or accelerated at such time prior to their stated maturity;

**"FV Bond Redemption Date"** means (i) in respect of the Initial FV Bonds, the redemption date under the Initial MTI and the Supplemental Indentures thereto, and (ii) in respect of the New FV Bonds, the redemption date under the New MTI and the Supplemental Indentures thereto;

**"FV Bond Registers"** means, collectively, the one or more registers of FV Bondholders which the Indenture Trustee is required to maintain pursuant to Section 3.3 of each of the MTIs;

**"FV Collateral Trust Deed"** means the collateral trust deed executed by the Funding Vehicle in favour of the FV Security Trustee;

**"FV Consultants"** means the Insurance Consultant, the Independent Engineer, FV Counsel and any other experts, advisors or professionals retained or appointed from time to time to advise the GAA Finance Parties;

**"FV Counsel"** means McInnes Cooper and any successor thereof;

**"FV Declaration of Trust"** means the second amended and restated declaration of trust dated as of March 30, 2017 made by BNY Trust Company of Canada, as Issuer Trustee for the Funding Vehicle, as amended, supplemented, restated or otherwise changed from time to time;

**"FV Event of Default"** means the **"Event of Default"** as defined in the MTIs;

**"FV Obligation Bond"** means a FV Bond issued as direct evidence of the Indebtedness of the Funding Vehicle to the holder thereof;

**"FV Payment"** means any payment of principal, interest, fees or other amounts payable by the Funding Vehicle on a FV Bond, in accordance with its terms and the terms of the applicable Supplemental Indenture, or under any other Funding Transaction Document;

**"FV Payment Account"** means the account number 58003-5230629 of the Funding Vehicle maintained at the Collateral Agent's Office for purposes of payments to be made to it by the Credit Parties and payments to be made by the Funding Vehicle to the Fiscal Agents;

**"FV Payment Date"** means any date on which a FV Payment is payable by the Funding Vehicle;

**"FV Pledge"** means, in respect of a FV Bond, a pledge, deposit or delivery of such FV Bond or other agreement between the Funding Vehicle and a FV Bondholder in respect of such FV Bond, in each case made in accordance with Section 4.1 of the applicable MTI;

**"FV Pledge Bond"** means a FV Bond which is subject to a FV Pledge;

**"FV Proceeds Account"** means the account number 58003-5230610 of the Funding Vehicle maintained at the Collateral Agent's Office for purposes of receiving the proceeds of all FV Bonds issued by it;

**"FV Security Trustee"** means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain GAA Security Documents;

**"FV Trust Activities"** means the activities of the Funding Vehicle permitted under the FV Declaration of Trust;

**"FV Trust Property"** means as of any particular time, any and all assets of the Funding Vehicle and any and all property, real, personal or otherwise, tangible or intangible, movable or immovable which has been transferred, conveyed or paid to, or acquired or originated by, the Funding Vehicle including all of the rights, title and interest of the Funding Vehicle in and to the Consolidated Transaction Documents, including all income, earnings, profits and gains therefrom, and all proceeds deriving therefrom or related thereto and which at such time is owned or held by the Funding Vehicle;

**"GAA"** means the amended and restated guarantee assurance agreement entered into on or about the date hereof among, *inter alios*, Canada, the Collateral Agent, the Funding Vehicle and the Credit Parties;

**"GAA Duties"** means performing all duties and functions required of the Collateral Agent pursuant to the GAA and the other Guarantee Transaction Documents including performing the Funding Duties and Project Financing Duties, providing the reports, advice, confirmations and certificates to Canada and including the matters contemplated in Sections 3.3, 3.4 and 3.5 of the Collateral Agency Agreement, acting reasonably in accordance with the Collateral Agent Standard and the instructions of Canada, acting reasonably;

**"GAA Event of Default"** means any of the events described in Section 4.01 of the GAA;

**"GAA Finance Parties"** means (i) in reference to the Muskrat/LTA Project Finance Documents, the Funding Vehicle, in its capacity as lender under the Muskrat/LTA Project Finance Documents, and Canada in accordance with the provisions of the GAA, and (ii) in reference to the Funding Transaction Documents, Canada in accordance with the GAA;

**"GAAP"** means generally accepted accounting principles as defined by the Canadian Institute of Chartered Accountants or its successors, as amended or replaced by international financial reporting standards or as otherwise amended from time to time;

**"GAA Security Documents"** means the security documents executed by the Funding Vehicle pursuant to the terms of the GAA;

**"General Partner"** means Labrador - Island Link General Partner Corporation, a NL corporation, in its capacity as general partner of the Partnership, and includes any successor thereto in such capacity;

**"GHG Credits"** has the meaning ascribed thereto from time to time in the PPA;

**"GIA"** means the generator interconnection agreement entered into among NLH, Muskrat and Labrador Transco;

**"Good Utility Practice"** means those project management, design, procurement, construction, operation, maintenance, repair, removal and disposal practices, methods and acts that are engaged in by a significant portion of the electric utility industry in Canada during the relevant time period, or any other practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be the optimum practice, method, or act to the exclusion of others, but rather to be a spectrum of acceptable practices, methods or acts generally accepted in such electric utility industry for the project management, design, procurement, construction, operation, maintenance, repair, removal and disposal of electric utility facilities in Canada. Good Utility Practice shall not be determined after the fact in light of the results achieved by the practices, methods or acts undertaken but rather shall be determined based upon the consistency of the practices, methods or acts when undertaken with the standard set forth in the first two sentences of this definition at such time;

**"Governmental Authority"** means, in relation to any Person, property, transaction or event, any (i) federal, provincial, state, territorial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), (ii) agency, authority, commission, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, (iv) private regulatory entity, self-regulatory organization or other similar Person, or (v) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, property, transaction or event;

**"Guarantee Fee"** has the meaning ascribed thereto in Section 4.2 of the Muskrat/LTA Project Finance Agreement;

**"Guarantees"** means, with respect to any Person, any Indebtedness of another Person which such guaranteeing Person has guaranteed or in respect of which such guaranteeing Person is liable, contingently or otherwise, including liable by way of agreement to purchase property or services, to provide funds for payment, to supply funds to or otherwise invest in such other Person, or otherwise, in all cases to assure a creditor of such other Person against loss, other than endorsements for collection or deposit in the ordinary course of business. Furthermore, **"Guarantee"** and **"Guaranteeing"** shall have correlative meanings. For the purposes of determining compliance with various provisions in any Project Finance Document or Guarantee Transaction Document relating to Guarantees, the amount of any Guarantee shall be deemed to be the lesser of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made (for greater clarity where such primary obligation is to be incurred pursuant to a revolving credit facility, the amount of the aggregate commitments under such a facility shall constitute the stated amount of the primary obligation) and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to

the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of such Guarantee shall be deemed to be such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as reasonably determined by the Collateral Agent in good faith;

**"Guarantee Transaction Documents"** or **"GAA Transaction Documents"** means the agreements entered into from time to time with respect to such portion of the FV Trust Activities as pertains to the contractual arrangements between, *inter alia*, Canada and the Funding Vehicle in connection with the issuance of the Federal Loan Guarantees, including the Federal Loan Guarantees, the GAA, the Collateral Agency Agreement and the GAA Security Documents;

**"Guaranteed Obligations"** means, collectively, the **"Guaranteed Obligations"** as such term is defined in each of the Federal Loan Guarantees;

**"Gull Island Rights"** means the water rights associated with the section of the Lower Churchill River above the Muskrat Falls development attributable to the Gull Island development, which is defined as:

- (i) that part of the Churchill River below the intersection of the Churchill River with the meridian of 63° 40' west of Greenwich, downstream to the intersection of the Churchill River with the meridian of 61° 25' west of Greenwich, and all waters that naturally flow into, or by diversion flow into, the Churchill River between these two points, and
- (ii) that part of the Churchill River upstream of the point of intersection of the Churchill River with the meridian of 63° 40' west of Greenwich that lies below the 425 foot contour line or below elevation 425 feet, as referenced in Appendix A of the *Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961*,

but excludes the area described in Appendix A to the *Churchill Falls (Labrador) Corporation (Lease) Act, 1961* and all waters while they are in that area. The rights included in the reassignment option that Nalcor may exercise at any time thereby requiring Muskrat to reassign all Gull Island Rights shall include the grant to:

- (i) the exclusive right to harness and make use of the Lower Churchill River above the Muskrat Falls development,
- (ii) all water rights above elevation 39.0 metres referenced from the Canadian Geodetic Vertical Datum 1928 (CGVD28) in, to, and in respect of the Lower Churchill River, and
- (iii) the exclusive right to construct and utilize all dams, tunnels, canals, diversions, power houses and any and all works on the Lower Churchill River above the Muskrat Falls development necessary for the development of hydro electric power, and

- (iv) the exclusive right to store and regulate so much of the Lower Churchill River as may be economic and/or beneficial for the purposes of the development of the Lower Churchill River above Muskrat Falls,

but shall not include any right to divert the Lower Churchill River outside the Churchill River basin;

**"Hard Costs"** means, in relation to each Project, all of the project management, design, procurement, construction, acquisition and other similar costs identified in the MF Project Budget or the LTA Project Budget, as the case may be, including, without duplication:

- (i) the cost of designing, equipping, procuring, constructing, Commissioning, starting up and testing such Project;
- (ii) the cost of acquiring any Assets;
- (iii) real and personal property taxes, ad valorem taxes and Sales Taxes (to the extent not recoverable) related to Hard Costs and insurance premiums payable with respect to such Project during the Construction Period;
- (iv) initial working capital requirements of such Project as set forth in the MF Project Budget or the LTA Project Budget, as the case may be;
- (v) the costs of acquiring Authorizations for such Project;
- (vi) the cost of establishing a spare parts inventory specifically for execution of such Project;
- (vii) amounts spent out of the contingency allowances set forth in the MF Project Budget or the LTA Project Budget, as the case may be;
- (viii) all amounts payable under the Material Project Documents relating to the construction of such Project, as well as any other agreements with any other contractors supplying goods or services to such Project;
- (ix) the cost of funding the applicable Demobilization Costs; and
- (x) the cost of operating and maintaining the Assets on an interim basis prior to Commissioning;

**"Hazardous Material"** means any contaminant, pollutant, toxic substances, hazardous material, residual material, waste, dangerous goods, hazardous substances or other similar terms as such terms are defined in any Environmental Law;

**"Holder"** means **"holder"** as defined in the *Muskrat Falls Project Land Use and Expropriation Act* (NL);

"**HST**" means all amounts exigible pursuant to Part IX of the Excise Tax Act, including, for greater certainty, the Taxes commonly referred to as the goods and services tax (GST) and the harmonized sales tax (HST);

"**IE Contract**" means the agreement number LC-PM-082 for independent engineer and operating and maintenance services dated as of August 27, 2012 entered into between Nalcor and the Independent Engineer, as assigned to the Credit Parties on or about November 29, 2013 and as further assigned to Argirov Engineering Inc. as of December 30, 2016;

"**IGA**" means the amended and restated intergovernmental agreement entered into between NL Crown and Canada in connection with the Project, the MF Plant and the LTA;

"**Income on Account Balances**" means, with respect to any Project Account, any interest or other income earned by either Credit Party from investment of any sums on deposit in such Project Account, including any interest or other income earned on the re-investment of such interest or other income so earned;

"**Indebtedness**" includes, without duplication, for any Person:

- (i) obligations representing the deferred purchase price of property or services;
- (ii) obligations, whether or not assumed, secured by Liens on, or payable out of the proceeds or production from, property owned by such Person;
- (iii) Debt for Borrowed Money of such Person;
- (iv) any obligation described above or any Guarantee, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any Assets of such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and
- (v) obligations under Guarantees;

"**Indemnified Parties**" means the Collateral Agent, the GAA Finance Parties, each of their Affiliates as well as their respective directors, officers, employees, advisors, representatives and agents;

"**Indenture Trustee**" means Computershare Trust Company of Canada, a trust company, and includes any successor thereto;

"**Independent Engineer**" means Argirov Engineering Inc., and any successor thereof and any other engineering consultants appointed from time to time for the Projects, with the consent of the Credit Parties by the Collateral Agent or any other Person from time to



time to advise the GAA Finance Parties in replacement thereof, it being understood that only one engineering consultant or firm can occupy this role at any one time;

**"Independent Engineer's Confirmation"** means a certificate from the Independent Engineer substantially in the form of the one attached as Schedule "Q" to the Muskrat/LTA Project Finance Agreement, addressed to the Collateral Agent in connection with any Construction Report and/or Funding Request or Final Funding Request;

**"Initial Collateral Agency Agreement"** has the meaning ascribed to it in the fifth preamble paragraph thereof;

**"Initial Federal Loan Guarantee"** means the guarantee agreement made as of November 29, 2013 and executed by Canada in favour of the Indenture Trustee pursuant to the Funding Transaction Documents;

**"Initial FV Bond"** means any evidence of indebtedness of the Funding Vehicle authenticated and delivered by the Indenture Trustee under and pursuant to the Initial MTI and each Supplemental Indenture thereto, whether such evidence of indebtedness is a FV Obligation Bond or a FV Pledge Bond thereunder, which Initial FV Bonds shall be the FV Bonds issued under the series of FV Bonds listed in Schedule "KK" of the Muskrat/LTA Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule;

**"Initial Master Definitions Agreement"** has the meaning ascribed to it in the first preamble paragraph hereof;

**"Initial LTA Project Budget"** refers to the budget of LTA Project Costs set forth in Part I of Schedule "U" to the Muskrat/LTA Project Finance Agreement;

**"Initial LTA Project Schedule"** means the schedule for construction and Commissioning of the LTA as set forth in Schedule "V" to the Muskrat/LTA Project Finance Agreement;

**"Initial Labrador Transco Cost Overrun Instalment Payment"** has the meaning ascribed thereto in paragraph 10.28.3.1 of the Muskrat/LTA Project Finance Agreement;

**"Initial Material Project Documents"** means the Muskrat Initial Material Project Documents and the LTA Initial Material Project Documents;

**"Initial MF Project Budget"** refers to the budget of MF Project Costs set forth in Part I of Schedule "U" to the Muskrat/LTA Project Finance Agreement;

**"Initial MF Project Schedule"** means the schedule for construction and Commissioning of the MF Plant as set forth in Schedule "V" to the Muskrat/LTA Project Finance Agreement;

"**Initial MTI**" means the master trust indenture entered into as of November 29, 2013 between the Funding Vehicle and the Indenture Trustee;

"**Initial Muskrat Cost Overrun Instalment Payment**" has the meaning ascribed thereto in paragraph 10.28.2.1 of the Muskrat/LTA Project Finance Agreement;

"**Initial Muskrat/LTA Project Finance Agreement**" has the meaning ascribed to it in the third preamble paragraph hereof;

"**Initial Project Schedule**" refers collectively to the Initial MF Project Schedule and the Initial LTA Project Schedule;

"**Initial Tranches**" means each Initial Tranche of the Muskrat/LTA Construction Facility referred to as such in Schedule "KK" of the Muskrat/LTA Project Finance Agreement;

"**Insolvency Event**" means, in relation to any Person, the occurrence of one or more of the following:

- (i) an order is made, or an effective resolution passed, for the winding-up, liquidation or dissolution of such Person;
- (ii) such Person voluntarily institutes proceedings for its winding up, liquidation or dissolution, or to authorize or enter into an arrangement under the *Corporations Act* (NL) or similar legislation in any other jurisdiction affecting any of its creditors, or takes action to become bankrupt, or consents to the filing of a bankruptcy application against it, or files an assignment, a proposal, a notice of intention to make a proposal, an application, or answer or consent seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any bankruptcy or insolvency law or any other similar Applicable Law, including the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), or consents to the filing of any such application for a bankruptcy order, or consents to the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or, trustee in bankruptcy of all or substantially all of the property of such Person or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they come due or commits any other act of bankruptcy or insolvency, or suspends or threatens to suspend transaction of its usual business, or any action is taken by such Person in furtherance of any of the foregoing;
- (iii) a court having jurisdiction enters a judgment or order adjudging such Person a bankrupt or an insolvent person, or approving as properly filed an application or motion seeking an arrangement under the *Corporations Act* (NL) or similar legislation in any other jurisdiction affecting any of its creditors or seeking reorganization, readjustment, arrangement, composition, protection from creditors, or similar relief under any

bankruptcy or insolvency law or any other similar Applicable Law, or an order of a court having jurisdiction for the appointment of an interim receiver, receiver, monitor, liquidator, restructuring officer or, trustee in bankruptcy of all or substantially all of the undertaking or property of such Person, or for the winding up, liquidation or dissolution of its affairs, is entered and such order is not contested and the effect thereof stayed, or any material part of the property of such Person is sequestered or attached and is not returned to the possession of such Person or released from such attachment within 30 days thereafter;

- (iv) any proceeding or application is commenced respecting such Person without its consent or acquiescence pursuant to any Applicable Law relating to bankruptcy, insolvency, reorganization of debts, winding up, liquidation or dissolution, and such proceeding or application (i) results in a bankruptcy order or the entry of an order for relief and a period of 30 days has elapsed since the issuance of such order without such order having been reversed or set aside or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the commencement of such proceeding or application; or
- (v) such Person has ceased paying its current obligations in the ordinary course of business as they generally become due;

**"Insolvency Law"** means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and any plan of arrangement law or any corporations statute permitting a corporation to propose a compromise or an arrangement with respect to creditors or any class of creditors of the corporation or any other like, equivalent or analogous laws of any jurisdiction, domestic or foreign;

**"Insolvency Proceeding"** refers to any proceeding relating to or arising in connection with or as a result of an Insolvency Event, including:

- (i) an assignment for the benefit of creditors, the filing of an application for a bankruptcy order, a proposal or a notice of intention under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or any other similar Law of any other jurisdiction;
- (ii) the adjudication of any Person as insolvent or bankrupt;
- (iii) the petition or application to any tribunal for any receiver, trustee, liquidator or sequestrator of any Person or for any portion of such Person's property; or
- (iv) anything analogous or having a substantially similar effect to any of the events specified above happens under the Law of any other applicable jurisdiction;

**"Insurance Consultant"** means Mandy McNeil International Limited;

**"Intellectual Property Rights"** has the meaning ascribed thereto in Section 9.18 of the Muskrat/LTA Project Finance Agreement;

**"Intermediary Trust"** means LIL Construction Project Trust, a trust formed under the Laws of NL pursuant to the IT Declaration of Trust;

**"Investment"** means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business) or contribution of capital to any other Person or any acquisition of Capital Stock, deposit accounts, certificates of deposit, mutual funds, bonds, notes, debentures or other securities of any other Person or any structured notes, and **"Invest"** and **"Invested"** shall have the correlative meaning;

**"Investment Grade Rating"** means a credit rating for long term obligations of "BBB" if assigned by S&P or DBRS or "Baa" if assigned by Moody's;

**"Issuer Trustee"** means, BNY Trust Company of Canada, in its capacity as trustee of the Funding Vehicle, and includes any successor thereto in such capacity;

**"IT Conditions Precedent to the Second Amendment and Restatement"** has the meaning ascribed to it in Section 7.1 of the IT Project Finance Agreement;

**"IT Declaration of Trust"** means the amended and restated declaration of trust dated as of March 30, 2017 made by BNY Trust Company of Canada, as IT Trustee, with respect to the Intermediary Trust, as amended, supplemented, restated or otherwise changed from time to time;

**"IT Event of Default"** means any of the events described in Article 13 of the IT Project Finance Agreement

**"IT Initial Conditions Precedent"** has the meaning that was ascribed thereto in Section 7.1 of the Initial IT Project Finance Agreement (as defined in the IT Project Finance Agreement);

**"IT Project Finance Agreement"** means the second amended and restated project financing agreement dated as of the date hereof entered into among the Intermediary Trust, as borrower, the LIL Funding Vehicle as lender, the Partnership and Opco as "Obligors" and the Collateral Agent;

**"IT Trustee"** means BNY Trust Company of Canada, a trust company, in its capacity as trustee of the Intermediary Trust, and includes any successor thereto in such capacity;

**"June 2014 LTA Project Budget"** refers to the Initial LTA Project Budget, as amended by the Supplemental Authorization for Expenditure of the board of directors of Labrador Transco on June 24, 2014;

"**June 2014 MF Project Budget**" refers to the Initial MF Project Budget, as amended by the Supplemental Authorization for Expenditure of the board of directors of Muskrat on June 20, 2014;

"**June 2016 LTA Project Budget**" refers to the Initial LTA Project Budget, as amended by the June 2014 LTA Project Budget, as further amended by the Supplemental Authorization for Expenditure of the board of directors of Labrador Transco in September 2015, as further amended by the Supplemental Authorization for Expenditure of the board of directors of Labrador Transco in June 2016 and as further amended as regards Soft Costs further to the undertaking set forth in Section 10.29 of the Muskrat/LTA Project Finance Agreement, a copy of which June 2016 LTA Project Budget is set forth in Part II of Schedule "U" of the Muskrat/LTA Project Finance Agreement;

"**June 2016 MF Project Budget**" refers to the Initial MF Project Budget, as amended by the June 2014 MF Project Budget, as further amended by the Supplemental Authorization for Expenditure of the board of directors of Muskrat in September 2015, as further amended by the Supplemental Authorization for Expenditure of the board of directors of Muskrat in June 2016, and as further amended as regards Soft Costs further to the undertaking set forth in Section 10.29 of the Muskrat/LTA Project Finance Agreement, a copy of which June 2016 MF Project Budget is set forth in Part II of Schedule "U" of the Muskrat/LTA Project Finance Agreement;

"**June 2016 Project Budget**" refers collectively to the June 2016 LTA Project Budget and the June 2016 MF Project Budget;

"**Knowledge**" means in the case of either Credit Party, as applicable, the actual knowledge of any of the executive officers of such Credit Party and "**Know**" and "**Known**" shall have correlative meanings;

"**Labrador Transco**" means Labrador Transmission Corporation, a NL corporation, and includes any successor thereto;

"**Labrador Transco Cost Overrun Escrow Account**" has the meaning ascribed thereto in Section 8.21 of the Muskrat/LTA Project Finance Agreement;

"**Labrador Transco Demobilization Costs Account**" has the meaning ascribed thereto in Section 8.13 of the Muskrat/LTA Project Finance Agreement;

"**Labrador Transco Distribution Reserve Account**" has the meaning ascribed thereto in Section 8.10 of the Muskrat/LTA Project Finance Agreement;

"**Labrador Transco Final Eligible Project Costs**" means the Eligible Project Costs relating to the LTA referred to in the Final Funding Request, other than Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement, the Labrador Transco Punch List Costs and the Labrador Transco Demobilization Costs;

**"Labrador Transco Insurance Reserve Account"** has the meaning ascribed thereto in Section 8.11 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco PDMA"** means, collectively, (i) the project development and management agreement dated as of November 29, 2013, entered into between Labrador Transco and Devco, and (ii) the project coordination and interface agreement dated as of November 29, 2013, entered into among the Partnership, Opco, Devco and the Credit Parties;

**"Labrador Transco Prepaid Debt Service Escrow Account"** has the meaning ascribed thereto in Section 8.20 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco Project Accounts"** refers collectively to the Labrador Transco Project Funding Account, the Labrador Transco Project Operating Account, the Labrador Transco Distribution Reserve Account, the Labrador Transco Demobilization Costs Account, the Labrador Transco Punch List Costs Account, the Labrador Transco Insurance Reserve Account, the Labrador Transco Prepaid Debt Service Escrow Account and the Labrador Transco Cost Overrun Escrow Account;

**"Labrador Transco Project Funding Account"** (i) for all purposes of the Consolidated Transaction Documents, other than the LTAESA and LTAESG, as well as for all purposes of the LTAESA, other than those set out in clause (ii) below, and all purposes of the LTAESG, other than those set out in clause (iii) below, has the meaning ascribed thereto in Section 8.8 of the Muskrat/LTA Project Finance Agreement, and (ii) where under the terms of the LTAESA (including without limitation, the schedules thereto) there is a reference to an issuance of a LTA Cash Call Notice requiring a payment to the Collateral Agent for deposit or a deposit directly in the Labrador Transco Project Funding Account, or there is a reference to a deposit by NL Crown in the Labrador Transco Project Funding Account pursuant to the LTAESG, as the case may be, and any such reference relates to the obligation of Nalcor to make a LTA Contingency Equity Contribution pursuant to subsection 8.17A.1 of the Muskrat/LTA Project Finance Agreement, then for such purposes, **"Labrador Transco Project Funding Account"** in the LTAESA (including, without limitation, the schedules thereto) shall mean the Equity Prefunding Reserve Account and (iii) where under the terms of the LTAESG (including, without limitation, the schedules thereto) there is a reference to a failure to issue a LTA Cash Call Notice, or there is an issuance of a demand to the NL Crown to pay the Collateral Agent for deposit or deposit directly in the Labrador Transco Project Funding Account, or there is a failure to deposit in the Labrador Transco Project Funding Account, as the case may be, and any such reference relates to subsection 8.17A.1 of the Muskrat/LTA Project Finance Agreement, then, for such purposes, **"Labrador Transco Project Funding Account"** in the LTAESG (including, without limitation, the schedules thereto) shall mean the Equity Prefunding Reserve Account;

**"Labrador Transco Project Operating Account"** has the meaning ascribed thereto in Section 8.9 of the Muskrat/LTA Project Finance Agreement;

**"Labrador Transco Punch List Costs Account"** has the meaning ascribed thereto in Section 8.12 of the Muskrat/LTA Project Finance Agreement;

**"Law"** means any international treaty, any domestic or foreign constitution or any federal, provincial, territorial, state, municipal, county or local statute, law, ordinance, code, rule, regulation or order (including any consent, decree or administrative order) or any directive, guideline, policy or Authorization of any Governmental Authority;

**"LCP"** means the Projects together with the "Project" as such term is defined in the LIL Project Finance Documents;

**"Lead Arranger"** means the lead arranger under the second Commitment Letter;

**"Lien"** means (i) any right of set-off or combination of accounts intended to secure the payment or performance of an obligation, (ii) any interest in property securing an obligation owed to, or a claim by, a Person other than the owner (which for the purposes hereof shall include a possessor under a title retention agreement and a lessee under a Capital Lease or in a Sale and Leaseback Transaction), including by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, hire purchase agreement, conditional sale agreement, deposit arrangement, deemed trust, title retention, Capital Lease, discount, factoring or securitization arrangement, deemed trust, on recourse terms, (iii) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property, and (iv) any agreement to grant any of the foregoing rights or interests;

**"LIL Collateral Agency Agreement"** means the second amended and restated collateral agency agreement dated as of the date hereof entered into among, *inter alios*, the LIL Collateral Agent, Canada, the LIL Funding Vehicle, the Intermediary Trust, the Partnership, Opco and Nalcor LP;

**"LIL Collateral Agent"** means The Toronto-Dominion Bank, in its capacity as collateral agent pursuant to the LIL Collateral Agency Agreement and includes any successor thereof in such capacity;

**"LIL Conditions Precedent to the Second Amendment and Restatement"** has the meaning ascribed to it in Section 7.1 of the LIL Project Finance Agreement;

**"LIL Event of Default"** means any of the events described in Article 13 of the LIL Project Finance Agreement;

**"LIL Funding Vehicle"** means Labrador - Island Link Funding Trust, a single purpose trust formed under the Laws of NL pursuant to the LIL FV Declaration of Trust;

**"LIL FV Declaration of Trust"** means the second amended and restated declaration of trust dated as of March 30, 2017 made by BNY Trust Company of Canada, as issuer trustee for the LIL Funding Vehicle, as amended, supplemented, restated or otherwise changed from time to time;

"**LIL Initial Conditions Precedent**" has the meaning that was ascribed thereto in Section 7.1 of the Initial LIL Project Finance Agreement (as such expression is defined in LIL Project Finance Agreement);

"**LIL LP Agreement**" means the limited partnership agreement dated July 31, 2012 establishing the Partnership entered into between the General Partner, as general partner, and Nalcor LP, as limited partner;

"**LIL Master Definitions Agreement**" means the second amended and restated master definitions agreement dated as of the date hereof entered into among, *inter alios*, The Toronto-Dominion Bank, as collateral agent, LIL Funding Vehicle, the Intermediary Trust, Nalcor, Nalcor LP, Her Majesty The Queen in Right of the Province of Newfoundland and Labrador, the Partnership, Opco and the General Partner;

"**LIL Project Finance Agreement**" means the second amended and restated project financing agreement dated as of the date hereof entered into among the Partnership, as borrower, the Intermediary Trust, as lender, the Collateral Agent, the General Partner and Opco;

"**Liquidity Reserves**" means all amounts on deposit in the LRA established pursuant to the provisions of the Muskrat/LTA Project Finance Agreement;

"**Loss Event**" has the meaning ascribed to it in Section 15.2 of the Muskrat/LTA Project Finance Agreement;

"**LRA**" has the meaning ascribed thereto in Section 8.15 of the Muskrat/LTA Project Finance Agreement;

"**LRA Release Date**" has the meaning ascribed thereto in subsection 8.15.3 of the Muskrat/LTA Project Finance Agreement;

"**LTA**" has the meaning ascribed thereto from time to time in the GIA;

"**LTA Additional Material Project Documents**" means the contracts and agreements listed in Part B (iii) of Schedule "B" to the Muskrat/LTA Project Finance Agreement;

"**LTA Additional Debt Concurrent Contribution**" has the meaning ascribed to it in Section 2.7 of the LTAESA;

"**LTA Base Equity Commitment**" means the commitment of Nalcor to invest in Labrador Transco, directly or through one or more of its Subsidiaries, in order to fund the LTA Equity Rateable Share of the LTA Project Costs, the amount of such investment to be indicated in Schedule "BB" of the Muskrat/LTA Project Finance Agreement;

"**LTA Base Equity Contribution**" means the amounts invested from time to time by Nalcor in Labrador Transco, directly or through one or more of its Subsidiaries, under the LTA Base Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Labrador



Transco Project Funding Account by NL Crown pursuant to the provisions of the LTAESG in connection with the LTA Base Equity Commitment;

"**LTA Cash Call Notice**" has the meaning ascribed to it in Section 2.2 of the LTAESA;

"**LTA Contingency Equity Commitment**" means the commitment of Nalcor to invest in Labrador Transco, directly or through one or more Subsidiaries, all amounts necessary to fund the LTA Equity Rateable Share of any LTA Project Costs to be paid following the exhaustion of the LTA Base Equity Commitment in order to achieve Commissioning of the Projects;

"**LTA Contingency Equity Contribution**" means the amounts invested from time to time by Nalcor in Labrador Transco, directly or through one or more of its Subsidiaries, under the LTA Contingency Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Labrador Transco Project Funding Account by NL Crown pursuant to the provisions of the LTAESG in connection with the LTA Contingency Equity Commitment. It is hereby acknowledged and agreed that any funding of the Equity Prefunding Reserve Account required pursuant to subsection 8.17A.1 of the Muskrat/LTA Project Finance Agreement resulting from a cash call from Labrador Transco pursuant to a LTA Cash Call Notice shall also constitute a LTA Contingency Equity Contribution for all purposes of the Muskrat/LTA Project Finance Documents, including, without limitation, the LTAESA and LTAESG. Any such funding of the Equity Prefunding Reserve Account shall be deemed to be on account of LTA Project Costs, the LTA Equity Rateable Share and LTA Debt Rateable Share of which shall be 100% and 0%, respectively, and the amounts of any such funding shall be deposited directly into the Equity Prefunding Reserve Account, shall be used exclusively in accordance with Section 8.17A of the Muskrat/LTA Project Finance Agreement and shall constitute a LTA Contingency Equity Contribution. The LTA Cash Call Notice or LTA NL Crown Payment Demand relating to any LTA Contingency Equity Contribution may include amounts required to fund the Equity Prefunding Reserve Account, as such account is required to be funded under the terms of Section 8.17A of the Muskrat/LTA Project Finance Agreement. It is further hereby acknowledged and agreed that all or a portion of any LTA Contingency Equity Contribution required to be made under the Muskrat/LTA Project Finance Agreement shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account as contemplated in subsection 8.17A.2 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a LTA Contingency Equity Contribution be made shall be satisfied to the extent of the amount of the funds so transferred from the Equity Prefunding Reserve Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the amounts so transferred from the Equity Prefunding Reserve Account shall be deemed to constitute a LTA Contingency Equity Contribution;

"LTA Debt Rateable Share" means:

- (i) prior to the date on which DER first becomes equal to 65% following the 2017 Closing Date, 100%, provided, however, that where a LTA Debt Rateable Share of 100% would result in a DER that exceeds 65%, then the LTA Debt Rateable Share shall be the percentage resulting from the following calculation:

$$\frac{[0.65 \times (A + C)] - B}{C}$$

where:

**A** = the sum of (i) the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), (ii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, and (iii) the aggregate outstanding balance of the Capital Account of each of Labrador Transco and Muskrat, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of (i) the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), and (ii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of the Funding Requirements of each of Muskrat and Labrador Transco less the amount of the sum of the Aggregate Muskrat Eligible Account Balances and the Aggregate Labrador Transco Eligible Account Balances used to fund such combined Funding Requirements; and

- (ii) following the date on which DER first becomes equal to 65%:
- (A) at all times prior to the Muskrat/LTA Proceeds Account Balance being fully released and the amounts on deposit in the Working Capital Reserve Account being nil, with respect to any Funding Requirements of Labrador Transco that are to be funded at any particular time, and in relation to which a Funds Release is to be effected or a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, or, as the case may be, Additional Debt is to be incurred as permitted

pursuant to the terms of the Muskrat/LTA Project Finance Documents, 65%;

unless, as a result of the calculations in part (A) of this definition, Labrador Transco is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such LTA Debt Rateable Share by reason of:

- (a) the portion of such Funding Requirements represented by such LTA Debt Rateable Share exceeding the sum of Labrador Transco's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance and, except with respect to the Final Funding Request, Labrador Transco's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account; and
- (b) Labrador Transco not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess as reduced by any such Additional Debt proposed to be incurred shall be referred to herein as the "**LTA Funding Deficiency**");

in which case the LTA Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where:

**A** = the sum of the Additional Debt proposed to be incurred, Labrador Transco's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance and, except with respect to the Final Funding Request, Labrador Transco's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account;

**B** = the amount of such Funding Requirements less the amount of the Aggregate Labrador Transco Eligible Account Balances, and for purposes of the Final Funding Request, Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance, used to fund such Funding Requirements;

provided, however, that at all times where the Muskrat/LTA Proceeds Account has been fully released but:

- (i) Labrador Transco's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account is sufficient to meet the Funding Requirements of Labrador Transco that are to be funded and in relation to which a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected or, for the purposes of the Final Funding Request, Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is sufficient to meet the Funding Requirements of Labrador Transco that are to be funded, as the case may be, then the LTA Debt Rateable Share of such Funding Requirements shall mean 100%; and
- (ii) Labrador Transco's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account is insufficient to meet the Funding Requirements of Labrador Transco that are to be funded and in relation to which a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected or, for the purposes of the Final Funding Request, Labrador Transco's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is insufficient to meet the Funding Requirements of Labrador Transco that are to be funded, as the case may be, then the LTA Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where "A" and "B" shall each have the same definition as above;

- (B) at all times thereafter, with respect to any Funding Requirements of Labrador Transco that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, the lesser of 65% and the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred by Labrador Transco to fund such Funding Requirements}}{\text{such Funding Requirements}}$$

**"LTA Demobilization Costs"** means the costs required to complete work on all Demobilization List Items related to the LTA;

**"LTA DSRA Equity Commitment"** means the commitment of Nalcor to invest in Labrador Transco, directly or through one or more of its Subsidiaries, in order to fund the LTA Equity Rateable Share of Labrador Transco's Project Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or as at the date of the DSRA Prefunding, as the case may be;

**"LTA DSRA Equity Contribution"** means the amount invested by Nalcor in Labrador Transco, directly or through one or more of its Subsidiaries, under the LTA DSRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the DSRA by NL Crown pursuant to the provisions of the LTAESG in connection with the LTA DSRA Equity Commitment. It is hereby acknowledged and agreed that all or a portion of any LTA DSRA Equity Contribution (other than for purposes of the DSRA Prefunding) required to be made under the Muskrat/LTA Project Finance Agreement shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account as contemplated in subsection 8.17A.2 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a LTA DSRA Equity Contribution be made shall be satisfied to the extent of the amount of the funds so transferred from the Equity Prefunding Reserve Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the amounts so transferred from the Equity Prefunding Reserve Account shall be deemed to constitute a LTA DSRA Equity Contribution. It is hereby further acknowledged and agreed that all or a portion of the LTA DSRA Equity Contribution required to be made under the Muskrat/LTA Project Finance Agreement for purposes of the DSRA Prefunding shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account and, to the extent permitted pursuant to paragraph 10.28.3.4 of the Muskrat/LTA Project Finance Agreement, of the amounts transferred for that purpose from the Labrador Transco Cost Overrun Escrow Account as contemplated, in each case, in Section 10.27 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a LTA DSRA Equity Contribution be made shall be satisfied to the extent of the total of the amounts so transferred from the Equity Prefunding Reserve Account and the Labrador Transco Cost Overrun Escrow Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the total of the amounts so transferred from the Equity Prefunding Reserve Account and of the amounts so transferred from the Labrador Transco Cost Overrun Escrow Account shall be deemed to constitute a LTA DSRA Equity Contribution;

**"LTA Equity Rateable Share"** means at all times, with respect to any LTA Project Costs that are to be funded at any particular time, the difference between 100% and the LTA Debt Rateable Share applicable with respect to such LTA Project Costs;

**"LTAESA"** means the equity support agreement entered into among Nalcor, Labrador Transco and the Collateral Agent;

"**LTAESG**" means the guarantee for the LTAESA entered into between NL Crown and the Collateral Agent;

"**LTA Funding Deficiency**" has the meaning ascribed thereto in the definition of "LTA Debt Rateable Share";

"**LTA Guaranteed Obligations**" means the obligation of Nalcor to pay to Labrador Transco all amounts required to be so paid by Nalcor under and pursuant to the LTAESA;

"**LTA Initial Material Project Documents**" means the contracts, agreements and Authorizations described or referred to in Part B (ii) of Schedule "B" to the Muskrat/LTA Project Finance Agreement;

"**LTA Loans**" means, as at any time, the aggregate principal amount of all Funds Releases made to Labrador Transco and outstanding at such time;

"**LTA LRA Equity Commitment**" means the commitment of Nalcor to invest in Labrador Transco, directly or through one or more of its Subsidiaries, in order to fund 18% of the Minimum LRA Requirement;

"**LTA LRA Equity Contribution**" means the amount invested by Nalcor in Labrador Transco, directly or through one or more of its Subsidiaries, under the LTA LRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the LRA by NL Crown pursuant to the provisions of the LTAESG in connection with the LTA LRA Equity Commitment;

"**LTA Material Project Documents**" refers collectively to the LTA Initial Material Project Documents and the LTA Additional Material Project Documents;

"**LTA NEFA**" means the LTA Equity Funding Agreement dated as of November 29, 2013 and entered into among Nalcor and Labrador Transco;

"**LTA NL Crown Contribution**" means any payment to the Collateral Agent for deposit to the Labrador Transco Project Funding Account, the DSRA, the Labrador Transco Cost Overrun Escrow Account, the Equity Prefunding Reserve Account or the LRA, as the case may be (or any direct deposit in the Labrador Transco Project Funding Account, DSRA, Labrador Transco Cost Overrun Escrow Account, Equity Prefunding Reserve Account or LRA, as the case may be), required to be made by NL Crown pursuant to the LTAESG;

"**LTA NL Crown Payment Demand**" means a notice, substantially in the form of the one attached as Schedule "A", Schedule "B", Schedule "C" or Schedule "D", as the case may be, to the LTAESG issued by the Collateral Agent to NL Crown under the provisions of Section 2.3 of the LTAESG;

"**LTA NL Payment Conditions**" has the meaning ascribed to it in Section 2.4 of the LTAESG.

"**LTA O&M Activities**" has the meaning ascribed to it from time to time in the GIA;

"**LTA Parties**" means collectively Nalcor and Labrador Transco;

"**LTA Payment**" has the meaning ascribed thereto from time to time in the GIA;

"**LTA Payments Attributable to Debt Service**" means any portion of LTA Payments intended to be used for purposes of funding the debt service obligations of Labrador Transco;

"**LTA Project Budget**" refers to the June 2016 LTA Project Budget, as same may be further amended from time to time;

"**LTA Project Costs**" means collectively, without duplication, the Hard Costs and the Soft Costs and all other costs, fees and expenses relating to the development, construction and closing of the 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 LTA 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 and whether such LTA Project Costs are invoiced to Labrador Transco, Devco or Nalcor;

"**LTA Project Plans**" refers collectively to the plans, specifications, drawings, philosophies, design data, purchase order and contract drawings and documents which refer to with the LTA produced by various Persons, including Labrador Transco, suppliers, engineering consultants and contractors, general and construction contractors, commissioning and startup specialists for the purpose of the development of the LTA;

"**LTA Project Schedule**" means the Initial LTA Project Schedule, as same has been and may be further amended from time to time;

"**LTA Punch List Costs**" means the costs required to complete work on all Punch List Items related to the LTA, and shall include an amount representing 5% of that portion of the Eligible Project Costs for the LTA identified in clause (i) of the definition of "Funding Requirements" for purposes of the Final Funding Request that is comprised of Eligible Project Costs expected to be incurred to and invoiced after the Effective Date of the Final Funding Request;

"**LTA Services**" has the meaning ascribed thereto from time to time in the GIA;

"**LTA Site**" means the premises in respect of which Labrador Transco has ownership, leasehold, statutory easement, easement or other rights of access, use or occupancy on which the LTA is situated;

**"LTA Step-In Agreement"** means the step-in agreement relating to Labrador Transco in the form attached as Schedule 7 to the GIA;

**"Maritime Link"** has the meaning ascribed to it from time to time in the PPA;

**"Material Adverse Effect"** means:

- (i) any material adverse change in the Assets or financial condition, of the Credit Parties taken as a whole;
- (ii) any material impairment in the ability of the Credit Parties to fulfill any payment covenant or obligation to the Funding Vehicle and the Collateral Agent under the Muskrat/LTA Project Finance Documents or to any Material Project Participant under the Material Project Documents; and
- (iii) any material impairment of the Rights, Remedies and/or Recourses of the Collateral Agent or any of the GAA Finance Parties under the Muskrat/LTA Security Documents;

**"Material Project Documents"** refers collectively to the Muskrat Material Project Documents and the LTA Material Project Documents;

**"Material Project Participants"** means (i) Muskrat; (ii) Labrador Transco; and (iii) each other Person party to a Material Project Document or an Additional Material Project Document;

**"MF Additional Debt Concurrent Contribution"** has the meaning ascribed to it in Section 2.7 of the MFESA;

**"MF Base Equity Commitment"** means the commitment of Nalcor to invest in Muskrat, directly or through one or more of its Subsidiaries, in order to fund the MF Equity Rateable Share of the MF Project Costs, the amount of such investment to be indicated in Schedule "BB" of the Muskrat/LTA Project Finance Agreement;

**"MF Base Equity Contribution"** means the amounts invested from time to time by Nalcor in Muskrat, directly or through one or more of its Subsidiaries, under the MF Base Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Muskrat Project Funding Account by NL Crown pursuant to the provisions of the MFESG in connection with the MF Base Equity Commitment;

**"MF Cash Call Notice"** has the meaning ascribed to it in Section 2.2 of the MFESA;

**"MF Contingency Equity Commitment"** means the commitment of Nalcor to invest in Muskrat, directly or through one or more Subsidiaries, all amounts necessary to fund the MF Equity Rateable Share of any MF Project Costs to be paid following the exhaustion of the MF Base Equity Commitment in order to achieve Commissioning of the Projects;



"**MF Contingency Equity Contribution**" means the amounts invested from time to time by Nalcor in Muskrat, directly or through one or more of its Subsidiaries, under the MF Contingency Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the Muskrat Project Funding Account by NL Crown pursuant to the provisions of the MFESG in connection with the MF Contingency Equity Commitment. It is hereby acknowledged and agreed that any funding of the Equity Prefunding Reserve Account required pursuant to subsection 8.17A.1 of the Muskrat/LTA Project Finance Agreement resulting from a cash call from Muskrat pursuant to a MF Cash Call Notice shall also constitute a MF Contingency Equity Contribution for all purposes of the Muskrat/LTA Project Finance Documents, including, without limitation, the MFESA and MFESG. Any such funding of the Equity Prefunding Reserve Account shall be deemed to be on account of MF Project Costs, the MF Equity Rateable Share and MF Debt Rateable Share of which shall be 100% and 0%, respectively, and the amounts of any such funding shall be deposited directly into the Equity Prefunding Reserve Account, shall be used exclusively in accordance with Section 8.17A of the Muskrat/LTA Project Finance Agreement and shall constitute a MF Contingency Equity Contribution. The MF Cash Call Notice or MF NL Crown Payment Demand relating to any MF Contingency Equity Contribution may include amounts required to fund the Equity Prefunding Reserve Account, as such account is required to be funded under the terms of Section 8.17A of the Muskrat/LTA Project Finance Agreement. It is further hereby acknowledged and agreed that all or a portion of any MF Contingency Equity Contribution required to be made under the Muskrat/LTA Project Finance Agreement shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account as contemplated in subsection 8.17A.2 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a MF Contingency Equity Contribution be made shall be satisfied to the extent of the amount of the funds so transferred from the Equity Prefunding Reserve Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the amounts so transferred from the Equity Prefunding Reserve Account shall be deemed to constitute a MF Contingency Equity Contribution;

"**MF Debt Rateable Share**" means:

- (i) prior to the date on which DER first becomes equal to 65% following the 2017 Closing Date, 100%, provided, however, that where a MF Debt Rateable Share of 100% would result in a DER that exceeds 65%, then the MF Debt Rateable Share shall be the percentage resulting from the following calculation:

$$\frac{[0.65 \times (A + C)] - B}{C}$$

where:

**A** = the sum of (i) the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), (ii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, and (iii) the aggregate outstanding balance of the Capital Account of each of Muskrat and Labrador Transco, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**B** = the sum of (i) the sum of the principal amount of the Funds Releases made to the Credit Parties (without taking into account the Funds Releases to be effected), and (ii) the principal amount of all outstanding Additional Debt (without taking into account the Additional Debt proposed to be incurred) incurred by each Credit Party, the whole less the amount of the balance on deposit in the Sinking Fund Account;

**C** = the amount of the Funding Requirements of each of Muskrat and Labrador Transco less the amount of the sum of the Aggregate Muskrat Eligible Account Balances and the Aggregate Labrador Transco Eligible Account Balances used to fund such combined Funding Requirements; and

- (ii) following the date on which DER first becomes equal to 65%:
  - (A) at all times prior to the Muskrat/LTA Proceeds Account Balance being fully released and the amounts on deposit in the Working Capital Reserve Account being nil, with respect to any Funding Requirements of Muskrat that are to be funded at any particular time, and in relation to which a Funds Release is to be effected or a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected, or, as the case may be, Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, 65%;

unless, as a result of the calculations in part (A) of this definition, Muskrat is unable to fund in its entirety by way of Debt for Borrowed Money the portion of such Funding Requirements represented by such MF Debt Rateable Share by reason of:

- (a) the portion of such Funding Requirements represented by such MF Debt Rateable Share exceeding the sum of Muskrat's Funding Deficiency Rateable Share of the

Muskrat/LTA Proceeds Account Balance and, except with respect to the Final Funding Request, Muskrat's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account; and

- (b) Muskrat not proposing to incur Additional Debt in an amount sufficient to fund the entire amount of the excess referred to in clause (a) above (such excess as reduced by any such Additional Debt proposed to be incurred shall be referred to herein as the "**MF Funding Deficiency**");

in which case the MF Debt Rateable Share shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where:

**A** = the sum of the Additional Debt proposed to be incurred, Muskrat's Funding Deficiency Rateable Share of the Muskrat/LTA Proceeds Account Balance and, except with respect to the Final Funding Request, Muskrat's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account;

**B** = the amount of such Funding Requirements less the amount of the Aggregate Muskrat Eligible Account Balances, and for purposes of the Final Funding Request, Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance, used to fund such Funding Requirements.

provided, however, that at all times where the Muskrat/LTA Proceeds Account has been fully released but:

- (i) Muskrat's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account is sufficient to meet the Funding Requirements of Muskrat that are to be funded and in relation to which a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected or, for the purposes of the Final Funding Request, Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is sufficient to meet the Funding Requirements of Muskrat that are to be funded, as the case may be, then the MF Debt Rateable Share of such Funding Requirements shall mean 100%; and

- (ii) Muskrat's Funding Deficiency Rateable Share of the amounts on deposit in the Working Capital Reserve Account is insufficient to meet the Funding Requirements of Muskrat that are to be funded and in relation to which a WCR Release pursuant to Section 7.11 of the Muskrat/LTA Project Finance Agreement is to be effected or, for the purposes of the Final Funding Request, Muskrat's Final WCRA Rateable Share of the Working Capital Reserve Account Balance is insufficient to meet the Funding Requirements of Muskrat that are to be funded, as the case may be, then the MF Debt Rateable Share of such Funding Requirements shall mean, expressed as a percentage:

$$\frac{A}{B}$$

Where "A" and "B" shall each have the same definition as above;

- (B) at all times thereafter, with respect to any Funding Requirements of Muskrat that are to be funded at any particular time, and in relation to which Additional Debt is to be incurred as permitted pursuant to the terms of the Muskrat/LTA Project Finance Documents, the lesser of 65% and the percentage resulting from the following calculation:

$$\frac{\text{the amount of Additional Debt proposed to be incurred by Muskrat to fund such Funding Requirements}}{\text{such Funding Requirements}}$$

**"MF DSRA Equity Commitment"** means the commitment of Nalcor to invest in Muskrat, directly or through one or more of its Subsidiaries, in order to fund the MF Equity Rateable Share of Muskrat's Project Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or as at the date of the DSRA Prefunding, as the case may be;

**"MF DSRA Equity Contribution"** means the amount invested by Nalcor in Muskrat, directly or through one or more of its Subsidiaries, under the MF DSRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for deposit or deposited directly, as the case may be, in the DSRA by NL Crown pursuant to the provisions of the MFESG in connection with the MF DSRA Equity Commitment. It is hereby acknowledged and agreed that all or a portion of any MF DSRA Equity Contribution (other than for purposes of the DSRA Prefunding) required to be made under the Muskrat/LTA Project Finance Agreement shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account as contemplated in subsection 8.17A.2 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the

Muskrat/LTA Project Finance Agreement that a MF DSRA Equity Contribution be made shall be satisfied to the extent of the amount of the funds so transferred from the Equity Prefunding Reserve Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the amounts so transferred from the Equity Prefunding Reserve Account shall be deemed to constitute a MF DSRA Equity Contribution. It is hereby further acknowledged and agreed that all or a portion of the MF DSRA Equity Contribution required to be made under the Muskrat/LTA Project Finance Agreement for purposes of the DSRA Prefunding shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account and, to the extent permitted pursuant to paragraph 10.28.2.4 of the Muskrat/LTA Project Finance Agreement, of the amounts transferred for that purpose from the Muskrat Cost Overrun Escrow Account as contemplated, in each case, in Section 10.27 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a MF DSRA Equity Contribution be made shall be satisfied to the extent of the total of the amounts so transferred from the Equity Prefunding Reserve Account and the Muskrat Cost Overrun Escrow Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the total of the amounts so transferred from the Equity Prefunding Reserve Account and of the amounts so transferred from the Muskrat Cost Overrun Escrow Account shall be deemed to constitute a MF DSRA Equity Contribution;

**"MF Equity Rateable Share"** means at all times, with respect to any MF Project Costs that are to be funded at any particular time, the difference between 100% and the MF Debt Rateable Share applicable with respect to such MF Project Costs;

**"MFESA"** means the equity support agreement entered into among Nalcor, Muskrat and the Collateral Agent;

**"MFESG"** means the guarantee for the MFESA entered into between NL Crown and the Collateral Agent;

**"MF Funding Deficiency"** has the meaning ascribed thereto in the definition of "MF Debt Rateable Share";

**"MF Guaranteed Obligations"** means the obligation of Nalcor to pay to Muskrat all amounts required to be so paid by Nalcor under and pursuant to the MFESA;

**"MF Loans"** means, as at any time, the aggregate principal amount of all Funds Releases made to Muskrat and outstanding at such time;

**"MF LRA Equity Commitment"** means the commitment of Nalcor to invest in Muskrat, directly or through one or more of its Subsidiaries, in order to fund 82% of the Minimum LRA Requirement;

**"MF LRA Equity Contribution"** means the amount invested by Nalcor in Muskrat, directly or through one or more of its Subsidiaries, under the MF LRA Equity Commitment together with the amounts paid from time to time to the Collateral Agent for

deposit or deposited directly, as the case may be, in the LRA by NL Crown pursuant to the provisions of the MFESG in connection with the MF LRA Equity Commitment;

"**MF NEFA**" means the MF Equity Funding Agreement dated as of November 29, 2013 and entered into among Nalcor and Muskrat;

"**MF NL Crown Contribution**" means any payment to the Collateral Agent for deposit to the Muskrat Project Funding Account, the DSRA, the Muskrat Cost Overrun Escrow Account, the Equity Prefunding Reserve Account or the LRA, as the case may be (or any direct deposit in the Muskrat Project Funding Account, DSRA, Muskrat Cost Overrun Escrow Account, Equity Prefunding Reserve Account or LRA, as the case may be), required to be made by NL Crown pursuant to the MFESG;

"**MF NL Crown Payment Demand**" means a notice, substantially in the form of the one attached as Schedule "A", Schedule "B", Schedule "C" or Schedule "D", as the case may be, to the MFESG issued by the Collateral Agent to NL Crown under the provisions of Section 2.3 of the MFESG;

"**MF NL Payment Conditions**" has the meaning ascribed to it in Section 2.4 of the MFESG;

"**MF Parties**" means collectively Nalcor and Muskrat;

"**MF Plant**" has the meaning ascribed thereto from time to time in the PPA;

"**MF Plant Site**" means the premises in respect of which Muskrat has ownership, leasehold, statutory easement, easement or other rights of access, use or occupancy on which the MF Plant is situated;

"**MF Project Budget**" refers to the June 2016 MF Project Budget, as same may be further amended from time to time;

"**MF Project Costs**" means collectively, without duplication, the Hard Costs and the Soft Costs and all other costs, fees and expenses relating to the development, construction and closing of the 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 and whether such MF Project Costs are invoiced to Muskrat, Devco or Nalcor;

"**MF Project Plans**" refers collectively to the plans, specifications, philosophies, drawings, design data, purchase order and contract drawings and documents which refer to the MF Plant produced by various Persons, including Muskrat, suppliers, engineering

consultants and contractors, general and construction contractors, commissioning and startup specialists for the purpose of the development of the MF Plant;

**"MF Project Schedule"** means the Initial MF Project Schedule, as same has been and may be further amended from time to time;

**"Minimum DSRA Requirement"**, with respect to any Minimum DSRA Requirement Fixing Date, is the amount identified as such in Schedule "T" of the Muskrat/LTA Project Finance Agreement;

**"Minimum DSRA Requirement Fixing Date"** means each of the dates identified as such in Schedule "T" of the Muskrat/LTA Project Finance Agreement;

**"Minimum LRA Requirement"** means the amount of Liquidity Reserves determined by the Credit Parties on or immediately prior to the second Advance hereunder as being required to ensure that the DSCR is equal to or greater than 1.4 as at the Commissioning Date, the amount of such Liquidity Reserves to be indicated in Schedule "DD" of the Muskrat/LTA Project Finance Agreement;

**"Minimum WCR Requirement"** means \$75,000,000;

**"Moody's"** means Moody's Investors Service, Inc. and its successors;

**"MSA"** means the management and support services agreement to be entered into prior to Commissioning between Nalcor or a wholly-owned Subsidiary of Nalcor and the Credit Parties;

**"MTI"** means, as the context requires (i) the Initial MTI and/or (ii) the New MTI;

**"Muskrat"** means Muskrat Falls Corporation, a NL corporation, and includes any successor thereto;

**"Muskrat Additional Material Project Documents"** means the contracts and agreements listed in Part A (iii) of Schedule "B" to the Muskrat/LTA Project Finance Agreement;

**"Muskrat Cost Overrun Escrow Account"** has the meaning ascribed thereto in Section 8.19 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Demobilization Costs"** means the costs required to complete works on all Demobilization List Items related to the MF Plant;

**"Muskrat Demobilization Costs Account"** has the meaning ascribed thereto in Section 8.7 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Distribution Reserve Account"** has the meaning ascribed thereto in Section 8.4 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Final Eligible Project Costs"** means the Eligible Project Costs relating to the MF Plant referred to in the Final Funding Request, other than Muskrat's Project Rateable Share of the Minimum DSRA Requirement, the Muskrat Punch List Costs and the Muskrat Demobilization Costs;

**"Muskrat Initial Material Project Documents"** means the contracts, agreements and Authorizations described or referred to in Part A (ii) of Schedule "B" to the Muskrat/LTA Project Finance Agreement;

**"Muskrat Insurance Reserve Account"** has the meaning ascribed thereto in Section 8.5 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Collateral Trust Deed"** has the meaning ascribed to it in subsection 6.1.1 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Conditions Precedent to the Second Amendment and Restatement"** has the meaning ascribed thereto in Section 7.1 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Construction Facility"** means the credit facility which the Funding Vehicle has agreed to make available to the Credit Parties in Tranches pursuant to the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Construction Loan"** refers collectively to the aggregate of the principal amount of the Corresponding Tranche Construction Loans;

**"Muskrat/LTA Due Date"** means, with respect to any payment due by the Credit Parties under any Muskrat/LTA Project Finance Document, the date on which such payment is required to be made by the Credit Parties pursuant to the provisions of that Muskrat/LTA Project Finance Document (without taking into account any grace period granted to the Credit Parties to cure any failure to pay) and, where any amount is payable on demand made by the Collateral Agent, the date that the Collateral Agent makes such a demand;

**"Muskrat/LTA Event of Default"** means any of the events described in Article 13 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Initial Conditions Precedent"** has the meaning that was ascribed to such expression in Section 7.1 of the Initial Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Interest Payment Date"** refers to with respect to interest payable on each Corresponding Tranche Construction Loan, each date which is two (2) Business Days prior to each interest payment date in respect of the series of FV Bonds listed opposite the name of the relevant Tranche listed in Schedule "KK" or Schedule "LL", as the case may be, of the Muskrat/LTA Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule;



**"Muskrat/LTA Loan"** refers collectively to the aggregate of all of the Corresponding Tranche Construction Loans together with any other amount of principal, interest, fees and other amounts and interest on arrears of interest, fees and other amounts, in each case due and payable by the Credit Parties in respect of, respectively, each Corresponding Tranche Construction Loan;

**"Muskrat/LTA Loan Acceleration"** means any acceleration of the Muskrat/LTA Loan made pursuant to Section 14.2 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Make-Whole Amount"** means, with respect to any Muskrat/LTA Voluntary Prepayment or Muskrat/LTA Loan Acceleration, as the case may be, occurring at any time, an amount equal to the FV Bond Make-Whole Amount required to be paid by the Funding Vehicle on the relevant FV Bond Redemption Date or the FV Bond Acceleration Date, as the case may be;

**"Muskrat/LTA Payment"** means any payment or prepayment of principal, interest, fees, including the Guarantee Fee, Sinking Fund Payments or other amounts payable by the Credit Parties under the Muskrat/LTA Project Finance Agreement (less, at any relevant time, an amount equal to the amount transferred at such time from the Muskrat/LTA Proceeds Account to the FV Payment Account pursuant to paragraph 8.1.1.3 of the Muskrat/LTA Project Finance Agreement);

**"Muskrat/LTA Proceeds Account"** has the meaning ascribed thereto in Section 8.1 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Proceeds Account Balance"** means, as at any time, the amount standing to the credit of the Muskrat/LTA Proceeds Account at such time including, for greater certainty, any Income on Account Balances deriving therefrom;

**"Muskrat/LTA Project Finance Agreement"** means the second amended and restated project finance agreement dated as of the date hereof entered into among the Credit Parties, as borrowers, the Funding Vehicle, as lender, and the Collateral Agent;

**"Muskrat/LTA Project Finance Documents"** means the Muskrat/LTA Project Finance Agreement, the Muskrat/LTA Security Documents, the Equity Agreements, the Collateral Agency Agreement and each document, instrument or agreement entered into by or between the Funding Vehicle, the Credit Parties, the Collateral Agent or any other Person in connection with the Funding Vehicle lending funds to the Credit Parties or which is supplemental to the Muskrat/LTA Project Finance Agreement but expressly excludes the Material Project Documents;

**"Muskrat/LTA Second Amendment and Restatement Effective Date"** has the meaning ascribed to it in Section 7.1 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Second Drawdown Conditions Precedent"** has the meaning ascribed to it in Section 7.2 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Secured Obligations"** refers collectively to all the obligations of the Credit Parties under the Muskrat/LTA Project Finance Documents, including the obligation of the Credit Parties to repay the Muskrat/LTA Loan upon the terms and conditions provided for under the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Security Documents"** is the collective reference to the agreements and documents referred to in Article 6 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Security Trustee"** means Computershare Trust Company of Canada, a trust company, in its capacity as security trustee under certain Muskrat/LTA Security Documents;

**"Muskrat/LTA Voluntary Prepayment"** means the voluntary prepayment of the Muskrat/LTA Construction Loan made in accordance with Section 3.7 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat/LTA Voluntary Prepayment Date"** means the date which is two (2) Business Days prior to the FV Bond Redemption Date;

**"Muskrat/LTA Voluntary Prepayment Notice"** means a notice, substantially in the form of the one attached as Schedule "W" of the Muskrat/LTA Project Finance Agreement, issued by the Credit Parties to the Collateral Agent in connection with any voluntary prepayment of the Muskrat/LTA Construction Loan under the Muskrat/LTA Project Finance Agreement;

**"Muskrat Material Project Documents"** refers collectively to the Muskrat Initial Material Project Documents and the Muskrat Additional Material Project Documents;

**"Muskrat PDMA"** means, collectively, (i) the project development and management agreement dated as of November 29, 2013, entered into between Muskrat and Devco, and (ii) the project coordination and interface agreement dated as of November 29, 2013, entered into among the Partnership, Opco, Devco and the Credit Parties;

**"Muskrat Prepaid Debt Service Escrow Account"** has the meaning ascribed thereto in Section 8.18 of the Muskrat/LTA Project Finance Agreement;

**"Muskrat Project Accounts"** refers collectively to the Muskrat Project Funding Account, the Muskrat Project Operating Account, the Muskrat Distribution Reserve Account, the Muskrat Demobilization Costs Account, the Muskrat Punch List Costs Account, the Muskrat Insurance Reserve Account, the Muskrat Prepaid Debt Service Escrow Account and the Muskrat Cost Overrun Escrow Account;

**"Muskrat Project Funding Account"** (i) for all purposes of the Consolidated Transaction Documents, other than the MFESA, as well as for all purposes of the MFESA, other than those set out in clause (ii) below, and all purposes of the MFESG, other than those set out in clause (iii) below, has the meaning ascribed thereto in Section 8.2 of the Muskrat/LTA Project Finance Agreement, and (ii) where under the terms of the MFESA (including, without limitation, the schedules thereto) there is a

reference to an issuance of a MF Cash Call Notice requiring the payment to the Collateral Agent for deposit or the deposit directly in the Muskrat Project Funding Account, or there is a reference to a deposit by NL Crown in the Muskrat Project Funding Account pursuant to the MFESG, as the case may be, and any such reference relates to the obligation of Nalcor to make a MF Contingency Equity Contribution pursuant to subsection 8.17A.1 of the Muskrat/LTA Project Finance Agreement, then, for such purposes, "**Muskrat Project Funding Account**" in the MFESA (including, without limitation, the Schedules thereto) shall mean the Equity Prefunding Reserve Account and (iii) where under the terms of the MFESA (including, without limitation, the schedules thereto) there is a reference to a failure to issue a MF Cash Call Notice, or there is an issuance of a demand to the NL Crown to pay the Collateral Agent for deposit or deposit directly in the Muskrat Project Funding Account, or there is a failure to deposit in the Partnership Project Funding Account, as the case may be, and any such reference relates to the obligation of Nalcor to make a MF Contingency Equity Contribution pursuant to subsection 8.17A.1 of the Muskrat/LTA Project Finance Agreement, then, for such purposes, "**Muskrat Project Funding Account**" in the MFESG (including, without limitation, the Schedules thereto) shall mean the Equity Prefunding Reserve Account;

"**Muskrat Project Operating Account**" has the meaning ascribed thereto in Section 8.3 of the Muskrat/LTA Project Finance Agreement;

"**Muskrat Punch List Costs**" means the costs required to complete work on all Punch List Items related to the MF Plant, and shall include an amount representing 5% of that portion of the Eligible Project Costs for the MF Plant identified in clause (i) of the definition of "Funding Requirements" for purposes of the Final Funding Request that is comprised of Eligible Project Costs expected to be incurred to and invoiced after the Effective Date of the Final Funding Request;

"**Muskrat Punch List Costs Account**" has the meaning ascribed therein in Section 8.6 of the Muskrat/LTA Project Finance Agreement;

"**Muskrat Step-In Agreements**" means the step-in agreement relating to Muskrat in the form attached as Schedule 8 to the GIA and Schedule 8 to the PPA;

"**Nalcor**" means Nalcor Energy, a body corporate existing pursuant to the *Energy Corporation Act* (NL), in its own right and not as an agent of NL Crown, and includes any successor thereto;

"**Nalcor LP**" means Labrador - Island Link Holding Corporation, a NL corporation, and includes any successor thereto;

"**Nalcor LTA Base Equity Contribution**" has the meaning ascribed to it in Section 2.3 of the LTAESA;

"**Nalcor LTA Contingency Equity Contribution**" has the meaning ascribed thereto in subsection 2.4 of the LTAESA. It is hereby acknowledged and agreed that any funding of the Equity Prefunding Reserve Account required pursuant to subsection 8.17A.1 of the Muskrat/LTA Project Finance Agreement resulting from a cash call from Labrador

Transco pursuant to a LTA Cash Call Notice shall also constitute a Nalcor LTA Contingency Equity Contribution for all purposes of the Muskrat/LTA Project Finance Documents, including, without limitation, the LTAESA and LTAESG. Any such funding of the Equity Prefunding Reserve Account shall be deemed to be on account of LTA Project Costs, the LTA Equity Rateable Share and LTA Debt Rateable Share of which shall be 100% and 0%, respectively, and the amounts of any such funding shall be deposited directly into the Equity Prefunding Reserve Account, shall be used exclusively in accordance with Section 8.17A of the Muskrat/LTA Project Finance Agreement and shall constitute a Nalcor LTA Contingency Equity Contribution. The LTA Cash Call Notice or LTA NL Crown Payment Demand relating to any Nalcor LTA Contingency Equity Contribution may include amounts required to fund the Equity Prefunding Reserve Account, as such account is required to be funded under the terms of Section 8.17A of the Muskrat/LTA Project Finance Agreement. It is further hereby acknowledged and agreed that all or a portion of any Nalcor LTA Contingency Equity Contribution required to be made under the Muskrat/LTA Project Finance Agreement shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account as contemplated in subsection 8.17A.2 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a Nalcor LTA Contingency Equity Contribution be made shall be satisfied to the extent of the amount of the funds so transferred from the Equity Prefunding Reserve Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the amounts so transferred from the Equity Prefunding Reserve Account shall be deemed to constitute a Nalcor LTA Contingency Equity Contribution;

**"Nalcor LTA Contribution"** as the context requires, refers to any one of the Nalcor LTA Base Equity Contribution, Nalcor LTA Contingency Equity Contribution, Nalcor LTA DSRA Equity Contribution or Nalcor LTA LRA Equity Contribution;

**"Nalcor LTA DSRA Equity Contribution"** has the meaning ascribed thereto in subsection 2.5 of the LTAESA. It is hereby acknowledged and agreed that all or a portion of any Nalcor LTA DSRA Equity Contribution (other than for purposes of the DSRA Prefunding) required to be made under the Muskrat/LTA Project Finance Agreement shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account as contemplated in subsection 8.17A.2 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a Nalcor LTA DSRA Equity Contribution be made shall be satisfied to the extent of the amount of the funds so transferred from the Equity Prefunding Reserve Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the amounts so transferred from the Equity Prefunding Reserve Account shall be deemed to constitute a Nalcor LTA DSRA Equity Contribution. It is hereby further acknowledged and agreed that all or a portion of the Nalcor LTA DSRA Equity Contribution required to be made under the Muskrat/LTA Project Finance Agreement for purposes of the DSRA Prefunding shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account and, to the extent permitted pursuant to paragraph 10.28.3.4 of the Muskrat/LTA

Project Finance Agreement, of the amounts transferred for that purpose from the Labrador Transco Cost Overrun Escrow Account as contemplated, in each case, in Section 10.27 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a Nalcor LTA DSRA Equity Contribution be made shall be satisfied to the extent of the total of the amounts so transferred from the Equity Prefunding Reserve Account and the Labrador Transco Cost Overrun Escrow Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the total of the amounts so transferred from the Equity Prefunding Reserve Account and of the amounts so transferred from the Labrador Transco Cost Overrun Escrow Account shall be deemed to constitute a Nalcor LTA DSRA Equity Contribution;

**"Nalcor LTA LRA Equity Contribution"** has the meaning ascribed thereto in subsection 2.6 of the LTAESA;

**"Nalcor MF Base Equity Contribution"** has the meaning ascribed to it in Section 2.3 of the MFESA;

**"Nalcor MF Contingency Equity Contribution"** has the meaning ascribed thereto in subsection 2.4 of the MFESA. It is hereby acknowledged and agreed that any funding of the Equity Prefunding Reserve Account required pursuant to subsection 8.17A.1 of the Muskrat/LTA Project Finance Agreement resulting from a cash call from Muskrat pursuant to a MF Cash Call Notice shall also constitute a Nalcor MF Contingency Equity Contribution for all purposes of the Muskrat/LTA Project Finance Documents, including, without limitation, the MFESA and MFESG. Any such funding of the Equity Prefunding Reserve Account shall be deemed to be on account of MF Project Costs, the MF Equity Rateable Share and MF Debt Rateable Share of which shall be 100% and 0%, respectively, and the amounts of any such funding shall be deposited directly into the Equity Prefunding Reserve Account, shall be used exclusively in accordance with Section 8.17A of the Muskrat/LTA Project Finance Agreement and shall constitute a Nalcor MF Contingency Equity Contribution. The MF Cash Call Notice or MF NL Crown Payment Demand relating to any Nalcor MF Contingency Equity Contribution may include amounts required to fund the Equity Prefunding Reserve Account, as such account is required to be funded under the terms of Section 8.17A of the Muskrat/LTA Project Finance Agreement. It is further hereby acknowledged and agreed that all or a portion of any Nalcor MF Contingency Equity Contribution required to be made under the Muskrat/LTA Project Finance Agreement shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account as contemplated in subsection 8.17A.2 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a Nalcor MF Contingency Equity Contribution be made shall be satisfied to the extent of the amount of the funds so transferred from the Equity Prefunding Reserve Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the amounts so transferred from the Equity Prefunding Reserve Account shall be deemed to constitute a Nalcor MF Contingency Equity Contribution;

"**Nalcor MF Contribution**" as the context requires, refers to any one of the Nalcor MF Base Equity Contribution, Nalcor MF Contingency Equity Contribution, Nalcor MF DSRA Equity Contribution or Nalcor MF LRA Equity Contribution;

"**Nalcor MF DSRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.5 of the MFESA. It is hereby acknowledged and agreed that all or a portion of any Nalcor MF DSRA Equity Contribution (other than for purposes of the DSRA Prefunding) required to be made under the Muskrat/LTA Project Finance Agreement shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account as contemplated in subsection 8.17A.2 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a Nalcor MF DSRA Equity Contribution be made shall be satisfied to the extent of the amount of the funds so transferred from the Equity Prefunding Reserve Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the amounts so transferred from the Equity Prefunding Reserve Account shall be deemed to constitute a Nalcor MF DSRA Equity Contribution. It is hereby further acknowledged and agreed that all or a portion of the Nalcor MF DSRA Equity Contribution required to be made under the Muskrat/LTA Project Finance Agreement for purposes of the DSRA Prefunding shall be deemed to have been so made to the extent of the total of the amounts transferred for that purpose from the Equity Prefunding Reserve Account and, to the extent permitted pursuant to paragraph 10.28.2.4 of the Muskrat/LTA Project Finance Agreement, of the amounts transferred for that purpose from the Muskrat Cost Overrun Escrow Account as contemplated, in each case, in Section 10.27 of the Muskrat/LTA Project Finance Agreement, and any requirement or condition pursuant to the terms of the Muskrat/LTA Project Finance Agreement that a Nalcor MF DSRA Equity Contribution be made shall be satisfied to the extent of the total of the amounts so transferred from the Equity Prefunding Reserve Account and the Muskrat Cost Overrun Escrow Account. Moreover, for greater certainty, for all purposes of the Muskrat/LTA Project Finance Documents, the total of the amounts so transferred from the Equity Prefunding Reserve Account and of the amounts so transferred from the Muskrat Cost Overrun Escrow Account shall be deemed to constitute a Nalcor MF DSRA Equity Contribution;

"**Nalcor MF LRA Equity Contribution**" has the meaning ascribed thereto in subsection 2.6 of the MFESA;

"**Net FLG2 Debt**" means as at the Muskrat/LTA Interest Payment Date of each month of May starting in May 2018, the amount resulting from the following calculation:

$$\frac{A + B}{2}$$

In each case, where:

**A** = the aggregate of all of the Corresponding Tranche Construction Loans under the New Tranches outstanding as at June 2 of the year preceding such Muskrat/LTA Interest Payment Date; and

**B** = the aggregate of all of the Corresponding Tranche Construction Loans under the New Tranches outstanding as at December 2 of the year preceding such Muskrat/LTA Interest Payment Date;

**"Newfoundland Time"** means the time in effect in St. John's, NL, on the applicable date;

**"New FV Bond"** means any evidence of indebtedness of the Funding Vehicle authenticated and delivered by the Indenture Trustee under and pursuant to the New MTI and each Supplemental Indenture thereto, whether such evidence of indebtedness is a FV Obligation Bond or a FV Pledge Bond thereunder, which New FV Bonds shall be the FV Bonds issued under the series of FV Bonds listed in Schedule "LL" of the Muskrat/LTA Project Finance Agreement under the heading "Corresponding FV Bond Series" of such Schedule;

**"New MTI"** means the master trust indenture entered into on or about the date hereof between the Funding Vehicle and the Indenture Trustee;

**"New Tranches"** means each New Tranche of the Muskrat/LTA Construction Facility referred to as such in Schedule "LL" of the Muskrat/LTA Project Finance Agreement;

**"NL"** means the Province of Newfoundland and Labrador;

**"NL Crown"** means Her Majesty in right of NL;

**"NLH"** means Newfoundland and Labrador Hydro, a body corporate existing pursuant to the *Hydro Corporation Act, 2007* (NL), in its own right and not as agent of the NL Crown, and includes any successor thereto;

**"NLH External Market Sales"** has the meaning ascribed thereto from time to time in the PPA;

**"NS"** means the Province of Nova Scotia;

**"O&M Activities"** has the meaning ascribed to it from time to time in the PPA;

**"O&M Costs"** means, with respect to Muskrat "O&M Costs" as defined from time to time in the PPA and with respect to Labrador Transco, "LTA O&M Costs" as defined from time to time in the GIA;

**"Opco"** means Labrador – Island Link Operating Corporation, a NL corporation, and includes any successor thereto;

**"Operating Period"** means the period commencing on the Commissioning Date and terminating on the earlier of:

- (i) June 1, 2052;
- (ii) the date that the Muskrat/LTA Construction Facility is terminated and cancelled in its entirety and payment of the Muskrat/LTA Loan is accelerated under the provisions of Section 14.2 of the Muskrat/LTA Project Finance Agreement; and
- (iii) the date of any other cancellation of the Muskrat/LTA Construction Facility in its entirety and repayment of the entire amount of the Muskrat/LTA Loan;

**"Operating Report"** has the meaning ascribed to it in subsection 11.1.3 of the Muskrat/LTA Project Finance Agreement;

**"Operating Year"** has the meaning ascribed thereto from time to time in the PPA or the GIA, as the context requires;

**"Organizational Documents"** means, with respect to any Person, that Person's articles of incorporation, articles of association or other charter documents, by-laws, unanimous shareholder agreement, partnership agreement, and any and all other similar formative agreement, documents and instruments integral to that Person's existence;

**"Original GAA"** means the guarantee assurance agreement dated as of November 29, 2013 entered into among, *inter alia*, Canada, the Collateral Agent, the Funding Vehicle and the Credit Parties;

**"Other Project Costs"** means, with respect to each Project, the MF Project Costs or the LTA Project Costs, as the case may be, other than such Project Costs comprised of the applicable Project Rateable Share of the fees, costs and expenses forming part of the Various Agent Costs and Expenses, the Canada Costs and Expenses and the Funding Vehicle Project Costs and Expenses;

**"P50 Average Annual Energy Production"** means the average of the expected annual production forecasted for the MF Plant;

**"Partnership"** means Labrador - Island Link Limited Partnership, a limited partnership formed under the *Limited Partnership Act* (NL) pursuant to the LIL LP Agreement and includes any successor thereto;

**"Paying Agent"** means any bank or trust company or other Person designated as a paying agent for a Series of FV Bonds in any Supplemental Indenture and its successors or permitted assigns, or its successor appointed in the manner provided in the MTIs or in such Supplemental Indenture;



**"Pension Plan"** means any plan, program, arrangement or understanding that provides pension or retirement benefits (whether or not registered under any applicable pension benefits or Tax Laws in Canada), including post-retirement employee benefits, which is maintained or contributed to (or to which there is or may be an obligation to contribute) by a Credit Party in respect of any individual's employment with such Credit Party in Canada or a province or territory thereof;

**"Performance Testing"** means a physical test of the commissioned equipment, system or part of system to demonstrate that the measured performance characteristics met the specified requirements as contained within specific supplier guaranteed performance specifications or, in the case of a complete system, the overall performance and ranges of performance specified in the Basis of Design;

**"Permitted Encumbrances"** means, with respect to any Credit Party, as at any time, any one or more of the following:

- (i) Statutory Prior Liens; provided that, the Statutory Prior Claims secured thereby are not yet delinquent (taking into account any relevant grace periods);
- (ii) liens for assessments or governmental charges or levies which are not delinquent (taking into account any relevant grace periods) or, if overdue, the validity or amount of which is being contested diligently and in good faith by appropriate proceedings and in respect of which adequate reserves in accordance with GAAP have been recorded on the balance sheet of such Person;
- (iii) construction, mechanics', carriers, warehousemen's, storage, repairers' and materialmen's Liens but only if the obligations secured by such Liens are not due and delinquent and no Lien has been registered against title to any Assets of such Person or if a Lien has been registered, same is being defended diligently and in good faith by appropriate proceedings and in respect of which adequate reserves in accordance with GAAP have been recorded on the balance sheet of such Person;
- (iv) easements, encroachments, rights of way, servitudes, licences, reservations, covenants, restrictive covenants or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which easements, encroachments, rights of way, servitudes, licences, reservations, covenants, restrictive covenants, other similar rights and restrictions do not, in the aggregate, materially impair the conduct of the business of such Person;

- (v) the reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown in right of Canada or any province or territory thereof;
- (vi) title defects or irregularities which are of a minor nature and which do not in the aggregate materially detract from the value of the assets of such Person encumbered thereby or materially interfere with the use thereof in the operation of the business of such Person;
- (vii) Liens, charges or other security interests given to a public utility or any Governmental Authority when required by such utility or other authority; provided that, such Liens do not in the aggregate materially detract from the value of the assets of such Person, or materially interfere with the use thereof in the operation of the business of such Person;
- (viii) servicing agreements, development agreements, site plan agreements, facilities sharing agreements, cost sharing agreements and other similar agreements with Governmental Authorities pertaining to the use or development of any of the assets of such Person; provided that, same have been, are, and continue to be complied with in all material respects, including any obligations to deliver letters of credit and other security as required;
- (ix) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon; provided that, such restrictions have been, are, and continue to be complied with;
- (x) Liens arising from court or arbitral proceedings; provided that, the claims secured thereby are being contested diligently and in good faith by such Person, execution thereon has been stayed and continues to be stayed and such Liens do not, in the aggregate, impair the use of any assets of such Person in the conduct of business;
- (xi) deposits of cash securities in connection with any appeal, review or contestation of any security or Lien, or any matter giving rise to any security or Lien, described in paragraph (x) above;
- (xii) any agreement or arrangement pursuant to which such Person pledges cash to any insurer, guarantor or third party contractor, made in the ordinary course of business to secure the performance of bids, tenders, contracts (other than contracts of debt), leases, customs duties and other similar obligations;
- (xiii) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day-to-day banking business in relation to deposit accounts or other funds maintained with a creditor

depository institution (collectively, "**Banker's Liens**"); provided that, such Banker's Liens (a) do not relate to any deposit account that is a dedicated cash collateral account which is subject to restrictions against access by the depositor or account holder, (b) do not relate to any deposit account intended by the depositor or account holder to provide collateral to the depository institution, and (c) in respect of any Credit Party only, are not intended directly or indirectly to secure the payment or performance of Indebtedness or any other obligation other than Additional Debt;

- (xiv) any Lien in favour or for the benefit of the Funding Vehicle, the Collateral Agent or the Muskrat/LTA Security Trustee securing the Muskrat/LTA Secured Obligations;
- (xv) any Lien securing Purchase Money Obligations permitted to be outstanding under subsection 12.2.4 of the Muskrat/LTA Project Finance Agreement; provided that, each such Lien only affects the property with respect to which the Purchase Money Obligation it secures was incurred;
- (xvi) Liens securing Additional Debt permitted to be outstanding under subsection 12.2.5 of the Muskrat/LTA Project Finance Agreement;
- (xvii) exceptions and qualifications in Sections 4, 5, 6, 7, 8 and 15 of the *Lands Act* (NL); and
- (xviii) in respect of Muskrat only, any Lien granted on the MF Plant in favour of NLH provided that such Lien is expressly subordinated by its terms to the Liens created pursuant to the Muskrat/LTA Security Documents;
- (xix) any Lien granted on the LTA by Labrador Transco in favour of Muskrat and any assignment thereof or Lien thereon or on the LTA by Muskrat in favour of NLH, in each case, provided that such Liens are expressly subordinated by their terms to the Liens created pursuant to the Muskrat/LTA Security Documents; and
- (xx) permits issued pursuant to Section 55(4) of the *Muskat Falls Project Land Use and Expropriation Act* (NL);

**"Permitted Investments"** means book based securities, negotiable instruments, investments or securities that evidence:

- (i) obligations issued or fully guaranteed by the Government of Canada;
- (ii) obligations issued or fully guaranteed by any Province of Canada which has a long term debt rating of "A+" or better by S&P, "A (high)" or better by DBRS or "A1" or better by Moody's, and has such rating from at least two of the Rating Agencies;

- (iii) demand deposits of depository institutions, term deposits of depository institutions or certificates of deposit of depository institutions, in each case where any such depository institution is either (a) one of the five largest (by assets) Canadian Schedule I Banks or (b) is a depository institution that has a combined capital and surplus of at least CDN\$1 billion, has a short term debt rating of "A 1+" or better by S&P or "R-1 (middle)" or better by DBRS and is regulated by the Office of the Superintendent of Financial Institutions (Canada);
- (iv) deposits with and notes or bankers' acceptances issued or accepted by any depository institution described in (iii) above;
- (v) money market funds which have a rating of "AAA m" or better by S&P or "R-1 (middle)" or better by DBRS or have otherwise been approved in writing by the Collateral Agent; and
- (vi) any other investments approved in writing by the Collateral Agent;

**"Person"** means an individual, corporation, estate, partnership, trust, joint venture, other legal entity, unincorporated association or Governmental Authority;

**"PPA"** means the power purchase agreement entered into on or about November 29, 2013 between NLH and Muskrat relating, among other things, to the sale and delivery of energy from the MF Plant;

**"PPSA"** means the *Personal Property Security Act* (NL);

**"Principal Collateral Agency Agreement"** has the meaning ascribed to it in the sixth preamble paragraph hereof;

**"Principal Indemnity Claims"** has the meaning ascribed to it from time to time in Section 5.16 of the Collateral Agency Agreement;

**"Principal Indemnified Parties"** has the meaning ascribed to it from time to time in Section 5.16 of the Collateral Agency Agreement;

**"Principal Master Definitions Agreement"** has the meaning ascribed to it in the second preamble paragraph hereof;

**"Principal Muskrat/LTA Project Finance Agreement"** has the meaning ascribed to it in the fourth preamble paragraph hereof;

**"Proceeding"** means any action, suit, inquiry, investigation, arbitration or dispute settlement procedure, or any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal);

**"Proceeds of Realization"** refers to any and all monies received, collected, generated or that arose from the exercise of any Rights, Remedies and/or Recourses including any monies involved in any operation of set-off;

**"Project Accounts"** means the Muskrat Project Accounts, the Labrador Transco Project Accounts, the Muskrat/LTA Proceeds Accounts, the DSRA, the LRA, the Working Capital Reserve Account, the Sinking Fund Account and the Equity Prefunding Reserve Account;

**"Project Budget"** refers collectively to the MF Project Budget and the LTA Project Budget;

**"Project Costs"** means the MF Project Costs and the LTA Project Costs;

**"Project Financing Duties"** means the FV Trust Activities with respect to (i) the lending of money from time to time, to the Credit Parties as direct secured lender pursuant to the Muskrat/LTA Project Finance Documents, (ii) the performance of all obligations and the exercise of all rights of the Funding Vehicle, in its capacity as secured lender under the Muskrat/LTA Project Finance Documents, and (iii) all matters incidental or ancillary to the activities described in clauses (i) and (ii) of this definition including the matters contemplated in Sections 3.2 and 3.4 of the Collateral Agency Agreement, in each case acting in accordance with the instructions of the Funding Vehicle and Canada, each acting reasonably;

**"Project Financing Duty Requirement"** has the meaning ascribed to it from time to time in Section 4.2 of the Collateral Agency Agreement;

**"Project Funding Accounts"** means the Muskrat Project Funding Account and the Labrador Transco Project Funding Account;

**"Project Operating Accounts"** means the Muskrat Project Operating Account and the Labrador Transco Project Operating Account;

**"Project Plans"** refers collectively to the MF Project Plans and the LTA Project Plans;

**"Project Rateable Share"** means:

- (i) during the Construction Period, as relates to any funding of the LRA:
  - (A) with respect to Muskrat, 82%; and
  - (B) with respect to Labrador Transco, 18%;
- (ii) during the Construction Period, other than as relates to any funding of the LRA:
  - (A) with respect to Muskrat, the ratio of the MF Loans to the sum of the MF Loans and the LTA Loans; and

- (B) with respect to Labrador Transco, the ratio of the LTA Loans to the sum of the LTA Loans and the MF Loans; and
- (iii) during the Operating Period:
  - (A) with respect to Muskrat, the ratio of the MF Loans to the sum of the MF Loans and the LTA Loans; and
  - (B) with respect to Labrador Transco, the ratio of the LTA Loans to the sum of the LTA Loans and the MF Loans,

it being understood, for greater certainty, that any reference to "Project Rateable Share" in respect of the period preceding the Muskrat/LTA Amendment and Restatement Effective Date (as defined in the Principal Master Definitions Agreement) shall be construed as a reference to "Project Rateable Share" as such expression was defined pursuant to the Initial Master Definitions Agreement;

**"Project Schedule"** means the MF Project Schedule and the LTA Project Schedule;

**"Projects"** means the MF Plant and the LTA, and **"Project"** refers to either one thereof;

**"Prospective Debt Service Coverage Ratio"** or **"Prospective DSCR"** means, as at any date of calculation thereof, calculated on a combined basis for the Credit Parties, the Base Cash Flow for the period of twelve (12) calendar months immediately following the date of calculation, divided by:

- (i) where the calculation is being made during the Operating Period for the purposes of subsection 12.2.5 of the Muskrat/LTA Project Finance Agreement in connection with any determination of whether a Credit Party may incur Additional Debt, Total Debt Service for the same period, calculated on a rolling basis and including therein the Additional Debt proposed to be incurred as if such Additional Debt had been incurred on the first day of such period; and
- (ii) where the calculation is being made for any other purpose, Total Debt Service for such period;

**"Provincial Environmental Assessment"** means the Lower Churchill Hydroelectric Generation Project Undertaking Order (O.C 2012-061) issued with respect to the Projects under the *Environmental Protection Act*, SNL 2002, c.E-14.2, s.67(3)(a);

**"Punch List Costs"** refers collectively to the LTA Punch List Costs and the Muskrat Punch List Costs;

**"Punch List Costs Accounts"** means the Muskrat Punch List Costs Account and the Labrador Transco Punch List Costs Account;

**"Punch List Costs LTA Funds Release"** means the single Funds Release to be made to Labrador Transco pursuant to the provisions of Section 7.6 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (iii)(xxvii) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the LTA Punch List Costs;

**"Punch List Costs Muskrat Funds Release"** means the single Funds Release to be made to Muskrat pursuant to the provisions of Section 7.6 of the Muskrat/LTA Project Finance Agreement, in an amount equal to the amount calculated pursuant to paragraph (iii)(xv) of the definition of "Final Funding Request" with respect to the Funding Requirements relating to the Muskrat Punch List Costs;

**"Punch List Items"** has the meaning ascribed to it in Section 10.20 of the Muskrat/LTA Project Finance Agreement;

**"Purchase Money Obligation"** means, with respect to any Person, any indebtedness assumed as part of, or issued or incurred in respect of, the cost of acquisition, including by way of conditional sales contract or leasing by way of a Capital Lease of any property (including shares of Capital Stock) or of the cost of construction, improvement or extension of any property acquired, constructed, improved or extended or leased by way of a Capital Lease, which indebtedness existed at the time of acquisition, construction, improvement or extension or was created, issued, incurred, assumed or Guaranteed contemporaneously with the acquisition, construction, improvement or extension or leasing by way of a Capital Lease or within ninety (90) days after the commissioning thereof and includes any extension, renewal or refinancing of any such indebtedness if the amount thereof outstanding on the date of such extension, renewal or refinancing is not increased, it being expressly understood that Purchase Money Obligation shall not include any trade payables incurred in the ordinary course of business and for the purpose of carrying on same or any Indebtedness incurred in connection with any Sale and Leaseback Transaction;

**"Rating Agency"** means any of S&P, Moody's and DBRS and its respective successors or, if such rating agencies or their successors do not remain in operation in Canada, such nationally recognized statistical rating agency or other comparable Person designated by the Credit Parties;

**"Realization Costs"** refers collectively to:

- (i) all costs and expenses incident to the exercise of Rights, Remedies and/or Recourses including reasonable fees and out-of-pocket expenses of counsel, accountants and other professionals, escrow fees, recording fees, broker's fees, any fees, costs and expenses incurred in connection with any sale or foreclosure of any property or asset, and all applicable transfer taxes that may be imposed by reason of any such sale or foreclosure and the delivery of any and all instruments in connection therewith;

- (ii) any claim or debt, in principal, interest, fees and other amounts which, notwithstanding the provisions of any Muskrat/LTA Project Finance Document, by Law is payable by preference over the Muskrat/LTA Secured Obligations; and
- (iii) the fees, costs and expenses of the Funding Vehicle and the Collateral Agent exercising Rights, Remedies and/or Recourses, including any indemnity paid to any thereof;

**"Redemption Date"** means, with respect to any FV Bonds to be redeemed, in whole or in part, the date (which will be a Business Day) specified in the notice of redemption as the date on which such FV Bonds will be redeemed or, in the case of a redemption pursuant to Section 12.2 of either MTI, the date specified in writing to the Funding Vehicle by the Indenture Trustee;

**"Redemption Notice"** has the meaning ascribed to it in Section 3.5.1 of the Collateral Agency Agreement;

**"Redemption Price"** means, with respect to any FV Bonds to be redeemed, in whole or in part, in any particular circumstance, the redemption price applicable to such FV Bonds in such circumstance that is specified in the Supplemental Indenture creating such FV Bonds;

**"Registration"** means any notice to or filing, publication, recording or registration with any Governmental Authority having jurisdiction with respect to any specified Person, transaction or event, or any of such Person's Assets;

**"Release"** shall mean (i) when used as a verb, release, spill, leak, emit, deposit, discharge, leach, migrate, dump, issue, empty, place, seep, exhaust, abandon, bury, incinerate or dispose into the environment and (ii) when used as a noun, has a correlative meaning;

**"Remedies Consultation Period"** has the meaning ascribed to it in Section 14.1 of the Muskrat/LTA Project Finance Agreement;

**"Repair Conditions"** means, in respect of any event giving rise to any insurance proceeds:

- (i) 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;
- (ii) the applicable Credit Party and the Independent Engineer certify, and the Collateral Agent determines in its judgment, 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 such Credit Party to make such repairs and restorations;



- (iii) the Collateral Agent determines that after repair and restoration the applicable Project will be able to continue to service the applicable Project Rateable Share of the Muskrat/LTA Loan and pay all other amounts due to the Funding Vehicle by such Credit Party under the Muskrat/LTA Project Finance Agreement, as and when due; and
- (iv) no material Authorization is necessary to proceed with the repair and restoration and no material amendment to the Muskrat/LTA Project Finance Agreement or any of the Muskrat/LTA Project Finance Documents and no other instrument, is necessary for the purpose of effecting the repairs or restorations or subjecting the repairs or restorations to the Liens of the Muskrat/LTA Security Documents or, if any such amendment or instrument is necessary, the applicable Credit Party will be able to obtain same as and when required;

**"Replacement Obligor"** means, with respect to any Person party to a Material Project Document (other than the Credit Parties), any other Person satisfactory to the Collateral Agent, who, pursuant to any definitive agreement or definitive guarantee satisfactory to the Collateral Agent, assumes the obligations of such first Person or enters into a new contract on terms and conditions no less favourable to the applicable Credit Party, than those which such first Person being replaced is obligated to provide pursuant to the applicable Material Project Document;

**"Required LTA Base Equity Contribution Date"** has the meaning ascribed to it in subsection 2.3 of the LTAESA;

**"Required LTA Contingency Equity Contribution Date"** has the meaning ascribed to it in subsection 2.4 of the LTAESA;

**"Required LTA Contribution Date"** as the context requires, refers to any one of the Required LTA Base Equity Contribution Date, Required LTA Contingency Equity Contribution Date, Required LTA DSRA Equity Contribution Date and Required LTA LRA Contribution Date;

**"Required LTA DSRA Equity Contribution Date"** has the meaning ascribed to it in Section 2.5 of the LTAESA;

**"Required LTA LRA Equity Contribution Date"** has the meaning ascribed to it in Section 2.6 of the LTAESA;

**"Required MF Base Equity Contribution Date"** has the meaning ascribed to it in subsection 2.3 of the MFESA;

**"Required MF Contingency Equity Contribution Date"** has the meaning ascribed to it in subsection 2.4 of the MFESA;

**"Required MF Contribution Date"** as the context requires, refers to any one of the Required MF Base Equity Contribution Date, Required MF Contingency Equity

Contribution Date, Required MF DSRA Equity Contribution Date and Required MF LRA Contribution Date;

**"Required MF DSRA Equity Contribution Date"** has the meaning ascribed to it in Section 2.5 of the MFESA;

**"Required MF LRA Equity Contribution Date"** has the meaning ascribed to it in Section 2.6 of the MFESA;

**"Requisite Instructions"** has the meaning ascribed to it from time to time in Section 4.3 of the Collateral Agency Agreement;

**"Responsible Officer"** means the president, the chief executive officer, the chief financial officer, a vice-president, the treasurer, the corporate controller, the corporate secretary and the assistant corporate secretary of such Person; provided that, with respect to the Projects, it shall mean any of the foregoing officers of such Person or such other person duly authorized by resolution from time to time to execute any document relating to the Projects;

**"Retrospective Debt Service Coverage Ratio"** or **"Retrospective DSCR"** means, as at any date of calculation thereof, calculated on a combined basis for the Credit Parties, the Base Cash Flow for the period of the then most recently completed twelve (12) calendar months divided by Total Debt Service for the same period, calculated on a rolling basis. 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;

**"Rights, Remedies and Recourses"** with respect to any Person, refers to any personal action, provisional measure, any other real or personal right, whether same is exercised under the terms of any security or any other recourse whatsoever and including:

- (i) the right to accelerate any Indebtedness owed to such Person or to demand payment of any Indebtedness payable on demand or to demand payment under any Guarantee;
- (ii) the right to institute or prosecute any litigation;
- (iii) the right to set-off;
- (iv) the right to initiate or prosecute Insolvency Proceedings or Enforcement Proceedings; and
- (v) the exercise of the rights of a creditor under any Insolvency Proceeding.

**"S&P"** means Standard & Poor's Rating Service and its successors;

**"Sale and Leaseback Transaction"** means, with respect to any Person, any transaction or series of transactions whereby such Person sells, transfers or otherwise disposes of any of its Assets to another Person and within one (1) year of such sale, transfer or other disposition such Person leases or rents, as lessee, the same Assets under a lease, the term of which (including the initial term and any period for which the lease may be renewed or extended) exceeds two (2) years;

**"Sales Taxes"** means sales, transfer, turnover or value added taxes of any nature or kind, including the HST and federal, state and provincial sales and excise taxes;

**"Second Amendment and Restatement First Muskrat/LTA Funds Release Conditions Precedent"** has the meaning ascribed thereto in Section 7.3 of the Muskrat/LTA Project Finance Agreement;

**"Security Documents"** refers collectively to the GAA Security Documents and the Muskrat/LTA Security Documents;

**"Security Trustee"** means Computershare Trust Company of Canada, in its capacity as Muskrat/LTA Security Trustee and FV Security Trustee;

**"Senior Secured Bond"** means any Senior Secured Bond issued pursuant to the Muskrat/LTA Collateral Trust Deed and the FV Collateral Trust Deed;

**"Senior Secured Bondholder"** means a person registered as a holder of any of the Senior Secured Bonds;

**"Series"** or **"Series of FV Bonds"** means all of the FV Bonds issued pursuant to or governed by a Supplemental Indenture and designated as a Series therein;

**"Sinking Fund Account"** has the meaning ascribed thereto in Section 8.17 of the Muskrat/LTA Project Finance Agreement;

**"Sinking Fund Deposit Date"** refers to each date referred to as such in Schedule "Y" of the Muskrat/LTA Project Finance Agreement;

**"Sinking Fund Payment"** has the meaning ascribed to it in Section 3.8 of the Muskrat/LTA Project Finance Agreement;

**"Soft Costs"** means, with respect to each Project, all of the financing, administrative and other similar costs identified in the MF Project Budget or the LTA Project Budget, as the case may be, including, without duplication:

- (i) the applicable Project Rateable Share of the interest payable on the Muskrat/LTA Construction Loan or Additional Debt, the Guarantee Fee, and financing-related fees and costs, in each case incurred in connection with the Muskrat/LTA Construction Loan or Additional Debt, provided, however, that, if the amortization of the Muskrat/LTA Construction Loan has commenced prior to the Commissioning Date, the applicable

Project Rateable Share of any Sinking Fund Payment that needs to be made;

- (ii) all general and administrative costs of the applicable Credit Party attributable to such Project including those relating to the operation and maintenance of the Assets on an interim basis prior to Commissioning as well as the applicable Project Rateable Share of those of the Funding Vehicle and more particularly those required to be made by the Administrator pursuant to the Administration Agreement;
- (iii) all principal, interest, financing fees and related costs incurred in connection with Purchase Money Obligations and Capital Leases, in each case incurred in connection with such Project;
- (iv) the cost of funding the DSRA (including by way of DSRA Prefunding) with the applicable Project Rateable Share of the applicable Credit Party of the then applicable Minimum DSRA Requirement;
- (v) in the case of Muskrat only, payments to the Innu Nation pursuant to an Impact and Benefit Agreement entered into by Nalcor with respect to the MF Plant; and
- (vi) ad valorem taxes and Sales Taxes (to the extent not recoverable);

**"Statutory Easement"** has the meaning attributed to it by, and grants to a Holder the rights set forth in, the *Muskrat Falls Project Land Use and Expropriation Act* (NL) and includes, for certainty, any property or assets located upon, constructed, erected or affixed to the land encumbered by a Statutory Easement by or on behalf of the Holder of it;

**"Statutory Prior Claims"** relative to any Person, means, claims for unpaid wages, vacation pay, worker's compensation, unemployment insurance premiums, pension plan contributions, employee or non-resident withholding Tax, unremitted Sales Taxes (net of applicable input tax credits, in the case of goods and services, value-added and similar taxes), customs duties, realty taxes (including utility charges and business taxes which are collectable like realty taxes) or similar statutory obligations secured by a Lien on such Person's Assets;

**"Statutory Prior Liens"** means the Liens securing Statutory Prior Claims;

**"Structure Invoices"** has the meaning ascribed to it from time to time in Section 7.5 of the Collateral Agency Agreement;

**"Subsidiary"** means, with respect to any Person, any Person (i) which is Controlled, directly or indirectly by such first Person or (ii) a majority of whose Voting Capital Stock, on a fully diluted basis, is owned directly or indirectly, beneficially or otherwise, by such first Person;

"**Supplemental Indenture**" means an indenture supplemental to an MTI entered into by the Funding Vehicle and the Indenture Trustee in accordance with the terms of Section 10.1 of such MTI;

"**Tax**" or "**Taxes**" means any tax, fee, levy, rental, duty, charge, royalty or similar charge including, for greater certainty, any federal, state, provincial, municipal, local, aboriginal, foreign or any other assessment, governmental charge, imposition or tariff (other than tariff charges) wherever imposed, assessed or collected, and whether based on or measured by gross receipts, income, profits, sales, use and occupation or otherwise, and including any income tax, capital gains tax, payroll tax, fuel tax, capital tax, Sales Taxes, value added tax, sales tax, withholding tax, property tax, business tax, ad valorem tax, transfer tax, franchise tax or excise tax, together with all interest, penalties, fines or additions imposed, assessed or collected with respect to any such amounts;

"**Term Sheets**" means, collectively, (i) the agreement providing key terms and conditions for the federal loan guarantee dated November 30, 2012 among Canada, Nalcor, NS, NL and Emera Incorporated and (ii) the agreement providing key terms and conditions for the Additional Federal Loan Guarantee dated March 30, 2017 among Canada, NL, Nalcor, Muskrat, Labrador Transco and the Partnership;

"**Termination Date**" means the date that Commissioning is achieved under the Muskrat/LTA Project Finance Documents;

"**Total Debt Service**" means, for any period, all interest payments, Guarantee Fee payments, Sinking Fund Payments and scheduled principal payments required to be made on the Muskrat/LTA Loan and on all Additional Debt of the Credit Parties, provided, however, that:

- (i) if any such Additional Debt is only repayable in its entirety at maturity (the "**Bullet Additional Debt**"), the amount of Deemed Principal Repayments for such period shall be included in Total Debt Service; and
- (ii) for purposes of the Prospective Debt Service Coverage Ratio and the Retrospective Debt Service Coverage Ratio, where the period includes the maturity date of any Initial Tranche or Bullet Additional Debt, 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;

"**Tranche**" refers to any of the Initial Tranches and New Tranches;

"**Trust Certificate**" means, in respect of the Funding Vehicle, a certificate in writing signed by any officer of the Issuer Trustee and conforming *mutatis mutandis* to Section 16.17 of either MTI;

"**Underlying Pledge Bond Documents**" means, collectively, all agreements, deeds, instruments and documents evidencing Indebtedness secured under any FV Pledge of a FV Pledge Bond;

**"Underwriting Agreement"** means as the context requires, (i) the underwriting agreement entered into as of December 10, 2013 among the lead arranger, the Funding Vehicle, the Credit Parties and Nalcor and (ii) the underwriting agreement entered into on or about the date upon which the New FV Bond shall have been issued among the Lead Arranger, the Funding Vehicle, the Credit Parties and Nalcor;

**"Various Agent Costs and Expenses"** means (i) the reasonable fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Credit Parties to the Collateral Agent, the Funding Vehicle or the Muskrat/LTA Security Trustee pursuant to the Muskrat/LTA Project Finance Documents, and (ii) without duplication, the fees, costs and expenses due and payable, as well as any indemnity obligations due and payable, by the Funding Vehicle or the Credit Parties, as the case may be, to the Issuer Trustee, the Collateral Agent, the Administrator, the Lead Arranger, the Indenture Trustee or the Fiscal Agent pursuant to the Funding Transaction Documents (including, in each case, the financial, legal and consulting fees, costs and expenses), provided, however, that such fees, costs and expenses in respect of the Lead Arranger shall be limited to the fees, costs and expenses incurred from the acceptance by the Funding Vehicle of the relevant Commitment Letter until the Closing Date or the 2017 Closing Date, as the case may be, including, for greater certainty, the lead arranger fees payable by the Credit Parties pursuant to such Commitment Letter and the relevant Underwriting Agreement;

**"Voting Capital Stock"** means Capital Stock of a Person which carries voting rights or the right to Control such Person generally provided that Capital Stock which carries the right to vote or Control conditionally upon the happening of an event shall not be considered Voting Capital Stock until the occurrence of such event and then only during the continuance of such event;

**"Water Lease"** means the water lease dated March 17, 2009, as amended on October 2, 2009 between NL Crown and Nalcor in respect of water rights in and to the Lower Churchill River, as assigned to Muskrat pursuant to an assignment and assumption agreement made on or about the date hereof among Nalcor, Muskrat and NL Crown;

**"WCR Release"** means a release of funds from the Working Capital Reserve Account for purposes of funding Eligible Project Costs, the whole in accordance with Section 7.10 or 7.11 of the Muskrat/LTA Project Finance Agreement;

**"WCR Release and Equity Funding Notice"** means a notice, substantially in the form of the one attached as Schedule "X" to the Muskrat/LTA Project Finance Agreement, issued by a Credit Party pursuant to Section 7.10 or 7.11 of the Muskrat/LTA Project Finance Agreement;

**"WCR Release Date"** means a day on which a WCR Release is effected;

**"Working Capital Reserve Account"** has the meaning ascribed thereto in Section 8.16 of the Muskrat/LTA Project Finance Agreement;

**"Working Capital Reserve Account Balance"** means, as at the Effective Date of the Final Funding Request, the aggregate of the balance on deposit at such time in the Working Capital Reserve Account including, for greater certainty, any Income on Account Balances deriving therefrom;

**"Written Order", "Written Request, Written Direction"** and **"Written Consent"** of the Funding Vehicle will mean a written order, request or consent signed in the name of the Funding Vehicle by a senior officer of the Issuer Trustee;

It is hereby acknowledged and agreed that, for purposes of defining the capitalized terms used in any Project Finance Document or Guarantee Transaction Document, any reference to the Initial Master Definitions Agreement or the Principal Master Definitions Agreement in any such Project Finance Document or Guarantee Transaction Document shall be deemed to constitute a reference to this Agreement, and accordingly any reference in such Project Finance Document or Guarantee Transaction Document to any of the capitalized terms defined in this Agreement shall be deemed to constitute references to such capitalized terms as so defined in this Agreement.

## 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 **"Amended and Restated Master Definitions Agreement"**, **"Master Definitions Agreement"**, **"this Master Definitions 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. The 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 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.

## 1.6 Time of the Essence

Time shall in all respects be of the essence of this Agreement.

## 1.7 Extended Meanings

In each Muskrat/LTA Project Finance Document and Guarantee Transaction Document, unless a clear contrary intention appears, the following words and expressions shall be given the extended meanings set out opposite them:

- 1.7.1 "**asset**" means any undertaking, business, property (real, personal or mixed, tangible or intangible) or other asset;
- 1.7.2 "**cancel**" means cancel, surrender, repudiate, disclaim, terminate or suspend;
- 1.7.3 "**change**" means change, modify, alter, amend, supplement, restate, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive;
- 1.7.4 "**claim**" means claim, claim over, cross-claim, counter-claim, defence, demand, liability, proceeding, judgment, order or award of any court, other Governmental Authority, arbitrator or other alternative dispute resolution authority;
- 1.7.5 "**final judgment**" means a judgment, order, declaration or award of a court, other Governmental Authority, arbitrator or other alternative dispute resolution authority of competent jurisdiction from which no appeal may be made or from which all rights of appeal have expired or been exhausted;
- 1.7.6 "**include**" means include without limitation, and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters;
- 1.7.7 "**losses and expenses**" means losses, costs, expenses, damages, penalties and judgments and awards of any court or other Governmental Authority, arbitrator, mediator or other alternative dispute resolution authority, including any applicable awarded costs, and legal fees and disbursements on a full indemnity basis;



- 1.7.8 **"paid in full"** and **"repaid in full"** in relation to any payment obligation owing to any person (in this Section 1.7.8, the **"obligee"**) - permanent, indefeasible and irrevocable payment in cash (or other freely available funds transfer as may be expressly provided for in the applicable document creating or evidencing such payment obligation) to the applicable obligee in full of such payment obligation in accordance with the express provisions of the applicable document creating or evidencing such payment obligation, without regard to any compromise, reduction or disallowance of all or any item or part thereof by virtue of the application of any bankruptcy, insolvency, fraudulent conveyance, assignment, preference or other similar such laws, any law affecting creditors' rights generally or general principles of equity, and, if applicable, the cancellation or expiry of any commitment of the obligee to lend or otherwise extend credit;
- 1.7.9 **"receiver"** means a privately appointed or court appointed receiver or receiver and manager, interim receiver, liquidator, trustee in bankruptcy, administrator, administrative receiver and any other like or similar official;
- 1.7.10 **"rights"** means rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise;
- 1.7.11 **"set-off"** means any right or obligation of set-off, compensation, offset, combination of accounts, netting, retention, withholding, reduction, abatement, deduction, counter-claim, cross-claim or any similar right or obligation, or (as the context requires) any exercise of any such right or performance of such obligation;
- 1.7.12 **"written"** and **"in writing"** shall be construed as an original writing, a pdf or facsimile copy of a writing or an e-mail; and
- 1.7.13 **"the difference between"** or any other language contemplating an operation of subtraction, unless the context otherwise requires or unless otherwise expressly provided, where such operation of subtraction results in a negative amount, shall be construed in a manner such that such amount shall be deemed to be nil.

## 1.8 References to Agreements

Each reference in each Muskrat/LTA Project Finance Document and Guarantee Transaction Document to any agreement (including this Agreement and any other defined term that is an agreement) shall be construed so as to include such agreement (including all attached schedules, appendices and exhibits) and each change made to it at or before the time in question.

### 1.9 **References to Statutes**

Each reference in each Muskrat/LTA Project Finance Document and Guarantee Transaction Document to any code, statute, regulation, official interpretation, directive or other legislative enactment of any Canadian or foreign jurisdiction (including any political subdivision thereof) shall be construed so as to include such code, statute, regulation, official interpretation, directive or enactment and each amendment, reenactment, reissuance or replacement thereof made at or before the time in question.

### 1.10 **Grammatical Variations**

In each Muskrat/LTA Project Finance Document and Guarantee Transaction Document, unless a clear contrary intention appears, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference therein) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference therein shall be construed in like manner.

### 1.11 **Non-Business Days**

Whenever any payment to be made under a Muskrat/LTA Project Finance Document or Guarantee Transaction Document is required to be made or any other action to be taken thereunder is required to be taken on a day other than a Business Day, such payment will be made or such other action will be taken on the next following Business Day. Any payment made after 1:00 p.m. (St. John's, NL standard time) on a Business Day will be deemed to be made on the next following Business Day.

### 1.12 **Computation of Time Periods**

In each Muskrat/LTA Project Finance Document and Guarantee Transaction Document, with respect to the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "**from**" means "**from and including**" and the words "**to**" and "**until**" mean "**to but excluding**".

### 1.13 **Accounting Terms; GAAP**

1.13.1 Unless a clear contrary intention appears in a Muskrat/LTA Project Finance Document or Guarantee Transaction Document, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time. For purposes of the calculation of DER and DSCR, such ratios shall be calculated in accordance with the definitions hereof and not in accordance with GAAP, it being understood that the definition of "Capital Account" shall be calculated as provided for in the Muskrat/LTA Project Finance Agreement. All calculations for the purposes of determining compliance with any financial ratios and financial covenants contained in any Muskrat/LTA Project Finance Document or Guarantee Transaction Document

shall be made on a basis consistent with GAAP used in the preparation of the first Financial Statements of the Credit Parties delivered under the Initial Muskrat/LTA Project Finance Agreement. Any financial ratios required to be maintained by the Credit Parties pursuant to any Muskrat/LTA Project Finance Document or Guarantee Transaction Document shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed in any Muskrat/LTA Project Finance Document or Guarantee Transaction Document and rounding the result up or down to the nearest number (with a round-up if there is no nearest number) to the number of places by which such ratio is expressed therein.

- 1.13.2 The parties hereto agree that if at any time there is a material change to GAAP, then the Credit Parties and the Collateral Agent shall use commercially reasonable efforts to negotiate in good faith amendments to the provisions of the applicable Muskrat/LTA Project Finance Document or Guarantee Transaction Document, as the case may be, that are affected by such material change with the intent of having the respective positions of the Credit Parties and the Collateral Agent after such material change conform as nearly as possible to their respective positions immediately prior to the implementation of such material change; provided, however, that until any such amendments shall have been agreed upon, the terms, conditions and undertakings of the applicable Muskrat/LTA Project Finance Document or Guarantee Transaction Document shall be interpreted and applied as if such material change did not apply to the Credit Parties and the accounting principles applicable to the Credit Parties immediately prior to the implementation of such material change shall continue to apply to the Credit Parties for the purpose of determining if the Credit Parties comply with the financial covenants of the applicable Muskrat/LTA Project Finance Document or Guarantee Transaction Document and the Credit Parties shall continue to provide Financial Statements under the applicable Muskrat/LTA Project Finance Document or Guarantee Transaction Document prepared in accordance with such accounting principles.

## ARTICLE 2

### MISCELLANEOUS

#### 2.1 Amendments

This Agreement may be changed from time to time by all of the parties hereto.

#### 2.2 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, the beneficiaries 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.

### 2.3 **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.

### 2.4 **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.

### 2.5 **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.

### 2.6 **Provisions Regarding NL Crown**

NL Crown has entered into this Agreement with respect to the Muskrat/LTA Project Finance Documents to which it is a party and the agreements contemplated thereby and definitions which appear in such agreements (the "NL Crown Definitions"), and by entering into this Agreement expresses no view as to the accuracy or suitability of any definitions which appear herein other than the NL Crown Definitions which it hereby approves and adopts.

2.7 **Benefit of this Agreement to Canada**

The parties acknowledge and agree that notwithstanding that it has not executed this Agreement, Canada shall benefit therefrom to the same extent as if it were a party hereto for all purposes of the Muskrat/LTA Project Finance Documents to which it is a party.

2.8 **Coming into Effect**

This Agreement shall become effective as of and from the Muskrat/LTA Second Amendment and Restatement Effective Date.

**[INTENTIONALLY LEFT BLANK]**

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

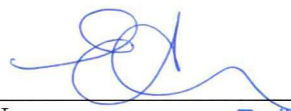
IN WITNESS WHEREOF the parties have executed this Master Definitions Agreement.

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

By:   
Name: Emilia Casado  
Title: Vice President, Loan Syndications-Agency

By: \_\_\_\_\_  
Name:  
Title:

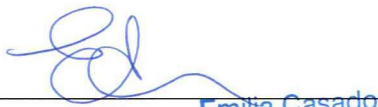
**THE TORONTO-DOMINION BANK,**  
as Paying Agent

By:   
Name: Emilia Casado  
Title: Vice President, Loan Syndications-Agency

By: \_\_\_\_\_  
Name:  
Title:

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (MF/LTA) – 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: Emilia Casado  
Title: Vice President, Loan Syndications-Agency

By: \_\_\_\_\_  
Name:  
Title:

**COMPUTERSHARE TRUST  
COMPANY OF CANADA,**  
as Muskrat/LTA Security Trustee and FV  
Security Trustee

By: 

Name: **Sam Golder**  
Title: **Corporate Trust Officer**

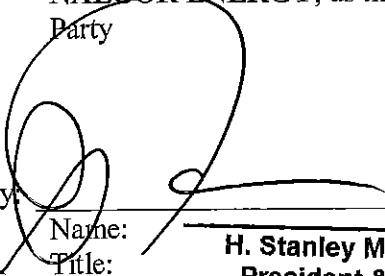
By: 


Name: **Stanley Kwan**  
Title: **Associate Trust Officer**



SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

NALCOR ENERGY, as the Contributing  
Party

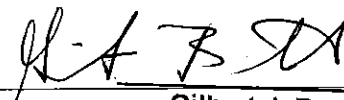
By:   
Name: H. Stanley Marshall  
Title: President & CEO

By:   
Name: Derrick F. Sturge  
Title: Exec. VP Finance & CFO

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

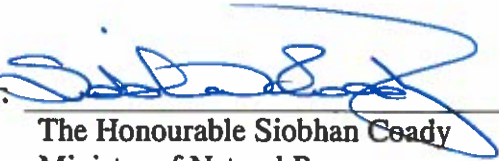
**MUSKRAT FALLS CORPORATION,**  
as a Credit Party

By:   
Name: **James Kearney**  
Title: **VP Finance Power Supply**

By:   
Name: **Gilbert J. Bennett**  
Title: **Exec. VP Power Development**

**HER MAJESTY IN RIGHT OF THE  
PROVINCE OF NEWFOUNDLAND  
AND LABRADOR, as represented by  
the Minister for Intergovernmental  
Affairs, the Minister of Natural  
Resources and the Minister of Finance,  
as Guarantor of the Contributing Party**

By:   
\_\_\_\_\_  
The Honourable Dwight Ball  
Premier and Minister for  
Intergovernmental Affairs

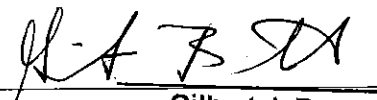
By:   
\_\_\_\_\_  
The Honourable Siobhan Coady  
Minister of Natural Resources

By:   
\_\_\_\_\_  
The Honourable Cathy Bennett  
Minister of Finance

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE


**MUSKRAT FALLS CORPORATION,**  
as a Credit Party


By:   
Name: **James McNamee**  
Title: **VP Finance Power Supply**

By:   
Name: **Gilbert J. Bennett**  
Title: **Exec. VP Power Development**

SECOND AMENDED AND RESTATED MASTER DEFINITIONS AGREEMENT (MF/LTA) – SIGNATURE PAGE

**LABRADOR TRANSMISSION  
CORPORATION,**  
as a Credit Party

By:   
Name: \_\_\_\_\_  
Title: **James Meaney**  
**VP Finance Power Supply**

By:   
Name: \_\_\_\_\_  
Title: **John H. MacIsaac**  
**Exec. VP Power Supply**

**THIS GUARANTEE AGREEMENT** made as of November 29, 2013.

**B E T W E E N:**

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS  
REPRESENTED BY THE MINISTER OF NATURAL  
RESOURCES**

(hereinafter called the "**Guarantor**")

OF THE FIRST PART

- and -

**COMPUTERSHARE TRUST COMPANY OF CANADA**

(hereinafter called the "**Trustee**")

OF THE SECOND PART

**WHEREAS** pursuant to the Declaration of Trust, the Issuer is authorized to enter into the Trust Indenture under which it may borrow funds and in relation thereto issue Bonds;

**WHEREAS** the Guarantor has agreed to provide this Guarantee Agreement to assist in the financing, pursuant to the Trust Indenture, of the Issuer that will use the proceeds of such financing to on-lend funds to the LIL Construction Project Trust, a trust formed under the laws of NL, that will in turn on-lend those funds to Labrador-Island Link Limited Partnership, a NL limited partnership, so that it may finance in part, the costs of the construction and development of its HVdc transmission line and related transmission facilities in NL, in view of the national and regional importance, financial and economic merits and the reduction in greenhouse gases that will result from the operation of that project, by providing its guarantee of all the payment obligations of the Issuer to the Bondholders as to the Bonds in accordance with the provisions of such Bonds, the Supplemental Indentures, the Trust Indenture and any applicable Underlying Pledge Bond Documents (the "**Guaranteed Obligations**");

**WHEREAS** under and pursuant to the authority of the *Oil Substitution and Conservation Act*, R.S.C., c.O-8 and the *Financial Administration Act*, R.S.C. 1985, c. F-11, the Minister of Natural Resources is authorized to guarantee the Guaranteed Obligations, and the Guaranteed Obligations so guaranteed are payable without further authorization by Parliament;

**NOW THEREFORE THIS GUARANTEE AGREEMENT WITNESSETH** that in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## ARTICLE 1

### INTERPRETATION

#### 1.1 Definitions

Each word and expression (capitalized or not) defined or given an extended meaning in the Trust Indenture and not otherwise defined herein, is used in this Guarantee Agreement with the respective defined or extended meaning ascribed to it in the Trust Indenture. In addition, the following expressions shall have the following meanings when used herein:

“**Applicable Law**” is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bondholder**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bond**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Declaration of Trust**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Disgorged Amount**" is used with the defined meaning ascribed to it in Section 2.15.

"**Due Date**" means, with respect to any payment due by the Issuer under any Financing Document, the date on which such payment is required to be made by the Issuer pursuant to the provisions of that Financing Document (without taking into account any grace period granted to the Issuer to cure any failure to pay) and, where any amount is payable on demand made by a Financing Party, the date that such Financing Party makes such a demand.

"**Financing Documents**" means the Trust Indenture, the Supplemental Indentures, the Bonds, the Pledges and any Underlying Pledge Bond Documents, together with any other documents evidencing any part of the Guaranteed Obligations incurred or to be incurred from time to time by the Issuer.

"**Financing Parties**" means the Bondholders, the creditors under the Underlying Pledge Bond Documents and the Trustee solely in its capacity to receive payment for and on behalf of the Bondholders of the Guaranteed Obligations.

"**Fiscal Agent**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Guarantee Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this guarantee agreement.

"**Guaranteed Obligations**" has the meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Guarantor**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Issuer**" means Labrador- Island Link Funding Trust, a trust established under the laws of NL pursuant to the Declaration of Trust, and includes any successor or assign thereof.

"**NL**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Payment Demand**" has the meaning ascribed to it in Section 2.3.

"**Person**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Pledge**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Supplemental Indenture**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Trustee**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Trust Indenture**" means the master trust indenture dated as of November 29, 2013, entered into between the Issuer and the Trustee.

"**Underlying Pledge Bond Documents**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

## **1.2 Extended Meanings**

To the extent the context so admits, in this Guarantee Agreement the following words and expressions shall be given the following corresponding extended meanings:

"**include**" – include without limitation and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.

"**indebtedness**" – indebtedness (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**obligations**" – indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.



"rights" – rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

### **1.3           References to Agreements**

Unless the context otherwise requires, each reference in this Guarantee Agreement to any agreement or document (including this Guarantee Agreement, the Financing Documents and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver made to it at or before the time in question.

### **1.4           Recitals**

The recitals of this Guarantee Agreement shall form an integral part hereof as if at length recited herein.

### **1.5           Headings**

The Article and Section headings in this Guarantee Agreement are included solely for convenience of reference, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Guarantee Agreement.

### **1.6           Grammatical Variations**

In this Guarantee Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (ii) words and expressions in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Guarantee Agreement shall be construed in like manner.

### **1.7           Governing Law**

This Guarantee Agreement shall be governed by and construed in accordance with the laws of NL and the federal laws of Canada applicable therein and all actions, suits and 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.

### **1.8           Time**

Time shall be of the essence of this Guarantee Agreement.

## ARTICLE 2

### GUARANTEE

#### 2.1 Guarantee

The Guarantor hereby irrevocably, absolutely and unconditionally guarantees to the Trustee the due and timely payment to the Financing Parties of all the Guaranteed Obligations at the times, in the currencies and in the manner provided for in the Trust Indenture, the Bonds and the other Financing Documents.

It is hereby agreed and declared that the obligations of the Guarantor under the foregoing guarantee shall extend (without any further act or formality) to all Guaranteed Obligations, whether heretofore or hereafter issued and the Guaranteed Obligations resulting therefrom.

#### 2.2 Nature of Guarantee

The obligations of the Guarantor hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, the Guarantor shall irrevocably, absolutely and unconditionally pay to the Trustee all such amounts as shall be required from time to time to ensure that the Financing Parties receive and are paid the full amount of the Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the Guaranteed Obligations or any failure by the Issuer to duly and punctually pay in full the Guaranteed Obligations when due, (b) any loss of any right of the Financing Parties against the Issuer in respect of the Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Trustee or any other Fiscal Agent in connection with the enforcement of any of the rights of the Trustee against the Issuer.

#### 2.3 Payment Demand

Within five (5) Business Days of its receipt of a written demand from any Fiscal Agent in the form attached as Schedule A (a "**Payment Demand**"), the Guarantor shall pay to the Trustee each amount claimed in the Payment Demand in immediately available funds and as directed by such Fiscal Agent in the Payment Demand. A Payment Demand will not be valid under this Guarantee Agreement unless the amount claimed is due to the Financing Parties and has not been paid by the Issuer by the time provided on the Due Date. Any amount payable by the Guarantor under this Guarantee Agreement which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be payable on the corresponding Guaranteed Obligations owing under the applicable Financing Documents.

#### 2.4 Withholdings

All amounts payable by the Guarantor under this Guarantee Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes,

charges, fees, levies, duties or withholdings of any kind. If the Guarantor is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Guarantor shall pay to the Trustee such additional amount as is necessary to ensure that the Financing Parties receive and retain (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such taxes, charges, fees, levies, duties or withholdings.

**2.5 Statement of Account**

Any statement of account prepared by the Trustee as regards the Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Issuer to the Financing Parties and the Trustee and the Guarantor hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Trustee agrees to provide the Guarantor with the computations and calculations used by the Trustee to prepare each such statement of account promptly following a request therefor.

**2.6 No Requirement to Exhaust Recourse**

None of the Financing Parties shall be bound to seek or exhaust its recourse or remedies against the Issuer, any other guarantor or any other Person nor to enforce, marshal or value any liens before being entitled to payment under this Guarantee Agreement.

**2.7 Postponed Subrogation**

The Guarantor shall not be subrogated to any right of the Financing Parties until (i) indefeasible payment in full of all the Guaranteed Obligations and (ii) none of the Financing Parties has any 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 Financing Documents. Thereafter, the Guarantor (i) shall be subrogated to the rights of the Financing Parties under, pursuant to and otherwise in respect of all the Financing Documents and (ii) may require the Financing Parties to assign to it and each other Person that has made payment of the Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, any of the Financing Parties.

**2.8 Set-Off Acknowledgement**

The Guarantor hereby acknowledges and agrees that vis-à-vis the Financing Parties it has no available remedy of set-off. Accordingly, each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made without regard to any equities between or among any of the Issuer, the Guarantor and the Financing Parties and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any

defence, right of action, recoupment, retention or counterclaim of any nature that the Issuer or the Guarantor may have or have had against any of the Financing Parties or any other Person).

**2.9 Imputation of moneys received in reduction of Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Trustee from the Guarantor pursuant to the provisions of this Article 2 shall be applied in reduction of the Guaranteed Obligations as provided in the Financing Documents.

**2.10 Irregularity in borrowings of no effect on obligations of the Guarantors**

All sums of money, advances, renewals, commitments and undertakings related to the Guaranteed Obligations borrowed or effectively obtained from the Financing Parties by the Issuer pursuant to the Financing Documents shall be considered as being part of the Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, advances, renewals, commitments and undertakings, whether or not any one of the Financing Parties was aware of the same, it being expressly understood that any sum which cannot be recovered from the Guarantor as guarantor hereunder for reasons of voidness of the principal obligation may be recovered from the Guarantor under the indemnity contained in Section 2.2 and shall be payable to the Trustee, for the benefit of the Financing Parties, upon demand therefor by the Trustee.

**2.11 No Release of Guarantor**

Until the Guaranteed Obligations have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Issuer under the Financing Documents have been cancelled and terminated, the obligations of the Guarantor hereunder shall not be reduced, limited or terminated, nor shall the Guarantor be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the Guarantor shall have received notice thereof or assented thereto):

2.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the Guaranteed Obligations or the Financing Documents;

2.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the Guaranteed Obligations;

2.11.3 the release of any liens securing any or all of the Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the Financing Documents;

2.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to any of the Financing Parties, including but not limited to:

- (a) any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
- (b) any election of rights, remedies and/or recourses effected by any of them;
- (c) any subordination by operation of Applicable Law, whether present or future, of any or all of the Guaranteed Obligations;
- (d) any election not to or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any lien on any collateral securing any or all of the Guaranteed Obligations;
- (e) any disallowance, invalidity, illegality, voidness or unenforceability of any or all liens securing any or all of the Guaranteed Obligations; and

2.11.5 any other act or failure to act which varies the risks of the Guarantor hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of the Guarantor from any obligation hereunder.

## **2.12 Certain Waivers**

The Guarantor hereby waives:

2.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Issuer or any other guarantor or any collateral for any of the Guaranteed Obligations;

2.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the Guaranteed Obligations that may at any time be available to the Issuer or any other guarantor. As regards set-offs, the Guarantor confirms the acknowledgement contained in Section 2.8;

2.12.3 any notice of acceptance of the incurrence or renewal of any Guaranteed Obligations;

2.12.4 all notices which may be required by Applicable Law to preserve any rights against the Guarantor hereunder including, but not limited to, any notice of default, demand, dishonour, presentment and protest;

2.12.5 diligence;

2.12.6 any defence based upon, arising out of or in any way related to:

- (a) any claim that any election of remedies by the Financing Parties impaired, reduced, released or extinguished any rights that the Guarantor might otherwise have had against the Issuer or any other guarantor;
- (b) any claim that the Guaranteed Obligations should be strictly construed against the Financing Parties; and
- (c) any and all other defences related to the Guaranteed Obligations save and except for the receipt by the Financing Parties of the full, final and definitive payment of the amount of the Guaranteed Obligations and the cancellation in full of all credit facilities, extensions of credit and other financial services under the Financing Documents.

**2.13      No Release in Event of Bankruptcy**

No settlement or discharge of the Guaranteed Obligations shall be effective if any payment by the Guarantor in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Financing Parties and the Trustee shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

**2.14      Additional Security**

This Guarantee Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by any of the Financing Parties. None of the Financing Parties shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

**2.15      Continuing Liability of Guarantor**

The Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Guarantor hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Issuer or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as the "**Disgorged Amount**"), is recovered from or reimbursed by or for the account of any of the Financing Parties for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Financing Parties (whether or not consented to by the Issuer, the Guarantor or any other guarantor) of any claim for any such recovery or payment over. The Guarantor hereby expressly waives the benefit of any Applicable Law of limitations and agrees that it shall be liable hereunder whenever such a recovery or payment ever occurs.

**2.16**            **Continuance of Guarantee Agreement**

Subject to Section 2.15, this Guarantee Agreement shall continue in full force and effect until the indefeasible payment, observance and performance in full of the Guaranteed Obligations and the cancellation of all the credit facilities, extensions of credit and financial services to the Issuer, provided, however, that where at any time any of the Financing Parties is required to pay over any Disgorged Amount, such Person shall be permitted to make a claim therefor under the provisions of Section 2.15.

**2.17**            **Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The Guarantor agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Guarantee Agreement is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**2.18**            **Authority to Modify Guaranteed Obligations**

The Guarantor expressly authorizes the Financing Parties or any one thereof, at any time and from time to time, without notice and without affecting the liability of the Guarantor hereunder, to:

2.18.1            change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the Guaranteed Obligations and any security and guarantees therefor;

2.18.2            accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the Guaranteed Obligations;

2.18.3            accept partial payments on the Guaranteed Obligations;

2.18.4            waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Trustee (for the benefit of the Financing Parties) in its discretion may determine; and

2.18.5            otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the Financing Documents.

## ARTICLE 3

### THE TRUSTEE

#### **3.1           The Trustee**

This Guarantee Agreement is made in favour of the Trustee in its capacity as trustee under the Trust Indenture. Accordingly, in the event of a new trustee being appointed under the Trust Indenture, such new trustee shall thereupon become and be the trustee hereunder, but nevertheless, the Trustee shall forthwith assign, transfer and make over to the new trustee hereunder this Guarantee Agreement. All provisions of the Trust Indenture for the protection of the Trustee or for facilitating the administration of the trusts or otherwise relating to the Trustee solely as to its holding of the guarantee rights hereunder shall apply *mutatis mutandis* to this Guarantee Agreement and the Trustee's duties hereunder.

#### **3.2           Acceptance of Trusts**

The Trustee hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new trustee shall be appointed as set forth in Section 3.1.

## ARTICLE 4

### MISCELLANEOUS PROVISIONS

#### **4.1           Amendment**

This Guarantee Agreement may not be changed, modified, amended or supplemented except by an agreement in writing executed by both the Guarantor and the Trustee in accordance with the terms of the Trust Indenture. The Trustee shall provide a copy of each such written agreement, within 30 days of its execution, to each rating agency that provided a rating for the indebtedness of the Issuer under the Financing Documents.

#### **4.2           Remedies**

No failure on the part of any Financing Party to exercise, and no delay in exercising, any right or remedy shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy under this Guarantee Agreement preclude any other or further exercise thereof or the exercise of any other right or remedy, nor shall any waiver of one provision be deemed to constitute a waiver of any other provision. No waiver of any of the provisions of this Guarantee Agreement by the Trustee shall be effective unless it is in writing duly executed by the Trustee.

#### **4.3           Notices**

Any Payment Demand, notice or other communication contemplated to be given by the Trustee, any other Fiscal Agent or the Guarantor under this Guarantee Agreement (collectively, "**Notices**") shall be in writing and delivered personally or by courier or mailed by registered mail, postage prepaid and return receipt requested, or by electronic mail delivery to the



applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

(a) if to the Trustee:

Computershare Trust Company of Canada

100 University Avenue, 11<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1  
Canada

E-mail: [corporatetrust.toronto@computershare.com](mailto:corporatetrust.toronto@computershare.com)  
Attention: Manager, Corporate Trust  
Fax: 416-981-9777

(b) if to Canada:

Jonathan Will

Director General  
Natural Resources Canada  
Electricity Resources Branch

580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone : 613-947-8236

Fax : 613-947-4205

E-mail : [Jonathan.Will@NRCan-RNCan.gc.ca](mailto:Jonathan.Will@NRCan-RNCan.gc.ca)

With a copy to:

Anoop Kapoor

Director, Renewable and Electrical Division  
Natural Resources Canada  
Renewable and Electrical Energy Division

580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Telephone : 613-996-5762

Fax : 613-947-4205

E-mail : [Anoop.Kapoor@NRCan-RNCan.gc.ca](mailto:Anoop.Kapoor@NRCan-RNCan.gc.ca)

Notices given by personal delivery, by courier or mail shall be effective upon actual receipt. Notices given by electronic mail shall be deemed to have been duly given and received when sent even if such electronic mail is sent after the recipient's normal business hours.

**4.4           Counterparts**

This Guarantee Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

**4.5           Severability**

Any provision of this Guarantee Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

**4.6           Entire Agreement**

With respect to the obligations of the Guarantor hereunder, this Guarantee Agreement constitutes the entire agreement among the parties hereto.

**4.7           Assignments by the Guarantor**

The rights of the Guarantor hereunder are declared to be purely personal and may therefore not be assigned or transferred, nor can the Guarantor assign or transfer any of its obligations, any such assignment being null and void insofar as the Trustee and the Bondholders are concerned.

**4.8           Expenses**

The Guarantor agrees to pay all duly documented reasonable out-of pocket costs and expenses, including reasonable attorneys' fees, which may be incurred by the Trustee in any effort to collect or enforce any of the Guaranteed Obligations hereunder.

**4.9           Acknowledgement**

The Guarantor hereby acknowledges that it has received and taken cognizance of an original executed copy of the Declaration of Trust and the Financing Documents in force on the date hereof and is familiar with the provisions thereof.


**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

GUARANTEE AGREEMENT (LIL FV)– SIGNATURE PAGE

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date set out at the commencement of this Guarantee Agreement.

**HER MAJESTY THE QUEEN IN RIGHT  
OF CANADA, as represented by THE  
MINISTER OF NATURAL RESOURCES**

Per: \_\_\_\_\_

  
Name: The Honourable Joe Oliver,  
Title: Minister of NATURAL RESOURCES

GUARANTEE AGREEMENT (LIL FV) – SIGNATURE PAGE

**COMPUTERSHARE TRUST COMPANY  
OF CANADA,  
AS TRUSTEE**

Per: \_\_\_\_\_

Name:

*Sean Piggott*  
Sean Piggott

Title:

Corporate Trust Officer  
Corporate Trust Officer

*Raji Sivalingam*  
Raji Sivalingam

Associate Trust Officer

GUARANTEE AGREEMENT (LIL FV) - SCHEDULE A

**SCHEDULE A**

**PAYMENT DEMAND**

*[date]*

**NATURAL RESOURCES CANADA**  
Electricity Resources Branch  
580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Attention: Jonathan Will, Director General  
Fax No.: 613-947-4205

**NATURAL RESOURCES CANADA**  
Renewable and Electrical Energy Division  
580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Attention: Anoop Kapoor, Director,  
Renewable and Electrical  
Division

Fax No.: 613-947-4205

**LABRADOR-ISLAND LINK FUNDING TRUST**  
**c/o BNY Trust Company of Canada,**  
**AS ISSUER TRUSTEE**  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administration  
Fax No.: 416-360-1711

**Re: Guarantee Agreement dated as of November 29, 2013 with respect to Labrador-Island Link Funding Trust**

Reference is made to the Guarantee Agreement dated as of November 29, 2013 given by Her Majesty the Queen in Right of Canada, as represented by the Minister of Natural Resources, in favour of Computershare Trust Company of Canada, with respect to the payment obligations of the Issuer (the "**Guarantee Agreement**"). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Guarantee Agreement.

We hereby demand payment in accordance with the Guarantee Agreement and the Trust Indenture of the sum of \$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid of \$<@>. We hereby certify that the Claimed Amount represents \$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising

Guaranteed Obligations that are now due and payable to the Financing Parties and that the Issuer failed to pay such amounts by the time provided on the Due Date.

Failure to pay the Claimed Amount plus the applicable per diem amounts as specified above by the fifth Business Day following the date of this Payment Demand will constitute an Event of Default under the Trust Indenture.

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours very truly,

The Toronto-Dominion Bank

By: \_\_\_\_\_

Name:

Authorized Signatory

**[N.B.: A copy of this Payment Demand must be sent to each of the Persons identified in Section 15.1 of the Trust Indenture.]**

**FEDERAL LOAN GUARANTEE**

**THIS GUARANTEE AGREEMENT** made as of May 16, 2017.

**B E T W E E N:**

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS  
REPRESENTED BY THE MINISTER OF NATURAL  
RESOURCES**

(hereinafter called the "**Guarantor**")

OF THE FIRST PART

- and -

**COMPUTERSHARE TRUST COMPANY OF CANADA**

(hereinafter called the "**Trustee**")

OF THE SECOND PART

**WHEREAS** pursuant to the Declaration of Trust, the Issuer is authorized to enter into the Trust Indenture under which it may borrow funds and in relation thereto issue Bonds;

**WHEREAS** the Guarantor has agreed to provide this Guarantee Agreement to assist in the financing, pursuant to the Trust Indenture, of the Issuer that will use the proceeds of such financing to on-lend funds to the LIL Construction Project Trust, a trust formed under the laws of NL, that will in turn on-lend those funds to Labrador-Island Link Limited Partnership, a NL limited partnership, so that it may finance in part, the costs of the construction and development of its HVdc transmission line and related transmission facilities in NL, in view of the national and regional importance, financial and economic merits and the reduction in greenhouse gases that will result from the operation of that project, by providing its guarantee of all the payment obligations of the Issuer to the Bondholders as to the Bonds in accordance with the provisions of such Bonds, the Supplemental Indentures, the Trust Indenture and any applicable Underlying Pledge Bond Documents (the "**Guaranteed Obligations**");

**WHEREAS** under and pursuant to the authority of the *Oil Substitution and Conservation Act*, R.S.C., c.O-8 and the *Financial Administration Act*, R.S.C. 1985, c. F-11, the Minister of Natural Resources is authorized to guarantee the Guaranteed Obligations, and the Guaranteed Obligations so guaranteed are payable without further authorization by Parliament;

**NOW THEREFORE THIS GUARANTEE AGREEMENT WITNESSETH** that in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## ARTICLE 1

### INTERPRETATION

#### 1.1 Definitions

Each word and expression (capitalized or not) defined or given an extended meaning in the Trust Indenture and not otherwise defined herein, is used in this Guarantee Agreement with the respective defined or extended meaning ascribed to it in the Trust Indenture. In addition, the following expressions shall have the following meanings when used herein:

"**Applicable Law**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bondholder**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bond**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Declaration of Trust**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Disgorged Amount**" is used with the defined meaning ascribed to it in Section 2.15.

"**Due Date**" means, with respect to any payment due by the Issuer under any Financing Document, the date on which such payment is required to be made by the Issuer pursuant to the provisions of that Financing Document (without taking into account any grace period granted to the Issuer to cure any failure to pay) and, where any amount is payable on demand made by a Financing Party, the date that such Financing Party makes such a demand.

"**Financing Documents**" means the Trust Indenture, the Supplemental Indentures, the Bonds, the Pledges and any Underlying Pledge Bond Documents, together with any other documents evidencing any part of the Guaranteed Obligations incurred or to be incurred from time to time by the Issuer.

"**Financing Parties**" means the Bondholders, the creditors under the Underlying Pledge Bond Documents and the Trustee solely in its capacity to receive payment for and on behalf of the Bondholders of the Guaranteed Obligations.

"**Fiscal Agent**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Guarantee Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this guarantee agreement.



"**Guaranteed Obligations**" has the meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Guarantor**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Issuer**" means Labrador-Island Link Funding Trust, a trust established under the laws of NL pursuant to the Declaration of Trust, and includes any successor or assign thereof.

"**NL**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Payment Demand**" has the meaning ascribed to it in Section 2.3.

"**Person**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Pledge**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Supplemental Indenture**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Trustee**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Trust Indenture**" means the master trust indenture dated as of May 10, 2017, entered into between the Issuer and the Trustee.

"**Underlying Pledge Bond Documents**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

## **1.2 Extended Meanings**

To the extent the context so admits, in this Guarantee Agreement the following words and expressions shall be given the following corresponding extended meanings:

"**include**" – include without limitation and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.

"**indebtedness**" – indebtedness (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**obligations**" – indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**rights**" – rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

### **1.3 References to Agreements**

Unless the context otherwise requires, each reference in this Guarantee Agreement to any agreement or document (including this Guarantee Agreement, the Financing Documents and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver made to it at or before the time in question.

### **1.4 Recitals**

The recitals of this Guarantee Agreement shall form an integral part hereof as if at length recited herein.

### **1.5 Headings**

The Article and Section headings in this Guarantee Agreement are included solely for convenience of reference, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Guarantee Agreement.

### **1.6 Grammatical Variations**

In this Guarantee Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (ii) words and expressions in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Guarantee Agreement shall be construed in like manner.

### **1.7 Governing Law**

This Guarantee Agreement shall be governed by and construed in accordance with the laws of NL and the federal laws of Canada applicable therein and all actions, suits and 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.

**1.8**            **Time**

Time shall be of the essence of this Guarantee Agreement.

**ARTICLE 2**

**GUARANTEE**

**2.1**            **Guarantee**

The Guarantor hereby irrevocably, absolutely and unconditionally guarantees to the Trustee the due and timely payment to the Financing Parties of all the Guaranteed Obligations at the times, in the currencies and in the manner provided for in the Trust Indenture, the Bonds and the other Financing Documents.

It is hereby agreed and declared that the obligations of the Guarantor under the foregoing guarantee shall extend (without any further act or formality) to all Guaranteed Obligations, whether heretofore or hereafter issued and the Guaranteed Obligations resulting therefrom.

**2.2**            **Nature of Guarantee**

The obligations of the Guarantor hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, the Guarantor shall irrevocably, absolutely and unconditionally pay to the Trustee all such amounts as shall be required from time to time to ensure that the Financing Parties receive and are paid the full amount of the Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the Guaranteed Obligations or any failure by the Issuer to duly and punctually pay in full the Guaranteed Obligations when due, (b) any loss of any right of the Financing Parties against the Issuer in respect of the Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Trustee or any other Fiscal Agent in connection with the enforcement of any of the rights of the Trustee against the Issuer.

**2.3**            **Payment Demand**

Within five (5) Business Days of its receipt of a written demand from any Fiscal Agent in the form attached as Schedule A (a "**Payment Demand**"), the Guarantor shall pay to the Trustee each amount claimed in the Payment Demand in immediately available funds and as directed by such Fiscal Agent in the Payment Demand. A Payment Demand will not be valid under this Guarantee Agreement unless the amount claimed is due to the Financing Parties and has not been paid by the Issuer by the time provided on the Due Date. Any amount payable by the Guarantor under this Guarantee Agreement which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be

payable on the corresponding Guaranteed Obligations owing under the applicable Financing Documents.

**2.4 Withholdings**

All amounts payable by the Guarantor under this Guarantee Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Guarantor is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Guarantor shall pay to the Trustee such additional amount as is necessary to ensure that the Financing Parties receive and retain (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such taxes, charges, fees, levies, duties or withholdings.

**2.5 Statement of Account**

Any statement of account prepared by the Trustee as regards the Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Issuer to the Financing Parties and the Trustee and the Guarantor hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Trustee agrees to provide the Guarantor with the computations and calculations used by the Trustee to prepare each such statement of account promptly following a request therefor.

**2.6 No Requirement to Exhaust Recourse**

None of the Financing Parties shall be bound to seek or exhaust its recourse or remedies against the Issuer, any other guarantor or any other Person nor to enforce, marshal or value any liens before being entitled to payment under this Guarantee Agreement.

**2.7 Postponed Subrogation**

The Guarantor shall not be subrogated to any right of the Financing Parties until (i) indefeasible payment in full of all the Guaranteed Obligations and (ii) none of the Financing Parties has any 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 Financing Documents. Thereafter, the Guarantor (i) shall be subrogated to the rights of the Financing Parties under, pursuant to and otherwise in respect of all the Financing Documents and (ii) may require the Financing Parties to assign to it and each other Person that has made payment of the Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, any of the Financing Parties.

**2.8 Set-Off Acknowledgement**

The Guarantor hereby acknowledges and agrees that vis-à-vis the Financing Parties it has no available remedy of set-off. Accordingly, each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made without regard to any equities between or among any of the Issuer, the Guarantor and the Financing Parties and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Issuer or the Guarantor may have or have had against any of the Financing Parties or any other Person).

**2.9 Imputation of moneys received in reduction of Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Trustee from the Guarantor pursuant to the provisions of this Article 2 shall be applied in reduction of the Guaranteed Obligations as provided in the Financing Documents.

**2.10 Irregularity in borrowings of no effect on obligations of the Guarantor**

All sums of money, advances, renewals, commitments and undertakings related to the Guaranteed Obligations borrowed or effectively obtained from the Financing Parties by the Issuer pursuant to the Financing Documents shall be considered as being part of the Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, advances, renewals, commitments and undertakings, whether or not any one of the Financing Parties was aware of the same, it being expressly understood that any sum which cannot be recovered from the Guarantor as guarantor hereunder for reasons of voidness of the principal obligation may be recovered from the Guarantor under the indemnity contained in Section 2.2 and shall be payable to the Trustee, for the benefit of the Financing Parties, upon demand therefor by the Trustee.

**2.11 No Release of Guarantor**

Until the Guaranteed Obligations have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Issuer under the Financing Documents have been cancelled and terminated, the obligations of the Guarantor hereunder shall not be reduced, limited or terminated, nor shall the Guarantor be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the Guarantor shall have received notice thereof or assented thereto):

2.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the Guaranteed Obligations or the Financing Documents;

2.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the Guaranteed Obligations;

2.11.3 the release of any liens securing any or all of the Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the Financing Documents;

2.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to any of the Financing Parties, including but not limited to:

- (a) any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
- (b) any election of rights, remedies and/or recourses effected by any of them;
- (c) any subordination by operation of Applicable Law, whether present or future, of any or all of the Guaranteed Obligations;
- (d) any election not to or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any lien on any collateral securing any or all of the Guaranteed Obligations;
- (e) any disallowance, invalidity, illegality, voidness or unenforceability of any or all liens securing any or all of the Guaranteed Obligations; and

2.11.5 any other act or failure to act which varies the risks of the Guarantor hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of the Guarantor from any obligation hereunder.

## **2.12 Certain Waivers**

The Guarantor hereby waives:

2.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Issuer or any other guarantor or any collateral for any of the Guaranteed Obligations;

2.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the Guaranteed Obligations that may at any time be available to the Issuer or any other guarantor. As regards set-offs, the Guarantor confirms the acknowledgement contained in Section 2.8;

- 2.12.3 any notice of acceptance of the incurrence or renewal of any Guaranteed Obligations;
- 2.12.4 all notices which may be required by Applicable Law to preserve any rights against the Guarantor hereunder including, but not limited to, any notice of default, demand, dishonour, presentment and protest;
- 2.12.5 diligence;
- 2.12.6 any defence based upon, arising out of or in any way related to:
- (a) any claim that any election of remedies by the Financing Parties impaired, reduced, released or extinguished any rights that the Guarantor might otherwise have had against the Issuer or any other guarantor;
  - (b) any claim that the Guaranteed Obligations should be strictly construed against the Financing Parties; and
  - (c) any and all other defences related to the Guaranteed Obligations save and except for the receipt by the Financing Parties of the full, final and definitive payment of the amount of the Guaranteed Obligations and the cancellation in full of all credit facilities, extensions of credit and other financial services under the Financing Documents.

**2.13 No Release in Event of Bankruptcy**

No settlement or discharge of the Guaranteed Obligations shall be effective if any payment by the Guarantor in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Financing Parties and the Trustee shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

**2.14 Additional Security**

This Guarantee Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by any of the Financing Parties. None of the Financing Parties shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

**2.15 Continuing Liability of Guarantor**

The Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Guarantor hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Issuer or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as

the "**Disgorged Amount**"), is recovered from or reimbursed by or for the account of any of the Financing Parties for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Financing Parties (whether or not consented to by the Issuer, the Guarantor or any other guarantor) of any claim for any such recovery or payment over. The Guarantor hereby expressly waives the benefit of any Applicable Law of limitations and agrees that it shall be liable hereunder whenever such a recovery or payment ever occurs.

**2.16            Continuance of Guarantee Agreement**

Subject to Section 2.15, this Guarantee Agreement shall continue in full force and effect until the indefeasible payment, observance and performance in full of the Guaranteed Obligations and the cancellation of all the credit facilities, extensions of credit and financial services to the Issuer, provided, however, that where at any time any of the Financing Parties is required to pay over any Disgorged Amount, such Person shall be permitted to make a claim therefor under the provisions of Section 2.15.

**2.17            Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The Guarantor agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Guarantee Agreement is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**2.18            Authority to Modify Guaranteed Obligations**

The Guarantor expressly authorizes the Financing Parties or any one thereof, at any time and from time to time, without notice and without affecting the liability of the Guarantor hereunder, to:

2.18.1            change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the Guaranteed Obligations and any security and guarantees therefor;

2.18.2            accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the Guaranteed Obligations;

2.18.3            accept partial payments on the Guaranteed Obligations;

2.18.4            waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the



order or manner of sale thereof as the Trustee (for the benefit of the Financing Parties) in its discretion may determine; and

2.18.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the Financing Documents.

### **ARTICLE 3**

#### **THE TRUSTEE**

##### **3.1 The Trustee**

This Guarantee Agreement is made in favour of the Trustee in its capacity as trustee under the Trust Indenture. Accordingly, in the event of a new trustee being appointed under the Trust Indenture, such new trustee shall thereupon become and be the trustee hereunder, but nevertheless, the Trustee shall forthwith assign, transfer and make over to the new trustee hereunder this Guarantee Agreement. All provisions of the Trust Indenture for the protection of the Trustee or for facilitating the administration of the trusts or otherwise relating to the Trustee solely as to its holding of the guarantee rights hereunder shall apply *mutatis mutandis* to this Guarantee Agreement and the Trustee's duties hereunder.

##### **3.2 Acceptance of Trusts**

The Trustee hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new trustee shall be appointed as set forth in Section 3.1.

### **ARTICLE 4**

#### **MISCELLANEOUS PROVISIONS**

##### **4.1 Amendment**

This Guarantee Agreement may not be changed, modified, amended or supplemented except by an agreement in writing executed by both the Guarantor and the Trustee in accordance with the terms of the Trust Indenture. The Trustee shall provide a copy of each such written agreement, within 30 days of its execution, to each rating agency that provided a rating for the indebtedness of the Issuer under the Financing Documents.

##### **4.2 Remedies**

No failure on the part of any Financing Party to exercise, and no delay in exercising, any right or remedy shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy under this Guarantee Agreement preclude any other or further exercise thereof or the exercise of any other right or remedy, nor shall any waiver of one provision be deemed to constitute a waiver of any other provision. No waiver of any of

the provisions of this Guarantee Agreement by the Trustee shall be effective unless it is in writing duly executed by the Trustee.

#### 4.3 Notices

Any Payment Demand, notice or other communication contemplated to be given by the Trustee, any other Fiscal Agent or the Guarantor under this Guarantee Agreement (collectively, "**Notices**") shall be in writing and delivered personally or by courier or mailed by registered mail, postage prepaid and return receipt requested, or by electronic mail delivery to the applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

(a) if to the Trustee:

Manager, Corporate Trust

Computershare Trust Company of Canada  
100 University Avenue, 11<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1  
Canada

Fax: 416-981-9777

E-mail: [corporatetrust.toronto@computershare.com](mailto:corporatetrust.toronto@computershare.com)

if to Canada:

Director General  
Natural Resources Canada  
Electricity Resources Branch

580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 343-292-6200

Fax: 613-947-4205

E-mail: [niall.odea@canada.ca](mailto:niall.odea@canada.ca)

With a copy to:

Director  
Natural Resources Canada  
Renewable and Electrical Energy Division

580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 343-292-6183

Fax: 613-947-4205

E-mail: [andre.bernier@canada.ca](mailto:andre.bernier@canada.ca)

Notices given by personal delivery, by courier or mail shall be effective upon actual receipt. Notices given by electronic mail shall be deemed to have been duly given and received when sent even if such electronic mail is sent after the recipient's normal business hours.

**4.4            Counterparts**

This Guarantee Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

**4.5            Severability**

Any provision of this Guarantee Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

**4.6            Entire Agreement**

With respect to the obligations of the Guarantor hereunder, this Guarantee Agreement constitutes the entire agreement among the parties hereto.

**4.7            Assignments by the Guarantor**

The rights of the Guarantor hereunder are declared to be purely personal and may therefore not be assigned or transferred, nor can the Guarantor assign or transfer any of its obligations, any such assignment being null and void insofar as the Trustee and the Bondholders are concerned.

**4.8           Expenses**

The Guarantor agrees to pay all duly documented reasonable out-of pocket costs and expenses, including reasonable attorneys' fees, which may be incurred by the Trustee in any effort to collect or enforce any of the Guaranteed Obligations hereunder.

**4.9           Acknowledgement**

The Guarantor hereby acknowledges that it has received and taken cognizance of an original executed copy of the Declaration of Trust and the Financing Documents in force on the date hereof and is familiar with the provisions thereof.

**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

CANADA GUARANTEE (LIL) – SIGNATURE PAGE

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the date set out at the commencement of this Guarantee Agreement.

**HER MAJESTY THE QUEEN IN RIGHT  
OF CANADA, as represented by THE  
MINISTER OF NATURAL RESOURCES**

Per: 

\_\_\_\_\_  
The Honourable Jim Carr, P.C., M.P.  
Minister of Natural Resources

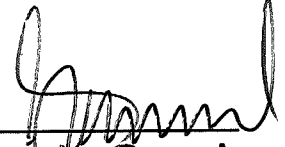
CANADA GUARANTEE (LIL) – SIGNATURE PAGE

**COMPUTERSHARE TRUST COMPANY  
OF CANADA,  
AS TRUSTEE**

Per:



**Sam Golder  
Corporate Trust Officer**



**Ann Samuel  
Associate Trust Officer**

CANADA GUARANTEE (LIL) – SCHEDULE A

**SCHEDULE A**

**PAYMENT DEMAND**

*[date]*

**CANADA**  
Department of <\*>  
<@>

**LABRADOR-ISLAND LINK FUNDING TRUST**  
c/o BNY Trust Company of Canada,  
AS ISSUER TRUSTEE  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: <\*>

Attention: <\*>

Fax No.: <\*>

Fax No.: <\*>

Dear Sirs/Mesdames:

**Re: Guarantee Agreement dated as of <\*>, 2017 with respect to Labrador-Island Link Funding Trust**

Reference is made to the Guarantee Agreement dated as of <@>, 2017 given by Her Majesty the Queen in Right of Canada, as represented by the Minister of Natural Resources, in favour of Computershare Trust Company of Canada, with respect to the payment obligations of the Issuer (the "**Guarantee Agreement**"). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Guarantee Agreement.

We hereby demand payment in accordance with the Guarantee Agreement and the Trust Indenture of the sum of \$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid of \$<@>. We hereby certify that the Claimed Amount represents \$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising Guaranteed Obligations that are now due and payable to the Financing Parties and that the Issuer failed to pay such amounts by the time provided on the Due Date.

Failure to pay the Claimed Amount plus the applicable per diem amounts as specified above by the fifth Business Day following the date of this Payment Demand will constitute an Event of Default under the Trust Indenture.

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours very truly,

[<\*>Fiscal Agent<\*>]

By: \_\_\_\_\_

Name:

Authorized Signatory

**[N.B.: A copy of this Payment Demand must be sent to each of the Persons identified in Section 15.1 of the Trust Indenture.]**



**THIS GUARANTEE AGREEMENT** made as of November 29, 2013.

**B E T W E E N:**

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS  
REPRESENTED BY THE MINISTER OF NATURAL  
RESOURCES**

(hereinafter called the "**Guarantor**")

OF THE FIRST PART

- and -

**COMPUTERSHARE TRUST COMPANY OF CANADA**

(hereinafter called the "**Trustee**")

OF THE SECOND PART

**WHEREAS** pursuant to the Declaration of Trust, the Issuer is authorized to enter into the Trust Indenture under which it may borrow funds and in relation thereto issue Bonds;

**WHEREAS** the Guarantor has agreed to provide this Guarantee Agreement to assist in the financing, pursuant to the Trust Indenture, of the Issuer that will use the proceeds of such financing to on-lend funds to Muskrat Falls Corporation and Labrador Transmission Corporation, each an NL corporation, so that they may finance in part, the costs of the construction and development of a hydro-electric generation plant and HVac transmission line and related transmission facilities in NL, in view of the national and regional importance, financial and economic merits and the reduction in greenhouse gases that will result from the operation of that project, by providing its guarantee of all the payment obligations of the Issuer to the Bondholders as to the Bonds in accordance with the provisions of such Bonds, the Supplemental Indentures, the Trust Indenture and any applicable Underlying Pledge Bond Documents (the "**Guaranteed Obligations**");

**WHEREAS** under and pursuant to the authority of the *Oil Substitution and Conservation Act*, R.S.C., c.O-8 and the *Financial Administration Act*, R.S.C. 1985, c. F-11, the Minister of Natural Resources is authorized to guarantee the Guaranteed Obligations, and the Guaranteed Obligations so guaranteed are payable without further authorization by Parliament;

**NOW THEREFORE THIS GUARANTEE AGREEMENT WITNESSETH** that in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## ARTICLE 1

### INTERPRETATION

#### 1.1 Definitions

Each word and expression (capitalized or not) defined or given an extended meaning in the Trust Indenture and not otherwise defined herein, is used in this Guarantee Agreement with the respective defined or extended meaning ascribed to it in the Trust Indenture. In addition, the following expressions shall have the following meanings when used herein:

“**Applicable Law**” is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bondholder**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bond**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Declaration of Trust**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Disgorged Amount**" is used with the defined meaning ascribed to it in Section 2.15.

"**Due Date**" means, with respect to any payment due by the Issuer under any Financing Document, the date on which such payment is required to be made by the Issuer pursuant to the provisions of that Financing Document (without taking into account any grace period granted to the Issuer to cure any failure to pay) and, where any amount is payable on demand made by a Financing Party, the date that such Financing Party makes such a demand.

"**Financing Documents**" means the Trust Indenture, the Supplemental Indentures, the Bonds, the Pledges and any Underlying Pledge Bond Documents, together with any other documents evidencing any part of the Guaranteed Obligations incurred or to be incurred from time to time by the Issuer.

"**Financing Parties**" means the Bondholders, the creditors under the Underlying Pledge Bond Documents and the Trustee solely in its capacity to receive payment for and on behalf of the Bondholders of the Guaranteed Obligations.

"**Fiscal Agent**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Guarantee Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this guarantee agreement.

"**Guaranteed Obligations**" has the meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Guarantor**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Issuer**" means Muskrat Falls/Labrador Transmission Assets Funding Trust, a trust established under the laws of NL pursuant to the Declaration of Trust, and includes any successor or assign thereof.

"**NL**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Payment Demand**" has the meaning ascribed to it in Section 2.3.

"**Person**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Pledge**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Supplemental Indenture**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Trustee**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Trust Indenture**" means the master trust indenture dated as of November 29, 2013, entered into between the Issuer and the Trustee.

"**Underlying Pledge Bond Documents**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

## **1.2 Extended Meanings**

To the extent the context so admits, in this Guarantee Agreement the following words and expressions shall be given the following corresponding extended meanings:

"**include**" – include without limitation and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.

"**indebtedness**" – indebtedness (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**obligations**" – indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**rights**" – rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

### **1.3            References to Agreements**

Unless the context otherwise requires, each reference in this Guarantee Agreement to any agreement or document (including this Guarantee Agreement, the Financing Documents and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver made to it at or before the time in question.

### **1.4            Recitals**

The recitals of this Guarantee Agreement shall form an integral part hereof as if at length recited herein.

### **1.5            Headings**

The Article and Section headings in this Guarantee Agreement are included solely for convenience of reference, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Guarantee Agreement.

### **1.6            Grammatical Variations**

In this Guarantee Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (ii) words and expressions in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Guarantee Agreement shall be construed in like manner.

### **1.7            Governing Law**

This Guarantee Agreement shall be governed by and construed in accordance with the laws of NL and the federal laws of Canada applicable therein and all actions, suits and 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.

**1.8**            **Time**

Time shall be of the essence of this Guarantee Agreement.

**ARTICLE 2**

**GUARANTEE**

**2.1**            **Guarantee**

The Guarantor hereby irrevocably, absolutely and unconditionally guarantees to the Trustee the due and timely payment to the Financing Parties of all the Guaranteed Obligations at the times, in the currencies and in the manner provided for in the Trust Indenture, the Bonds and the other Financing Documents.

It is hereby agreed and declared that the obligations of the Guarantor under the foregoing guarantee shall extend (without any further act or formality) to all Guaranteed Obligations, whether heretofore or hereafter issued and the Guaranteed Obligations resulting therefrom.

**2.2**            **Nature of Guarantee**

The obligations of the Guarantor hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, the Guarantor shall irrevocably, absolutely and unconditionally pay to the Trustee all such amounts as shall be required from time to time to ensure that the Financing Parties receive and are paid the full amount of the Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the Guaranteed Obligations or any failure by the Issuer to duly and punctually pay in full the Guaranteed Obligations when due, (b) any loss of any right of the Financing Parties against the Issuer in respect of the Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Trustee or any other Fiscal Agent in connection with the enforcement of any of the rights of the Trustee against the Issuer.

**2.3**            **Payment Demand**

Within five (5) Business Days of its receipt of a written demand from any Fiscal Agent in the form attached as Schedule A (a "**Payment Demand**"), the Guarantor shall pay to the Trustee each amount claimed in the Payment Demand in immediately available funds and as directed by such Fiscal Agent in the Payment Demand. A Payment Demand will not be valid under this Guarantee Agreement unless the amount claimed is due to the Financing Parties and has not been paid by the Issuer by the time provided on the Due Date. Any amount payable by the Guarantor under this Guarantee Agreement which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be payable on the corresponding Guaranteed Obligations owing under the applicable Financing Documents.

**2.4**            **Withholdings**

All amounts payable by the Guarantor under this Guarantee Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Guarantor is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Guarantor shall pay to the Trustee such additional amount as is necessary to ensure that the Financing Parties receive and retain (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such taxes, charges, fees, levies, duties or withholdings.

**2.5**            **Statement of Account**

Any statement of account prepared by the Trustee as regards the Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Issuer to the Financing Parties and the Trustee and the Guarantor hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Trustee agrees to provide the Guarantor with the computations and calculations used by the Trustee to prepare each such statement of account promptly following a request therefor.

**2.6**            **No Requirement to Exhaust Recourse**

None of the Financing Parties shall be bound to seek or exhaust its recourse or remedies against the Issuer, any other guarantor or any other Person nor to enforce, marshal or value any liens before being entitled to payment under this Guarantee Agreement.

**2.7**            **Postponed Subrogation**

The Guarantor shall not be subrogated to any right of the Financing Parties until (i) indefeasible payment in full of all the Guaranteed Obligations and (ii) none of the Financing Parties has any 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 Financing Documents. Thereafter, the Guarantor (i) shall be subrogated to the rights of the Financing Parties under, pursuant to and otherwise in respect of all the Financing Documents and (ii) may require the Financing Parties to assign to it and each other Person that has made payment of the Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, any of the Financing Parties.

**2.8**            **Set-Off Acknowledgement**

The Guarantor hereby acknowledges and agrees that vis-à-vis the Financing Parties it has no available remedy of set-off. Accordingly, each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made without regard to any equities between or

among any of the Issuer, the Guarantor and the Financing Parties and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Issuer or the Guarantor may have or have had against any of the Financing Parties or any other Person).

**2.9 Imputation of moneys received in reduction of Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Trustee from the Guarantor pursuant to the provisions of this Article 2 shall be applied in reduction of the Guaranteed Obligations as provided in the Financing Documents.

**2.10 Irregularity in borrowings of no effect on obligations of the Guarantors**

All sums of money, advances, renewals, commitments and undertakings related to the Guaranteed Obligations borrowed or effectively obtained from the Financing Parties by the Issuer pursuant to the Financing Documents shall be considered as being part of the Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, advances, renewals, commitments and undertakings, whether or not any one of the Financing Parties was aware of the same, it being expressly understood that any sum which cannot be recovered from the Guarantor as guarantor hereunder for reasons of voidness of the principal obligation may be recovered from the Guarantor under the indemnity contained in Section 2.2 and shall be payable to the Trustee, for the benefit of the Financing Parties, upon demand therefor by the Trustee.

**2.11 No Release of Guarantor**

Until the Guaranteed Obligations have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Issuer under the Financing Documents have been cancelled and terminated, the obligations of the Guarantor hereunder shall not be reduced, limited or terminated, nor shall the Guarantor be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the Guarantor shall have received notice thereof or assented thereto):

2.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the Guaranteed Obligations or the Financing Documents;

2.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the Guaranteed Obligations;

2.11.3 the release of any liens securing any or all of the Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the Financing Documents;

2.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to any of the Financing Parties, including but not limited to:

- (a) any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
- (b) any election of rights, remedies and/or recourses effected by any of them;
- (c) any subordination by operation of Applicable Law, whether present or future, of any or all of the Guaranteed Obligations;
- (d) any election not to or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any lien on any collateral securing any or all of the Guaranteed Obligations;
- (e) any disallowance, invalidity, illegality, voidness or unenforceability of any or all liens securing any or all of the Guaranteed Obligations; and

2.11.5 any other act or failure to act which varies the risks of the Guarantor hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of the Guarantor from any obligation hereunder.

## **2.12 Certain Waivers**

The Guarantor hereby waives:

2.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Issuer or any other guarantor or any collateral for any of the Guaranteed Obligations;

2.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the Guaranteed Obligations that may at any time be available to the Issuer or any other guarantor. As regards set-offs, the Guarantor confirms the acknowledgement contained in Section 2.8;

2.12.3 any notice of acceptance of the incurrence or renewal of any Guaranteed Obligations;

2.12.4 all notices which may be required by Applicable Law to preserve any rights against the Guarantor hereunder including, but not limited to, any notice of default, demand, dishonour, presentment and protest;

2.12.5 diligence;



- 2.12.6 any defence based upon, arising out of or in any way related to:
- (a) any claim that any election of remedies by the Financing Parties impaired, reduced, released or extinguished any rights that the Guarantor might otherwise have had against the Issuer or any other guarantor;
  - (b) any claim that the Guaranteed Obligations should be strictly construed against the Financing Parties; and
  - (c) any and all other defences related to the Guaranteed Obligations save and except for the receipt by the Financing Parties of the full, final and definitive payment of the amount of the Guaranteed Obligations and the cancellation in full of all credit facilities, extensions of credit and other financial services under the Financing Documents.

**2.13 No Release in Event of Bankruptcy**

No settlement or discharge of the Guaranteed Obligations shall be effective if any payment by the Guarantor in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Financing Parties and the Trustee shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

**2.14 Additional Security**

This Guarantee Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by any of the Financing Parties. None of the Financing Parties shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

**2.15 Continuing Liability of Guarantor**

The Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Guarantor hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Issuer or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as the "**Disgorged Amount**"), is recovered from or reimbursed by or for the account of any of the Financing Parties for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Financing Parties (whether or not consented to by the Issuer, the Guarantor or any other guarantor) of any claim for any such recovery or payment over. The Guarantor hereby expressly waives the benefit of any Applicable Law of limitations and agrees that it shall be liable hereunder whenever such a recovery or payment ever occurs.

**2.16            Continuance of Guarantee Agreement**

Subject to Section 2.15, this Guarantee Agreement shall continue in full force and effect until the indefeasible payment, observance and performance in full of the Guaranteed Obligations and the cancellation of all the credit facilities, extensions of credit and financial services to the Issuer, provided, however, that where at any time any of the Financing Parties is required to pay over any Disgorged Amount, such Person shall be permitted to make a claim therefor under the provisions of Section 2.15.

**2.17            Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The Guarantor agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Guarantee Agreement is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**2.18            Authority to Modify Guaranteed Obligations**

The Guarantor expressly authorizes the Financing Parties or any one thereof, at any time and from time to time, without notice and without affecting the liability of the Guarantor hereunder, to:

2.18.1            change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the Guaranteed Obligations and any security and guarantees therefor;

2.18.2            accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the Guaranteed Obligations;

2.18.3            accept partial payments on the Guaranteed Obligations;

2.18.4            waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Trustee (for the benefit of the Financing Parties) in its discretion may determine; and

2.18.5            otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the Financing Documents.

## ARTICLE 3

### THE TRUSTEE

#### 3.1 The Trustee

This Guarantee Agreement is made in favour of the Trustee in its capacity as trustee under the Trust Indenture. Accordingly, in the event of a new trustee being appointed under the Trust Indenture, such new trustee shall thereupon become and be the trustee hereunder, but nevertheless, the Trustee shall forthwith assign, transfer and make over to the new trustee hereunder this Guarantee Agreement. All provisions of the Trust Indenture for the protection of the Trustee or for facilitating the administration of the trusts or otherwise relating to the Trustee solely as to its holding of the guarantee rights hereunder shall apply *mutatis mutandis* to this Guarantee Agreement and the Trustee's duties hereunder.

#### 3.2 Acceptance of Trusts

The Trustee hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new trustee shall be appointed as set forth in Section 3.1.

## ARTICLE 4

### MISCELLANEOUS PROVISIONS

#### 4.1 Amendment

This Guarantee Agreement may not be changed, modified, amended or supplemented except by an agreement in writing executed by both the Guarantor and the Trustee in accordance with the terms of the Trust Indenture. The Trustee shall provide a copy of each such written agreement, within 30 days of its execution, to each rating agency that provided a rating for the indebtedness of the Issuer under the Financing Documents.

#### 4.2 Remedies

No failure on the part of any Financing Party to exercise, and no delay in exercising, any right or remedy shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy under this Guarantee Agreement preclude any other or further exercise thereof or the exercise of any other right or remedy, nor shall any waiver of one provision be deemed to constitute a waiver of any other provision. No waiver of any of the provisions of this Guarantee Agreement by the Trustee shall be effective unless it is in writing duly executed by the Trustee.

#### 4.3 Notices

Any Payment Demand, notice or other communication contemplated to be given by the Trustee, any other Fiscal Agent or the Guarantor under this Guarantee Agreement (collectively, "**Notices**") shall be in writing and delivered personally or by courier or mailed by registered mail, postage prepaid and return receipt requested, or by electronic mail delivery to the

applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

(a) if to the Trustee:

Computershare Trust Company of Canada  
100 University Avenue, 11<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1  
Canada

E-mail: [corporatetrust.toronto@computershare.com](mailto:corporatetrust.toronto@computershare.com)  
Attention: Manager, Corporate Trust  
Fax: 416-981-9777

(b) if to Canada:

Jonathan Will

Director General  
Natural Resources Canada  
Electricity Resources Branch

580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone : 613-947-8236

Fax : 613-947-4205

E-mail : [Jonathan.Will@NRCan-RNCan.gc.ca](mailto:Jonathan.Will@NRCan-RNCan.gc.ca)

With a copy to:

Anoop Kapoor

Director, Renewable and Electrical Division  
Natural Resources Canada  
Renewable and Electrical Energy Division

580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Telephone : 613-996-5762

Fax : 613-947-4205

E-mail : [Anoop.Kapoor@NRCan-RNCan.gc.ca](mailto:Anoop.Kapoor@NRCan-RNCan.gc.ca)

Notices given by personal delivery, by courier or mail shall be effective upon actual receipt. Notices given by electronic mail shall be deemed to have been duly given and received when sent even if such electronic mail is sent after the recipient's normal business hours.

**4.4           Counterparts**

This Guarantee Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

**4.5           Severability**

Any provision of this Guarantee Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

**4.6           Entire Agreement**

With respect to the obligations of the Guarantor hereunder, this Guarantee Agreement constitutes the entire agreement among the parties hereto.

**4.7           Assignments by the Guarantor**

The rights of the Guarantor hereunder are declared to be purely personal and may therefore not be assigned or transferred, nor can the Guarantor assign or transfer any of its obligations, any such assignment being null and void insofar as the Trustee and the Bondholders are concerned.

**4.8           Expenses**

The Guarantor agrees to pay all duly documented reasonable out-of pocket costs and expenses, including reasonable attorneys' fees, which may be incurred by the Trustee in any effort to collect or enforce any of the Guaranteed Obligations hereunder.

**4.9           Acknowledgement**

The Guarantor hereby acknowledges that it has received and taken cognizance of an original executed copy of the Declaration of Trust and the Financing Documents in force on the date hereof and is familiar with the provisions thereof.

**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

GUARANTEE AGREEMENT (MFLTA) – SIGNATURE PAGE

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the date set out at the commencement of this Guarantee Agreement.

**HER MAJESTY THE QUEEN IN RIGHT  
OF CANADA, as represented by THE  
MINISTER OF NATURAL RESOURCES**

Per: 

Name: The Honourable Joe Oliver

Title: MINISTER OF NATURAL RESOURCES

GUARANTEE AGREEMENT (MFLTA) -- SIGNATURE PAGE

**COMPUTERSHARE TRUST COMPANY  
OF CANADA,  
AS TRUSTEE**

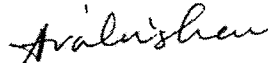
Per: 

Name:

**Sean Pigott**

Title:

**Corporate Trust Officer**



**Raji Sivalingam**

**Associate Trust Officer**

GUARANTEE AGREEMENT (MFLTA) - SCHEDULE A

**SCHEDULE A**

**PAYMENT DEMAND**

*[date]*

**NATURAL RESOURCES CANADA**  
Electricity Resources Branch  
580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

**MUSKRAT FALLS / LABRADOR  
TRANSMISSION ASSETS FUNDING  
TRUST**  
**c/o BNY Trust Company of Canada,  
AS ISSUER TRUSTEE**  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Jonathan Will, Director General

Attention: Corporate Trust Administration

Fax No.: 613-947-4205

Fax No.: 416-360-1711

**NATURAL RESOURCES CANADA**  
Renewable and Electrical Energy Division  
580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Attention: Anoop Kapoor, Director,  
Renewable and Electrical  
Division

Fax No.: 613-947-4205

Dear Sirs/Mesdames:

**Re: Guarantee Agreement dated as of November 29, 2013 with respect to Muskrat Falls / Labrador Transmission Assets Funding Trust**

Reference is made to the Guarantee Agreement dated as of November 29, 2013 given by Her Majesty the Queen in Right of Canada, as represented by the Minister of Natural Resources, in favour of Computershare Trust Company of Canada, with respect to the payment obligations of the Issuer (the "**Guarantee Agreement**"). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Guarantee Agreement.



We hereby demand payment in accordance with the Guarantee Agreement and the Trust Indenture of the sum of \$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid of \$<@>. We hereby certify that the Claimed Amount represents \$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising Guaranteed Obligations that are now due and payable to the Financing Parties and that the Issuer failed to pay such amounts by the time provided on the Due Date.

Failure to pay the Claimed Amount plus the applicable per diem amounts as specified above by the fifth Business Day following the date of this Payment Demand will constitute an Event of Default under the Trust Indenture.

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours very truly,

The Toronto-Dominion Bank

By: \_\_\_\_\_

Name:

Authorized Signatory

**[N.B.: A copy of this Payment Demand must be sent to each of the Persons identified in Section 15.1 of the Trust Indenture.]**

**FEDERAL LOAN GUARANTEE**

**THIS GUARANTEE AGREEMENT** made as of May 16, 2017.

**B E T W E E N:**

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS  
REPRESENTED BY THE MINISTER OF NATURAL  
RESOURCES**

(hereinafter called the "**Guarantor**")

OF THE FIRST PART

- and -

**COMPUTERSHARE TRUST COMPANY OF CANADA**

(hereinafter called the "**Trustee**")

OF THE SECOND PART

**WHEREAS** pursuant to the Declaration of Trust, the Issuer is authorized to enter into the Trust Indenture under which it may borrow funds and in relation thereto issue Bonds;

**WHEREAS** the Guarantor has agreed to provide this Guarantee Agreement to assist in the financing, pursuant to the Trust Indenture, of the Issuer that will use the proceeds of such financing to on-lend funds to Muskrat Falls Corporation and Labrador Transmission Corporation, so that they may finance in part, the costs of the construction and development of a hydro-electric generation plant and HVac transmission line and related transmission facilities in NL, in view of the national and regional importance, financial and economic merits and the reduction in greenhouse gases that will result from the operation of that project, by providing its guarantee of all the payment obligations of the Issuer to the Bondholders as to the Bonds in accordance with the provisions of such Bonds, the Supplemental Indentures, the Trust Indenture and any applicable Underlying Pledge Bond Documents (the "**Guaranteed Obligations**");

**WHEREAS** under and pursuant to the authority of the *Oil Substitution and Conservation Act*, R.S.C., c.O-8 and the *Financial Administration Act*, R.S.C. 1985, c. F-11, the Minister of Natural Resources is authorized to guarantee the Guaranteed Obligations, and the Guaranteed Obligations so guaranteed are payable without further authorization by Parliament;

**NOW THEREFORE THIS GUARANTEE AGREEMENT WITNESSETH** that in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## ARTICLE 1

### INTERPRETATION

#### 1.1 Definitions

Each word and expression (capitalized or not) defined or given an extended meaning in the Trust Indenture and not otherwise defined herein, is used in this Guarantee Agreement with the respective defined or extended meaning ascribed to it in the Trust Indenture. In addition, the following expressions shall have the following meanings when used herein:

"**Applicable Law**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bondholder**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Bond**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Declaration of Trust**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Disgorged Amount**" is used with the defined meaning ascribed to it in Section 2.15.

"**Due Date**" means, with respect to any payment due by the Issuer under any Financing Document, the date on which such payment is required to be made by the Issuer pursuant to the provisions of that Financing Document (without taking into account any grace period granted to the Issuer to cure any failure to pay) and, where any amount is payable on demand made by a Financing Party, the date that such Financing Party makes such a demand.

"**Financing Documents**" means the Trust Indenture, the Supplemental Indentures, the Bonds, the Pledges and any Underlying Pledge Bond Documents, together with any other documents evidencing any part of the Guaranteed Obligations incurred or to be incurred from time to time by the Issuer.

"**Financing Parties**" means the Bondholders, the creditors under the Underlying Pledge Bond Documents and the Trustee solely in its capacity to receive payment for and on behalf of the Bondholders of the Guaranteed Obligations.

"**Fiscal Agent**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Guarantee Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this guarantee agreement.

"**Guaranteed Obligations**" has the meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Guarantor**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Issuer**" means Muskrat Falls/Labrador Transmission Assets Funding Trust, a trust established under the laws of NL pursuant to the Declaration of Trust, and includes any successor or assign thereof.

"**NL**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Payment Demand**" has the meaning ascribed to it in Section 2.3.

"**Person**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Pledge**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Supplemental Indenture**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

"**Trustee**" is used with the defined meaning ascribed to it in the Recitals to this Guarantee Agreement.

"**Trust Indenture**" means the master trust indenture dated as of May 10, 2017, entered into between the Issuer and the Trustee.

"**Underlying Pledge Bond Documents**" is used with the defined meaning ascribed to it from time to time in the Trust Indenture.

## 1.2 **Extended Meanings**

To the extent the context so admits, in this Guarantee Agreement the following words and expressions shall be given the following corresponding extended meanings:

"**include**" – include without limitation and such term shall not be construed to limit any word or statement which it follows to the specific items or matters immediately following it or similar terms or matters.

"**indebtedness**" – indebtedness (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**obligations**" – indebtedness, obligations, promises, covenants, responsibilities, duties and liabilities (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

"**rights**" – rights, titles, benefits, interests, powers, authorities, discretions, privileges, immunities and remedies (actual or contingent, direct or indirect, matured or unmatured, now existing or arising hereafter), whether arising by agreement or statute, at law, in equity or otherwise.

### **1.3           References to Agreements**

Unless the context otherwise requires, each reference in this Guarantee Agreement to any agreement or document (including this Guarantee Agreement, the Financing Documents and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules, appendices and exhibits) and each change, modification, alteration, amendment, supplement, extension, renewal, compromise, novation, replacement, suspension or waiver made to it at or before the time in question.

### **1.4           Recitals**

The recitals of this Guarantee Agreement shall form an integral part hereof as if at length recited herein.

### **1.5           Headings**

The Article and Section headings in this Guarantee Agreement are included solely for convenience of reference, are not intended to be full or accurate descriptions of the text to which they refer and shall not be considered part of this Guarantee Agreement.

### **1.6           Grammatical Variations**

In this Guarantee Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined or given extended meanings) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (ii) words and expressions in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Guarantee Agreement shall be construed in like manner.

### **1.7           Governing Law**

This Guarantee Agreement shall be governed by and construed in accordance with the laws of NL and the federal laws of Canada applicable therein and all actions, suits and 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.

**1.8**            **Time**

Time shall be of the essence of this Guarantee Agreement.

**ARTICLE 2**

**GUARANTEE**

**2.1**            **Guarantee**

The Guarantor hereby irrevocably, absolutely and unconditionally guarantees to the Trustee the due and timely payment to the Financing Parties of all the Guaranteed Obligations at the times, in the currencies and in the manner provided for in the Trust Indenture, the Bonds and the other Financing Documents.

It is hereby agreed and declared that the obligations of the Guarantor under the foregoing guarantee shall extend (without any further act or formality) to all Guaranteed Obligations, whether heretofore or hereafter issued and the Guaranteed Obligations resulting therefrom.

**2.2**            **Nature of Guarantee**

The obligations of the Guarantor hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, the Guarantor shall irrevocably, absolutely and unconditionally pay to the Trustee all such amounts as shall be required from time to time to ensure that the Financing Parties receive and are paid the full amount of the Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the Guaranteed Obligations or any failure by the Issuer to duly and punctually pay in full the Guaranteed Obligations when due, (b) any loss of any right of the Financing Parties against the Issuer in respect of the Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Trustee or any other Fiscal Agent in connection with the enforcement of any of the rights of the Trustee against the Issuer.

**2.3**            **Payment Demand**

Within five (5) Business Days of its receipt of a written demand from any Fiscal Agent in the form attached as Schedule A (a "**Payment Demand**"), the Guarantor shall pay to the Trustee each amount claimed in the Payment Demand in immediately available funds and as directed by such Fiscal Agent in the Payment Demand. A Payment Demand will not be valid under this Guarantee Agreement unless the amount claimed is due to the Financing Parties and has not been paid by the Issuer by the time provided on the Due Date. Any amount payable by the Guarantor under this Guarantee Agreement which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be

payable on the corresponding Guaranteed Obligations owing under the applicable Financing Documents.

**2.4            Withholdings**

All amounts payable by the Guarantor under this Guarantee Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Guarantor is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Guarantor shall pay to the Trustee such additional amount as is necessary to ensure that the Financing Parties receive and retain (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such taxes, charges, fees, levies, duties or withholdings.

**2.5            Statement of Account**

Any statement of account prepared by the Trustee as regards the Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Issuer to the Financing Parties and the Trustee and the Guarantor hereby acknowledges and agrees that, absent manifest error, it shall be bound by each such statement. The Trustee agrees to provide the Guarantor with the computations and calculations used by the Trustee to prepare each such statement of account promptly following a request therefor.

**2.6            No Requirement to Exhaust Recourse**

None of the Financing Parties shall be bound to seek or exhaust its recourse or remedies against the Issuer, any other guarantor or any other Person nor to enforce, marshal or value any liens before being entitled to payment under this Guarantee Agreement.

**2.7            Postponed Subrogation**

The Guarantor shall not be subrogated to any right of the Financing Parties until (i) indefeasible payment in full of all the Guaranteed Obligations and (ii) none of the Financing Parties has any 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 Financing Documents. Thereafter, the Guarantor (i) shall be subrogated to the rights of the Financing Parties under, pursuant to and otherwise in respect of all the Financing Documents and (ii) may require the Financing Parties to assign to it and each other Person that has made payment of the Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, any of the Financing Parties.

**2.8 Set-Off Acknowledgement**

The Guarantor hereby acknowledges and agrees that vis-à-vis the Financing Parties it has no available remedy of set-off. Accordingly, each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the Guarantor hereunder in respect of the Guaranteed Obligations shall be made without regard to any equities between or among any of the Issuer, the Guarantor and the Financing Parties and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Issuer or the Guarantor may have or have had against any of the Financing Parties or any other Person).

**2.9 Imputation of moneys received in reduction of Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Trustee from the Guarantor pursuant to the provisions of this Article 2 shall be applied in reduction of the Guaranteed Obligations as provided in the Financing Documents.

**2.10 Irregularity in borrowings of no effect on obligations of the Guarantor**

All sums of money, advances, renewals, commitments and undertakings related to the Guaranteed Obligations borrowed or effectively obtained from the Financing Parties by the Issuer pursuant to the Financing Documents shall be considered as being part of the Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, advances, renewals, commitments and undertakings, whether or not any one of the Financing Parties was aware of the same, it being expressly understood that any sum which cannot be recovered from the Guarantor as guarantor hereunder for reasons of voidness of the principal obligation may be recovered from the Guarantor under the indemnity contained in Section 2.2 and shall be payable to the Trustee, for the benefit of the Financing Parties, upon demand therefor by the Trustee.

**2.11 No Release of Guarantor**

Until the Guaranteed Obligations have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Issuer under the Financing Documents have been cancelled and terminated, the obligations of the Guarantor hereunder shall not be reduced, limited or terminated, nor shall the Guarantor be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the Guarantor shall have received notice thereof or assented thereto):



2.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the Guaranteed Obligations or the Financing Documents;

2.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the Guaranteed Obligations;

2.11.3 the release of any liens securing any or all of the Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the Financing Documents;

2.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to any of the Financing Parties, including but not limited to:

- (a) any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
- (b) any election of rights, remedies and/or recourses effected by any of them;
- (c) any subordination by operation of Applicable Law, whether present or future, of any or all of the Guaranteed Obligations;
- (d) any election not to or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any lien on any collateral securing any or all of the Guaranteed Obligations;
- (e) any disallowance, invalidity, illegality, voidness or unenforceability of any or all liens securing any or all of the Guaranteed Obligations; and

2.11.5 any other act or failure to act which varies the risks of the Guarantor hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of the Guarantor from any obligation hereunder.

## **2.12 Certain Waivers**

The Guarantor hereby waives:

2.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Issuer or any other guarantor or any collateral for any of the Guaranteed Obligations;

2.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the Guaranteed Obligations that may at any time be available to the Issuer or any other guarantor. As regards set-offs, the Guarantor confirms the acknowledgement contained in Section 2.8;

- 2.12.3 any notice of acceptance of the incurrence or renewal of any Guaranteed Obligations;
- 2.12.4 all notices which may be required by Applicable Law to preserve any rights against the Guarantor hereunder including, but not limited to, any notice of default, demand, dishonour, presentment and protest;
- 2.12.5 diligence;
- 2.12.6 any defence based upon, arising out of or in any way related to:
- (a) any claim that any election of remedies by the Financing Parties impaired, reduced, released or extinguished any rights that the Guarantor might otherwise have had against the Issuer or any other guarantor;
  - (b) any claim that the Guaranteed Obligations should be strictly construed against the Financing Parties; and
  - (c) any and all other defences related to the Guaranteed Obligations save and except for the receipt by the Financing Parties of the full, final and definitive payment of the amount of the Guaranteed Obligations and the cancellation in full of all credit facilities, extensions of credit and other financial services under the Financing Documents.

**2.13 No Release in Event of Bankruptcy**

No settlement or discharge of the Guaranteed Obligations shall be effective if any payment by the Guarantor in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Financing Parties and the Trustee shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

**2.14 Additional Security**

This Guarantee Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by any of the Financing Parties. None of the Financing Parties shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

**2.15 Continuing Liability of Guarantor**

The Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of the Guarantor hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Issuer or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as

the "**Disgorged Amount**"), is recovered from or reimbursed by or for the account of any of the Financing Parties for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by any of the Financing Parties (whether or not consented to by the Issuer, the Guarantor or any other guarantor) of any claim for any such recovery or payment over. The Guarantor hereby expressly waives the benefit of any Applicable Law of limitations and agrees that it shall be liable hereunder whenever such a recovery or payment ever occurs.

**2.16            Continuance of Guarantee Agreement**

Subject to Section 2.15, this Guarantee Agreement shall continue in full force and effect until the indefeasible payment, observance and performance in full of the Guaranteed Obligations and the cancellation of all the credit facilities, extensions of credit and financial services to the Issuer, provided, however, that where at any time any of the Financing Parties is required to pay over any Disgorged Amount, such Person shall be permitted to make a claim therefor under the provisions of Section 2.15.

**2.17            Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The Guarantor agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Guarantee Agreement is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**2.18            Authority to Modify Guaranteed Obligations**

The Guarantor expressly authorizes the Financing Parties or any one thereof, at any time and from time to time, without notice and without affecting the liability of the Guarantor hereunder, to:

2.18.1            change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the Guaranteed Obligations and any security and guarantees therefor;

2.18.2            accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the Guaranteed Obligations;

2.18.3            accept partial payments on the Guaranteed Obligations;

2.18.4            waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the

order or manner of sale thereof as the Trustee (for the benefit of the Financing Parties) in its discretion may determine; and

2.18.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the Financing Documents.

### **ARTICLE 3**

#### **THE TRUSTEE**

##### **3.1           The Trustee**

This Guarantee Agreement is made in favour of the Trustee in its capacity as trustee under the Trust Indenture. Accordingly, in the event of a new trustee being appointed under the Trust Indenture, such new trustee shall thereupon become and be the trustee hereunder, but nevertheless, the Trustee shall forthwith assign, transfer and make over to the new trustee hereunder this Guarantee Agreement. All provisions of the Trust Indenture for the protection of the Trustee or for facilitating the administration of the trusts or otherwise relating to the Trustee solely as to its holding of the guarantee rights hereunder shall apply *mutatis mutandis* to this Guarantee Agreement and the Trustee's duties hereunder.

##### **3.2           Acceptance of Trusts**

The Trustee hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new trustee shall be appointed as set forth in Section 3.1.

### **ARTICLE 4**

#### **MISCELLANEOUS PROVISIONS**

##### **4.1           Amendment**

This Guarantee Agreement may not be changed, modified, amended or supplemented except by an agreement in writing executed by both the Guarantor and the Trustee in accordance with the terms of the Trust Indenture. The Trustee shall provide a copy of each such written agreement, within 30 days of its execution, to each rating agency that provided a rating for the indebtedness of the Issuer under the Financing Documents.

##### **4.2           Remedies**

No failure on the part of any Financing Party to exercise, and no delay in exercising, any right or remedy shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy under this Guarantee Agreement preclude any other or further exercise thereof or the exercise of any other right or remedy, nor shall any waiver of one provision be deemed to constitute a waiver of any other provision. No waiver of any of

the provisions of this Guarantee Agreement by the Trustee shall be effective unless it is in writing duly executed by the Trustee.

#### **4.3**            **Notices**

Any Payment Demand, notice or other communication contemplated to be given by the Trustee, any other Fiscal Agent or the Guarantor under this Guarantee Agreement (collectively, "**Notices**") shall be in writing and delivered personally or by courier or mailed by registered mail, postage prepaid and return receipt requested, or by electronic mail delivery to the applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

(a)    if to the Trustee:

Manager, Corporate Trust

Computershare Trust Company of Canada  
100 University Avenue, 11<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1  
Canada

Fax:            416-981-9777

E-mail:        [corporatetrust.toronto@computershare.com](mailto:corporatetrust.toronto@computershare.com)

if to Canada:

Director General  
Natural Resources Canada  
Electricity Resources Branch

580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 343-292-6200

Fax: 613-947-4205

E-mail: [niall.odea@canada.ca](mailto:niall.odea@canada.ca)

With a copy to:

Director  
Natural Resources Canada  
Renewable and Electrical Energy Division

580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Telephone : 343-292-6183

Fax: 613-947-4205

E-mail: andre.bernier@canada.ca

Notices given by personal delivery, by courier or mail shall be effective upon actual receipt. Notices given by electronic mail shall be deemed to have been duly given and received when sent even if such electronic mail is sent after the recipient's normal business hours.

#### **4.4            Counterparts**

This Guarantee Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

#### **4.5            Severability**

Any provision of this Guarantee Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

#### **4.6            Entire Agreement**

With respect to the obligations of the Guarantor hereunder, this Guarantee Agreement constitutes the entire agreement among the parties hereto.

#### **4.7            Assignments by the Guarantor**

The rights of the Guarantor hereunder are declared to be purely personal and may therefore not be assigned or transferred, nor can the Guarantor assign or transfer any of its obligations, any such assignment being null and void insofar as the Trustee and the Bondholders are concerned.

**4.8           Expenses**

The Guarantor agrees to pay all duly documented reasonable out-of pocket costs and expenses, including reasonable attorneys' fees, which may be incurred by the Trustee in any effort to collect or enforce any of the Guaranteed Obligations hereunder.

**4.9           Acknowledgement**

The Guarantor hereby acknowledges that it has received and taken cognizance of an original executed copy of the Declaration of Trust and the Financing Documents in force on the date hereof and is familiar with the provisions thereof.

**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

CANADA GUARANTEE (MFLTA) – SIGNATURE PAGE

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the date set out at the commencement of this Guarantee Agreement.

**HER MAJESTY THE QUEEN IN RIGHT  
OF CANADA, as represented by THE  
MINISTER OF NATURAL RESOURCES**


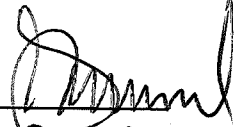
Per:

  
\_\_\_\_\_  
The Honourable Jim Carr, P.C., M.P.  
Minister of Natural Resources



CANADA GUARANTEE (MFLTA) – SIGNATURE PAGE

**COMPUTERSHARE TRUST COMPANY  
OF CANADA,  
AS TRUSTEE**

Per:    
Sam Golder                      Ann Samuel  
Corporate Trust Officer      Associate Trust Officer

CANADA GUARANTEE (MFLTA) – SCHEDULE A

**SCHEDULE A**

**PAYMENT DEMAND**

*[date]*

**CANADA**  
Department of <\*>  
<@>

**MUSKRAT FALLS/LABRADOR  
TRANSMISSION ASSETS FUNDING  
TRUST**  
c/o BNY Trust Company of Canada,  
AS ISSUER TRUSTEE  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: <\*>

Attention: <\*>

Fax No.: <\*>

Fax No.: <\*>

Dear Sirs/Mesdames:

**Re: Guarantee Agreement dated as of <\*>, 2017 with respect to Muskrat Falls/Labrador Transmission Assets Funding Trust**

Reference is made to the Guarantee Agreement dated as of <@>, 2017 given by Her Majesty the Queen in Right of Canada, as represented by the Minister of Natural Resources, in favour of Computershare Trust Company of Canada, with respect to the payment obligations of the Issuer (the "**Guarantee Agreement**"). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Guarantee Agreement.

We hereby demand payment in accordance with the Guarantee Agreement and the Trust Indenture of the sum of \$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid of \$<@>. We hereby certify that the Claimed Amount represents \$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising Guaranteed Obligations that are now due and payable to the Financing Parties and that the Issuer failed to pay such amounts by the time provided on the Due Date.

Failure to pay the Claimed Amount plus the applicable per diem amounts as specified above by the fifth Business Day following the date of this Payment Demand will constitute an Event of Default under the Trust Indenture.

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours very truly,

[<\*>Fiscal Agent<\*>]

By: \_\_\_\_\_

Name:

Authorized Signatory

**[N.B.: A copy of this Payment Demand must be sent to each of the Persons identified in Section 15.1 of the Trust Indenture.]**

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF NEWFOUNDLAND AND LABRADOR**

**and**

**THE TORONTO-DOMINION BANK  
as Collateral Agent**

**GUARANTEE FOR MF EQUITY SUPPORT AGREEMENT**

**DATED AS OF NOVEMBER 29, 2013**

**THIS GUARANTEE AGREEMENT** dated as of November 29, 2013.

**B E T W E E N :**

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF NEWFOUNDLAND AND LABRADOR**

(hereinafter called the "**Guarantor**" or "**NL Crown**")

**OF THE FIRST PART**

- and -

**THE TORONTO-DOMINION BANK**

(hereinafter called the "**Collateral Agent**")

**OF THE SECOND PART**

**WHEREAS** the MF Parties entered into the MFESA in favour of the Collateral Agent, for and on behalf of the GAA Finance Parties, pursuant to the terms of which Nalcor agreed to pay, on each Required MF Contribution Date, to Muskrat, by way of equity contributions made in Muskrat, the Nalcor MF Contribution required to be made on such Required MF Contribution Date;

**WHEREAS** Canada has issued the Federal Loan Guarantee to assist in the financing provided by the Funding Vehicle to the Credit Parties to finance the Project Costs, in part;

**WHEREAS** Muskrat has agreed to provide security to the Collateral Agent, for the benefit of the GAA Finance Parties, to secure the Muskrat /LTA Secured Obligations;

**WHEREAS** in consideration of the issuance of the Federal Loan Guarantee and as security for its repayment indemnity and other obligations it has undertaken towards Canada, the Funding Vehicle has executed the FV Security Documents creating Liens on all its Assets including its rights in the Collateral Mortgage Bonds issued by the Credit Parties in favour of the Collateral Agent, for the benefit of Canada;

**WHEREAS** pursuant to the terms of the Collateral Agency Agreement, the Collateral Agent must act in accordance with the Requisite Instructions and in the event of any conflict in the Requisite Instructions received, the Collateral Agent is required to act in accordance with the instructions of Canada;

**WHEREAS** it is a condition precedent to the financing to be made available to Muskrat under the Muskrat /LTA Project Finance Documents that this Guarantee Agreement be provided by NL Crown to the Collateral Agent, for and on behalf of the GAA Finance Parties, to secure the payment by Nalcor of the MF Guaranteed Obligations arising under the MFESA;

**WHEREAS** NL Crown is authorized to execute this Agreement and perform its obligations hereunder pursuant to Sections 25 and 27 of the *Energy Corporation Act* (NL);

**WHEREAS** the Minister of Finance is authorized for and on behalf of NL Crown to execute this Guarantee Agreement issued pursuant to Sections 25 and 27 of the *Energy Corporation Act* (NL);

**WHEREAS** the financing under the Muskrat/LTA Project Finance Documents is being made available to Muskrat in reliance upon the covenants and agreements of NL Crown set forth herein;

**NOW THEREFORE THIS GUARANTEE AGREEMENT WITNESSETH** that in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## **ARTICLE 1**

### **INTERPRETATION**

#### **1.1 Definitions**

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 as of November 29, 2013 entered into among, inter alia, the Collateral Agent, the Funding Vehicle and the MF Parties (the "**Master Definitions Agreement**"). The rules of interpretation set forth in Article 1 of the Master Definitions Agreement apply to this Guarantee for MF Equity Support 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**

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 "**Guarantee for MF Equity Support Agreement**", "**this Guarantee for MF Equity Support Agreement**", "**this Guarantee 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 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of NL and the federal Laws of Canada applicable therein and all actions, suits and 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.

## **1.5 Time**

Time shall be of the essence of this Agreement.

## **ARTICLE 2**

### **GUARANTEE**

#### **2.1 Guarantee**

The Guarantor hereby irrevocably and absolutely guarantees to the Collateral Agent, for and on behalf of the GAA Finance Parties, the due and punctual payment of all the MF Guaranteed Obligations at the times, in the currencies and in the manner provided for in the MFESA, subject to the provisions of Sections 2.3 and 2.4.

#### **2.2 Nature of Guarantee**

The obligations of the Guarantor hereunder are and shall be irrevocable, absolute, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. Subject to the provisions of Sections 2.3 and 2.4, as and by way of indemnity, the Guarantor shall irrevocably and absolutely pay to the Collateral Agent or deposit directly in the Muskrat Project Funding Account or LRA, as applicable, all such amounts as shall be required from time to time to ensure that the full amount of the MF Guaranteed Obligations are paid or deposited regardless of (a) the unenforceability or invalidity of the MF Guaranteed Obligations or any failure by Nalcor to duly and punctually pay in full the MF Guaranteed Obligations when due, (b) any loss of any right of the Collateral Agent or the GAA Finance Parties against Nalcor in respect of the MF Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Collateral Agent in connection with the enforcement of any of the rights of the Collateral Agent against Nalcor.

#### **2.3 NL Crown MF Payment Demand**

2.3.1 If Muskrat fails to issue a MF Cash Call Notice in accordance with the provisions of Section 2.2 of the MFESA as and when required therein:

2.3.1.1 in connection with the MF Base Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule A, that NL Crown pay to the Collateral Agent for deposit to the Muskrat Project Funding Account (or deposit directly in the Muskrat Project Funding Account) an amount equal to (i) where no deposit required to be made in the Muskrat Project Funding Account pursuant to Section 2.3 of the MFESA has been made, the deposit in the Muskrat Project Funding Account that should have been made pursuant to Section 2.3 of the MFESA and (ii) where only a portion of the deposit required to be made in the Muskrat Project Funding Account pursuant to Section 2.3 of the MFESA has been made, the difference between the deposit in the Muskrat Project Funding

Account that should have been made pursuant to Section 2.3 of the MFESA and the deposit in the Muskrat Project Funding Account that has been made;

2.3.1.2 in connection with the MF Contingency Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule B, that NL Crown pay to the Collateral Agent for deposit to the Muskrat Project Funding Account (or deposit directly in the Muskrat Project Funding Account) an amount equal to (i) where no deposit required to be made in the Muskrat Project Funding Account pursuant to Section 2.4 of the MFESA has been made, the deposit in the Muskrat Project Funding Account that should have been made pursuant to Section 2.4 of the MFESA and (ii) where only a portion of the deposit required to be made in the Muskrat Project Funding Account pursuant to Section 2.4 of the MFESA has been made, the difference between the deposit in the Muskrat Project Funding Account that should have been made pursuant to Section 2.4 of the MFESA and the deposit in the Muskrat Project Funding Account that has been made;

2.3.1.3 in connection with the MF DSRA Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule C, that NL Crown pay to the Collateral Agent for deposit in the Muskrat Project Funding Account for release and deposit into the DSRA an amount equal to (i) where no deposit required to be made in the Muskrat Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the MFESA has been made, the deposit that should have been made pursuant to Section 2.5 of the MFESA and (ii) where only a portion of the deposit required to be made in the Muskrat Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the MFESA has been made, the difference between the deposit that should have been made pursuant to Section 2.5 of the MFESA and the deposit that has been made;

2.3.1.4 in connection with the MFLRA Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule D, that NL Crown pay to the Collateral Agent for deposit to the LRA (or deposit directly in the LRA) an amount equal to (i) where no deposit required to be made in the LRA pursuant to Section 2.6 of the MFESA has been made, the deposit in the LRA that should have been made pursuant to Section 2.6 of the MFESA and (ii) where only a portion of the deposit required to be made in the LRA pursuant to Section 2.6 of the MFESA has been made, the difference between the deposit in the LRA that should have been made pursuant to Section 2.6 of the MFESA and the deposit in the LRA that has been made;

2.3.2 If the amount required to be deposited in the Muskrat Project Funding Account by:

2.3.2.1 any Required MF Base Equity Contribution Date as provided in Section 2.3 of the MFESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule A, that NL Crown pay to the Collateral Agent for deposit to the Muskrat Project Funding Account (or deposit directly in the Muskrat Project Funding Account) an amount equal to (i) where no deposit required to be made in the Muskrat Project Funding Account pursuant to Section 2.3 of the MFESA has been made, the deposit in the Muskrat Project Funding Account that should have been made pursuant to Section 2.3 of the MFESA and (ii) where only a portion of the deposit required to be made in the Muskrat Project Funding Account pursuant to Section 2.3 of the MFESA has been made, the



difference between the deposit in the Muskrat Project Funding Account that should have been made pursuant to Section 2.3 of the MFESA and the deposit in the Muskrat Project Funding Account that has been made;

2.3.2.2 any Required MF Contingency Equity Contribution Date as provided in Section 2.4 of the MFESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule B, that NL Crown pay to the Collateral Agent for deposit to the Muskrat Project Funding Account (or deposit directly in the Muskrat Project Funding Account) an amount equal to (i) where no deposit required to be made in the Muskrat Project Funding Account pursuant to Section 2.4 of the MFESA has been made, the deposit in the Muskrat Project Funding Account that should have been made pursuant to Section 2.4 of the MFESA and (ii) where only a portion of the deposit required to be made in the Muskrat Project Funding Account pursuant to Section 2.4 of the MFESA has been made, the difference between the deposit in the Muskrat Project Funding Account that should have been made pursuant to Section 2.4 of the MFESA and the deposit in the Muskrat Project Funding Account that has been made;

2.3.3 If the amount required to be deposited in the Muskrat Project Funding Account for release and deposit in the DSRA as provided in Section 2.5 of the MFESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule C, that NL Crown pay to the Collateral Agent for deposit in the Muskrat Project Funding Account for release and deposit into the DSRA an amount equal to (i) where no deposit required to be made in the Muskrat Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the MFESA has been made, the deposit in the DSRA that should have been made pursuant to Section 2.5 of the MFESA and (ii) where only a portion of the deposit required to be made in the Muskrat Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the MFESA has been made, the difference between the deposit that should have been made pursuant to Section 2.5 of the MFESA and the deposit that has been made;

2.3.4 If the amount required to be deposited in the LRA as provided in Section 2.6 of the MFESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule D, that NL Crown pay to the Collateral Agent for deposit to the LRA (or deposit directly in the LRA) an amount equal to (i) where no deposit required to be made in the LRA pursuant to Section 2.6 of the MFESA has been made, the deposit in the LRA that should have been made pursuant to Section 2.6 of the MFESA and (ii) where only a portion of the deposit required to be made in the LRA pursuant to Section 2.6 of the MFESA has been made, the difference between the deposit in the LRA that should have been made pursuant to Section 2.6 of the MFESA and the deposit in the LRA that has been made;

2.3.5 NL Crown covenants and agrees, to and in favour of the Collateral Agent, for the benefit of the GAA Finance Parties, that by no later than 3:00 p.m. on the fifth Business Day following its receipt of any MF NL Crown Payment Demand, it shall deposit an amount equal to the MF NL Crown Contribution to the Muskrat Project Funding Account or the LRA, as the case may be, or pay the MF NL Crown Contribution to the Collateral Agent, to be deposited by the Collateral Agent forthwith upon receipt to the Muskrat Project Funding Account or the LRA, or released for deposit into the DSRA, as the case may be. The Collateral Agent hereby agrees to

deposit to the Muskrat Project Funding Account, the DSRA or the LRA, as the case may be, any amount so received forthwith upon receipt.

## **2.4 Conditions to NL Crown MF Payment Demand**

In each MF NL Crown Payment Demand issued under this Agreement, the Collateral Agent shall:

2.4.1 specify the amount of the MF NL Crown Contribution required to be made, the date by which it is required to be made and whether and why it is to be deemed to be made under the MF Base Equity Commitment, MF Contingency Equity Commitment, MF DSRA Equity Commitment or MF LRA Equity Commitment, as the case may be;

2.4.2 acknowledge, covenant and agree (and the Collateral Agent hereby acknowledges, covenants and agrees in respect of each MF NL Crown Payment Demand issued under this Agreement) that:

2.4.2.1 each MF NL Crown Contribution paid by NL Crown to the Collateral Agent under the MF Base Equity Commitment shall be deposited forthwith in the Muskrat Project Funding Account and shall be used exclusively to pay the MF Equity Rateable Share of the MF Project Costs, to be paid therewith as contemplated in the MF NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.2 each MF NL Crown Contribution paid by NL Crown to the Collateral Agent under the MF Contingency Equity Commitment shall be deposited forthwith in the Muskrat Project Funding Account and shall be used exclusively to pay the MF Equity Rateable Share of MF Project Costs to be paid therewith following the exhaustion of the MF Base Equity Commitment as contemplated in the MF NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.3 the MF NL Crown Contribution paid by NL Crown to the Collateral Agent under the MF DSRA Equity Commitment shall be deposited forthwith in the DSRA and shall be used exclusively to fund Muskrat's Project Rateable Share of the MF Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, to be funded therewith as contemplated in the MF NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.4 the MF NL Crown Contribution paid by NL Crown to the Collateral Agent under the MF LRA Equity Commitment shall be deposited forthwith in the LRA and shall be used exclusively to fund 82% of the Minimum LRA Requirement as at the Commissioning Date, to be funded therewith as contemplated in the MF NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.5 the Collateral Agent shall only release any MF NL Crown Contribution under the MF Base Equity Commitment or the MF Contingency Equity Commitment from the Muskrat Project Funding Account concurrently with the release from the Muskrat Project Funding Account of the MF Debt Rateable Share of the MF Project Costs to which such MF NL Crown Payment Demand relates. Even if a Muskrat/LTA Event of Default

or acceleration of the amounts owed by Muskrat under the Muskrat/LTA Project Finance Documents has occurred, the Collateral Agent shall not release any such MF NL Crown Contribution from the Muskrat Project Funding Account until such MF Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above;

2.4.2.6 the Collateral Agent shall only release the MF NL Crown Contribution under the MF DSRA Equity Commitment for deposit into the DSRA concurrently with the deposit of Muskrat's Project Rateable Share of the MF Debt Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, into the DSRA. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Muskrat under the Muskrat/LTA Project Finance Documents has occurred, the Collateral Agent shall not release such MF NL Crown Contribution until such MF Debt Rateable Share has been made available to the Collateral Agent and the Collateral Agent can make the concurrent deposit referred to above;

2.4.2.7 subject to clause 2.4.2.11, under no circumstance shall any MF NL Crown Contribution under the MF Base Equity Commitment be used to fund anything other than the MF Equity Rateable Share of the MF Project Costs intended to be paid therewith;

2.4.2.8 subject to clause 2.4.2.11, under no circumstance shall any MF NL Crown Contribution under the MF Contingency Equity Commitment be used to fund anything other than the MF Equity Rateable Share of the MF Project Costs intended to be paid therewith following the exhaustion of the MF Base Equity Commitment;

2.4.2.9 under no circumstance shall the MF NL Crown Contribution under the MF DSRA Equity Commitment be used to fund anything other than Muskrat's Project Rateable Share of the MF Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be;

2.4.2.10 under no circumstance shall the MF NL Crown Contribution under the MF LRA Equity Commitment be used to fund anything other than 82% of the Minimum LRA Requirement as at the Commissioning Date; and

2.4.2.11 to the extent that Debt Service is required to be funded by any MF NL Crown Contribution under the MF Base Equity Commitment or MF Contingency Equity Commitment, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are then due and outstanding and that constitute MF Project Costs, and to the extent any scheduled instalments of principal of the Indebtedness of Muskrat under the Muskrat/LTA Project Finance Documents are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees relating to accelerated amounts) (the undertakings in clauses 2.4.2.7 to 2.4.2.11 are collectively referred to as the "**MF NL Payment Conditions**").

## **2.5 Prima Facie Evidence**

NL Crown hereby acknowledges and agrees that any amount set forth by the Collateral Agent in any MF NL Crown Payment Demand as being the amount required to be paid by it pursuant to

the provisions hereof shall constitute *prima facie* evidence of the amount which, as of the date of any such MF NL Crown Payment Demand, is due and payable by NL Crown pursuant to the provisions hereof. Notwithstanding the foregoing, where at any time NL Crown has paid any amount set forth by the Collateral Agent in any MF NL Crown Payment Demand, or any other amount, and it is demonstrated at a later date that such payment was in excess of the amount required to be paid by NL Crown pursuant to the provisions hereof, then the amount of such excess payment shall be repaid to NL Crown, to the extent that it has not at such time already been used to pay for MF Project Costs.

## **2.6 Failure to Pay**

If by the fifth Business Day following the issuance by the Collateral Agent of a MF NL Crown Payment Demand, the amount specified in the MF NL Crown Payment Demand or required to be deposited in the Muskrat Project Funding Account, the DSRA or the LRA, as the case may be, is not deposited in such account or paid to the Collateral Agent for deposit to such account, the Collateral Agent shall thereupon be entitled to exercise all Rights, Remedies and/or Recourses then available to it against NL Crown in order to obtain payment of such amount, it being expressly agreed that any payment by NL Crown of the amount so demanded shall be subject to the MF NL Payment Conditions being met as provided in Section 2.4.2. Any amount payable by the NL Crown pursuant to a MF NL Crown Payment Demand which is not paid within five (5) Business Days following the issuance of such MF NL Crown Payment Demand as herein provided will bear interest from and including such fifth Business Day until paid in full at the rate expressed to be payable on the debt of Muskrat under the Muskrat/LTA Project Finance Documents. Any interest paid by the NL Crown under the terms of this Section shall constitute an equity investment by Nalcor in Muskrat and shall be deposited in the Muskrat Project Funding Account and shall be applied to defray the next following Nalcor MF Contribution required to be made under the terms of the MFESA.

## **2.7 Withholding**

All amounts payable by the Guarantor under this Guarantee Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Guarantor is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Guarantor shall pay to the Collateral Agent such additional amount as is necessary to ensure that the GAA Finance Parties receive and retain (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such taxes, charges, fees, levies, duties or withholdings.

## **2.8 Postponed Subrogation**

The Guarantor shall not be subrogated to any right of the Collateral Agent until all the MF Guaranteed Obligations are paid in full as provided in Sections 2.3 and 2.4. Thereafter, the Guarantor (i) shall be subrogated to the rights of the Collateral Agent under, pursuant to and otherwise in respect of the MFESA and (ii) may require the Collateral Agent to assign to it any of its rights then remaining under the MFESA with respect to the MF Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, the Collateral Agent.

## **2.9 Set-Off**

The Guarantor hereby acknowledges and agrees that vis-à-vis the Collateral Agent and the GAA Finance Parties it has no available remedy of set-off. Accordingly, each payment to be made by the Guarantor hereunder in respect of the MF Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the Guarantor hereunder in respect of its MF Guaranteed Obligations shall be made without regard to any equities between or among any of the MF Parties, the Guarantor, the Collateral Agent and the GAA Finance Parties and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Guarantor or any other MF Parties may have or have had against any of the MF Parties, the GAA Finance Parties or any other Person).

## **2.10 Imputation of moneys received in reduction of MF Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Collateral Agent from the Guarantor pursuant to the provisions of this Article 2 shall be applied only as provided in Sections 2.3 and 2.4.

## **2.11 Irregularity**

Any obligation of Nalcor to make investments by way of equity under the MFESA shall be considered as being part of the MF Guaranteed Obligations, notwithstanding any lack of capacity, irregularity, defect or flaw in the creation or continuance of such obligation, whether or not the Collateral Agent was aware of the same, it being expressly understood that any such obligation which cannot be recovered from the Guarantor as guarantor hereunder by reason of any voidness of the principal obligation may be recovered from the Guarantor under the indemnity contained in Section 2.2 and shall be payable to the Collateral Agent upon demand therefor by the Collateral Agent in accordance with Sections 2.3 and 2.4.

## **2.12 No Release of Guarantor**

Until the MF Guaranteed Obligations have been paid in full as set forth in Sections 2.3 and 2.4, the obligations of the Guarantor hereunder shall not be reduced, limited or terminated, nor shall the Guarantor be discharged from any obligation hereunder for any reason whatsoever, including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the Guarantor shall have received notice thereof or assented thereto):

2.12.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the MF Guaranteed Obligations or the Muskrat/LTA Project Finance Documents;

2.12.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the MF Guaranteed Obligations;

2.12.3 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any Rights, Remedies and/or Recourses available to any of the GAA Finance Parties or the Collateral Agent, including but not limited to:

2.12.3.1 any exercise of or failure to exercise any right of set-off, counterclaim, reduction, recoupment or retention;

2.12.3.2 any election of Rights, Remedies and/or Recourses effected by any of them;

2.12.3.3 any subordination by operation of Law, whether present or future, of any or all of the MF Guaranteed Obligations; and

2.12.4 any other act or failure to act which varies the risks of the Guarantor hereunder or, but for the provisions hereof, under the terms of any Law, would operate to reduce, limit or terminate the obligations of the Guarantor from any obligation hereunder.

### **2.13 Certain Waivers.**

The Guarantor hereby waives:

2.13.1 except as set forth in Section 2.3, any requirement and any right to require, that any power be exercised or any action be taken against Nalcor or any other guarantor or any collateral for any of the MF Guaranteed Obligations;

2.13.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the MF Guaranteed Obligations that may at any time be available to Nalcor or any other guarantor. As regards set-offs, the Guarantor confirms the acknowledgement contained in Section 2.9;

2.13.3 any notice of acceptance of the incurrence or renewal of any MF Guaranteed Obligations;

2.13.4 all notices which may be required by Law to preserve any rights against the Guarantor hereunder including, but not limited to, any notice of default, demand, dishonour, presentment, noting of protest and protest;

2.13.5 diligence;

2.13.6 any defence based upon, arising out of or in any way related to:

2.13.6.1 any claim that any election of remedies by the Collateral Agent impaired, reduced, released or extinguished any rights that the Guarantor might otherwise have had against Nalcor or any other guarantor;

2.13.6.2 any claim that the MF Guaranteed Obligations should be strictly construed against the Collateral Agent; and

2.13.6.3 any and all other defences related to the MF Guaranteed Obligations save and except for the receipt by the Collateral Agent of payment in full of the MF Guaranteed Obligations.

#### **2.14 No Release in Event of Bankruptcy**

No settlement or discharge of the MF Guaranteed Obligations shall be effective if any payment by the Guarantor in respect thereof is avoided or reduced by virtue of any provision or enactment relating to any Insolvency Laws, Fraudulent Conveyance Laws or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Collateral Agent shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

#### **2.15 Additional Security**

This Guarantee Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Collateral Agent or a GAA Finance Party.

#### **2.16 Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The Guarantor agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Guarantee Agreement is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Law or public policy, the Guarantor and the Collateral Agent agree that such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Law.

#### **2.17 Authority to Modify MF Guaranteed Obligations**

The Guarantor expressly authorizes the Collateral Agent, at any time and from time to time, without notice and without affecting the liability of the Guarantor hereunder, to:

2.17.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the MF Guaranteed Obligations and any security and guarantees therefor;

2.17.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the MF Guaranteed Obligations;

2.17.3 accept partial payments on the MF Guaranteed Obligations;

2.17.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the MF Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Collateral Agent (for the benefit of the GAA Finance Parties) in its discretion may determine, subject to and in accordance with the provisions of Section 2.4; and

2.17.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of the MFESA or any of the Muskrat/LTA Project Finance Documents.

## **2.18 No Requirement to Exhaust Recourses**

Neither the Collateral Agent nor any GAA Finance Party shall be bound to seek or exhaust its recourses or remedies against Muskrat or Nalcor, any other guarantor or any other person nor to enforce, marshal or value any Liens before the Collateral Agent, for and on behalf of the GAA Finance Parties, is entitled to payment under this Guarantee Agreement.

## **2.19 Cost Overrun Escrow Account**

For the purposes of this Agreement and notwithstanding any provision to the contrary herein, the parties hereto acknowledge that:

2.19.1 the MF NL Crown Payment Demand relating to any MF Base Equity Contribution or MF Contingency Equity Contribution set out above may include amounts required to fund the Cost Overrun Escrow Account, as such account is required to be funded under the terms of Section 10.28 of the Muskrat/LTA Project Finance Agreement;

2.19.2 such funding shall be deemed to be on account of MF Project Costs, the MF Equity Rateable Share and MF Debt Rateable Share of which shall be 100% and 0%, respectively, the amounts of any such funding shall be deposited directly into the Cost Overrun Escrow Account and be used exclusively in accordance with Section 10.28 of the Muskrat/LTA Project Finance Agreement, and such funding shall constitute a MF Base Equity Contribution or a MF Contingency Equity Contribution dependent on whether or not the MF Base Equity Commitment is then exhausted.

## **ARTICLE 3**

### **THE COLLATERAL AGENT**

#### **3.1 The Collateral Agent**

This Guarantee Agreement is made in favour of the Collateral Agent in its capacity as Collateral Agent for the GAA Finance Parties in accordance with the provisions of the Collateral Agency Agreement. Accordingly, in the event of a new collateral agent being appointed under the Collateral Agency Agreement, such new collateral agent shall thereupon become and be the collateral agent hereunder, but nevertheless, the Collateral Agent shall forthwith assign, transfer and make over to the new collateral agent hereunder this Guarantee Agreement. All provisions of the Collateral Agency Agreement for the protection of the Collateral Agent or for facilitating the administration of the trusts or otherwise relating to the Collateral Agent shall apply *mutatis mutandis* to this Guarantee Agreement and the Collateral Agent's duties hereunder.



### **3.2 Acceptance of Trust**

The Collateral Agent hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new collateral agent shall be appointed as set forth in Section 3.1.

### **3.3 Acknowledgment of Guarantor**

The Guarantor acknowledges and consents (i) to the recitals herein, (ii) to the issuance of the Collateral Mortgage Bonds to the Collateral Agent, for the benefit of Canada and the other GAA Finance Parties, as the case may be, and (iii) that the Collateral Mortgage Bonds will be held for Canada by the Collateral Agent and that pursuant to the terms of the Collateral Agency Agreement, Canada may direct the Collateral Agent including as to the issuance of a MF NL Crown Payment Demand.

## **ARTICLE 4**

### **GENERAL PROVISIONS**

#### **4.1 Notices**

Any MF NL Crown Payment Demand, notice or other communication contemplated to be given by the Collateral Agent or NL Crown under this Guarantee Agreement shall be in writing and delivered personally or by courier or mailed by registered mail, postage prepaid and return receipt requested, to the applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

- (a) if to the Collateral Agent:

The Toronto-Dominion Bank  
TD Bank Tower  
66 Wellington Street West  
9<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2

Attention: Michael A. Freeman, Vice-President, Loan Syndications -  
Agency

Facsimile: 416-944-6976

E-mail: [Michael.freeman@tdsecurities.com](mailto:Michael.freeman@tdsecurities.com)

(b) if to NL Crown:

Government of Newfoundland and Labrador  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Facsimile: 709-729-2232

(c) if to Canada:

Jonathan Will  
Director General  
Natural Resources Canada  
Electricity Resources Branch  
580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 613-947-8236

Facsimile: 613-947-4205

E-mail : Jonathan.Will@NRCan-RNCan.gc.ca

with a copy to:

Anoop Kapoor  
Director, Renewable and Electrical Division  
Natural Resources Canada  
Renewable and Electrical Energy Division  
580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 613-996-5762

Facsimile: 613-947-4205

E-mail : Anoop.Kapoor@NRCan-RNCan.gc.ca

Notices given by personal delivery, by courier or mail shall be effective upon actual receipt.

#### **4.2 Successors and Assigns**

This Agreement shall enure to the benefit of and be binding upon NL Crown, the Collateral Agent and the GAA Finance Parties and their respective successors and assigns provided, however, that no assignment or transfer of any rights hereunder may be made by NL Crown

without the prior written consent of the Collateral Agent. Furthermore, no assignment or transfer of any rights hereunder may be made by the Collateral Agent without the prior written consent of NL Crown, other than to a successor Collateral Agent in accordance with the provisions of the Collateral Agency Agreement.

#### **4.3 Amendments and Waivers**

The rights and remedies of the Collateral Agent under this Agreement shall be cumulative and not exclusive of any rights or remedies which it would otherwise have and no failure or delay by the Collateral Agent 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. Any term, covenant, agreement or condition contained in this Agreement may be amended only with the written consent of NL Crown and the Collateral Agent, acting in accordance with the Requisite Instructions, and such amendment shall be binding upon all of the parties hereto, or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) by the Collateral Agent, acting in accordance with the Requisite Instructions, and such waiver shall be binding upon all of the GAA Finance Parties, and in any such event the failure to observe, perform or discharge any such covenant, condition or obligation (whether such amendment is executed or such consent or waiver is given before or after such failure) shall not be construed as a breach of such covenant, condition or obligation.

#### **4.4 Execution**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

#### **4.5 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 **(a)** the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and **(b)** the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby

#### **4.6 Entire Agreement**

With respect to the obligations of NL Crown hereunder, this Agreement constitutes the entire agreement among the parties hereto.

#### **4.7 Expenses**

The Guarantor agrees to pay all duly documented reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees, which may be incurred by the Collateral Agent or the GAA Finance Parties in any effort to collect or enforce any of the obligations of the Guarantor hereunder.

**4.8 Acknowledgment**

The Guarantor hereby acknowledges that it has received and taken cognizance of an original executed copy of this Agreement, the MFESA and the Muskrat/LTA Project Finance Documents in force on the date hereof and is familiar with all the provisions thereof.

**4.9 Term of Agreement**

The obligations of the Guarantor under the provisions of this Agreement shall terminate on the Termination Date provided that the MF Guaranteed Obligations have been paid in full.

**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date set out at the commencement of this Guarantee Agreement.

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF  
NEWFOUNDLAND AND LABRADOR, as  
represented by the Minister of Finance**

Per: 

Name: The Honourable Thomas W.  
Marshall, Q.C.  
Title: Minister of Finance

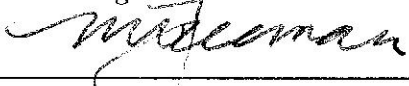
GUARANTEE AGREEMENT (MFESA) – SIGNATURE PAGE

THE TORONTO-DOMINION BANK,  
as Collateral Agent

Per: \_\_\_\_\_

Name:

Title:

  
Michael A. Freeman

Vice President, Loan Syndications - Agency

Per: \_\_\_\_\_

Name:

Title:

SCHEDULE "A"

**MF NL CROWN MF PAYMENT DEMAND IN CONNECTION  
WITH PROJECT COSTS**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the MFESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "MFESG").

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 in the Master Definitions Agreement (as defined in the MFESG).

Pursuant to clause [2.3.1.1/2.3.2.1] of the MFESG, we hereby request that you pay to us for deposit to, or directly deposit to, the Muskrat Project Funding Account an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> **[NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the MF NL Crown Payment Demand.]** The Required Contribution will be used to pay the MF Equity Rateable Share of MF Project Costs to be paid with the required applicable MF Base Equity Contribution and will therefore be deemed to be made under the MF Base Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution to the Muskrat Project Funding Account is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Muskrat Project Funding Account and shall be used exclusively to pay the MF Equity Rateable Share of the MF Project Costs referred to in the preceding paragraph;

2. the Collateral Agent shall only release the Required Contribution from the Muskrat Project Funding Account concurrently with the release from the Muskrat Project Funding Account of the MF Debt Rateable Share of the MF Project Costs to which this MF NL Crown Payment Demand relates. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Muskrat under the Muskrat/LTA Project Finance Documents has occurred, the Collateral Agent shall not release the Required Contribution from the Muskrat Project Funding Account until such MF Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that:

1. Subject to paragraph 2 below, under no circumstance shall any part of the Required Contribution be used to fund anything other than the MF Equity Rateable Share of the MF Project Costs intended to be paid therewith;
2. to the extent that Debt Service is required to be funded by the Required Contribution, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are due and outstanding and that constitute MF Project Costs, and to the extent any scheduled instalments of principal of the Indebtedness of Muskrat under the Muskrat/LTA Project Finance Documents are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees relating to accelerated amounts).

The wire transfer instructions for payments to be made by you directly to the Muskrat Project Funding Account are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Muskrat Falls Corporation



**SCHEDULE "B"**

**MF NL CROWN PAYMENT DEMAND IN CONNECTION WITH MF PROJECT  
COSTS TO BE PAID FOLLOWING THE EXHAUSTION OF THE MF BASE EQUITY  
COMMITMENT**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the MFESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "MFESG").

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 in the Master Definitions Agreement (as defined in the MFESG).

Pursuant to clause [2.3.1.2/2.3.2.2] of the MFESG, we hereby request that you pay to us for deposit to, or directly deposit to, the Muskrat Project Funding Account an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> [**NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the MF NL Crown Payment Demand.**]. The Required Contribution will be used to pay the MF Equity Rateable Share of MF Project Costs to be paid following the exhaustion of the MF Base Equity Commitment with the required applicable MF Contingency Equity Contribution and will therefore be deemed to be made under the MF Contingency Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution to the Muskrat Project Funding Account is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Muskrat Project Funding Account and shall be used exclusively to pay the MF Equity Rateable Share of the MF Project Costs referred to in the preceding paragraph;
2. the Collateral Agent shall only release the Required Contribution from the Muskrat Project Funding Account concurrently with the release from the Muskrat Project Funding Account of the MF Debt Rateable Share of the MF Project Costs to which this MF NL Crown Payment Demand relates. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Muskrat under the Muskrat/LTA Project Finance Agreement has occurred, the Collateral Agent shall not release the Required Contribution from the Muskrat Project Funding Account until such MF Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that:

1. Subject to paragraph 2 below, under no circumstance shall any part of the Required Contribution be used to fund anything other than the MF Equity Rateable Share of the MF Project Costs intended to be paid therewith following the exhaustion of the MF Base Equity Commitment;
2. to the extent that Debt Service is required to be funded by the Required Contribution, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are due and outstanding and that constitute MF Project Costs, and to the extent any scheduled instalments of principal of the Indebtedness of Muskrat under the Muskrat/LTA Project Finance Documents are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees relating to accelerated amounts).

The wire transfer instructions for payments to be made by you directly to the Muskrat Project Funding Account are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Muskrat Falls Corporation

SCHEDULE "C"

**MF NL CROWN PAYMENT DEMAND IN CONNECTION**  
**WITH THE MINIMUM DSRA REQUIREMENT**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the MFESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "MFESG").

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 in the Master Definitions Agreement (as defined in the MFESG).

Pursuant to clause [2.3.1.3/2.3.3] of the MFESG, we hereby request that you pay to us for deposit to, or directly deposit to, the DSRA an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> [NOTE: **Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the MF NL Crown Payment Demand.**]. The Required Contribution will be used to fund in the DSRA Muskrat's Project Rateable Share of the MF Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, and will therefore be deemed to be made under the MF DSRA Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution in the Muskrat Project Funding Account for release and deposit into the DSRA is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Muskrat Project Funding Account for release and deposit into the DSRA and shall be used exclusively to fund Muskrat's

Project Rateable Share of the MF Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, referred to in the preceding paragraph;

2. the Collateral Agent shall only release the Required Contribution for deposit into the DSRA concurrently with the deposit of Muskrat's Project Rateable Share the MF Debt Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, into the DSRA. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Muskrat under the Muskrat/LTA Project Finance Documents has occurred, the Collateral Agent shall not release the Required Contribution until such MF Debt Rateable Share has been made available to the Collateral Agent and the Collateral Agent can make the concurrent deposit referred to above.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that under no circumstance shall any part of the Required Contribution be used to fund anything other than Muskrat's Project Rateable Share of the MF Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be.

The wire transfer instructions for payments to be made by you directly to the Muskrat Project Funding Account are as follows:



Yours truly,

**THE TORONTO DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Muskrat Falls Corporation

**SCHEDULE "D"**

**MF NL CROWN PAYMENT DEMAND IN CONNECTION  
WITH THE MINIMUM LRA REQUIREMENT**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the MFESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "MFESG").

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 in the Master Definitions Agreement (as defined in the MFESG).

Pursuant to clause [2.3.1.4/2.3.4] of the MFESG, we hereby request that you pay to us for deposit to, or directly deposit to, the LRA an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> [**NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the MF NL Crown Payment Demand.**]. The Required Contribution will be used to fund in the LRA 82% of the Minimum LRA Requirement as at the Commissioning Date and will therefore be deemed to be made under the MF LRA Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution to the LRA is expressly subject to the condition that the Required Contribution shall be deposited in the LRA and shall be used exclusively to fund 82% of the Minimum LRA Requirement as at the Commissioning Date referred to in the preceding paragraph.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that under no circumstance shall any part of the Required Contribution be used to fund anything other than 82% of the Minimum LRA Requirement as at the Commissioning Date.

The wire transfer instructions for payments to be made by you directly to the LRA are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Muskrat Falls Corporation

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF NEWFOUNDLAND AND LABRADOR**

**and**

**THE TORONTO-DOMINION BANK  
as Collateral Agent**

**GUARANTEE FOR LIL EQUITY SUPPORT AGREEMENT**

**DATED AS OF NOVEMBER 29, 2013**

**THIS GUARANTEE AGREEMENT** dated as of November 29, 2013.

**B E T W E E N :**

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF NEWFOUNDLAND AND LABRADOR**

(hereinafter called the "**Guarantor**" or "**NL Crown**")

**OF THE FIRST PART**

- and -

**THE TORONTO-DOMINION BANK**

(hereinafter called the "**Collateral Agent**")

**OF THE SECOND PART**

**WHEREAS** the LIL Parties entered into the ESA in favour of the Collateral Agent, for and on behalf of the GAA Finance Parties, pursuant to the terms of which Nalcor and Nalcor LP agreed to pay, on each Required Contribution Date, respectively to Nalcor LP and the Partnership, by way of equity contributions made respectively in Nalcor LP and the Partnership, the Nalcor Contribution and the Nalcor LP Contribution, respectively, required to be made on such Required Contribution Date;

**WHEREAS** Canada has issued the Federal Loan Guarantee to assist in the financing provided by the Funding Vehicle to the Intermediary Trust that will then on-lend the funds borrowed by it to the Partnership to finance the Project Costs, in part;

**WHEREAS** the Partnership has agreed to provide security to the Collateral Agent, for the benefit of the GAA Finance Parties, to secure the LIL Secured Obligations;

**WHEREAS** in consideration of the issuance of the Federal Loan Guarantee and as security for its repayment indemnity and other obligations it has undertaken towards Canada, the Funding Vehicle has executed the FV Security Documents creating Liens on all its Assets including its rights in the Collateral Mortgage Bonds issued by the Obligor in favour of the Collateral Agent, for the benefit of Canada;

**WHEREAS** the LIL Parties acknowledge and agree that pursuant to the terms of the Collateral Agency Agreement, the Collateral Agent must act in accordance with the Requisite Instructions and in the event of any conflict in the Requisite Instructions received, the Collateral Agent is required to act in accordance with the instructions of Canada;

**WHEREAS** it is a condition precedent to the financing and hedging facilities to be made available to the Partnership under the LIL Project Finance Documents that this Guarantee Agreement be provided by NL Crown to the Collateral Agent, for and on behalf of the GAA



Finance Parties, to secure the payment by Nalcor and Nalcor LP of the NL Guaranteed Obligations arising under the ESA;

**WHEREAS** NL Crown is authorized to execute this Agreement and perform its obligations hereunder pursuant to Sections 25 and 27 of the *Energy Corporation Act* (NL);

**WHEREAS** the Minister of Finance is authorized for and on behalf of NL Crown to execute this Guarantee Agreement issued pursuant to Sections 25 and 27 of the *Energy Corporation Act* (NL);

**WHEREAS** the financing and hedging facilities under the LIL Project Finance Documents are being made available to the Partnership in reliance upon the covenants and agreements of NL Crown set forth herein;

**NOW THEREFORE THIS GUARANTEE AGREEMENT WITNESSETH** that in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## ARTICLE 1

### INTERPRETATION

#### 1.1 Definitions

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 as of November 29, 2013 entered into among, inter alia, the Collateral Agent, the Funding Vehicle, the Intermediary Trust and the LIL Parties (the "**Master Definitions Agreement**"). The rules of interpretation set forth in Article 1 of the Master Definitions Agreement apply to this Guarantee for NL Equity Support 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

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 "**Guarantee for NL Equity Support Agreement**", "**this Guarantee for NL Equity Support Agreement**", "**this Guarantee 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 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of NL and the federal Laws of Canada applicable therein and all actions, suits and 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.

#### **1.5 Time**

Time shall be of the essence of this Agreement.

### **ARTICLE 2**

### **GUARANTEE**

#### **2.1 Guarantee**

The Guarantor hereby irrevocably and absolutely guarantees to the Collateral Agent, for and on behalf of the GAA Finance Parties, the due and punctual payment of all the NL Guaranteed Obligations at the times, in the currencies and in the manner provided for in the ESA, subject to the provisions of Sections 2.3 and 2.4.

#### **2.2 Nature of Guarantee**

The obligations of the Guarantor hereunder are and shall be irrevocable, absolute, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. Subject to the provisions of Sections 2.3 and 2.4, as and by way of indemnity, the Guarantor shall irrevocably and absolutely pay to the Collateral Agent or deposit directly in the Partnership Project Funding Account all such amounts as shall be required from time to time to ensure that the full amount of the NL Guaranteed Obligations are paid or deposited regardless of (a) the unenforceability or invalidity of the NL Guaranteed Obligations or any failure by any Contributing Party to duly and punctually pay in full the NL Guaranteed Obligations when due, (b) any loss of any right of the Collateral Agent or the GAA Finance Parties against the Contributing Party in respect of the NL Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Collateral Agent in connection with the enforcement of any of the rights of the Collateral Agent against the Contributing Party.

#### **2.3 NL Crown Payment Demand**

2.3.1 If the GP fails to issue a Cash Call Notice in accordance with the provisions of Section 2.2 of the ESA as and when required therein:

2.3.1.1 in connection with the Base Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule A, that NL Crown pay to the Collateral Agent for deposit to the Partnership Project Funding Account (or

deposit directly in the Partnership Project Funding Account) an amount equal to (i) where no deposit required to be made in the Partnership Project Funding Account pursuant to Section 2.3 of the ESA has been made, the deposit in the Partnership Project Funding Account that should have been made pursuant to Section 2.3 of the ESA and (ii) where only a portion of the deposit required to be made in the Partnership Project Funding Account pursuant to Section 2.3 of the ESA has been made, the difference between the deposit in the Partnership Project Funding Account that should have been made pursuant to Section 2.3 of the ESA and the deposit in the Partnership Project Funding Account that has been made;

2.3.1.2 in connection with the Contingency Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule B, that NL Crown pay to the Collateral Agent for deposit to the Partnership Project Funding Account (or deposit directly in the Partnership Project Funding Account) an amount equal to (i) where no deposit required to be made in the Partnership Project Funding Account pursuant to Section 2.4 of the ESA has been made, the deposit in the Partnership Project Funding Account that should have been made pursuant to Section 2.4 of the ESA and (ii) where only a portion of the deposit required to be made in the Partnership Project Funding Account pursuant to Section 2.4 of the ESA has been made, the difference between the deposit in the Partnership Project Funding Account that should have been made pursuant to Section 2.4 of the ESA and the deposit in the Partnership Project Funding Account that has been made;

2.3.1.3 in connection with the DSRA Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule C, that NL Crown pay to the Collateral Agent for deposit in the Partnership Project Funding Account for release and deposit into the DSRA an amount equal to (i) where no deposit required to be made in the Partnership Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the ESA has been made, the deposit that should have been made pursuant to Section 2.5 of the ESA and (ii) where only a portion of the deposit required to be made in the Partnership Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the ESA has been made, the difference between the deposit that should have been made pursuant to Section 2.5 of the ESA and the deposit that has been made;

2.3.2 If the amount required to be deposited in the Partnership Project Funding Account by:

2.3.2.1 any Required Base Equity Contribution Date as provided in Section 2.3 of the ESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule A, that NL Crown pay to the Collateral Agent for deposit to the Partnership Project Funding Account (or deposit directly in the Partnership Project Funding Account) an amount equal to (i) where no deposit required to be made in the Partnership Project Funding Account pursuant to Section 2.3 of the ESA has been made, the deposit in the Partnership Project Funding Account that should have been made pursuant to Section 2.3 of the ESA and (ii) where only a portion of the deposit required to be made in the Partnership Project Funding Account pursuant to Section 2.3 of the ESA has been made, the difference between the deposit in the Partnership Project Funding Account that should have been made pursuant to Section 2.3 of the ESA and the deposit in the Partnership Project Funding Account that has been made;

2.3.2.2 any Required Contingency Equity Contribution Date as provided in Section 2.4 of the ESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule B, that NL Crown pay to the Collateral Agent for deposit to the Partnership Project Funding Account (or deposit directly in the Partnership Project Funding Account) an amount equal to (i) where no deposit required to be made in the Partnership Project Funding Account pursuant to Section 2.4 of the ESA has been made, the deposit in the Partnership Project Funding Account that should have been made pursuant to Section 2.4 of the ESA and (ii) where only a portion of the deposit required to be made in the Partnership Project Funding Account pursuant to Section 2.4 of the ESA has been made, the difference between the deposit in the Partnership Project Funding Account that should have been made pursuant to Section 2.4 of the ESA and the deposit in the Partnership Project Funding Account that has been made;

2.3.3 If the amount required to be deposited in the Partnership Project Funding Account for release and deposit into the DSRA as provided in Section 2.5 of the ESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule C, that NL Crown pay to the Collateral Agent for deposit in the Partnership Project Funding Account for release and deposit into the DSRA an amount equal to (i) where no deposit required to be made in the Partnership Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the ESA has been made, the deposit that should have been made pursuant to Section 2.5 of the ESA and (ii) where only a portion of the deposit required to be made in the Partnership Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the ESA has been made, the difference between the deposit that should have been made pursuant to Section 2.5 of the ESA and the deposit that has been made;

2.3.4 NL Crown covenants and agrees, to and in favour of the Collateral Agent, for the benefit of the GAA Finance Parties, that by no later than 3:00 p.m. on the fifth Business Day following its receipt of any NL Crown Payment Demand, it shall deposit an amount equal to the NL Crown Contribution to the Partnership Project Funding Account or pay the NL Crown Contribution to the Collateral Agent, to be deposited by the Collateral Agent forthwith upon receipt to the Partnership Project Funding Account or, as the case may be, released for deposit into the DSRA. The Collateral Agent hereby agrees to deposit to the Partnership Project Funding Account or the DSRA, as the case may be, any amount so received forthwith upon receipt.

## **2.4 Conditions to NL Crown Payment Demand**

In each NL Crown Payment Demand issued under this Agreement, the Collateral Agent shall:

2.4.1 specify the amount of the NL Crown Contribution required to be made, the date by which it is required to be made and whether and why it is to be deemed to be made under the Base Equity Commitment, Contingency Equity Commitment or DSRA Equity Commitment, as the case may be;

2.4.2 acknowledge, covenant and agree (and the Trustee hereby acknowledges, covenants and agrees in respect of each NL Crown Payment Demand issued under this Agreement) that:

2.4.2.1 each NL Crown Contribution paid by NL Crown to the Collateral Agent under the Base Equity Commitment shall be deposited forthwith in the Partnership Project Funding Account and shall be used exclusively to pay the Equity Rateable Share of the Project Costs, to be paid therewith as contemplated in the NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.2 each NL Crown Contribution paid by NL Crown to the Collateral Agent under the Contingency Equity Commitment shall be deposited forthwith in the Partnership Project Funding Account and shall be used exclusively to pay the Equity Rateable Share of Project Costs, to be paid therewith following the exhaustion of the Base Equity Commitment as contemplated in the NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.3 the NL Crown Contribution paid by NL Crown to the Collateral Agent under the DSRA Equity Commitment shall be deposited forthwith in the DSRA and shall be used exclusively to fund the Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, to be funded therewith as contemplated in the NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.4 the Collateral Agent shall only release any NL Crown Contribution under the Base Equity Commitment or the Contingency Equity Commitment from the Partnership Project Funding Account concurrently with the release from the Partnership Project Funding Account of the Debt Rateable Share of the Project Costs to which such NL Crown Payment Demand relates. Even if a LIL Event of Default or acceleration of the amounts owed by the Partnership under the LIL Project Finance Agreement has occurred, the Collateral Agent shall not release any such NL Crown Contribution from the Partnership Project Funding Account until such Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above;

2.4.2.5 the Collateral Agent shall only release the NL Crown Contribution under the DSRA Equity Commitment for deposit into the DSRA concurrently with the deposit of the Debt Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, into the DSRA. Even if a LIL Event of Default or acceleration of the amounts owed by the Partnership under the LIL Project Finance Agreement has occurred, the Collateral Agent shall not release such NL Crown Contribution until such Debt Rateable Share has been made available to the Collateral Agent and the Collateral Agent can make the concurrent deposit referred to above;

2.4.2.6 subject to clause 2.4.2.9, under no circumstance shall any NL Crown Contribution under the Base Equity Commitment be used to fund anything other than the Equity Rateable Share of the Project Costs intended to be paid therewith;

2.4.2.7 subject to clause 2.4.2.9, under no circumstance shall any NL Crown Contribution under the Contingency Equity Commitment be used to fund anything other

than the Equity Rateable Share of the Project Costs intended to be paid therewith following the exhaustion of the Base Equity Commitment;

2.4.2.8 under no circumstance shall the NL Crown Contribution under the DSRA Equity Commitment be used to fund anything other than the Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be; and

2.4.2.9 to the extent that Debt Service is required to be funded by any NL Crown Contribution under the Base Equity Commitment or Contingency Equity Commitment, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are then due and outstanding and that constitute Project Costs and to the extent any scheduled instalments of principal of the Indebtedness of the Partnership under the LIL Project Finance Agreement are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees relating to accelerated amounts) (the undertakings in clauses 2.4.2.6 to 2.4.2.9 are collectively referred to as the "**NL Payment Conditions**").

## **2.5 Prima Facie Evidence**

NL Crown hereby acknowledges and agrees that any amount set forth by the Collateral Agent in any NL Crown Payment Demand as being the amount required to be paid by it pursuant to the provisions hereof shall constitute *prima facie* evidence of the amount which, as of the date of any such NL Crown Payment Demand, is due and payable by NL Crown pursuant to the provisions hereof. Notwithstanding the foregoing, where at any time NL Crown has paid any amount set forth by the Collateral Agent in any NL Crown Payment Demand, or any other amount, and it is demonstrated at a later date that such payment was in excess of the amount required to be paid by NL Crown pursuant to the provisions hereof, then the amount of such excess payment shall be repaid to NL Crown, to the extent that it has not at such time already been used to pay for Project Costs.

## **2.6 Failure to Pay**

If by the fifth Business Day following the issuance by the Collateral Agent of a NL Crown Payment Demand, the amount specified in the NL Crown Payment Demand or required to be deposited in the Partnership Project Funding Account or the DSRA, as the case may be, is not deposited in such account or paid to the Collateral Agent for deposit to such account, the Collateral Agent shall thereupon be entitled to exercise all rights, remedies and recourses then available to it against NL Crown in order to obtain payment of such amount, it being expressly agreed that any payment by NL Crown of the amount so demanded shall be subject to the NL Payment Conditions being met as provided in Section 2.4.2. Any amount payable by the NL Crown pursuant to a NL Crown Payment Demand which is not paid within five (5) Business Days following the issuance of such NL Crown Payment Demand as herein provided will bear interest from and including such fifth Business Days until paid in full at the rate expressed to be payable on the debt of the Partnership under the LIL Project Finance Agreement. Any interest paid by the NL Crown under the terms of this Section shall constitute an equity investment by Nalcor LP in the Partnership and shall be deposited in the Partnership Project Funding Account

and shall be applied to defray the next following Nalcor Contribution required to be made under the terms of the ESA.

## **2.7 Withholding**

All amounts payable by the Guarantor under this Guarantee Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Guarantor is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Guarantor shall pay to the Collateral Agent such additional amount as is necessary to ensure that the GAA Finance Parties receive and retain (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such taxes, charges, fees, levies, duties or withholdings.

## **2.8 Postponed Subrogation**

The Guarantor shall not be subrogated to any right of the Collateral Agent until all the NL Guaranteed Obligations are paid in full as provided in Sections 2.3 and 2.4. Thereafter, the Guarantor (i) shall be subrogated to the rights of the Collateral Agent under, pursuant to and otherwise in respect of the ESA and (ii) may require the Collateral Agent to assign to it any of its rights then remaining under the ESA with respect to the NL Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, the Collateral Agent.

## **2.9 Set-Off**

The Guarantor hereby acknowledges and agrees that vis-à-vis the Collateral Agent and the GAA Finance Parties it has no available remedy of set-off. Accordingly, each payment to be made by the Guarantor hereunder in respect of the NL Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the Guarantor hereunder in respect of its NL Guaranteed Obligations shall be made without regard to any equities between or among any of the LIL Parties, the Guarantor, the Collateral Agent and the GAA Finance Parties and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Guarantor or any other LIL Parties may have or have had against any of the LIL Parties, the GAA Finance Parties or any other Person).

## **2.10 Imputation of moneys received in reduction of NL Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Collateral Agent from the Guarantor pursuant to the provisions of this Article 2 shall be applied only as provided in Sections 2.3 and 2.4.

## **2.11 Irregularity**

Any obligation of any Contributing Party to make investments by way of equity under the ESA shall be considered as being part of the NL Guaranteed Obligations, notwithstanding any lack of capacity, irregularity, defect or flaw in the creation or continuance of such obligation, whether or

not the Collateral Agent was aware of the same, it being expressly understood that any such obligation which cannot be recovered from the Guarantor as guarantor hereunder by reason of any voidness of the principal obligation may be recovered from the Guarantor under the indemnity contained in Section 2.2 and shall be payable to the Collateral Agent upon demand therefor by the Collateral Agent in accordance with Sections 2.3 and 2.4.

## **2.12 No Release of Guarantor**

Until the NL Guaranteed Obligations have been paid in full as set forth in Sections 2.3 and 2.4, the obligations of the Guarantor hereunder shall not be reduced, limited or terminated, nor shall the Guarantor be discharged from any obligation hereunder for any reason whatsoever, including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the Guarantor shall have received notice thereof or assented thereto):

2.12.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the NL Guaranteed Obligations or the LIL Project Finance Documents;

2.12.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the NL Guaranteed Obligations;

2.12.3 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to any of the GAA Finance Parties or the Collateral Agent, including but not limited to:

2.12.3.1 any exercise of or failure to exercise any right of set-off, counterclaim, reduction, recoupment or retention;

2.12.3.2 any election of rights, remedies and/or recourses effected by any of them;

2.12.3.3 any subordination by operation of Law, whether present or future, of any or all of the NL Guaranteed Obligations; and

2.12.4 any other act or failure to act which varies the risks of the Guarantor hereunder or, but for the provisions hereof, under the terms of any Law, would operate to reduce, limit or terminate the obligations of the Guarantor from any obligation hereunder.

## **2.13 Certain Waivers.**

The Guarantor hereby waives:

2.13.1 except as set forth in Section 2.3, any requirement and any right to require, that any power be exercised or any action be taken against the Contributing Parties or any other guarantor or any collateral for any of the NL Guaranteed Obligations;



2.13.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the NL Guaranteed Obligations that may at any time be available to the Contributing Parties or any other guarantor. As regards set-offs, the Guarantor confirms the acknowledgement contained in Section 2.9;

2.13.3 any notice of acceptance of the incurrence or renewal of any NL Guaranteed Obligations;

2.13.4 all notices which may be required by Law to preserve any rights against the Guarantor hereunder including, but not limited to, any notice of default, demand, dishonour, presentment, noting of protest and protest;

2.13.5 diligence;

2.13.6 any defence based upon, arising out of or in any way related to:

2.13.6.1 any claim that any election of remedies by the Collateral Agent impaired, reduced, released or extinguished any rights that the Guarantor might otherwise have had against the Contributing Parties or any other guarantor;

2.13.6.2 any claim that the NL Guaranteed Obligations should be strictly construed against the Collateral Agent; and

2.13.6.3 any and all other defences related to the NL Guaranteed Obligations save and except for the receipt by the Collateral Agent of payment in full of the NL Guaranteed Obligations.

## **2.14 No Release in Event of Bankruptcy**

No settlement or discharge of the NL Guaranteed Obligations shall be effective if any payment by the Guarantor in respect thereof is avoided or reduced by virtue of any provision or enactment relating to any Insolvency Laws, Fraudulent Conveyance Laws or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Collateral Agent shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

## **2.15 Additional Security**

This Guarantee Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Collateral Agent or a GAA Finance Party.

## **2.16 Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The Guarantor agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Guarantee Agreement is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Law or public policy, the Guarantor and the Collateral Agent agree that such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Law.

## **2.17 Authority to Modify NL Guaranteed Obligations**

The Guarantor expressly authorizes the Collateral Agent, at any time and from time to time, without notice and without affecting the liability of the Guarantor hereunder, to:

2.17.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the NL Guaranteed Obligations and any security and guarantees therefor;

2.17.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the NL Guaranteed Obligations;

2.17.3 accept partial payments on the NL Guaranteed Obligations;

2.17.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the NL Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Collateral Agent (for the benefit of the GAA Finance Parties) in its discretion may determine, subject to and in accordance with the provisions of Section 2.4; and

2.17.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of the ESA or any of the LIL Project Finance Documents.

## **2.18 No Requirement to Exhaust Recourses**

Neither the Collateral Agent nor any GAA Finance Party shall be bound to seek or exhaust its recourses or remedies against the GP or any Contributing Party, any other guarantor or any other Person nor to enforce, marshal or value any Liens before the Collateral Agent, for and on behalf of the GAA Finance Parties, is entitled to payment under this Guarantee Agreement.

## **2.19 Cost Overrun Escrow Account**

For the purposes of this Agreement and notwithstanding any provision to the contrary herein, the parties hereto acknowledge that:

2.19.1 the NL Crown Payment Demand relating to any Base Equity Contribution or Contingency Equity Contribution set out above may include amounts required to fund the Cost Overrun Escrow Account, as such account is required to be funded under the terms of Section 10.28 of the LIL Project Finance Agreement; and

2.19.2 such funding shall be deemed to be on account of Project Costs, the Equity Rateable Share and Debt Rateable Share of which shall be 100% and 0%, respectively, the amounts of any such funding shall be deposited directly into the Cost Overrun Escrow Account and be used exclusively in accordance with Section 10.28 of the LIL Project Finance Agreement, and such funding shall constitute a Base Equity Contribution or a Contingency Equity Contribution dependent on whether or not the Base Equity Commitment is then exhausted.

## ARTICLE 3

### THE COLLATERAL AGENT

#### **3.1 The Collateral Agent**

This Guarantee Agreement is made in favour of the Collateral Agent in its capacity as Collateral Agent for the GAA Finance Parties in accordance with the provisions of the Collateral Agency Agreement. Accordingly, in the event of a new collateral agent being appointed under the Collateral Agency Agreement, such new collateral agent shall thereupon become and be the collateral agent hereunder, but nevertheless, the Collateral Agent shall forthwith assign, transfer and make over to the new collateral agent hereunder this Guarantee Agreement. All provisions of the Collateral Agency Agreement for the protection of the Collateral Agent or for facilitating the administration of the trusts or otherwise relating to the Collateral Agent shall apply *mutatis mutandis* to this Guarantee Agreement and the Collateral Agent's duties hereunder.

#### **3.2 Acceptance of Trust**

The Collateral Agent hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new collateral agent shall be appointed as set forth in Section 3.1.

#### **3.3 Acknowledgment of Guarantor**

The Guarantor acknowledges and consents (i) to the recitals herein, (ii) to the issuance of the Collateral Mortgage Bonds to the Collateral Agent, for the benefit of Canada and the other GAA Finance Parties, as the case may be, and (iii) that the Collateral Mortgage Bonds will be held for Canada by the Collateral Agent and that pursuant to the terms of the Collateral Agency Agreement, Canada may direct the Collateral Agent including as to the issuance of a NL Crown Payment Demand.

## ARTICLE 4

### GENERAL PROVISIONS

#### **4.1 Notices**

Any NL Crown Payment Demand, notice or other communication contemplated to be given by the Collateral Agent or NL Crown under this Guarantee Agreement shall be in writing and delivered personally or by courier or mailed by registered mail, postage prepaid and return receipt requested, to the applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

- (a) if to the Collateral Agent:

The Toronto-Dominion Bank  
TD Bank Tower  
66 Wellington Street West  
9<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2

Attention: Michael A. Freeman, Vice-President, Loan Syndications -  
Agency

Fax: 416-944-6976

E-mail: [Michael.freeman@tdsecurities.com](mailto:Michael.freeman@tdsecurities.com)

- (b) if to NL Crown:

Government of Newfoundland and Labrador  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Facsimile: 709-729-2232

- (c) if to Canada:

Jonathan Will  
Director General  
Natural Resources Canada  
Electricity Resources Branch  
580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 613-947-8236

Facsimile: 613-947-4205

E-mail : [Jonathan.Will@NRCan-RNCan.gc.ca](mailto:Jonathan.Will@NRCan-RNCan.gc.ca)

with a copy to:

Anoop Kapoor  
Director, Renewable and Electrical Division  
Natural Resources Canada  
Renewable and Electrical Energy Division  
580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 613-996-5762

Facsimile#: 613-947-4205

E-mail : [Anoop.Kapoor@NRCan-RNCan.gc.ca](mailto:Anoop.Kapoor@NRCan-RNCan.gc.ca)

Notices given by personal delivery, by courier or mail shall be effective upon actual receipt.

#### **4.2 Successors and Assigns**

This Agreement shall enure to the benefit of and be binding upon NL Crown, the Collateral Agent and the GAA Finance Parties and their respective successors and assigns provided, however, that no assignment or transfer of any rights hereunder may be made by NL Crown without the prior written consent of the Collateral Agent. Furthermore, no assignment or transfer of any rights hereunder may be made by the Collateral Agent without the prior written consent of NL Crown, other than to a successor Collateral Agent in accordance with the provisions of the Collateral Agency Agreement.

#### **4.3 Amendments and Waivers**

The rights and remedies of the Collateral Agent under this Agreement shall be cumulative and not exclusive of any rights or remedies which it would otherwise have and no failure or delay by the Collateral Agent 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. Any term, covenant, agreement or condition contained in this Agreement may be amended only with the written consent of NL Crown and the Collateral Agent, acting in accordance with the Requisite Instructions, and such amendment shall be binding upon all of the parties hereto, or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) by the Collateral Agent, acting in accordance with the Requisite Instructions, and such waiver shall be binding upon all of the GAA Finance Parties, and in any such event the failure to observe, perform or discharge any such covenant, condition or obligation (whether such amendment is executed or such consent or waiver is given before or after such failure) shall not be construed as a breach of such covenant, condition or obligation.

#### **4.4 Execution**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

#### **4.5 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 **(a)** the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and **(b)** the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby.

#### **4.6 Entire Agreement**

With respect to the obligations of NL Crown hereunder, this Agreement constitutes the entire agreement among the parties hereto.

#### **4.7 Expenses**

The Guarantor agrees to pay all duly documented reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees, which may be incurred by the Collateral Agent or the GAA Finance Parties in any effort to collect or enforce any of the obligations of the Guarantor hereunder.

#### **4.8 Acknowledgment**

The Guarantor hereby acknowledges that it has received and taken cognizance of an original executed copy of this Agreement, the ESA and the LIL Project Finance Documents in force on the date hereof and is familiar with all the provisions thereof.

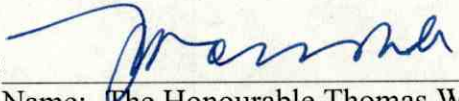
#### **4.9 Term of Agreement**

The obligations of the Guarantor under the provisions of this Agreement shall terminate on the Termination Date provided that the NL Guaranteed Obligations have been paid in full.

**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the date set out at the commencement of this Guarantee Agreement.

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF  
NEWFOUNDLAND AND LABRADOR, as  
represented by the Minister of Finance**

Per:   
Name: The Honourable Thomas W.  
Marshall, Q.C.  
Title: Minister of Finance

GUARANTEE AGREEMENT (ESA) - SIGNATURE PAGE

**THE TORONTO-DOMINION BANK,  
AS COLLATERAL AGENT**

Per: \_\_\_\_\_

A handwritten signature in cursive script, appearing to read "W. J. ...", is written over a horizontal line.

and Per: \_\_\_\_\_



SCHEDULE "A"

NL CROWN PAYMENT DEMAND IN CONNECTION WITH PROJECT COSTS

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the ESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "ESG").

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 in the Master Definitions Agreement (as defined in the ESG).

Pursuant to clause [2.3.1.1/2.3.2.1] of the ESG, we hereby request that you pay to us for deposit to, or directly deposit to, the Partnership Project Funding Account an amount of not less than <@> (the "Required Contribution ") by no later than <@> [NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the NL Crown Payment Demand.]. The Required Contribution will be used to pay the Equity Rateable Share of Project Costs to be paid with the required applicable Base Equity Contribution and will therefore be deemed to be made under the Base Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution to the Partnership Project Funding Account is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Partnership Project Funding Account and shall be used exclusively to pay the Equity Rateable Share of the Project Costs referred to in the preceding paragraph;
2. the Collateral Agent shall only release the Required Contribution from the Partnership Project Funding Account concurrently with the release from the Partnership Project

Funding Account of the Debt Rateable Share of the Project Costs to which this NL Crown Payment Demand relates. Even if a LIL Event of Default or acceleration of the amounts owed by the Partnership under the LIL Project Finance Agreement has occurred, the Collateral Agent shall not release the Required Contribution from the Partnership Project Funding Account until such Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that:

1. Subject to paragraph 2 below, under no circumstance shall any part of the Required Contribution be used to fund anything other than the Equity Rateable Share of the Project Costs intended to be paid therewith;
2. to the extent that Debt Service is required to be funded by the Required Contribution, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are due and outstanding and that constitute Project Costs, and to the extent any scheduled instalments of principal of the Indebtedness of the Partnership under the LIL Project Finance Agreement are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees relating to accelerated amounts).

The wire transfer instructions for payments to be made by you directly to the Partnership Project Funding Account are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Labrador-Island Link Holding Corporation  
Labrador-Island Link General Partner Corporation  
Labrador-Island Link Limited Partnership

SCHEDULE "B"

**NL CROWN PAYMENT DEMAND IN CONNECTION WITH PROJECT COSTS  
FOLLOWING THE EXHAUSTION OF THE BASE EQUITY COMMITMENT**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the ESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "ESG").

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 in the Master Definitions Agreement (as defined in the ESG).

Pursuant to clause [2.3.1.2/2.3.2.2] of the ESG, we hereby request that you pay to us for deposit to, or directly deposit to, the Partnership Project Funding Account an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> [**NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the NL Crown Payment Demand.**]. The Required Contribution will be used to pay the Equity Rateable Share of Project Costs to be paid following the exhaustion of the Base Equity Commitment with the required applicable Contingency Equity Contribution and will therefore be deemed to be made under the Contingency Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution to the Partnership Project Funding Account is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Partnership Project Funding Account and shall be used exclusively to pay the Equity Rateable Share of the Project Costs referred to in the preceding paragraph;

2. the Collateral Agent shall only release the Required Contribution from the Partnership Project Funding Account concurrently with the release from the Partnership Project Funding Account of the Debt Rateable Share of the Project Costs to which this NL Crown Payment Demand relates. Even if a LIL Event of Default or acceleration of the amounts owed by the Partnership under the LIL Project Finance Agreement has occurred, the Collateral Agent shall not release the Required Contribution from the Partnership Project Funding Account until such Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that:

1. Subject to paragraph 2 below, under no circumstance shall any part of the Required Contribution be used to fund anything other than the Equity Rateable Share of the Project Costs intended to be paid therewith following the exhaustion of the Base Equity Commitment;
2. to the extent that Debt Service is required to be funded by the Required Contribution, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are due and outstanding and that constitute Project Costs, and to the extent any scheduled instalments of principal of the Indebtedness of the Partnership under the LIL Project Finance Agreement are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees relating to accelerated amounts).

The wire transfer instructions for payments to be made by you directly to the Partnership Project Funding Account are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

- c.c. Nalcor Energy  
Labrador-Island Link Holding Corporation  
Labrador-Island Link General Partner Corporation  
Labrador-Island Link Limited Partnership

SCHEDULE "C"

**NL CROWN PAYMENT DEMAND IN CONNECTION WITH THE MINIMUM DSRA  
REQUIREMENT**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the ESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "ESG").

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 in the Master Definitions Agreement (as defined in the ESG).

Pursuant to clause [2.3.1.3/2.3.3] of the ESA, we hereby request that you pay to us for deposit to, or directly deposit to, the DSRA an amount of not less than <@> (the "**Required Contribution**") by no later than <@> [**NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the NL Crown Payment Demand.**]. The Required Contribution will be used to fund in the DSRA the Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, and will therefore be deemed to be made under the DSRA Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit by NL Crown of the Required Contribution in the Partnership Project Funding Account for release and deposit into the DSRA is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Partnership Project Funding Account for release and deposit into the DSRA and shall be used exclusively to fund the Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, referred to in the preceding paragraph;

2. the Collateral Agent shall only release the Required Contribution for deposit into the DSRA concurrently with the deposit of the Debt Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, into the DSRA. Even if a LIL Event of Default or acceleration of the amounts owed by the Partnership under the LIL Project Finance Agreement has occurred, the Collateral Agent shall not release the Required Contribution until such Debt Rateable Share has been made available to the Collateral Agent and the Collateral Agent can make the concurrent deposit referred to above.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that under no circumstance shall any part of the Required Contribution be used to fund anything other than the Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be.

The wire transfer instructions for payments to be made by you directly to the Partnership Project Funding Account are as follows:



Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

- c.c. Nalcor Energy  
Labrador-Island Link Holding Corporation  
Labrador-Island Link General Partner Corporation  
Labrador-Island Link Limited Partnership

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF NEWFOUNDLAND AND LABRADOR**

**and**

**THE TORONTO-DOMINION BANK,  
as Collateral Agent**

**GUARANTEE FOR LTA EQUITY SUPPORT AGREEMENT**

**DATED AS OF NOVEMBER 29, 2013**

**THIS GUARANTEE AGREEMENT** dated as of November 29, 2013.

**B E T W E E N :**

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF NEWFOUNDLAND AND LABRADOR**

(hereinafter called the "**Guarantor**" or "**NL Crown**")

**OF THE FIRST PART**

- and -

**THE TORONTO-DOMINION BANK**

(hereinafter called the "**Collateral Agent**")

**OF THE SECOND PART**

**WHEREAS** the LTA Parties entered into the LTAESA in favour of the Collateral Agent, for and on behalf of the GAA Finance Parties, pursuant to the terms of which Nalcor agreed to pay, on each Required LTA Contribution Date, to Labrador Transco, by way of equity contributions made in Labrador Transco, the Nalcor LTA Contribution required to be made on such Required LTA Contribution Date;

**WHEREAS** Canada has issued the Federal Loan Guarantee to assist in the financing provided by the Funding Vehicle to the Credit Parties to finance the Project Costs, in part;

**WHEREAS** Labrador Transco has agreed to provide security to the Collateral Agent, for the benefit of the GAA Finance Parties, to secure the Muskrat /LTA Secured Obligations;

**WHEREAS** in consideration of the issuance of the Federal Loan Guarantee and as security for its repayment indemnity and other obligations it has undertaken towards Canada, the Funding Vehicle has executed the FV Security Documents creating Liens on all its Assets including its rights in the Collateral Mortgage Bonds issued by the Credit Parties in favour of the Collateral Agent, for the benefit of Canada;

**WHEREAS** pursuant to the terms of the Collateral Agency Agreement, the Collateral Agent must act in accordance with the Requisite Instructions and in the event of any conflict in the Requisite Instructions received, the Collateral Agent is required to act in accordance with the instructions of Canada;

**WHEREAS** it is a condition precedent to the financing to be made available to Labrador Transco under the Muskrat /LTA Project Finance Documents that this Guarantee Agreement be provided by NL Crown to the Collateral Agent, for and on behalf of the GAA Finance Parties, to secure the payment by Nalcor of the LTA Guaranteed Obligations arising under the LTAESA;



**WHEREAS** NL Crown is authorized to execute this Agreement and perform its obligations hereunder pursuant to Sections 25 and 27 of the *Energy Corporation Act* (NL);

**WHEREAS** the Minister of Finance is authorized for and on behalf of NL Crown to execute this Guarantee Agreement issued pursuant to Sections 25 and 27 of the *Energy Corporation Act* (NL);

**WHEREAS** the financing under the Muskrat/LTA Project Finance Documents is being made available to Labrador Transco in reliance upon the covenants and agreements of NL Crown set forth herein;

**NOW THEREFORE THIS GUARANTEE AGREEMENT WITNESSETH** that in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

## **ARTICLE 1**

### **INTERPRETATION**

#### **1.1 Definitions**

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 as of November 29, 2013 entered into among, inter alia, the Collateral Agent, the Funding Vehicle and the LTA Parties (the "**Master Definitions Agreement**"). The rules of interpretation set forth in Article 1 of the Master Definitions Agreement apply to this Guarantee for LTA Equity Support 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**

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 "**Guarantee for LTA Equity Support Agreement**", "**this Guarantee for LTA Equity Support Agreement**", "**this Guarantee 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 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of NL and the federal Laws of Canada applicable therein and all actions, suits and 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.

## **1.5 Time**

Time shall be of the essence of this Agreement.

## **ARTICLE 2**

### **GUARANTEE**

#### **2.1 Guarantee**

The Guarantor hereby irrevocably and absolutely guarantees to the Collateral Agent, for and on behalf of the GAA Finance Parties, the due and punctual payment of all the LTA Guaranteed Obligations at the times, in the currencies and in the manner provided for in the LTAESA, subject to the provisions of Sections 2.3 and 2.4.

#### **2.2 Nature of Guarantee**

The obligations of the Guarantor hereunder are and shall be irrevocable, absolute, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. Subject to the provisions of Sections 2.3 and 2.4, as and by way of indemnity, the Guarantor shall irrevocably and absolutely pay to the Collateral Agent or deposit directly in the Labrador Transco Project Funding Account or LRA, as applicable, all such amounts as shall be required from time to time to ensure that the full amount of the LTA Guaranteed Obligations are paid or deposited regardless of (a) the unenforceability or invalidity of the LTA Guaranteed Obligations or any failure by Nalcor to duly and punctually pay in full the LTA Guaranteed Obligations when due, (b) any loss of any right of the Collateral Agent or the GAA Finance Parties against Nalcor in respect of the LTA Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Collateral Agent in connection with the enforcement of any of the rights of the Collateral Agent against Nalcor.

#### **2.3 NL Crown LTA Payment Demand**

2.3.1 If Labrador Transco fails to issue a LTA Cash Call Notice in accordance with the provisions of Section 2.2 of the LTAESA as and when required therein:

2.3.1.1 in connection with the LTA Base Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule A, that NL Crown pay to the Collateral Agent for deposit to the Labrador Transco Project Funding Account (or deposit directly in the Labrador Transco Project Funding Account) an amount equal to (i) where no deposit required to be made in the Labrador Transco Project Funding Account pursuant to Section 2.3 of the LTAESA has been made, the deposit in the Labrador Transco Project Funding Account that should have been made pursuant to Section 2.3 of the LTAESA and (ii) where only a portion of the deposit required to be made in the Labrador Transco Project Funding Account pursuant to Section 2.3 of the LTAESA has been made, the difference between

the deposit in the Labrador Transco Project Funding Account that should have been made pursuant to Section 2.3 of the LTAESA and the deposit in the Labrador Transco Project Funding Account that has been made;

2.3.1.2 in connection with the LTA Contingency Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule B, that NL Crown pay to the Collateral Agent for deposit to the Labrador Transco Project Funding Account (or deposit directly in the Labrador Transco Project Funding Account) an amount equal to (i) where no deposit required to be made in the Labrador Transco Project Funding Account pursuant to Section 2.4 of the LTAESA has been made, the deposit in the Labrador Transco Project Funding Account that should have been made pursuant to Section 2.4 of the LTAESA and (ii) where only a portion of the deposit required to be made in the Labrador Transco Project Funding Account pursuant to Section 2.4 of the LTAESA has been made, the difference between the deposit in the Labrador Transco Project Funding Account that should have been made pursuant to Section 2.4 of the LTAESA and the deposit in the Labrador Transco Project Funding Account that has been made;

2.3.1.3 in connection with the LTA DSRA Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule C, that NL Crown pay to the Collateral Agent for deposit in the Labrador Transco Project Funding Account for release and deposit into the DSRA an amount equal to (i) where no deposit required to be made in the Labrador Transco Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the LTAESA has been made, the deposit that should have been made pursuant to Section 2.5 of the LTAESA and (ii) where only a portion of the deposit required to be made in the Labrador Transco Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the LTAESA has been made, the difference between the deposit that should have been made pursuant to Section 2.5 of the LTAESA and the deposit that has been made;

2.3.1.4 in connection with the LTA LRA Equity Commitment, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule D, that NL Crown pay to the Collateral Agent for deposit to the LRA (or deposit directly in the LRA) an amount equal to (i) where no deposit required to be made in the LRA pursuant to Section 2.6 of the LTAESA has been made, the deposit in the LRA that should have been made pursuant to Section 2.6 of the LTAESA and (ii) where only a portion of the deposit required to be made in the LRA pursuant to Section 2.6 of the LTAESA has been made, the difference between the deposit in the LRA that should have been made pursuant to Section 2.6 of the LTAESA and the deposit in the LRA that has been made;

2.3.2 If the amount required to be deposited in the Labrador Transco Project Funding Account by:

2.3.2.1 any Required LTA Base Equity Contribution Date as provided in Section 2.3 of the LTAESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule A, that NL Crown pay to the Collateral Agent for deposit to the Labrador Transco Project Funding Account (or deposit directly in the Labrador Transco Project Funding Account) an amount equal to (i) where no deposit required to be made in the Labrador Transco Project Funding Account pursuant to

Section 2.3 of the LTAESA has been made, the deposit in the Labrador Transco Project Funding Account that should have been made pursuant to Section 2.3 of the LTAESA and (ii) where only a portion of the deposit required to be made in the Labrador Transco Project Funding Account pursuant to Section 2.3 of the LTAESA has been made, the difference between the deposit in the Labrador Transco Project Funding Account that should have been made pursuant to Section 2.3 of the LTAESA and the deposit in the Labrador Transco Project Funding Account that has been made;

2.3.2.2 any Required LTA Contingency Equity Contribution Date as provided in Section 2.4 of the LTAESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule B, that NL Crown pay to the Collateral Agent for deposit to the Labrador Transco Project Funding Account (or deposit directly in the Labrador Transco Project Funding Account) an amount equal to (i) where no deposit required to be made in the Labrador Transco Project Funding Account pursuant to Section 2.4 of the LTAESA has been made, the deposit in the Labrador Transco Project Funding Account that should have been made pursuant to Section 2.4 of the LTAESA and (ii) where only a portion of the deposit required to be made in the Labrador Transco Project Funding Account pursuant to Section 2.4 of the LTAESA has been made, the difference between the deposit in the Labrador Transco Project Funding Account that should have been made pursuant to Section 2.4 of the LTAESA and the deposit in the Labrador Transco Project Funding Account that has been made;

2.3.3 If the amount required to be deposited in the Labrador Transco Project Funding Account for release and deposit in the DSRA as provided in Section 2.5 of the LTAESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule C, that NL Crown pay to the Collateral Agent for deposit in the Labrador Transco Project Funding Account for release and deposit into the DSRA an amount equal to (i) where no deposit required to be made in the Labrador Transco Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the LTAESA has been made, the deposit in the DSRA that should have been made pursuant to Section 2.5 of the LTAESA and (ii) where only a portion of the deposit required to be made in the Labrador Transco Project Funding Account for release and deposit into the DSRA pursuant to Section 2.5 of the LTAESA has been made, the difference between the deposit that should have been made pursuant to Section 2.5 of the LTAESA and the deposit that has been made;

2.3.4 If the amount required to be deposited in the LRA as provided in Section 2.6 of the LTAESA is not deposited therein by such date, the Collateral Agent may demand, by issuing a demand to NL Crown in the form of Schedule D, that NL Crown pay to the Collateral Agent for deposit to the LRA (or deposit directly in the LRA) an amount equal to (i) where no deposit required to be made in the LRA pursuant to Section 2.6 of the LTAESA has been made, the deposit in the LRA that should have been made pursuant to Section 2.6 of the LTAESA and (ii) where only a portion of the deposit required to be made in the LRA pursuant to Section 2.6 of the LTAESA has been made, the difference between the deposit in the LRA that should have been made pursuant to Section 2.6 of the LTAESA and the deposit in the LRA that has been made;

2.3.5 NL Crown covenants and agrees, to and in favour of the Collateral Agent, for the benefit of the GAA Finance Parties, that by no later than 3:00 p.m. on the fifth Business Day

following its receipt of any LTA NL Crown Payment Demand, it shall deposit an amount equal to the LTA NL Crown Contribution to the Labrador Transco Project Funding Account or the LRA, as the case may be, or pay the LTA NL Crown Contribution to the Collateral Agent, to be deposited by the Collateral Agent forthwith upon receipt to the Labrador Transco Project Funding Account or the LRA, or released for deposit into the DSRA, as the case may be. The Collateral Agent hereby agrees to deposit to the Labrador Transco Project Funding Account, the DSRA or the LRA, as the case may be, any amount so received forthwith upon receipt.

## **2.4 Conditions to NL Crown LTA Payment Demand**

In each LTA NL Crown Payment Demand issued under this Agreement, the Collateral Agent shall:

2.4.1 specify the amount of the LTA NL Crown Contribution required to be made, the date by which it is required to be made and whether and why it is to be deemed to be made under the LTA Base Equity Commitment, LTA Contingency Equity Commitment, LTA DSRA Equity Commitment or LTA LRA Equity Commitment, as the case may be;

2.4.2 acknowledge, covenant and agree (and the Collateral Agent hereby acknowledges, covenants and agrees in respect of each LTA NL Crown Payment Demand issued under this Agreement) that:

2.4.2.1 each LTA NL Crown Contribution paid by NL Crown to the Collateral Agent under the LTA Base Equity Commitment shall be deposited forthwith in the Labrador Transco Project Funding Account and shall be used exclusively to pay the LTA Equity Rateable Share of the LTA Project Costs, to be paid therewith as contemplated in the LTA NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.2 each LTA NL Crown Contribution paid by NL Crown to the Collateral Agent under the LTA Contingency Equity Commitment shall be deposited forthwith in the Labrador Transco Project Funding Account and shall be used exclusively to pay the LTA Equity Rateable Share of LTA Project Costs to be paid therewith following the exhaustion of the LTA Base Equity Commitment as contemplated in the LTA NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.3 the LTA NL Crown Contribution paid by NL Crown to the Collateral Agent under the LTA DSRA Equity Commitment shall be deposited forthwith in the DSRA and shall be used exclusively to fund Labrador Transco's Project Rateable Share of the LTA Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, to be funded therewith as contemplated in the LTA NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.4 the LTA NL Crown Contribution paid by NL Crown to the Collateral Agent under the LTA LRA Equity Commitment shall be deposited forthwith in the LRA and shall be used exclusively to fund 18% of the Minimum LRA Requirement as at the Commissioning Date, to be funded therewith as contemplated in the LTA NL Crown Payment Demand issued by the Collateral Agent;

2.4.2.5 the Collateral Agent shall only release any LTA NL Crown Contribution under the LTA Base Equity Commitment or LTA Contingency Equity Commitment from the Labrador Transco Project Funding Account concurrently with the release from the Labrador Transco Project Funding Account of the LTA Debt Rateable Share of the LTA Project Costs to which such LTA NL Crown Payment Demand relates. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Labrador Transco under the Muskrat/LTA Project Finance Documents has occurred, the Collateral Agent shall not release any such LTA NL Crown Contribution from the Labrador Transco Project Funding Account until such LTA Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above;

2.4.2.6 the Collateral Agent shall only release the LTA NL Crown Contribution under the LTA DSRA Equity Commitment for deposit into the DSRA concurrently with the deposit of Labrador Transco's Project Rateable Share of the LTA Debt Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, into the DSRA. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Labrador Transco under the Muskrat/LTA Project Finance Documents has occurred, the Collateral Agent shall not release such LTA NL Crown Contribution until such LTA Debt Rateable Share has been made available to the Collateral Agent and the Collateral Agent can make the concurrent deposit referred to above;

2.4.2.7 subject to clause 2.4.2.11, under no circumstance shall any LTA NL Crown Contribution under the LTA Base Equity Commitment be used to fund anything other than the LTA Equity Rateable Share of the LTA Project Costs intended to be paid therewith;

2.4.2.8 subject to clause 2.4.2.11, under no circumstance shall any LTA NL Crown Contribution under the LTA Contingency Equity Commitment be used to fund anything other than the LTA Equity Rateable Share of the LTA Project Costs intended to be paid therewith following the exhaustion of the LTA Base Equity Commitment;

2.4.2.9 under no circumstance shall the LTA NL Crown Contribution under the LTA DSRA Equity Commitment be used to fund anything other than Labrador Transco's Project Rateable Share of the LTA Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be;

2.4.2.10 under no circumstance shall the LTA NL Crown Contribution under the LTA LRA Equity Commitment be used to fund anything other than 18% of the Minimum LRA Requirement as at the Commissioning Date; and

2.4.2.11 to the extent that Debt Service is required to be funded by any LTA NL Crown Contribution under the LTA Base Equity Commitment or LTA Contingency Equity Commitment, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are then due and outstanding and that constitute LTA Project Costs, and to the extent any scheduled instalments of principal of the Indebtedness of Labrador Transco under the Muskrat/LTA Project Finance Documents are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees

relating to accelerated amounts) (the undertakings in clauses 2.4.2.7 to 2.4.2.11 are collectively referred to as the "**LTA NL Payment Conditions**").

## **2.5 Prima Facie Evidence**

NL Crown hereby acknowledges and agrees that any amount set forth by the Collateral Agent in any LTA NL Crown Payment Demand as being the amount required to be paid by it pursuant to the provisions hereof shall constitute *prima facie* evidence of the amount which, as of the date of any such LTA NL Crown Payment Demand, is due and payable by NL Crown pursuant to the provisions hereof. Notwithstanding the foregoing, where at any time NL Crown has paid any amount set forth by the Collateral Agent in any LTA NL Crown Payment Demand, or any other amount, and it is demonstrated at a later date that such payment was in excess of the amount required to be paid by NL Crown pursuant to the provisions hereof, then the amount of such excess payment shall be repaid to NL Crown, to the extent that it has not at such time already been used to pay for LTA Project Costs.

## **2.6 Failure to Pay**

If by the fifth Business Day following the issuance by the Collateral Agent of a LTA NL Crown Payment Demand, the amount specified in the LTA NL Crown Payment Demand or required to be deposited in the Labrador Transco Project Funding Account, the DSRA or the LRA, as the case may be, is not deposited in such account or paid to the Collateral Agent for deposit to such account, the Collateral Agent shall thereupon be entitled to exercise all Rights, Remedies and/or Recourses then available to it against NL Crown in order to obtain payment of such amount, it being expressly agreed that any payment by NL Crown of the amount so demanded shall be subject to the LTA NL Payment Conditions being met as provided in Section 2.4.2. Any amount payable by the NL Crown pursuant to a LTA NL Crown Payment Demand which is not paid within five (5) Business Days following the issuance of such LTA NL Crown Payment Demand as herein provided will bear interest from and including such fifth Business Day until paid in full at the rate expressed to be payable on the debt of Labrador Transco under the Muskrat/LTA Project Finance Documents. Any interest paid by the NL Crown under the terms of this Section shall constitute an equity investment by Nalcor in Labrador Transco and shall be deposited in the Labrador Transco Project Funding Account and shall be applied to defray the next following Nalcor LTA Contribution required to be made under the terms of the LTAESA.

## **2.7 Withholding**

All amounts payable by the Guarantor under this Guarantee Agreement shall be made free and clear of and without deduction for or on account of any present or future taxes, charges, fees, levies, duties or withholdings of any kind. If the Guarantor is obliged to deduct or withhold an amount in respect of any such taxes, charges, fees, levies, duties or withholdings, then in such event the Guarantor shall pay to the Collateral Agent such additional amount as is necessary to ensure that the GAA Finance Parties receive and retain (on an after-tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such taxes, charges, fees, levies, duties or withholdings.

## **2.8 Postponed Subrogation**

The Guarantor shall not be subrogated to any right of the Collateral Agent until all the LTA Guaranteed Obligations are paid in full as provided in Sections 2.3 and 2.4. Thereafter, the Guarantor **(i)** shall be subrogated to the rights of the Collateral Agent under, pursuant to and otherwise in respect of the LTAESA and **(ii)** may require the Collateral Agent to assign to it any of its rights then remaining under the LTAESA with respect to the LTA Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, the Collateral Agent.

## **2.9 Set-Off**

The Guarantor hereby acknowledges and agrees that vis-à-vis the Collateral Agent and the GAA Finance Parties it has no available remedy of set-off. Accordingly, each payment to be made by the Guarantor hereunder in respect of the LTA Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the Guarantor hereunder in respect of its LTA Guaranteed Obligations shall be made without regard to any equities between or among any of the LTA Parties, the Guarantor, the Collateral Agent and the GAA Finance Parties and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Guarantor or any other LTA Parties may have or have had against any of the LTA Parties, the GAA Finance Parties or any other Person).

## **2.10 Imputation of moneys received in reduction of LTA Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Collateral Agent from the Guarantor pursuant to the provisions of this Article 2 shall be applied only as provided in Sections 2.3 and 2.4.

## **2.11 Irregularity**

Any obligation of Nalcor to make investments by way of equity under the LTAESA shall be considered as being part of the LTA Guaranteed Obligations, notwithstanding any lack of capacity, irregularity, defect or flaw in the creation or continuance of such obligation, whether or not the Collateral Agent was aware of the same, it being expressly understood that any such obligation which cannot be recovered from the Guarantor as guarantor hereunder by reason of any voidness of the principal obligation may be recovered from the Guarantor under the indemnity contained in Section 2.2 and shall be payable to the Collateral Agent upon demand therefor by the Collateral Agent in accordance with Sections 2.3 and 2.4.

## **2.12 No Release of Guarantor**

Until the LTA Guaranteed Obligations have been paid in full as set forth in Sections 2.3 and 2.4, the obligations of the Guarantor hereunder shall not be reduced, limited or terminated, nor shall the Guarantor be discharged from any obligation hereunder for any reason whatsoever, including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective



periods then specified therefor and whether or not the Guarantor shall have received notice thereof or assented thereto):

2.12.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the LTA Guaranteed Obligations or the Muskrat/LTA Project Finance Documents;

2.12.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the LTA Guaranteed Obligations;

2.12.3 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any Rights, Remedies and/or Recourses available to any of the GAA Finance Parties or the Collateral Agent, including but not limited to:

2.12.3.1 any exercise of or failure to exercise any right of set-off, counterclaim, reduction, recoupment or retention;

2.12.3.2 any election of Rights, Remedies and/or Recourses effected by any of them;

2.12.3.3 any subordination by operation of Law, whether present or future, of any or all of the LTA Guaranteed Obligations; and

2.12.4 any other act or failure to act which varies the risks of the Guarantor hereunder or, but for the provisions hereof, under the terms of any Law, would operate to reduce, limit or terminate the obligations of the Guarantor from any obligation hereunder.

## **2.13 Certain Waivers.**

The Guarantor hereby waives:

2.13.1 except as set forth in Section 2.3, any requirement and any right to require, that any power be exercised or any action be taken against Nalcor or any other guarantor or any collateral for any of the LTA Guaranteed Obligations;

2.13.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the LTA Guaranteed Obligations that may at any time be available to Nalcor or any other guarantor. As regards set-offs, the Guarantor confirms the acknowledgement contained in Section 2.9;

2.13.3 any notice of acceptance of the incurrence or renewal of any LTA Guaranteed Obligations;

2.13.4 all notices which may be required by Law to preserve any rights against the Guarantor hereunder including, but not limited to, any notice of default, demand, dishonour, presentment, noting of protest and protest;

2.13.5 diligence;

2.13.6 any defence based upon, arising out of or in any way related to:

2.13.6.1 any claim that any election of remedies by the Collateral Agent impaired, reduced, released or extinguished any rights that the Guarantor might otherwise have had against Nalcor or any other guarantor;

2.13.6.2 any claim that the LTA Guaranteed Obligations should be strictly construed against the Collateral Agent; and

2.13.6.3 any and all other defences related to the LTA Guaranteed Obligations save and except for the receipt by the Collateral Agent of payment in full of the LTA Guaranteed Obligations.

## **2.14 No Release in Event of Bankruptcy**

No settlement or discharge of the LTA Guaranteed Obligations shall be effective if any payment by the Guarantor in respect thereof is avoided or reduced by virtue of any provision or enactment relating to any Insolvency Laws, Fraudulent Conveyance Laws or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Collateral Agent shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

## **2.15 Additional Security**

This Guarantee Agreement shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Collateral Agent or a GAA Finance Party.

## **2.16 Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The Guarantor agrees that each of the waivers, renunciations, declarations and authorizations set forth in this Guarantee Agreement is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Law or public policy, the Guarantor and the Collateral Agent agree that such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Law.

## **2.17 Authority to Modify LTA Guaranteed Obligations**

The Guarantor expressly authorizes the Collateral Agent, at any time and from time to time, without notice and without affecting the liability of the Guarantor hereunder, to:

2.17.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the LTA Guaranteed Obligations and any security and guarantees therefor;

2.17.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the LTA Guaranteed Obligations;

2.17.3 accept partial payments on the LTA Guaranteed Obligations;

2.17.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the LTA Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Collateral Agent (for the benefit of the GAA Finance Parties) in its discretion may determine, subject to and in accordance with the provisions of Section 2.4; and

2.17.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of the LTAESA or any of the Muskrat/LTA Project Finance Documents.

## **2.18 No Requirement to Exhaust Recourses**

Neither the Collateral Agent nor any GAA Finance Party shall be bound to seek or exhaust its recourses or remedies against Labrador Transco or Nalcor, any other guarantor or any other person nor to enforce, marshal or value any Liens before the Collateral Agent, for and on behalf of the GAA Finance Parties, is entitled to payment under this Guarantee Agreement.

## **2.19 Cost Overrun Escrow Account**

For the purposes of this Agreement and notwithstanding any provision to the contrary herein, the parties hereto acknowledge that:

2.19.1 the LTA NL Crown Payment Demand relating to any LTA Base Equity Contribution or LTA Contingency Equity Contribution set out above may include amounts required to fund the Cost Overrun Escrow Account, as such account is required to be funded under the terms of Section 10.28 of the Muskrat/LTA Project Finance Agreement;

2.19.2 such funding shall be deemed to be on account of LTA Project Costs, the LTA Equity Rateable Share and LTA Debt Rateable Share of which shall be 100% and 0%, respectively, the amounts of any such funding shall be deposited directly into the Cost Overrun Escrow Account and be used exclusively in accordance with Section 10.28 of the Muskrat/LTA Project Finance Agreement, and such funding shall constitute a LTA Base Equity Contribution or a LTA Contingency Equity Contribution dependent on whether or not the LTA Base Equity Commitment is then exhausted.

# **ARTICLE 3**

## **THE COLLATERAL AGENT**

### **3.1 The Collateral Agent**

This Guarantee Agreement is made in favour of the Collateral Agent in its capacity as Collateral Agent for the GAA Finance Parties in accordance with the provisions of the Collateral Agency Agreement. Accordingly, in the event of a new collateral agent being appointed under the Collateral Agency Agreement, such new collateral agent shall thereupon become and be the collateral agent hereunder, but nevertheless, the Collateral Agent shall forthwith assign, transfer and make over to the new collateral agent hereunder this Guarantee Agreement. All provisions of

the Collateral Agency Agreement for the protection of the Collateral Agent or for facilitating the administration of the trusts or otherwise relating to the Collateral Agent shall apply *mutatis mutandis* to this Guarantee Agreement and the Collateral Agent's duties hereunder.

### **3.2 Acceptance of Trust**

The Collateral Agent hereby accepts the trusts hereof and agrees to carry out and discharge the same unless and until a new collateral agent shall be appointed as set forth in Section 3.1.

### **3.3 Acknowledgment of Guarantor**

The Guarantor acknowledges and consents (i) to the recitals herein, (ii) to the issuance of the Collateral Mortgage Bonds to the Collateral Agent, for the benefit of Canada and the other GAA Finance Parties, as the case may be, and (iii) that the Collateral Mortgage Bonds will be held for Canada by the Collateral Agent and that pursuant to the terms of the Collateral Agency Agreement, Canada may direct the Collateral Agent including as to the issuance of a LTA NL Crown Payment Demand.

## **ARTICLE 4**

### **GENERAL PROVISIONS**

#### **4.1 Notices**

Any LTA NL Crown Payment Demand, notice or other communication contemplated to be given by the Collateral Agent or NL Crown under this Guarantee Agreement shall be in writing and delivered personally or by courier or mailed by registered mail, postage prepaid and return receipt requested, to the applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

- (a) if to the Collateral Agent:

The Toronto-Dominion Bank  
TD Bank Tower  
66 Wellington Street West  
9<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2

Attention: Michael A. Freeman, Vice-President, Loan Syndications -  
Agency

Facsimile: 416-944-6976

E-mail: [Michael.freeman@tdsecurities.com](mailto:Michael.freeman@tdsecurities.com)

(b) if to NL Crown:

Government of Newfoundland and Labrador  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Facsimile: 709-729-2232

(c) if to Canada:

Jonathan Will  
Director General  
Natural Resources Canada  
Electricity Resources Branch  
580 Booth Street, 17th Floor, Room: C7-2  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 613-947-8236

Facsimile: 613-947-4205

E-mail : [Jonathan.Will@NRCan-RNCan.gc.ca](mailto:Jonathan.Will@NRCan-RNCan.gc.ca)

with a copy to:

Anoop Kapoor  
Director, Renewable and Electrical Division  
Natural Resources Canada  
Renewable and Electrical Energy Division  
580 Booth Street, 17th Floor, Room: B7-3  
Ottawa, Ontario K1A 0E4  
Canada

Telephone: 613-996-5762

Facsimile: 613-947-4205

E-mail : [Anoop.Kapoor@NRCan-RNCan.gc.ca](mailto:Anoop.Kapoor@NRCan-RNCan.gc.ca)

Notices given by personal delivery, by courier or mail shall be effective upon actual receipt.

#### **4.2 Successors and Assigns**

This Agreement shall enure to the benefit of and be binding upon NL Crown, the Collateral Agent and the GAA Finance Parties and their respective successors and assigns provided, however, that no assignment or transfer of any rights hereunder may be made by NL Crown

without the prior written consent of the Collateral Agent. Furthermore, no assignment or transfer of any rights hereunder may be made by the Collateral Agent without the prior written consent of NL Crown, other than to a successor Collateral Agent in accordance with the provisions of the Collateral Agency Agreement.

#### **4.3 Amendments and Waivers**

The rights and remedies of the Collateral Agent under this Agreement shall be cumulative and not exclusive of any rights or remedies which it would otherwise have and no failure or delay by the Collateral Agent 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. Any term, covenant, agreement or condition contained in this Agreement may be amended only with the written consent of NL Crown and the Collateral Agent, acting in accordance with the Requisite Instructions, and such amendment shall be binding upon all of the parties hereto, or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) by the Collateral Agent, acting in accordance with the Requisite Instructions, and such waiver shall be binding upon all of the GAA Finance Parties, and in any such event the failure to observe, perform or discharge any such covenant, condition or obligation (whether such amendment is executed or such consent or waiver is given before or after such failure) shall not be construed as a breach of such covenant, condition or obligation.

#### **4.4 Execution**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

#### **4.5 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 **(a)** the validity, legality and enforceability in every other jurisdiction of such provision shall not in any way be affected or impaired thereby and **(b)** the validity, legality and enforceability in such jurisdiction of the remaining provisions hereof shall not in any way be affected or impaired thereby

#### **4.6 Entire Agreement**

With respect to the obligations of NL Crown hereunder, this Agreement constitutes the entire agreement among the parties hereto.

#### **4.7 Expenses**

The Guarantor agrees to pay all duly documented reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees, which may be incurred by the Collateral Agent or the GAA Finance Parties in any effort to collect or enforce any of the obligations of the Guarantor hereunder.

**4.8 Acknowledgment**

The Guarantor hereby acknowledges that it has received and taken cognizance of an original executed copy of this Agreement, the LTAESA and the Muskrat/LTA Project Finance Documents in force on the date hereof and is familiar with all the provisions thereof.

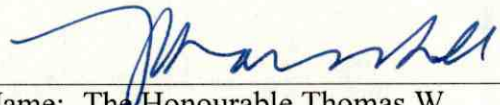
**4.9 Term of Agreement**

The obligations of the Guarantor under the provisions of this Agreement shall terminate on the Termination Date provided that the LTA Guaranteed Obligations have been paid in full.

**[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the parties hereto have executed this agreement as of the date set out at the commencement of this Guarantee Agreement.

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF  
NEWFOUNDLAND AND LABRADOR, as  
represented by the Minister of Finance**

Per: 

Name: The Honourable Thomas W.  
Marshall, Q.C.  
Title: Minister of Finance



GUARANTEE AGREEMENT (LTAESA) – SIGNATURE PAGE

**THE TORONTO-DOMINION BANK,  
as Collateral Agent**

Per: 

Name: Michael A. Freeman  
Title: Vice President, Loan Syndications - Agency

Per: \_\_\_\_\_

Name:  
Title:

**SCHEDULE "A"**

**LTA NL CROWN LTA PAYMENT DEMAND IN CONNECTION  
WITH PROJECT COSTS**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the LTAESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "LTAESG").

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 in the Master Definitions Agreement (as defined in the LTAESG).

Pursuant to clause [2.3.1.1/2.3.2.1] of the LTAESG, we hereby request that you pay to us for deposit to, or directly deposit to, the Labrador Transco Project Funding Account an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> [NOTE: **Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the LTA NL Crown Payment Demand.**]. The Required Contribution will be used to pay the LTA Equity Rateable Share of LTA Project Costs to be paid with the required applicable LTA Base Equity Contribution and will therefore be deemed to be made under the LTA Base Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution to the Labrador Transco Project Funding Account is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Labrador Transco Project Funding Account and shall be used exclusively to pay the LTA Equity Rateable Share of the LTA Project Costs referred to in the preceding paragraph;

2. the Collateral Agent shall only release the Required Contribution from the Labrador Transco Project Funding Account concurrently with the release from the Labrador Transco Project Funding Account of the LTA Debt Rateable Share of the LTA Project Costs to which this LTA NL Crown Payment Demand relates. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Labrador Transco under the Muskrat/LTA Project Finance Documents has occurred, the Collateral Agent shall not release the Required Contribution from the Labrador Transco Project Funding Account until such LTA Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above; .

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that:

1. Subject to paragraph 2 below, under no circumstance shall any part of the Required Contribution be used to fund anything other than the LTA Equity Rateable Share of the LTA Project Costs intended to be paid therewith;
2. to the extent that Debt Service is required to be funded by the Required Contribution, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are due and outstanding and that constitute LTA Project Costs, and to the extent any scheduled instalments of principal of the Indebtedness of Labrador Transco under the Muskrat/LTA Project Finance Documents are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees relating to accelerated amounts).

The wire transfer instructions for payments to be made by you directly to the Labrador Transco Project Funding Account are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Labrador Transmission Corporation

SCHEDULE "B"

**LTA NL CROWN PAYMENT DEMAND IN CONNECTION  
WITH LTA PROJECT COSTS FOLLOWING THE EXHAUSTION  
OF THE LTA BASE EQUITY COMMITMENT**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the LTAESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "LTAESG").

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 in the Master Definitions Agreement (as defined in the LTAESG).

Pursuant to clause [2.3.1.2/2.3.2.2] of the LTAESG, we hereby request that you pay to us for deposit to, or directly deposit to, the Labrador Transco Project Funding Account an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> [**NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the LTA NL Crown Payment Demand.**]. The Required Contribution will be used to pay the LTA Equity Rateable Share of LTA Project Costs to be paid following the exhaustion of the LTA Base Equity Commitment with the required applicable LTA Contingency Equity Contribution and will therefore be deemed to be made under the LTA Contingency Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution to the Labrador Transco Project Funding Account is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Labrador Transco Project Funding Account and shall be used exclusively to pay the LTA Equity Rateable Share of the LTA Project Costs referred to in the preceding paragraph;
2. the Collateral Agent shall only release the Required Contribution from the Labrador Transco Project Funding Account concurrently with the release from the Labrador Transco Project Funding Account of the LTA Debt Rateable Share of the LTA Project Costs to which this LTA NL Crown Payment Demand relates. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Labrador Transco under the Muskrat/LTA Project Finance Agreement has occurred, the Collateral Agent shall not release the Required Contribution from the Labrador Transco Project Funding Account until such LTA Debt Rateable Share has been deposited therein and the Collateral Agent can make the concurrent release referred to above.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that:

1. Subject to paragraph 2 below, under no circumstance shall any part of the Required Contribution be used to fund anything other than the LTA Equity Rateable Share of the LTA Project Costs intended to be paid therewith following the exhaustion of the LTA Base Equity Commitment;
2. to the extent that Debt Service is required to be funded by the Required Contribution, then only such portion of Debt Service shall be so funded as constitutes interest and fees that are due and outstanding and that constitute LTA Project Costs, and to the extent any scheduled instalments of principal of the Indebtedness of Labrador Transco under the Muskrat/LTA Project Finance Documents are due and outstanding, such scheduled instalments of principal, but expressly excluding any accelerated amounts (and interest and fees relating to accelerated amounts).

The wire transfer instructions for payments to be made by you directly to the Labrador Transco Project Funding Account are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Labrador Transmission Corporation

SCHEDULE "C"

LTA NL CROWN PAYMENT DEMAND IN CONNECTION  
WITH THE MINIMUM DSRA REQUIREMENT

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the LTAESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "LTAESG").

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 in the Master Definitions Agreement (as defined in the LTAESG).

Pursuant to clause [2.3.1.3/2.3.3] of the LTAESG, we hereby request that you pay to us for deposit to, or directly deposit to, the DSRA an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> [**NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the LTA NL Crown Payment Demand.**]. The Required Contribution will be used to fund in the DSRA Labrador Transco's Project Rateable Share of the LTA Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, and will therefore be deemed to be made under the LTA DSRA Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution in the Labrador Transco Project Funding Account for release and deposit into the DSRA is expressly subject to the following conditions:

1. the Required Contribution shall be deposited in the Labrador Transco Project Funding Account for release and deposit into the DSRA and shall be used exclusively to fund Labrador Transco’s Project Rateable Share of the LTA Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, referred to in the preceding paragraph;
2. the Collateral Agent shall only release the Required Contribution for deposit into the DSRA concurrently with the deposit of Labrador Transco's Project Rateable Share of the LTA Debt Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be, into the DSRA. Even if a Muskrat/LTA Event of Default or acceleration of the amounts owed by Labrador Transco under the Muskrat/LTA Project Finance Documents has occurred, the Collateral Agent shall not release the Required Contribution until such LTA Debt Rateable Share has been made available to the Collateral Agent and the Collateral Agent can make the concurrent deposit referred to above.

Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that under no circumstance shall any part of the Required Contribution be used to fund anything other than Labrador Transco’s Project Rateable Share of the LTA Equity Rateable Share of the Minimum DSRA Requirement as at the Commissioning Date or the DSRA Prefunding, as the case may be.

The wire transfer instructions for payments to be made by you directly to the Labrador Transco Project Funding Account are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Labrador Transmission Corporation

**SCHEDULE "D"**

**LTA NL CROWN PAYMENT DEMAND IN CONNECTION  
WITH THE MINIMUM LRA REQUIREMENT**

Date:

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NEWFOUNDLAND AND  
LABRADOR  
Department of Finance  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Attention: Deputy Minister

Gentlemen,

We refer you to that certain guarantee agreement relating to the LTAESA dated as of November 29, 2013 entered into between Her Majesty the Queen in Right of the Province of Newfoundland and Labrador and The Toronto-Dominion Bank, as Collateral Agent (the said agreement, as amended, supplemented, restated, replaced or otherwise modified at any time and from time to time, is herein referred to as the "LTAESG").

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 in the Master Definitions Agreement (as defined in the LTAESG).

Pursuant to clause [2.3.1.4/2.3.4] of the LTAESG, we hereby request that you pay to us for deposit to, or directly deposit to, the LRA an amount of not less than <@> (the "**Required Contribution** ") by no later than <@> [**NOTE: Specify the date by which the Required Contribution is to be made, i.e. the fifth Business Day following receipt by NL Crown of the LTA NL Crown Payment Demand.**]. The Required Contribution will be used to fund in the LRA 18% of the Minimum LRA Requirement as at the Commissioning Date and will therefore be deemed to be made under the LTA LRA Equity Commitment.

The Collateral Agent hereby acknowledges, covenants and agrees that the payment to us for deposit or the direct deposit by NL Crown of the Required Contribution to the LRA is expressly subject to the condition that the Required Contribution shall be deposited in the LRA and shall be used exclusively to fund 18% of the Minimum LRA Requirement as at the Commissioning Date referred to in the preceding paragraph.



Moreover, the Collateral Agent hereby acknowledges, covenants and agrees that under no circumstance shall any part of the Required Contribution be used to fund anything other than 18% of the Minimum LRA Requirement as at the Commissioning Date.

The wire transfer instructions for payments to be made by you directly to the LRA are as follows:

<@>

Yours truly,

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

c.c. Nalcor Energy  
Labrador Transmission Corporation

**AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT**

**AMONG**

**THE TORONTO-DOMINION BANK,  
as Collateral Agent**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as Issuer Trustee of  
LABRADOR - ISLAND LINK FUNDING TRUST,  
as a GAA Finance Party**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as IT Trustee of  
LIL CONSTRUCTION PROJECT TRUST,  
as an Obligor**

**AND**

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP,  
as an Obligor**

**AND**

**LABRADOR - ISLAND LINK OPERATING CORPORATION,  
as an Obligor**

**DATED AS OF JULY 16, 2015**

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**THIS AMENDED AND RESTATED IT PROJECT FINANCE AGREEMENT** is made as of July 16, 2015

**AMONG:**           **THE TORONTO-DOMINION BANK**, as Collateral Agent

**AND:**           **BNY TRUST COMPANY OF CANADA**, as Issuer Trustee of **LABRADOR - ISLAND LINK FUNDING TRUST**, as a GAA Finance Party

**AND:**           **BNY TRUST COMPANY OF CANADA**, as IT Trustee of **LIL CONSTRUCTION PROJECT TRUST**, as an Obligor

**AND:**           **LABRADOR-ISLAND LINK LIMITED PARTNERSHIP**, as an Obligor

**AND:**           **LABRADOR-ISLAND LINK OPERATING CORPORATION**, as an Obligor

**WITNESSETH THAT:**

**WHEREAS** pursuant to the terms of the Commitment Letter, the Lead Arranger has provided covenants and undertakings in favour of the Funding Vehicle including to purchase all the FV Bonds issued by the Funding Vehicle from time to time pursuant to the MTI and to market the sale and issuance thereof, the whole as contemplated therein;

**WHEREAS** the Funding Vehicle intends to borrow funds pursuant to the Funding Transaction Documents by issuing FV Bonds from time to time pursuant to the MTI for the sole purpose of lending those funds to the Intermediary Trust pursuant to this Agreement and the Intermediary Trust will then onlend all the funds it borrows from the Funding Vehicle to the Partnership pursuant to the LIL Project Finance Documents so that the Partnership may finance, in part, the Project Costs;

**WHEREAS** pursuant to and in accordance with the provisions of the Collateral Agency Agreement the Collateral Agent has agreed to perform the various IT Project Financing Duties;

**WHEREAS** a project finance agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust, as a GAA Finance Party, and BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as an Obligor (the "**Principal IT Project Finance Agreement**");

**WHEREAS** the parties hereto wish to amend certain provisions of the Principal IT Project Finance Agreement and to restate the Principal IT Project Finance Agreement as so amended in its entirety, but without novation, the whole as herein provided;

**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 have agreed that, subject to the satisfaction of the conditions precedent set forth in Section 7.6, the Principal IT Project Finance Agreement is hereby amended and restated in its entirety, but without novation, 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 amended and restated master definitions agreement dated the date hereof entered into among, *inter alia*, the Collateral Agent, the Lead Arranger, the Funding Vehicle, the Intermediary Trust and the Credit Parties (the "**Master Definitions Agreement**"). The rules of interpretation set forth in Article 1 of the Master Definitions Agreement apply to this Agreement as if at length recited herein.

#### **1.2 Recitals**

The recitals of this Agreement shall form an integral part hereof, as if at length recited herein.

#### **1.3 Headings, etc**

The division of this Agreement into recitals, Articles, Sections, subsections, Schedules, paragraphs, subparagraphs and clauses and the insertion of headings and titles are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**IT Project Finance Agreement**", "**this IT 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 or the Intermediary Trust) by or with respect to (a) the Funding Vehicle or the Intermediary Trust; or (b) the Issuer Trustee or the IT Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by a Proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Funding Vehicle or the Intermediary Trust) by or with respect to the Issuer Trustee as trustee of the Funding Vehicle or the IT Trustee as trustee of the Intermediary Trust, as the case may be. It is hereby acknowledged and agreed that, subject to the FV Declaration of Trust and the IT Declaration of Trust, the Issuer Trustee and the IT Trustee, respectively, may appoint any Person to manage any of the Assets of the Funding Vehicle and the Intermediary Trust, respectively, and to appoint any agent to transact any business on behalf of the Funding Vehicle and the Intermediary Trust, respectively, and therefore, any acts to be performed by the Issuer Trustee and the IT Trustee, respectively, 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:

<b>SCHEDULE</b>	
"A"	IT Payment Demand
"B"	Disclosure of litigation
"C"	Corporate structure and location of assets

<b>SCHEDULE</b>	
"D"	Authorizations and registrations
"E"	IT Voluntary Prepayment Notice
"F"	IT Draw Request
"G"	IT Assignment Agreement

1.8 **Time of the Essence**

Time shall in all respects be of the essence of this Agreement.

1.9 **No Novation**

The parties hereto hereby acknowledge and agree that this Agreement does not novate any of the obligations of the parties pursuant to the Principal IT Project Finance Agreement and that it is not their intention to effect in any way novation of such obligations. To the extent necessary and for all legal purposes, the Collateral Agent, the Funding Vehicle and the other GAA Finance Parties hereby expressly reserve the security granted in their favour or for their benefit as security for the obligations pursuant to the Principal IT Project Finance Agreement, including, without limitation, the Security Documents.

**ARTICLE 2**

**IT FACILITY**

2.1 **Grant of IT Facility**

The Funding Vehicle agrees, upon the terms and subject to the conditions of this Agreement, to lend to the Intermediary Trust an amount of up to, but not exceeding, in the aggregate, the IT Facility which shall be available in three tranches, namely IT Tranche A, IT Tranche B and IT Tranche C.

2.2 **Purpose**

The single IT Advance under the IT Facility shall be used by the Intermediary Trust exclusively for the purpose of onlending the funds so borrowed hereunder to the Partnership pursuant to, and in accordance with, the provisions of the LIL Project Finance Agreement so that the Partnership may finance, in part, the Project Costs.

2.3 **Facility Limit**

2.3.1 As of the Closing Date, the aggregate amount of the IT Facility is CDN\$2,400,000,000, divided as follows as amongst the three IT Tranches:  
(i) an amount equal to the aggregate amount of the FV Bond - Series A will be

available as IT Tranche A; **(ii)** an amount equal to the aggregate amount of the FV Bond - Series B will be available as IT Tranche B; and **(iii)** an amount equal to the aggregate amount of the FV Bond - Series C will be available as IT Tranche C.

2.3.2 Where pursuant to the terms hereof the IT Facility or any IT Tranche thereof is cancelled, reduced or terminated, any such cancellation, reduction or termination thereof shall be permanent and, with respect to any reduction, such amount may not be subsequently increased.

## 2.4 **Nature and Availability**

2.4.1 The IT Facility is available on a non-revolving basis such that the Intermediary Trust may not reborrow the whole or any part of the IT Advance previously repaid, any such repayment automatically reducing the IT Facility (and, rateably, each IT Tranche) by an amount equal to the amount repaid.

2.4.2 The IT Facility is available in Canadian Dollars only by way of a single IT Drawdown.

## 2.5 **Borrowing Procedures**

In order to obtain the IT Drawdown on the IT Drawdown Date hereunder, the Intermediary Trust must deliver to the Collateral Agent the IT Draw Request at the latest by 10:00 a.m., Newfoundland Time, at least two (2) Business Days prior to the proposed IT Drawdown Date. The IT Drawdown shall be apportioned rateably amongst each of the IT Tranches. Once delivered, the IT Draw Request may not subsequently be revoked or withdrawn by the Intermediary Trust.

## 2.6 **Repayment of IT Loan**

The Intermediary Trust hereby agrees to repay on or immediately prior to the first day of the Operating Period (the "**Scheduled IT Assignment Date**"), the entire amount of the IT Loan outstanding on such date, in principal, interest and fees and interest on arrears of interest and fees, by Assigning pursuant to the IT Assignment Agreement, in full and final payment of all its Indebtedness to the Funding Vehicle hereunder, all Indebtedness owed to it by the Partnership under the LIL Project Finance Documents, the LIL Project Finance Documents and all its rights, titles and interests therein and the Funding Vehicle hereby agrees to be paid as aforesaid and thereupon to grant a full and final release to the Obligors in respect of the IT Secured Obligations and all Liens relating thereto as contemplated in the IT Assignment Agreement.

## 2.7 **Voluntary Prepayments**

2.7.1 The Intermediary Trust may voluntarily prepay at any time the whole (and the whole only) of the IT Loan by paying to the Collateral Agent, for the account of the Funding Vehicle, before 1:00 p.m., Newfoundland Time, on the IT Voluntary Prepayment Date an amount equal to the sum of **(i)** the

aggregate principal amount of the IT 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 Redemption Date; and (iii) the IT Make-Whole Amount.

- 2.7.2 The Intermediary Trust shall issue an IT Voluntary Prepayment Notice immediately upon receipt by the Collateral Agent of the LIL Voluntary Prepayment Notice. Once delivered, no IT Voluntary Prepayment Notice may be revoked or withdrawn by the Intermediary Trust.
- 2.7.3 Upon an IT Voluntary Prepayment Notice having been so given, the IT Loan will thereupon be due and payable in an amount equal to that set forth in subsection 2.7.1 on the IT Voluntary Prepayment Date, in the same manner and with the same effect as if such date were the maturity date of the IT Loan, anything herein to the contrary notwithstanding, and from and after such IT Voluntary Prepayment, if the moneys necessary to prepay the IT Loan are paid as herein provided, the IT Loan will not be considered outstanding hereunder and interest in respect of the IT Facility will cease.

### **ARTICLE 3**

#### **INTEREST**

#### **3.1 Interest**

- 3.1.1 The Intermediary Trust hereby covenants and agrees to pay to the Collateral Agent, for the account of the Funding Vehicle, interest on each IT Tranche of the IT Construction Loan at an annual rate equal to the IT Applicable Interest Rate applicable to such IT Tranche, such interest to be reduced in accordance with subsection 3.1.7.
- 3.1.2 The IT 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 IT Interest Payment Date, such interest to be reduced in accordance with subsection 3.1.7.
- 3.1.3 Interest is payable on each IT Interest Payment Date with respect to amounts of interest (i) in respect of the first IT Interest Payment Date, accrued and to accrue from the date of the Advance hereunder up to and including the second Business Day immediately following such IT Interest Payment Date, and (ii) in respect of any IT Interest Payment Date thereafter, accrued from and including the immediately preceding IT Interest Payment Date up to but excluding such IT Interest Payment Date.
- 3.1.4 Interest on all overdue interest on each IT Tranche of the IT 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 IT Tranche as set forth in the definition of IT Applicable Interest Rate.

- 3.1.5 Interest payable on each IT Tranche of the IT Construction Loan shall be payable after as well as before maturity and after as well as before default and judgement.
- 3.1.6 As additional interest payable on the IT Construction Loan, the Intermediary Trust hereby covenants and agrees 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, commencing on December 31, 2014 an amount equal to CDN\$5,000 and thereafter an amount equal to CDN\$10,000.
- 3.1.7 The interest payable by the Intermediary Trust pursuant to Article 3 at any time shall be reduced by an amount equal to the total of the amount on deposit in the FV Proceeds Account and the FV Payment Account as at such time (as such deposits may be reduced following payment of income tax thereon, if any).

## **ARTICLE 4**

### **MANNER OF PAYMENTS**

#### **4.1 Payments to Collateral Agent Only**

- 4.1.1 All payments or repayments of principal and interest on the IT Loan and of fees and other amounts due and to become due hereunder with respect to the IT Loan and the IT Facility by the Intermediary Trust 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.
- 4.1.2 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.

#### **4.2 Payment on any Business Day by 3:00 p.m., Newfoundland 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., Newfoundland Time, on any Business Day shall be applied to the appropriate payment or repayment which was required to be made on such Business Day, on the next following Business Day. Until so applied, interest shall continue to accrue as provided in this Agreement on the amount of such payment or repayment.

## **ARTICLE 5**

### **GUARANTEE**

#### **5.1 Guarantee**

The IT Guarantors hereby jointly and severally, irrevocably, absolutely and unconditionally guarantee to the Collateral Agent, for the benefit of the GAA Finance Parties the due and timely payment of all payment obligations of the Intermediary Trust under the IT Project Finance Documents at the times, in the currencies and in the manner provided for in the IT Project Finance Documents (the "**IT Guaranteed Obligations**").

#### **5.2 Nature of Guarantee**

The obligations of the IT Guarantors hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, the IT Guarantors shall irrevocably, absolutely and unconditionally pay to the Collateral Agent all such amounts as shall be required from time to time to ensure that the Collateral Agent receives and is paid the full amount of the IT Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the IT Guaranteed Obligations or any failure by the Intermediary Trust to duly and punctually pay in full the IT Guaranteed Obligations when due, (b) any loss of any right of the Collateral Agent or any GAA Finance Party against the Intermediary Trust in respect of the IT Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Collateral Agent or any GAA Finance Party in connection with the enforcement of any of the rights of the Collateral Agent or any GAA Finance Party against the Intermediary Trust.

#### **5.3 Payment Demand**

Within five (5) Business Days of its receipt of a written demand from the Collateral Agent in the form attached as Schedule "A" (an "**IT Payment Demand**"), the IT Guarantors shall pay to the Collateral Agent each amount claimed in the IT Payment Demand in immediately available funds and as directed by the Collateral Agent in the IT Payment Demand. An IT Payment Demand will not be valid under this Article 5 unless the amount claimed is due to the Funding Vehicle and has not been paid by the Intermediary Trust by the time provided on the IT Due Date. Any amount payable by the IT Guarantors under this Article 5 which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be payable on the corresponding IT Guaranteed Obligations owing under the applicable IT Project Finance Documents.

#### **5.4 Withholdings**

All amounts payable by the IT Guarantors under this Article 5 shall be made free and clear of and without deduction for or on account of any present or future Taxes, charges,

fees, levies, duties or withholdings of any kind. If the IT Guarantors are obliged to deduct or withhold an amount in respect of any such Taxes, charges, fees, levies, duties or withholdings, then in such event the IT Guarantors shall pay to the Collateral Agent such additional amount as is necessary to ensure that the Collateral Agent receives and retains (on an after-Tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such Taxes, charges, fees, levies, duties or withholdings.

**5.5 Statement of Account**

Any statement of account prepared by the Collateral Agent as regards the IT Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Intermediary Trust to the Funding Vehicle and the Collateral Agent, and the IT Guarantors hereby acknowledge and agree that, absent manifest error, they shall be bound by each such statement. The Collateral Agent agrees to provide the IT Guarantors with the computations and calculations used by the Collateral Agent to prepare each such statement of account following a request therefor.

**5.6 No Requirement to Exhaust Recourse**

The Collateral Agent shall not be bound to seek or exhaust its recourse or remedies against the Intermediary Trust, any other guarantor or any other Person nor to enforce, marshal or value any Liens before being entitled to payment under this Article 5.

**5.7 Postponed Subrogation**

The IT Guarantors shall not be subrogated to any right of the Collateral Agent until (i) indefeasible payment in full of all the IT Guaranteed 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 IT Project Finance Documents.

Thereafter, the IT Guarantors (i) shall be subrogated to the rights of the Collateral Agent under, pursuant to and otherwise in respect of all the IT Project Finance Documents and (ii) may require the Collateral Agent to assign to them and each other Person that has made payment of the IT Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the IT Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, the Collateral Agent.

**5.8 Set-Off Acknowledgement**

The IT Guarantors hereby acknowledge and agree that vis-à-vis the Funding Vehicle and the Collateral Agent they have no available remedy of set-off. Accordingly, each payment to be made by the IT Guarantors hereunder in respect of the IT Guaranteed Obligations shall be made as required in whole without application of the right of set-off.

Each payment to be made by the IT Guarantors hereunder in respect of the IT Guaranteed Obligations shall be made without regard to any equities between or among any of the Partnership, Opco, the Intermediary Trust, the Funding Vehicle and the Collateral Agent and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Intermediary Trust, the Partnership or Opco may have or have had against the Collateral Agent, the Funding Vehicle or any other Person.

5.9 **Imputation of moneys received in reduction of IT Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Collateral Agent from the IT Guarantors pursuant to the provisions of this Article 5 shall be applied in reduction of the IT Guaranteed Obligations as provided in the IT Project Finance Documents.

5.10 **Irregularity in borrowings of no effect on obligations of IT Guarantors**

All sums of money, advances, renewals, commitments and undertakings related to the IT Guaranteed Obligations borrowed or effectively obtained from the Funding Vehicle by the Intermediary Trust pursuant to the IT Project Finance Documents shall be considered as being part of the IT Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, advances, renewals, commitments and undertakings, whether or not the Funding Vehicle or the Collateral Agent was aware of the same, it being expressly understood that any sum which cannot be recovered from the IT Guarantors as Guarantors hereunder for reasons of voidness of the principal obligation may be recovered from the IT Guarantors under the indemnity contained in Section 5.2 and shall be payable to the Collateral Agent, for the benefit of the GAA Finance Parties, upon demand therefor by the Collateral Agent.

5.11 **No Release of IT Guarantors**

Until the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Intermediary Trust under the IT Project Finance Documents have been cancelled and terminated the obligations of the IT Guarantors hereunder shall not be reduced, limited or terminated, nor shall the IT Guarantors be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the IT Guarantors shall have received notice thereof or assented thereto):

- 5.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the IT Guaranteed Obligations or the IT Project Finance Documents;



- 5.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the IT Guaranteed Obligations;
- 5.11.3 the release of any Liens securing any or all of the IT Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the IT Project Finance Documents;
- 5.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to the Collateral Agent or any of the GAA Finance Parties, including but not limited to:
  - 5.11.4.1 any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
  - 5.11.4.2 any election of rights, remedies and/or recourses effected by any of them;
  - 5.11.4.3 any subordination by operation of Applicable Law, whether present or future, of any or all of the IT Guaranteed Obligations;
  - 5.11.4.4 any election not or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any Lien on any collateral securing any or all of the IT Guaranteed Obligations;
  - 5.11.4.5 any disallowance, invalidity, illegality, voidness or unenforceability of any or all Liens securing any or all of the IT Guaranteed Obligations; and
- 5.11.5 any other act or failure to act which varies the risks of the IT Guarantors hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of the IT Guarantors from any obligation hereunder.

5.12 **Certain Waivers**

Each of the IT Guarantors hereby waives:

- 5.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Intermediary Trust or any other guarantor or any collateral for any of the IT Guaranteed Obligations;
- 5.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the IT Guaranteed Obligations that may at any time be available to the Intermediary Trust or any other guarantor. As regards set-offs, such IT Guarantor confirms the acknowledgement contained in Section 5.8;

- 5.12.3 any notice of acceptance of the incurrence or renewal of any IT Guaranteed Obligations;
- 5.12.4 all notices which may be required by Applicable Law to preserve any rights against such IT Guarantor hereunder including any notice of default, demand, dishonour, presentment and protest;
- 5.12.5 diligence;
- 5.12.6 any defence based upon, arising out of or in any way related to:
  - 5.12.6.1 any claim that any election of remedies by the Collateral Agent or any of the GAA Finance Parties impaired, reduced, released or extinguished any rights that such IT Guarantor might otherwise have had against the Intermediary Trust or any other guarantor;
  - 5.12.6.2 any claim that the IT Guaranteed Obligations should be strictly construed against the Funding Vehicle or the Collateral Agent; and
  - 5.12.6.3 any and all other defences related to the IT Guaranteed Obligations save and except for the receipt by the Funding Vehicle or the Collateral Agent of the full, final and definitive payment of the amount of the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation in full of all credit facilities, extensions of credit and other financial services under the IT Project Finance Documents.

5.13 **No Release in Event of Bankruptcy**

No settlement or discharge of the IT Guaranteed Obligations shall be effective if any payment by the IT Guarantors in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Collateral Agent shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

5.14 **Additional Security**

The guarantee provided under this Article 5 shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Funding Vehicle, the Collateral Agent or any of the GAA Finance Parties. None of the GAA Finance Parties, the Collateral Agent or the Funding Vehicle shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

**5.15 Continuing Liability of Guarantor**

The IT Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of the IT Guarantors hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Intermediary Trust or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as the "**IT Disgorged Amount**"), is recovered from or reimbursed by or for the account of the Funding Vehicle or the Collateral Agent for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the IT Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by the Funding Vehicle or the Collateral Agent (whether or not consented to by the IT Guarantors or any other guarantor) of any claim for any such recovery or payment over. The IT Guarantors hereby expressly waive the benefit of any Applicable Law of limitations and agree that they shall be liable hereunder whenever such a recovery or payment ever occurs.

**5.16 Continuance of Guarantee Agreement**

Subject to Section 5.15, the guarantee provided in this Article 5 shall continue in full force and effect until the indefeasible payment, observance and performance in full of the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation of all the credit facilities, extensions of credit and financial services to the Intermediary Trust, provided, however, that where at any time the Funding Vehicle or the Collateral Agent is required to pay over any IT Disgorged Amount, such Person shall be permitted to make a claim therefor under the provisions of Section 5.15.

**5.17 Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The IT Guarantors agree that each of the waivers, renunciations, declarations and authorizations set forth in this Article 5 is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**5.18 Authority to Modify LIL Guaranteed Obligations**

Each IT Guarantor expressly authorizes the Collateral Agent and the Funding Vehicle or any one thereof, at any time and from time to time, without notice and without affecting the liability of such IT Guarantor hereunder, to:

- 5.18.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the IT Guaranteed Obligations and any security and guarantees therefor;

- 5.18.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the IT Guaranteed Obligations;
- 5.18.3 accept partial payments on the IT Guaranteed Obligations;
- 5.18.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the IT Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Collateral Agent (for the benefit of the GAA Finance Parties) in its discretion may determine; and
- 5.18.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the IT Project Finance Documents.

## **ARTICLE 6**

### **SECURITY**

#### **6.1 Security by the Obligors**

As general and continuing security for the due payment and performance of the IT Secured Obligations, the Obligors shall grant the following security:

- 6.1.1 the Intermediary Trust shall grant first ranking Liens, subject only to Permitted Encumbrances, on all of its present and future Assets, to and in favour of the Collateral Agent or the IT Security Trustee, as the case may be, and, for such purpose, on or prior to the single IT Drawdown hereunder, the Intermediary Trust shall:
  - 6.1.1.1 execute a collateral trust deed in favour of the IT Security Trustee (the "**IT Collateral Trust Deed**");
  - 6.1.1.2 issue under the terms of the IT Collateral Trust Deed, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$2,400,000,000;
  - 6.1.1.3 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 paragraph 6.1.1.2; and
  - 6.1.1.4 execute a blocked account agreement in favour of the IT Security Trustee and the Collateral Agent with respect to the IT Accounts;

- 6.1.2 each of the IT Guarantors shall, on or prior to the single IT Drawdown hereunder:
- 6.1.2.1 issue under the terms of the LIL Collateral Trust Deed to which it is a party, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$2,400,000,000; and
  - 6.1.2.2 execute a pledge agreement with respect to the senior secured bond referred to in paragraph 6.1.2.1.

All of the foregoing documents must be in form and substance satisfactory to the Collateral Agent.

6.2 **Registration**

Each of the Obligors shall register, or shall cause to be registered, and hereby authorizes the Collateral Agent and the Collateral Agent's Counsel to register the IT Security Documents and any financing statement, notice, application for registration or other document in respect thereof, in all offices 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 IT Security Documents and their validity, effect, perfection and priority at all times.

6.3 **Further Assurances**

On request from the Collateral Agent from time to time, the Obligors shall execute or cause to be executed, all such agreements, documents and instruments (including any amendment to any IT 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 IT Project Finance Documents or to facilitate realization under such Liens.

6.4 **Discharge of Certain Security**

The Funding Vehicle authorizes the Collateral Agent to discharge the Liens created pursuant to the IT Security Documents, but only in respect of any Assets disposed of in compliance with the provisions of this Agreement.

6.5 **Survival of Security**

The Obligors and the Funding Vehicle hereby acknowledge and agree that none of the Liens created pursuant to the IT Security Documents shall be released until all IT Secured Obligations are indefeasibly repaid in full, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA.

**ARTICLE 7**

**CONDITIONS PRECEDENT**

**7.1 Initial Conditions Precedent**

No IT Advance shall be made by the Funding Vehicle pursuant to the IT Facility until the following conditions precedent (the "**IT 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:

**LIL INITIAL CONDITIONS PRECEDENT**

7.1.1 the LIL Initial Conditions Precedent (save and except that set forth in subsection 7.1.24 of the LIL Project Finance Agreement relating to the IT 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**

7.1.2 the Collateral Agent shall have received:

7.1.2.1 true and complete copies of the constitutive documents, charter and by-laws of each of the Obligors;

7.1.2.2 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 Obligors of its obligations under the IT Project Finance Documents to which it is a party and stating the offices of the Responsible Officers or other Persons who are authorized to sign such documents;

7.1.2.3 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 each Obligor executing the IT Project Finance Documents;

7.1.2.4 in respect of each of the Obligors, 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;

**DUE DILIGENCE**

- 7.1.3 since November 29, 2013, no event has occurred or failed to occur which has or would have a Material Adverse Effect;

**IT ACCOUNTS**

- 7.1.4 the Intermediary Trust shall have established with the Collateral Agent all IT Accounts;

**MATTERS RELATING TO SECURITY**

- 7.1.5 the Collateral Agent shall have received all IT 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 the Assets of the Intermediary Trust and in the Collateral Mortgage Bonds of the IT Guarantors, subject only to Permitted Encumbrances, have been effected;

- 7.1.6 the Collateral Agent shall have received results of searches of public records by the Obligors' 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 Obligors and each of their respective Assets subject to the Liens created pursuant to the IT Security Documents 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 7.1.7;

- 7.1.7 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that concurrently with the making of the single IT Drawdown hereunder, it shall receive releases and discharges with respect to all Liens, other than Permitted Encumbrances, affecting the Obligors and their respective Assets subject to the Liens created pursuant to the IT Security Documents, duly executed by all of the Persons who benefit from such Liens or have been granted security on such Assets;

**LEGAL OPINIONS**

- 7.1.8 the Collateral Agent shall have received the legal opinions of the Obligors' Counsel, as the case may be, dated the Closing Date, regarding the Obligors, and in form and substance satisfactory to the Collateral Agent.

Such legal opinions shall cover such matters incident to the transactions contemplated by the IT Project Finance Documents as the Collateral Agent may request, including the legality, validity, binding nature and enforceability of each such agreement;

## COMPLIANCE

7.1.9 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the Closing Date; and

7.1.10 no IT Event of Default shall have occurred and be continuing;

The parties hereto acknowledge and agree that the IT Initial Conditions Precedent were met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent, prior to the IT Advance.

### 7.2 **Conditions Precedent to Single Advance under IT Facility**

No IT Advance shall be made by the Funding Vehicle pursuant to the IT Facility until the IT Initial Conditions Precedent and the following conditions precedent (the "**IT 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 Muskrat/LTA Project Finance Agreement have been met to the satisfaction of the Muskrat/LTA Collateral Agent, or, as the case may be, waived by the Muskrat/LTA Collateral Agent (other than those set forth in subsection 7.2.1 of the Muskrat/LTA Project Finance Agreement);

7.2.2 the Collateral Agent shall have received the single IT Draw Request within the time periods herein provided requesting the single IT Drawdown on the IT Drawdown Date in an amount equal to the IT 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; and

7.2.4 no IT Event of Default shall have occurred and be continuing.

The parties hereto acknowledge and agree that the IT Drawdown Conditions Precedent were met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent, prior to the IT Advance.

### 7.3 **Conditions Precedent to First Funds Release from the Intermediary Trust Proceeds Account Balance**

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### 7.4 **Conditions Precedent to IT Funds Release from the Intermediary Trust Proceeds Account**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the IT Funding Period, upon or following the IT Initial Conditions Precedent and the IT Drawdown Conditions Precedent having been met or, as



the case may be, waived by the Collateral Agent, an IT Funds Release (other than the IT Final Funds Release) shall be made on the LIL Drawdown Date of the LIL Drawdown Request or the Working Capital Revolving Funding Request, as the case may be, to which such IT Funds Release relates, 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:

**LIL DRAWDOWN CONDITIONS PRECEDENT**

7.4.1 the conditions precedent to LIL Drawdowns set forth in Section 7.3, 7.8 or 7.9, as the case may be, of the LIL Project Finance Agreement with respect to the LIL Drawdown to be funded with the proceeds of such IT Funds Release shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent; and

7.4.2 no IT Event of Default shall have occurred and be continuing.

**7.5 Conditions Precedent to IT Final Funds Release**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the IT Initial Conditions Precedent and the IT Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the IT Final Funds Release shall be made immediately prior to the Commissioning Date, but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

7.5.1 the Conditions Precedent to Commissioning (save and except those set forth in subsection 7.7.6 of the LIL Project Finance Agreement) shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent; and

7.5.2 no IT Event of Default shall have occurred and be continuing.

**7.6 Conditions Precedent to the Amendment and Restatement**

Notwithstanding the execution of this Agreement by the parties hereto, the provisions hereof shall not come into force and the provisions of the Principal IT Project Finance Agreement shall continue to bind the parties hereto until such time as the Collateral Agent shall have issued a notice in writing to the Intermediary Trust declaring that each of the following conditions precedent (the "**IT Conditions Precedent to the Amendment and Restatement**") shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent (the date of such notice shall be referred to herein as the "**IT Amendment and Restatement Effective Date**"):

**LIL CONDITIONS PRECEDENT**

7.6.1 the LIL Conditions Precedent to the Amendment and Restatement (save and except that set forth in subsection 7.10.5 of the LIL Project Finance

Agreement relating to the IT Conditions Precedent to the Amendment and Restatement) shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent;

#### **CORPORATE MATTERS**

- 7.6.2 the Collateral Agent shall have received:
  - 7.6.2.1 true and complete copies of the constitutive documents, charter and by-laws of each of the Obligors;
  - 7.6.2.2 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 Obligors of its obligations under this Agreement and the Master Definitions Agreement and stating the offices of the Responsible Officers or other Persons who are authorized to sign such documents;
  - 7.6.2.3 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 each Obligor executing this Agreement and the Master Definitions Agreement;
  - 7.6.2.4 in respect of each of the Obligors, 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;

#### **DUE DILIGENCE**

- 7.6.3 since the last Funding Request delivered pursuant to the Principal LIL Project Finance Agreement, no event has occurred or failed to occur which has or would have a Material Adverse Effect;

#### **LEGAL OPINIONS**

- 7.6.4 the Collateral Agent shall have received the legal opinions of the Obligors' Counsel, as the case may be, dated the IT Amendment and Restatement Effective Date, regarding the Obligors, and in form and substance satisfactory to the Collateral Agent.

Such legal opinions shall cover such matters incident to the transactions contemplated by this Agreement and the Master Definitions Agreement as the Collateral Agent may request, including the legality, validity, binding nature and enforceability of each such agreement;

**COMPLIANCE**

- 7.6.5 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the IT Amendment and Restatement Effective Date; and
- 7.6.6 no IT Event of Default shall have occurred and be continuing;

**ARTICLE 8**

**IT ACCOUNTS AND APPLICATION OF FUNDS**

**8.1 Intermediary Trust Proceeds Account**

On or prior to the Closing Date, the Intermediary Trust shall establish with the Collateral Agent an account called "Intermediary Trust Proceeds Account" at the Collateral Agent's Office (the "**Intermediary Trust Proceeds Account**").

- 8.1.1 During the IT Funding Period:
  - 8.1.1.1 there shall be deposited directly into the Intermediary Trust Proceeds Account, the proceeds of the single IT Advance under the IT Facility made under this Agreement;
  - 8.1.1.1A there shall be deposited directly into the Intermediary Trust Proceeds Account the amounts required to be transferred thereto pursuant to paragraph 8.2.2.1(a1);
  - 8.1.1.2 subject to the provisions of paragraph 8.1.1.3, amounts in the Intermediary Trust Proceeds Account (other than amounts required by the Intermediary Trust to repurchase the FRDN, in whole or in part, from the Toronto-Dominion Bank pursuant to Section 1.3 of the Deposit Note Letter Agreement) shall be released and transferred only to the Partnership Project Funding Account to fund Advances requested by the Partnership under the LIL Project Finance Agreement in accordance with the provisions of Sections 7.4 and 7.5 hereof, provided, however, that any such amounts required to fund Advances requested by the Partnership pursuant to Section 7.8 of the LIL Project Finance Agreement shall be released and transferred only to the Partnership Project Operating Account; and
  - 8.1.1.3 at any time that any interest in respect of the IT Construction Loan is due and payable, immediately prior to such interest payment, the lesser of the IT Income on Account Balances then on deposit in the Intermediary Trust Proceeds Account and the amount of such interest then due and payable shall be transferred from the

Intermediary Trust Proceeds Account to the Intermediary Trust Payment Account.

- 8.1.1.4 upon any proceeds from the repayment of the Working Capital Revolving Loan being deposited into the Intermediary Trust Proceeds Account pursuant to paragraphs 8.1.1.1.A and 8.2.2.1(a1), on the same day on which such deposit shall have occurred, the Collateral Agent shall transfer to The Toronto-Dominion Bank in payment of the repurchase price to be paid by the Intermediary Trust pursuant to Section 1.3 of the Deposit Note Letter Agreement an amount sufficient such that the aggregate principal amount of the FRDN immediately following such repurchase shall be equal to the Remaining Principal Amount (as such expression is used in the Deposit Note Letter Agreement) applicable to the date on which such repurchase occurs.

## 8.2 **Intermediary Trust Payment Account**

On or prior to the Closing Date, the Intermediary Trust shall establish with the Collateral Agent an account called "Intermediary Trust Payment Account" at the Collateral Agent's Office (the "**Intermediary Trust Payment Account**").

- 8.2.1 From time to time during the IT Funding Period, there shall be deposited directly into the Intermediary Trust Payment Account all amounts (A) paid by the Partnership or Opco to the Intermediary Trust or to the Collateral Agent, on behalf of the Intermediary Trust, (B) transferred directly by the Collateral Agent from a LIL Project Account, in each case on account of principal, interest (including, for greater certainty, any interest prepaid pursuant to subsection 3.1.7 of the LIL Project Finance Agreement) and fees payable pursuant to the provisions of the LIL Project Finance Agreement or (C) all amounts to be transferred thereto from the Intermediary Trust Proceeds Account pursuant to paragraph 8.1.1.3.

### 8.2.2 During the IT Funding Period:

- 8.2.2.1 funds in the Intermediary Trust Payment Account shall be applied from time to time in the following order of priority:
- (a) firstly, at any time that any such amount is due, paid to the Funding Vehicle or directly to the FV Payment Account for rateable application towards the payment of (i) all interest in respect of the IT Construction Loan then due and payable; (ii) all principal on the IT Construction Loan and any IT Make-Whole Amount then due and payable; and (iii) all breakage costs and other expenses then due and payable pursuant to the provisions of the Consolidated Transaction Documents;

- (a1) secondly, at any time that the repayment of the Working Capital Revolving Loan is effected by the Partnership, the proceeds of such repayment shall be immediately transferred to the Intermediary Trust Proceeds Account; and
- (b) thirdly, provided that no IT Event of Default then exists, prior to the end of each fiscal year of the Intermediary Trust, an amount of \$10,000 shall be released and applied at the option of the Intermediary Trust.

## **ARTICLE 9**

### **REPRESENTATIONS AND WARRANTIES**

To induce the Funding Vehicle to make the IT Facility available to the Intermediary Trust, the Obligors 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 Obligor is a trust, corporation or limited partnership duly and validly incorporated or formed, as applicable, validly existing and in good standing under the Laws of NL. The Intermediary Trust 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 IT Project Finance Documents.

#### **9.2 Authority**

Each Obligor has the requisite capacity and power to enter into each of the IT Project Finance 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 Obligor has taken all necessary action to authorize the execution and delivery by it of each IT Project Finance Document to which it is a party, the creation and performance of its obligations thereunder and the creation of the Liens thereunder, if any, over its Assets subject thereto and the consummation of the transactions contemplated thereunder.

#### **9.4 Due Execution**

Each Obligor has duly executed and delivered each IT Project Finance Document to which it is a party.

**9.5 Non-Conflict**

None of the authorization, execution, delivery or performance of the IT Project Finance Documents by each Obligor, nor the creation of Liens in favour of the IT Security Trustee and the Collateral Agent, as the case may be, over the Assets subject thereto, nor the consummation of any of the transactions contemplated in the IT Project Finance 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 IT Security Documents to be made on or about the Closing Date, and (ii) such Authorizations which by the nature thereof need not be obtained until a future date;

9.5.2 conflicts with, contravenes or gives rise to any default under (i) any of the Organizational Documents of such Obligor, (ii) the provisions of any indenture, instrument, agreement or undertaking to which such Obligor is a party or by which such Obligor or any of its Assets are or may become bound, or (iii) any Applicable Law; 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 Obligor.

**9.6 Enforceability**

Each IT Project Finance Document to which each Obligor 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**

The Intermediary Trust is in compliance with all Applicable Laws, the non-compliance with which would have a Material Adverse Effect. Moreover, the Intermediary Trust is in compliance with all AML Legislation.

**9.8 Litigation**

Save and except as disclosed in Schedule B", there is no notice of infraction, action, suit or proceeding pending against (nor, to the Knowledge of the Obligors, any notice of infraction, action, suit or proceeding threatened against or in any other manner relating adversely to) the Intermediary Trust 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 would have a Material Adverse Effect.

**9.9 Corporate Structure and Location of Assets**

Subject to the notices provided by the Intermediary Trust to the Collateral Agent pursuant to Section 10.8, Schedule "C" indicates:

9.9.1 the location of the registered and chief executive offices and the principal place of business of the Intermediary Trust and the IT Trustee and their jurisdiction of organization; and

9.9.2 the exact name of the Intermediary Trust and the IT Trustee.

**9.10 No Material Adverse Effect**

No event or events have occurred which have or would have a Material Adverse Effect.

**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 Intermediary Trust 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 Obligor, no information furnished by them to the Collateral Agent in connection with any of the IT 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 Obligor 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 Intermediary Trust furnished to the Collateral Agent was based upon assumptions believed to be reasonable by the IT Trustee as of the date of preparation.

**9.14 All Authorizations Obtained and Registrations Made**

All Authorizations and Registrations necessary to permit (i) each Obligor to execute, deliver and perform each IT Project Finance Document to which it is a party, consummate the transactions contemplated thereby and grant the Liens contemplated in the IT Security Documents to which it is a party, and (ii) the Intermediary Trust 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 Schedule "D", (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 IT Security Documents to be made on or about the Closing Date, and (d) generally as regards paragraph (ii) 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 Obligor 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**

The Intermediary Trust has no Pension Plans.

9.16 **No IT Event of Default**

No IT 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**

The Intermediary Trust is the sole legal and beneficial owner of its Assets, free and clear of any encumbrance or Lien other than Permitted Encumbrances.

9.18 **Taxes**

The Intermediary Trust has:

- 9.18.1 delivered or caused to be delivered as and when required all returns for Taxes to the appropriate Governmental Authorities;
- 9.18.2 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;
- 9.18.3 made provision for appropriate amounts in respect of any Taxes likely to be exigible in accordance with GAAP; and
- 9.18.4 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.



9.19 **Employee Relations**

The Intermediary Trust has no employees.

9.20 **Business**

The Intermediary Trust is engaged solely in the Intermediary Trust Activities.

9.21 **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 the IT Advance and each IT Funds Release is requested and made hereunder.

**ARTICLE 10**

**GENERAL COVENANTS**

So long as any IT Loan or any other amount payable hereunder is outstanding and unpaid or the Intermediary Trust shall have the right to borrow hereunder or obtain IT Funds Releases (whether or not the conditions to borrowing or IT 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 Obligors hereby covenant that:

10.1 **Preservation of Existence, etc.**

Each Obligor will preserve and maintain its existence. Subject to Sections 9.5 and 9.14, the Intermediary Trust will 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 9.20 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**

Each Obligor will obtain, as and when required, and maintain any Authorization of or from any Governmental Authority which may be or become necessary or required in order that it may fulfill its obligations under each of the IT Project Finance Documents to which it is a party. Subject to Sections 9.5 and 9.14, the Intermediary Trust will obtain, as and when required, and maintain any Authorization of or from any Governmental Authority which may be or become necessary or required in order that it may own its Assets and carry on its business as contemplated in Section 9.20.

10.3 **Business, Compliance with Applicable Law**

The Intermediary Trust will engage solely in the business referred to in Section 9.20 and carry on and conduct its business in a proper and efficient manner. Each Obligor will comply, in all material respects, with all requirements of the IT Project Finance Documents to which it is a party. The Intermediary Trust will comply, in all material

respects, with all requirements of Applicable Law, and the terms and conditions of all Authorizations necessary or required in the normal conduct of its business.

**10.4 Keeping of Records**

The Intermediary Trust 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 Registrations**

The Obligors will maintain, amend and renew as required the Registrations made in connection with the IT 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 IT Security Documents in order to preserve, protect and perfect the validity, effect and priority of the Liens created thereunder.

**10.6 Payment of Taxes and Claims**

The Intermediary Trust will timely pay and discharge: **(i)** subject to paragraph (ii), all Taxes prior to the date on which penalties attach thereto, and **(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; 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.

**10.7 Visits and Inspections**

Upon reasonable prior notice, the Intermediary Trust shall permit representatives of the Collateral Agent and the GAA Finance Parties, upon reasonable request made **(i)** no more than once per calendar year if no IT Event of Default has occurred and is continuing or **(ii)** if an IT Event of Default then exists, from time to time as is reasonable in the circumstances, to 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 the Intermediary Trust's compliance with its covenants under the IT Project Finance Documents.

**10.8 Change of Name**

The Intermediary Trust shall notify the Collateral Agent in writing at least ten (10) Business Days prior to (a) any change of name of the Intermediary Trust, (b) any transfer of the Intermediary Trust's rights in its Assets not expressly permitted hereunder, (c) any change in jurisdictions in which the Assets of the Intermediary Trust are located, and (d) any change in the location of the Intermediary Trust within the meaning of the PPSA.

**10.9 Use of Proceeds**

The Intermediary Trust will apply all proceeds of the IT Drawdown under the IT Facility to finance the advances it is required to make from time to time to the Partnership pursuant to the LIL Project Finance Agreement.

**10.10 Anti-Money Laundering Legislation**

Since, pursuant to AML Legislation, the Collateral Agent and the GAA Finance Parties may be required to obtain, verify and record information regarding any Obligor, 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 Obligor, and the transactions contemplated hereby, the Obligors 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.

**ARTICLE 11**

**INFORMATION COVENANTS**

So long as any IT 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 Intermediary Trust shall have the right to borrow or obtain IT Funds Releases hereunder (whether or not the conditions to borrowing or IT Funds Releases have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Obligors 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 the Intermediary Trust, the Intermediary Trust shall deliver to the Collateral Agent the unaudited consolidated Financial Statements of the Intermediary Trust for such fiscal quarter.

**11.2 Annual Financial Statements and Information**

Within one hundred and twenty (120) days after the end of each fiscal year of the Intermediary Trust, the Intermediary Trust shall deliver to the Collateral Agent the

audited consolidated Financial Statements of the Intermediary Trust, 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 the Intermediary Trust.

**11.3 Notice of Litigation and other Matters**

The Intermediary Trust 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 Intermediary Trust has Knowledge thereof):

11.3.1 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 Intermediary Trust) in any other way relating to the Intermediary Trust, any of its Assets, or, to the Knowledge of the Intermediary Trust, threatened against it, in each case which would have a Material Adverse Effect;

11.3.2 any event or events which, singly or in the aggregate, would have a Material Adverse Effect; and

11.3.3 any IT Event of Default.

**11.4 Other Information**

Following each request, the Intermediary Trust shall furnish to the Collateral Agent, such data, certificates, reports, statements, documents or further information regarding its business, Assets, liabilities, financial position or results of operations 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 Obligors with any AML Legislation.

**11.5 Distribution by Use of Websites**

Each Obligor may satisfy its obligations under this Agreement to deliver to the Collateral Agent 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 Intermediary Trust to which the Collateral Agent and the GAA Finance Parties have access and which creates automatic notice of posting to the access list. The Intermediary Trust 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 11.5 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 any IT Loan or any other amount payable hereunder is outstanding and unpaid or the Intermediary Trust shall have the right to borrow or obtain IT Funds Releases hereunder (whether or not the conditions to borrowing or IT Funds Releases have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Obligors hereby covenant and agree that:

#### 12.1 **Liens**

No Obligor will create, incur, assume or suffer to exist any Lien upon or in respect of any of its present or future Assets subject to the Liens created pursuant to the IT Security Documents, other than Permitted Encumbrances.

#### 12.2 **Indebtedness**

The Intermediary Trust will not incur, create, assume or suffer to exist any Indebtedness except for:

12.2.1 Indebtedness under this Agreement and the other IT Project Finance Documents;

12.2.2 Indebtedness secured by a Lien which is a Permitted Encumbrance; and

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.

#### 12.3 **Derivative Instruments**

The Intermediary Trust will not enter into or be a party to any Derivative Instrument.

#### 12.4 **Business Combinations**

The Intermediary Trust will not 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 as contemplated in Section 2.6.

#### 12.5 **Investments**

The Intermediary Trust will not make any Investment other than Permitted Investments.

12.6 **Change of Year-End**

The Intermediary Trust will not change its fiscal year-end or the end of any of its fiscal quarters. On the Closing Date, the fiscal year-end of the Intermediary Trust is December 31.

12.7 **Change in Business**

The Intermediary Trust will not effect any change in the nature of its business as described in Section 9.20 or cease to carry on its business.

12.8 **Pension Plans and Employees**

The Intermediary Trust shall not create any Pension Plan or have any employee.

12.9 **Sale or Lease of Assets**

The Intermediary Trust shall not sell, lease or otherwise dispose of its Assets, whether now owned or hereafter acquired, except the Assignment contemplated in Section 2.6.

12.10 **Subsidiaries**

The Intermediary Trust shall not create or acquire any Subsidiary.

12.11 **Amendments to Organizational Documents**

The Intermediary Trust shall not 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.

**ARTICLE 13**

**EVENTS OF DEFAULT**

The occurrence of any one or more of the following events shall constitute an IT Event of Default (each such event being herein referred to as an "**IT Event of Default**"):

13.1 **Non-Payment of Principal or Interest**

The Intermediary Trust fails to pay, when due, any amount of principal, interest or fees outstanding hereunder or under any other IT Project Finance Document within five (5) Business Days of the due date thereof.

13.2 **Misrepresentation**

Any representation or warranty made or deemed made by any Obligor herein or in any other IT Project Finance Document is found to have been false, inaccurate, incomplete, fraudulently made, or breached in any material respect.

**13.3 Breach of Covenants**

Any Obligor 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 IT Project Finance Document and such failure continues unremedied for a period of thirty (30) days following the issuance to such Obligor by the Collateral Agent of a notice thereof, provided, however, that with respect to the requirements in Section 10.3 to perform or comply with any Applicable Law or the terms or conditions of any Authorization, the Intermediary Trust shall be deemed not to have failed to so perform or comply where such failure would not have a Material Adverse Effect.

**13.4 Unsatisfied Judgments**

Any judgment or decree for the payment of money is entered against the Intermediary Trust and is not vacated, discharged, stayed or collateral has not been posted with respect thereto pending appeal within sixty (60) days of the entry thereof, or is not vacated or discharged prior to the expiration of any stay of proceedings applicable thereto, and involves a liability (not paid or fully covered by insurance) the amount of which, singly or when aggregated with all such liabilities of the Intermediary Trust, exceeds CDN\$50,000,000.

**13.5 Enforcement Proceeding**

Any Enforcement Proceeding commenced against the Intermediary Trust is not vacated, discharged, dismissed or stayed within sixty (60) days of the commencement thereof, and relates to a material part of the Assets of the Intermediary Trust.

**13.6 Insolvency**

An Insolvency Event shall have occurred with respect to any Obligor.

**13.7 Denial of Obligations**

Should any Obligor deny to any material extent, its obligations under any IT Project Finance Document or claim any of the IT Project Finance Documents to be rescinded, terminated (other than a scheduled termination), invalid or withdrawn, in whole or in part, or if any IT Project Finance Document ceases to be in full force and effect otherwise than in accordance with the provisions thereof.

**13.8 Security**

If any Lien under the IT Security Documents ceases to constitute a valid and perfected first priority Lien (subject only to Permitted Encumbrances) in the Assets of the Obligors subject thereto.

**13.9 Unauthorized Transfer**

If the Intermediary Trust fails to comply with the provisions of Section 12.9.

**13.10 LIL Cross Default**

If any LIL Event of Default occurs, provided, however, that this IT Event of Default shall automatically be cured in the event that the LIL Event of Default is either remedied or waived by the Collateral Agent under the LIL Project Finance Agreement before the Collateral Agent exercises any of the rights set forth in Article 14 hereof.

**13.11 Muskrat/LTA Cross Default**

If any Muskrat/LTA Event of Default occurs, provided, however, that this IT Event of Default shall automatically be cured in the event that the Muskrat/LTA Event of Default is either remedied or waived by the Muskrat/LTA Collateral Agent before the Collateral Agent exercises any of the rights set forth in Article 14 hereof.

**ARTICLE 14**

**REMEDIES**

**14.1 Preliminary Measures**

To the extent that a Remedies Consultation Period has been triggered pursuant to the LIL Project Finance Agreement, the parties hereto shall concurrently be subject to the same Remedies Consultation Period and to the application of the terms and conditions of Section 14.1 of LIL Project Finance Agreement with respect to such Remedies Consultation Period.

**14.2 Termination and Acceleration**

Upon the occurrence and during the continuance of an Enforcement Event, the Collateral Agent may do any one or more of the following:

- 14.2.1 declare the whole or any part of the IT Facility to be cancelled, terminated or reduced, whereupon the Funding Vehicle shall not be required to make any further IT Advance hereunder in respect of such portion of the IT Facility so cancelled, terminated or reduced;
- 14.2.2 accelerate the maturity of all or any item or part of the IT Loan and declare them and any applicable IT 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 IT Project Finance Documents;
- 14.2.4 suspend any rights of the Obligors under any IT 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 IT Project Finance Document or Applicable Law (whether or not provided for in any IT Project Finance Document) at such times and in such manner as the Collateral Agent may consider expedient,

all without any additional notice, demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour or any other action being required. If an Enforcement Event occurs and is continuing, the IT Facility shall immediately and automatically be cancelled and the IT Loan and the IT Make-Whole Amount shall be accelerated and become immediately and automatically due and payable without any action on the part of the Collateral Agent or any of the GAA Finance Parties being required.

14.3 **Distribution of Proceeds of Realization**

Any Proceeds of Realization received by any of the 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 and IT Make-Whole Amount in respect of the IT Loan, **(ii)** all principal on the IT Loan, 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 IT 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 Intermediary Trust under any IT 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 Intermediary Trust 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 IT Project Finance Documents, or to make or maintain all or any part of the IT 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 IT Loan shall terminate and, subject to the provisions of any such Law and those of Section 15.2 with respect to losses and expenses, the Intermediary Trust shall repay in full any such affected IT Loan, together with all interest accrued thereon and the IT 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 IT Facility, the IT Loan or any part thereof or to reduce any amount receivable by the Funding Vehicle with respect to the IT 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 Intermediary Trust 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 Intermediary Trust or the IT Loan made to the Intermediary Trust; and

15.1.2.5 subject to the provisions of Section 15.2 with respect to losses and expenses, the Intermediary Trust may repay in full the IT Loan together, in each case, with accrued interest thereon and the IT 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 the Intermediary Trust to borrow pursuant to the IT Draw Request once delivered (whether by reason of the Intermediary Trust's decision not to proceed, the non-fulfilment by the Intermediary Trust of any of the conditions set forth herein, the existence of an IT Event of Default on the IT Drawdown Date or for any other reason other than default by the Intermediary Trust resulting from a default by the Funding Vehicle); or

15.2.2 the declaration by the Collateral Agent following the occurrence and during the continuance of an Enforcement Event that the IT Loan is immediately due and payable; or

15.2.3 the failure of the Intermediary Trust to pay when due any 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 "**IT Loss Event**" and the funds 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 "**IT Affected Funds**");

the Intermediary Trust agrees 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 General Indemnity**

The Obligors hereby indemnify and hold harmless the Indemnified Parties from and against any and all losses and expenses, joint and several or joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defence with respect thereto arising out of or in connection with or relating to this Agreement (including, without limitation, any liability that any Indemnified Party incurs by virtue of being found, in respect of the Project, liable as a partner or joint venturer), the other IT Project Finance Documents or the transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the IT Facility, whether or not such investigation, litigation or proceeding is brought by any Obligor 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.

**15.4 Claims under the Indemnities**

The Indemnified Party claiming indemnification under Section 15.3 shall give the Obligors notice in writing of particulars of any claim asserted by third parties against it which is covered by such indemnities and the Obligors 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 Obligors, unless the said fifteen (15) day period has expired without one of the Obligors having given written notice of its desire to dispute such claim. If the Indemnified Party is unable to obtain timely advice from the Obligors 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 Obligors give such written notice to the Indemnified Party that they do wish to dispute such claim, the Obligors 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 Obligors shall have the right to carry on such actions or proceedings in its name; provided that, counsel retained by the Obligors to prosecute such defense is

approved by the Indemnified Party and the Obligors (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 Obligors and at the reasonable cost and expense of the Obligors, 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 Obligors 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.

## **ARTICLE 16**

### **SPECIAL PROVISIONS**

#### **16.1 Covenant of the Funding Vehicle**

The Funding Vehicle covenants and agrees that, on demand made by the Intermediary Trust from time to time, it shall claim from the Indenture Trustee any moneys set aside in connection with any redemption of any securities issued by the Funding Vehicle under Section 5.6 of the MTI six (6) years following such setting aside if the holders of such securities have not claimed such amounts and shall pay such amounts to the Intermediary Trust and the Intermediary Trust shall pay same to the Partnership upon receipt.

#### **16.2 Actions and Decisions of the Collateral Agent and GAA Finance Parties**

Whenever any reference is made in this Agreement to a decision or judgment to be made by, consent or waiver to be granted by, discretion to be exercised by, action to be taken by, request to be made by, or otherwise to the Collateral Agent, the GAA Finance Parties or any one of them, or any other Person, including the Collateral Agent's Counsel, 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, each of the Issuer Trustee as trustee of the Funding Vehicle and the IT Trustee as trustee of the Intermediary Trust hereby irrevocably appoints the Collateral Agent respectively as the Issuer Trustee's and the Funding Vehicle's and the IT Trustee's and Intermediary Trust's attorney-in-fact during the term of this Agreement, with full authority in the place and stead of and in the name of the Issuer Trustee and the Funding Vehicle, the IT Trustee and the Intermediary Trust or otherwise, from time to time as required by this Agreement, to take such actions on their respective behalves as the Collateral Agent, subject to the provisions of this Agreement, may deem necessary or advisable to comply with or effect the purposes of this Agreement and the Consolidated Transaction Documents including to execute any documents which the 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, and any documents which the IT Trustee could execute on behalf of the Intermediary Trust including consents and confirmations issued to the Partnership in accordance with the Project Financing Duty Requirement, to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts or moneys due and to become due in connection with the Consolidated Transaction Documents or otherwise owed to them pursuant thereto, to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection therewith, and to file any claims or take any action or institute any Proceedings which the Collateral Agent, subject to the provisions of this Agreement, may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of this Agreement.

**17.2 Notice**

17.2.1 Any notice, document or other communication required or permitted to be given or delivered hereunder will be given by personal delivery or courier, or facsimile, or by electronic mail delivery addressed as follows:

**17.2.1.1 To the Collateral Agent:**

The Toronto-Dominion Bank  
TD Bank Tower  
66 Wellington Street West  
9<sup>th</sup> 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 Funding Vehicle:**

Labrador-Island Link Funding Trust  
c/o BNY Trust Company of Canada, as Issuer Trustee  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administrator

Fax: 416-360-1711

With a copy to:

Labrador-Island Link General Partner Corporation, as General  
Partner of Labrador-Island Link Limited Partnership  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0M1

Attention: Corporate Secretary

Fax: 709-737-1782

E-mail:

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:

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 the Intermediary Trust:**

LIL Construction Project Trust  
c/o BNY Trust Company of Canada, as IT Trustee  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administrator

Fax: 416-360-1711

With a copy to:

Labrador-Island Link General Partner Corporation, as General  
Partner of Labrador-Island Link Limited Partnership  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0M1

Attention: Corporate Secretary

Fax: 709-737-1782

E-mail:

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:

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 Provisions Regarding Liability of IT Trustee**

The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the IT Trustee herein and therein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets

of the Intermediary Trust. No Assets of the IT Trustee (other than the Assets of the Intermediary Trust), whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement or any of the documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

**17.6 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.

Save and except for any assignment pursuant to the GAA Security Documents, the Funding Vehicle hereby covenants and agrees that it shall not sell, assign, transfer or otherwise dispose of, or grant a participating interest in, any Indebtedness owed to it by the Intermediary Trust or any Liens granted in connection therewith to any Person at any time, notwithstanding the existence of any IT Event of Default, without having obtained the express prior written consent of the Obligors.

**17.7 No Novation**

Any security provided by the Intermediary Trust shall not constitute a payment, nor shall it operate novation of any amount due hereunder and shall not operate by way of set-off of, or merge with, any Indebtedness or liability of the Intermediary Trust 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.

**17.8 Obligation to Pay Absolute**

The obligations of the Intermediary Trust to make payments on the IT Loan as and when in this Agreement provided shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances without any right of compensation or set-off and notwithstanding any defense, right of action or claim of any nature whatsoever which the Intermediary Trust may at any time have or have had against the Collateral Agent or the Funding Vehicle, whether in connection with this Agreement or otherwise.

17.9 **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.

17.10 **Further Assurances**

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

17.11 **Execution in Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

**[INTENTIONALLY LEFT BLANK]**

AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

IN WITNESS WHEREOF the parties have executed this IT Project Finance Agreement.

THE TORONTO-DOMINION BANK,  
as Collateral Agent



By: \_\_\_\_\_

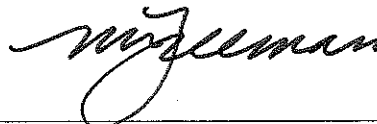
Name: Michael A. Freeman  
Title: Vice President, Loan Syndications - Agency

By: \_\_\_\_\_

Name:  
Title:

AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as trustee of LABRADOR-  
ISLAND LINK FUNDING TRUST, as  
a GAA Finance Party, herein acting  
and represented by THE TORONTO-  
DOMINION BANK**  
as a GAA Finance Party



By: \_\_\_\_\_  
Name: Michael A. Freeman  
Title: Vice President, Loan Syndications - Agency

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as Trustee of LIL  
CONSTRUCTION PROJECT TRUST,  
as Obligor**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**J. Steven Broude**  
**Authorized Signatory**


By: \_\_\_\_\_

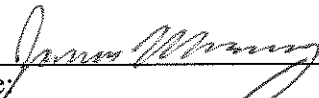
Name: \_\_\_\_\_

Title: \_\_\_\_\_

AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

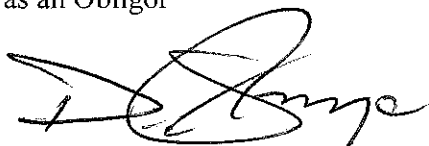
**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP, by its  
general partner,  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,  
as an Obligor**

By:   
Name: **Derrick Sturge**  
Title: **VP, Finance & CFO**

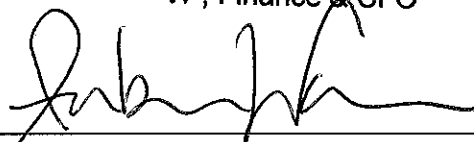
By:   
Name: **James Meaney**  
Title: **General Manager, Finance**

AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION,**  
as an Obligor

By: 

Name: **Derrick Sturge**  
Title: **VP, Finance & CFO**

By: 

Name:  
Title:



**SCHEDULE "A"**

**IT PAYMENT DEMAND**

Date: \_\_\_\_\_

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION**

500 Columbus Drive  
P.O. Box 15050  
Stn A.  
St-John's, NL A1B 0M5

Attention: Corporate Secretary

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP**

500 Columbus Drive  
P.O. Box 12800  
Stn A.  
St. John's, NL A1B 0C9

Attention: Corporate Secretary

Gentlemen:

We refer you to the amended and restated project finance agreement dated as of July 16, 2015 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, 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 "**IT Project Finance Agreement**").

We also refer you to the amended and restated master definitions agreement dated as of July 16, 2015 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

In accordance with Section 5.3 of the IT Project Finance Agreement, we hereby demand payment of the sum of CDN\$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid in full of CDN\$<@>. We hereby certify that the Claimed Amount represents CDN\$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising IT Guaranteed Obligations that are now due and payable by the Intermediary Trust to the Funding Vehicle and that the Intermediary Trust failed to pay such amounts by the time provided on the IT Due Date.

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours truly,

**THE TORONTO-DOMINION BANK,  
as Collateral Agent**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "B"**

**LITIGATION**

Nil.

**SCHEDULE "C"**

**CORPORATE STRUCTURE AND LOCATION OF ASSETS**

**1. LIL CONSTRUCTION PROJECT TRUST**

1.1. Jurisdiction of formation

Newfoundland and Labrador, Canada

1.2. Persons holding Capital Stock

- N/A

1.3. Nature of Capital Stock

- N/A

1.4. Location of the principal place of business

320 Bay Street, 11<sup>th</sup> Floor, Toronto, ON, M5H 4A6, c/o BNY Trust Company of Canada

1.5. Location of the registered and chief executive offices

10 Fort William Pl., St. John's, NL, A1C 1K4, c/o McInnes Cooper

1.6. Exact Name

LIL Construction Project Trust

1.7. Trustee

BNY Trust Company of Canada

**SCHEDULE "D"**

**AUTHORIZATIONS AND REGISTRATIONS**

Nil.

**SCHEDULE "E"**

**IT VOLUNTARY PREPAYMENT NOTICE**

Date: \_\_\_\_\_

**TO: The Toronto-Dominion Bank**, as Collateral Agent

Gentlemen:

We refer you to the amended and restated project finance agreement dated as of July 16, 2015 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, 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 "**IT Project Finance Agreement**").

We also refer you to the amended and restated master definitions agreement dated as of July 16, 2015 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

We also refer you to the LIL Voluntary Prepayment Notice dated as of <@>, a copy of which is attached hereto as Schedule "A".

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to the provisions of section 2.7 of the IT Project Finance Agreement, we hereby notify you that on **Note 1**, we shall make an IT 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 "B" an example of how the amount of the IT Voluntary Prepayment is calculated in accordance with the provisions of subsection 2.7.1 of the IT Project Finance Agreement<sup>1</sup>

<sup>1</sup> The amount of the IT Voluntary Prepayment must be equal to the sum of (i) the aggregate principal amount of the IT 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 is payable on the FV Redemption Date; and (iii) the IT Make-Whole Amount.

Yours truly,

**BNY TRUST COMPANY OF  
CANADA, as IT Trustee of LIL  
CONSTRUCTION PROJECT TRUST**

Per: \_\_\_\_\_

\_\_\_\_\_

**Notes:**

1. Specify the date at which the prepayment is made. This prepayment notice must be made immediately upon receipt by the Collateral Agent of the LIL Voluntary Prepayment Notice.

**SCHEDULE "A"**

**LIL VOLUNTARY PREPAYMENT NOTICE**



**SCHEDULE "B"**

**(see attached calculations)**

**SCHEDULE "F"**

**IT DRAW REQUEST**

Date:     **Note 1**    

The Toronto-Dominion Bank  
as Collateral Agent

TD Bank Tower  
66 Wellington St. W., 9th Floor  
Toronto, Ontario, Canada. M5K 1A2  
Attention: Michael A. Freeman, Vice President Loan Syndications-Agency

Gentlemen:

We refer you to the amended and restated project finance agreement dated as of July 16, 2015 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opc**"), as guarantors, 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 "**IT Project Finance Agreement**").

We also refer you to the amended and restated master definitions agreement dated as of July 16, 2015 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to subsection 2.5 of the IT Project Finance Agreement, we hereby request the single Drawdown under the IT 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 IT 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 IT Event of Default has occurred and is continuing.

Yours truly,

**BNY TRUST COMPANY OF  
CANADA, as IT Trustee of LIL  
CONSTRUCTION PROJECT TRUST**

Per: \_\_\_\_\_

---

**Notes:**

1. IT Draw Request must be delivered at least two (2) Business Days prior to the IT Drawdown Date.
2. Insert the amount of the single IT Drawdown. The IT Drawdown will be apportioned rateably amongst each of the IT Tranches.
3. Insert proposed IT Drawdown Date.

## SCHEDULE "G"

### ASSIGNMENT AND LOAN REPAYMENT AGREEMENT

This Assignment and Loan Repayment Agreement is made as of and with effect from <@> between BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, a single purpose trust formed under the Laws of NL (the "**Intermediary Trust**"), as assignor, and BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust, a single purpose trust formed under the Laws of NL (the "**Funding Vehicle**").

#### RECITALS:

1. A project finance agreement dated as of November 29, 2013 was entered into among the Intermediary Trust, as borrower, the Funding Vehicle, as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, and The Toronto-Dominion Bank, as Collateral Agent (as amended, the "**IT Project Finance Agreement**").
2. A project finance agreement dated as of November 29, 2013 was entered into among the Partnership, as borrower, the Intermediary Trust, as lender, Opco and Labrador-Island Link General Partner Corporation (the "**General Partner**"), as Credit Parties, and The Toronto-Dominion Bank, as Collateral Agent (as amended, the "**LIL Project Finance Agreement**").
3. A master definitions agreement dated as of November 29, 2013 was entered into among, *inter alia*, The Toronto-Dominion Bank, as Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Her Majesty The Queen in Right of the Province of Newfoundland and Labrador, the Partnership, Opco, the General Partner and Computershare Trust Company of Canada (as amended, the "**Master Definitions Agreement**").
4. The parties hereto acknowledge that Commissioning has occurred.
5. The Intermediary Trust wishes to assign and sell to the Funding Vehicle all Indebtedness owed to it by the Partnership under the LIL Project Finance Documents and all of its rights, titles and interests therein, the whole in full and final repayment of all its Indebtedness to the Funding Vehicle under the IT Project Finance Agreement.
6. The Funding Vehicle wishes to accept such assignment and sale in full and final repayment of all of the Intermediary Trust's Indebtedness to the Funding Vehicle under the IT Project Finance Agreement and assume all of the rights, titles and interests of the Intermediary Trust in the LIL Project Finance Documents.

**IN CONSIDERATION** of the respective covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

## ARTICLE 1

### INTERPRETATION

1.1 **Definitions.** The capitalized words and expressions, wherever used in this Agreement, in its Schedules or in any deed or agreement supplemental or ancillary hereto, unless there be something in the subject or the context inconsistent therewith, shall have the meanings ascribed thereto in 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, 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 "**Assignment and Loan Repayment Agreement**", "**this Assignment and Loan Repayment Agreement**", "**this Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular Recital, Article, Subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.

1.4 **Grammatical Variations.** In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Agreement shall be construed in like manner.

1.5 **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 Guarantor, the parties hereto shall amend 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 law.

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.

## ARTICLE 2

### ASSIGNMENT

2.1 **Assignment.** The Intermediary Trust hereby irrevocably sells and assigns to the Funding Vehicle, and the Funding Vehicle hereby irrevocably purchases and assumes from the Intermediary Trust, **(i)** all Indebtedness owed to the Intermediary Trust by the Partnership under the LIL Project Finance Documents and all of the Intermediary Trust's rights, titles and interests therein, including, without limitation, the LIL Loan and **(ii)** to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Intermediary Trust against any Person, whether known or unknown, arising under or in connection with the LIL Project Finance Documents, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (collectively, the "**Assigned Interest**").

2.2 **Consideration.** In consideration for the assignment and sale contemplated in Section 2.1, the Funding Vehicle hereby acknowledges and agrees that the Intermediary Trust's Indebtedness to the Funding Vehicle under the IT Project Finance Agreement (the "**IT Indebtedness**") is hereby satisfied and repaid in full by way of the assignment and sale of the Assigned Interest contemplated in Section 2.1.

2.3 **Acknowledgement.** The Funding Vehicle and the Intermediary Trust acknowledge that immediately prior to the assignment and sale contemplated in Section 2.1, the fair market value of the Assigned Interest was at least equal to the principal amount (as defined in subsection 248(1) of the *Income Tax Act* (Canada)) of the IT Indebtedness.

2.4 **No Recourse.** The assignment and sale contemplated in Section 2.1 is without recourse to the Intermediary Trust and without representation or warranty by the Intermediary Trust. The Intermediary Trust assumes no responsibility with respect to **(i)** any statements, warranties or representations made in or in connection with the LIL Project Finance Agreement or any other LIL Project Finance Document, **(ii)** the execution, legality, validity, enforceability, genuineness, sufficiency or value of the LIL Project Finance Documents or any collateral thereunder, **(iii)** the financial condition of the Partnership, any of the other Credit Parties or any other Person obligated in respect of any LIL Project Finance Document or **(iv)** the performance or observance by the Partnership, any of the other Credit Parties or any other Person of any of their respective obligations under any LIL Project Finance Document.

2.5 **Representations of the Funding Vehicle.** The Funding Vehicle **(a)** represents and warrants that **(i)** upon execution of this Agreement by all of the parties hereto (collectively, the "**Effective Time**"), it shall be bound by the provisions of the LIL Project Finance Agreement as the lender thereunder, and **(ii)** it has received a copy of the LIL Project Finance Agreement, the other LIL Project Finance Documents and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and

to purchase the Assigned Interest on the basis of which it has made such analysis and decision, and (b) agrees that as of the Effective Time (i) it will perform in accordance with their terms all of the obligations which by the terms of the LIL Project Finance Documents are required to be performed by it, and (ii) all references to the Intermediary Trust in the LIL Project Finance Documents shall be deemed to be a reference to the Funding Vehicle, where the context so admits.

2.6 **Release of IT Trustee and Intermediary Trust.** As of the Effective Time, (i) the IT Trustee and the Intermediary Trust are released from all their obligations under the Consolidated Transactions Documents including all indemnity obligations notwithstanding any provision of any Consolidated Transaction Document to the contrary and shall cease being parties thereto in any capacity and (ii) the Collateral Agent shall perform the Project Financing Duties on behalf only of the Funding Vehicle and Canada.

### ARTICLE 3

#### **GENERAL PROVISIONS**

3.1 **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.

3.2 **Provision Regarding Liability of IT Trustee.** The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the Issuer Trustee herein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets of the Intermediary Trust. No Assets of the IT Trustee (other than the Assets of the Intermediary Trust), whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT

Trustee under this Agreement or any of the other documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

3.3 **Successors and Assigns.** This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

3.4 **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.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**



**TO WITNESS THEIR AGREEMENT** the Parties have executed and delivered this Agreement this \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_ with effect from the day and year first above written.

**BNY TRUST COMPANY OF CANADA, as  
IT Trustee of LIL CONSTRUCTION  
PROJECT TRUST**

By: \_\_\_\_\_

**BNY TRUST COMPANY OF CANADA, as  
Issuer Trustee of LABRADOR - ISLAND  
LINK FUNDING TRUST**

By: \_\_\_\_\_

ACKNOWLEDGED AND ACCEPTED ON \_\_\_\_\_.

**LABRADOR - ISLAND LINK LIMITED  
PARTNERSHIP, by its general partner  
LABRADOR - ISLAND LINK GENERAL  
PARTNER CORPORATION**

By: \_\_\_\_\_

**LABRADOR - ISLAND LINK OPERATING  
CORPORATION**

By: \_\_\_\_\_

**LABRADOR - ISLAND LINK GENERAL  
PARTNER CORPORATION**

By: \_\_\_\_\_

**HER MAJESTY THE QUEEN IN RIGHT  
OF CANADA, as represented by THE  
MINISTER OF NATURAL RESOURCES**

By: \_\_\_\_\_

**THE TORONTO-DOMINION BANK, as  
Collateral Agent**

By: \_\_\_\_\_

## **IT PROJECT FINANCE AGREEMENT**

**AMONG**

**THE TORONTO-DOMINION BANK,  
as Collateral Agent**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as Issuer Trustee of  
LABRADOR - ISLAND LINK FUNDING TRUST,  
as a GAA Finance Party**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as IT Trustee of  
LIL CONSTRUCTION PROJECT TRUST,  
as an Obligor**

**AND**

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP,  
as an Obligor**

**AND**

**LABRADOR - ISLAND LINK OPERATING CORPORATION,  
as an Obligor**

**DATED AS OF NOVEMBER 29, 2013**

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**THIS IT 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  
**LABRADOR - ISLAND LINK FUNDING TRUST**, as a GAA Finance  
Party

**AND:**           **BNY TRUST COMPANY OF CANADA**, as IT Trustee of **LIL**  
**CONSTRUCTION PROJECT TRUST**, as an Obligor

**WITNESSETH THAT:**

**WHEREAS** pursuant to the terms of the Commitment Letter, the Lead Arranger has provided covenants and undertakings in favour of the Funding Vehicle including to purchase all the FV Bonds issued by the Funding Vehicle from time to time pursuant to the MTI and to market the sale and issuance thereof, the whole as contemplated therein;

**WHEREAS** the Funding Vehicle intends to borrow funds pursuant to the Funding Transaction Documents by issuing FV Bonds from time to time pursuant to the MTI for the sole purpose of lending those funds to the Intermediary Trust pursuant to this Agreement and the Intermediary Trust will then onlend all the funds it borrows from the Funding Vehicle to the Partnership pursuant to the LIL Project Finance Documents so that the Partnership may finance, in part, the Project Costs;

**WHEREAS** pursuant to and in accordance with the provisions of the Collateral Agency Agreement the Collateral Agent has agreed to perform the various IT 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 November 29, 2013 entered into among, *inter alia*, the Collateral Agent, the Lead Arranger, Canada, the Funding Vehicle, the Intermediary Trust and the Credit Parties (the



"**Master Definitions Agreement**"). The rules of interpretation set forth in Article 1 of the Master Definitions Agreement apply to this Agreement as if at length recited herein.

1.2 **Recitals**

The recitals of this Agreement shall form an integral part hereof, as if at length recited herein.

1.3 **Headings, etc**

The division of this Agreement into recitals, Articles, Sections, subsections, Schedules, paragraphs, subparagraphs and clauses and the insertion of headings and titles are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**IT Project Finance Agreement**", "**this IT 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 or the Intermediary Trust) by or with respect to (a) the Funding Vehicle or the Intermediary Trust; or (b) the Issuer Trustee or the IT Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by a Proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Funding Vehicle or the Intermediary Trust) by or with respect to the Issuer Trustee as trustee of the Funding Vehicle or the IT Trustee as trustee of the Intermediary Trust, as the case may be. It is hereby acknowledged and agreed that,

subject to the FV Declaration of Trust and the IT Declaration of Trust, the Issuer Trustee and the IT Trustee, respectively, may appoint any Person to manage any of the Assets of the Funding Vehicle and the Intermediary Trust, respectively, and to appoint any agent to transact any business on behalf of the Funding Vehicle and the Intermediary Trust, respectively, and therefore, any acts to be performed by the Issuer Trustee and the IT Trustee, respectively, 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:

<b>SCHEDULE</b>	
"A"	IT Payment Demand
"B"	Disclosure of litigation
"C"	Corporate structure and location of assets
"D"	Authorizations and registrations
"E"	IT Voluntary Prepayment Notice
"F"	IT Draw Request
"G"	IT Assignment Agreement

**1.8 Time of the Essence**

Time shall in all respects be of the essence of this Agreement.

## ARTICLE 2

### IT FACILITY

#### 2.1 Grant of IT Facility

The Funding Vehicle agrees, upon the terms and subject to the conditions of this Agreement, to lend to the Intermediary Trust an amount of up to, but not exceeding, in the aggregate, the IT Facility which shall be available in three tranches, namely IT Tranche A, IT Tranche B and IT Tranche C.

#### 2.2 Purpose

The single IT Advance under the IT Facility shall be used by the Intermediary Trust exclusively for the purpose of onlending the funds so borrowed hereunder to the Partnership pursuant to, and in accordance with, the provisions of the LIL Project Finance Agreement so that the Partnership may finance, in part, the Project Costs.

#### 2.3 Facility Limit

2.3.1 As of the Closing Date, the aggregate amount of the IT Facility is CDN\$2,400,000,000, divided as follows as amongst the three IT Tranches: (i) an amount equal to the aggregate amount of the FV Bond - Series A will be available as IT Tranche A; (ii) an amount equal to the aggregate amount of the FV Bond - Series B will be available as IT Tranche B; and (iii) an amount equal to the aggregate amount of the FV Bond - Series C will be available as IT Tranche C.

2.3.2 Where under any of the terms hereof the IT Facility and any IT Tranche thereof is cancelled, reduced or terminated, same may not subsequently be increased, any such cancellation, reduction or termination thereof being permanent.

#### 2.4 Nature and Availability

2.4.1 The IT Facility is available on a non-revolving basis such that the Intermediary Trust may not reborrow the whole or any part of the IT Advance previously repaid, any such repayment automatically reducing the IT Facility (and, rateably, each IT Tranche) by an amount equal to the amount repaid.

2.4.2 The IT Facility is available in Canadian Dollars only by way of a single IT Drawdown.

#### 2.5 Borrowing Procedures

In order to obtain the IT Drawdown on the IT Drawdown Date hereunder, the Intermediary Trust must deliver to the Collateral Agent the IT Draw Request at the latest by 10:00 a.m., NL standard time, at least two (2) Business Days prior to the proposed

IT Drawdown Date. The IT Drawdown shall be apportioned rateably amongst each of the IT Tranches. Once delivered, the IT Draw Request may not subsequently be revoked or withdrawn by the Intermediary Trust.

**2.6 Repayment of IT Loan**

The Intermediary Trust hereby agrees to repay on or immediately prior to the first day of the Operating Period (the "**Scheduled IT Assignment Date**"), the entire amount of the IT Loan outstanding on such date, in principal, interest and fees and interest on arrears of interest and fees, by Assigning pursuant to the IT Assignment Agreement, in full and final payment of all its Indebtedness to the Funding Vehicle hereunder, all Indebtedness owed to it by the Partnership under the LIL Project Finance Documents, the LIL Project Finance Documents and all its rights, titles and interests therein and the Funding Vehicle hereby agrees to be paid as aforesaid and thereupon to grant a full and final release to the Obligors in respect of the IT Secured Obligations and all Liens relating thereto as contemplated in the IT Assignment Agreement.

**2.7 Voluntary Prepayments**

2.7.1 The Intermediary Trust may voluntarily prepay at any time the whole (and the whole only) of the IT Loan by paying to the Collateral Agent, for the account of the Funding Vehicle, before 1:00 p.m., NL standard time, on the IT Voluntary Prepayment Date an amount equal to the sum of **(i)** the aggregate principal amount of the IT 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 Redemption Date; and **(iii)** the IT Make-Whole Amount.

2.7.2 The Intermediary Trust shall issue an IT Voluntary Prepayment Notice immediately upon receipt by the Collateral Agent of the LIL Voluntary Prepayment Notice. Once delivered, no IT Voluntary Prepayment Notice may be revoked or withdrawn by the Intermediary Trust.

2.7.3 Upon an IT Voluntary Prepayment Notice having been so given, the IT Loan will thereupon be due and payable in an amount equal to that set forth in subsection 2.7.1 on the IT Voluntary Prepayment Date, in the same manner and with the same effect as if such date were the maturity date of the IT Loan, anything herein to the contrary notwithstanding, and from and after such IT Voluntary Prepayment, if the moneys necessary to prepay the IT Loan are paid as herein provided, the IT Loan will not be considered outstanding hereunder and interest in respect of the IT Facility will cease.

## **ARTICLE 3**

### **INTEREST**

#### **3.1 Interest**

- 3.1.1 The Intermediary Trust hereby covenants and agrees to pay to the Collateral Agent, for the account of the Funding Vehicle, interest on each IT Tranche of the IT Construction Loan at an annual rate equal to the IT Applicable Interest Rate applicable to such IT Tranche.
- 3.1.2 The IT 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 IT Interest Payment Date.
- 3.1.3 Interest is payable on each IT Interest Payment Date with respect to amounts of interest **(i)** in respect of the first IT Interest Payment Date, accrued and to accrue from the date of the Advance hereunder up to and including the Business Day immediately following such IT Interest Payment Date, and **(ii)** in respect of any IT Interest Payment Date thereafter, accrued from the immediately preceding IT Interest Payment Date up to and including such IT Interest Payment Date.
- 3.1.4 Interest on all overdue interest on each IT Tranche of the IT 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 IT Tranche as set forth in the definition of IT Applicable Interest Rate.
- 3.1.5 Interest payable on each IT Tranche of the IT Construction Loan shall be payable after as well as before maturity and after as well as before default and judgement.
- 3.1.6 As additional interest payable on the IT Construction Loan, the Intermediary Trust hereby covenants and agrees 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\$5,000.

## **ARTICLE 4**

### **MANNER OF PAYMENTS**

#### **4.1 Payments to Collateral Agent Only**

- 4.1.1 All payments or repayments of principal and interest on the IT Loan and of fees and other amounts due and to become due hereunder with respect to the IT Loan and the IT Facility by the Intermediary Trust 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.

- 4.1.2 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.

4.2 **Payment on any Business Day by 3:00 p.m., NL standard time**

Whenever any payment or repayment falls due on a day which is not a Business Day, such payment or repayment shall be made on the next following Business Day. Furthermore, any amount received after 3:00 p.m., NL standard time, on any Business Day shall be applied to the appropriate payment or repayment which was required to be made on such Business Day, on the next following Business Day. Until so applied, interest shall continue to accrue as provided in this Agreement on the amount of such payment or repayment.

**ARTICLE 5**

**GUARANTEE**

5.1 **Guarantee**

The IT Guarantors hereby jointly and severally, irrevocably, absolutely and unconditionally guarantee to the Collateral Agent, for the benefit of the GAA Finance Parties the due and timely payment of all payment obligations of the Intermediary Trust under the IT Project Finance Documents at the times, in the currencies and in the manner provided for in the IT Project Finance Documents (the "**IT Guaranteed Obligations**").

5.2 **Nature of Guarantee**

The obligations of the IT Guarantors hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, the IT Guarantors shall irrevocably, absolutely and unconditionally pay to the Collateral Agent all such amounts as shall be required from time to time to ensure that the Collateral Agent receives and is paid the full amount of the IT Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the IT Guaranteed Obligations or any failure by the Intermediary Trust to duly and punctually pay in full the IT Guaranteed Obligations when due, (b) any loss of any right of the Collateral Agent or any GAA Finance Party against the Intermediary Trust in respect of the IT Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Collateral Agent or any GAA Finance Party in connection with the enforcement of any of the rights of the Collateral Agent or any GAA Finance Party against the Intermediary Trust.

**5.3 Payment Demand**

Within five (5) Business Days of its receipt of a written demand from the Collateral Agent in the form attached as Schedule "A" (an "**IT Payment Demand**"), the IT Guarantors shall pay to the Collateral Agent each amount claimed in the IT Payment Demand in immediately available funds and as directed by the Collateral Agent in the IT Payment Demand. An IT Payment Demand will not be valid under this Article 5 unless the amount claimed is due to the Funding Vehicle and has not been paid by the Intermediary Trust by the time provided on the IT Due Date. Any amount payable by the IT Guarantors under this Article 5 which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be payable on the corresponding IT Guaranteed Obligations owing under the applicable IT Project Finance Documents.

**5.4 Withholdings**

All amounts payable by the IT Guarantors under this Article 5 shall be made free and clear of and without deduction for or on account of any present or future Taxes, charges, fees, levies, duties or withholdings of any kind. If the IT Guarantors are obliged to deduct or withhold an amount in respect of any such Taxes, charges, fees, levies, duties or withholdings, then in such event the IT Guarantors shall pay to the Collateral Agent such additional amount as is necessary to ensure that the Collateral Agent receives and retains (on an after-Tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such Taxes, charges, fees, levies, duties or withholdings.

**5.5 Statement of Account**

Any statement of account prepared by the Collateral Agent as regards the IT Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Intermediary Trust to the Funding Vehicle and the Collateral Agent, and the IT Guarantors hereby acknowledge and agree that, absent manifest error, they shall be bound by each such statement. The Collateral Agent agrees to provide the IT Guarantors with the computations and calculations used by the Collateral Agent to prepare each such statement of account following a request therefor.

**5.6 No Requirement to Exhaust Recourse**

The Collateral Agent shall not be bound to seek or exhaust its recourse or remedies against the Intermediary Trust, any other guarantor or any other Person nor to enforce, marshal or value any Liens before being entitled to payment under this Article 5.

**5.7 Postponed Subrogation**

The IT Guarantors shall not be subrogated to any right of the Collateral Agent until (i) indefeasible payment in full of all the IT Guaranteed 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 IT Project Finance Documents.

Thereafter, the IT Guarantors (i) shall be subrogated to the rights of the Collateral Agent under, pursuant to and otherwise in respect of all the IT Project Finance Documents and (ii) may require the Collateral Agent to assign to them and each other Person that has made payment of the IT Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the IT Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, the Collateral Agent.

**5.8 Set-Off Acknowledgement**

The IT Guarantors hereby acknowledge and agree that vis-à-vis the Funding Vehicle and the Collateral Agent they have no available remedy of set-off. Accordingly, each payment to be made by the IT Guarantors hereunder in respect of the IT Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the IT Guarantors hereunder in respect of the IT Guaranteed Obligations shall be made without regard to any equities between or among any of the Partnership, Opco, the Intermediary Trust, the Funding Vehicle and the Collateral Agent and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Intermediary Trust, the Partnership or Opco may have or have had against the Collateral Agent, the Funding Vehicle or any other Person.

**5.9 Imputation of moneys received in reduction of IT Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Collateral Agent from the IT Guarantors pursuant to the provisions of this Article 5 shall be applied in reduction of the IT Guaranteed Obligations as provided in the IT Project Finance Documents.

**5.10 Irregularity in borrowings of no effect on obligations of IT Guarantors**

All sums of money, advances, renewals, commitments and undertakings related to the IT Guaranteed Obligations borrowed or effectively obtained from the Funding Vehicle by the Intermediary Trust pursuant to the IT Project Finance Documents shall be considered as being part of the IT Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, advances, renewals, commitments and undertakings, whether or not the Funding Vehicle or the Collateral Agent was aware of the same, it being expressly understood that any sum which cannot be recovered from the IT Guarantors as Guarantors hereunder for reasons of voidness of the principal obligation may be recovered from the IT Guarantors under the indemnity contained in Section 5.2 and shall be payable to the Collateral Agent, for the benefit of the GAA Finance Parties, upon demand therefor by the Collateral Agent.



**5.11 No Release of IT Guarantors**

Until the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Intermediary Trust under the IT Project Finance Documents have been cancelled and terminated the obligations of the IT Guarantors hereunder shall not be reduced, limited or terminated, nor shall the IT Guarantors be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the IT Guarantors shall have received notice thereof or assented thereto):

- 5.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the IT Guaranteed Obligations or the IT Project Finance Documents;
- 5.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the IT Guaranteed Obligations;
- 5.11.3 the release of any Liens securing any or all of the IT Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the IT Project Finance Documents;
- 5.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to the Collateral Agent or any of the GAA Finance Parties, including but not limited to:
  - 5.11.4.1 any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;
  - 5.11.4.2 any election of rights, remedies and/or recourses effected by any of them;
  - 5.11.4.3 any subordination by operation of Applicable Law, whether present or future, of any or all of the IT Guaranteed Obligations;
  - 5.11.4.4 any election not or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any Lien on any collateral securing any or all of the IT Guaranteed Obligations;
  - 5.11.4.5 any disallowance, invalidity, illegality, voidness or unenforceability of any or all Liens securing any or all of the IT Guaranteed Obligations; and

5.11.5 any other act or failure to act which varies the risks of the IT Guarantors hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of the IT Guarantors from any obligation hereunder.

5.12 **Certain Waivers**

Each of the IT Guarantors hereby waives:

5.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Intermediary Trust or any other guarantor or any collateral for any of the IT Guaranteed Obligations;

5.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the IT Guaranteed Obligations that may at any time be available to the Intermediary Trust or any other guarantor. As regards set-offs, such IT Guarantor confirms the acknowledgement contained in Section 5.8;

5.12.3 any notice of acceptance of the incurrence or renewal of any IT Guaranteed Obligations;

5.12.4 all notices which may be required by Applicable Law to preserve any rights against such IT Guarantor hereunder including any notice of default, demand, dishonour, presentment and protest;

5.12.5 diligence;

5.12.6 any defence based upon, arising out of or in any way related to:

5.12.6.1 any claim that any election of remedies by the Collateral Agent or any of the GAA Finance Parties impaired, reduced, released or extinguished any rights that such IT Guarantor might otherwise have had against the Intermediary Trust or any other guarantor;

5.12.6.2 any claim that the IT Guaranteed Obligations should be strictly construed against the Funding Vehicle or the Collateral Agent; and

5.12.6.3 any and all other defences related to the IT Guaranteed Obligations save and except for the receipt by the Funding Vehicle or the Collateral Agent of the full, final and definitive payment of the amount of the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation in full of all credit facilities, extensions of credit and other financial services under the IT Project Finance Documents.

**5.13 No Release in Event of Bankruptcy**

No settlement or discharge of the IT Guaranteed Obligations shall be effective if any payment by the IT Guarantors in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Collateral Agent shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

**5.14 Additional Security**

The guarantee provided under this Article 5 shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Funding Vehicle, the Collateral Agent or any of the GAA Finance Parties. None of the GAA Finance Parties, the Collateral Agent or the Funding Vehicle shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

**5.15 Continuing Liability of Guarantor**

The IT Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of the IT Guarantors hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Intermediary Trust or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as the "**IT Disgorged Amount**"), is recovered from or reimbursed by or for the account of the Funding Vehicle or the Collateral Agent for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the IT Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by the Funding Vehicle or the Collateral Agent (whether or not consented to by the IT Guarantors or any other guarantor) of any claim for any such recovery or payment over. The IT Guarantors hereby expressly waive the benefit of any Applicable Law of limitations and agree that they shall be liable hereunder whenever such a recovery or payment ever occurs.

**5.16 Continuance of Guarantee Agreement**

Subject to Section 5.15, the guarantee provided in this Article 5 shall continue in full force and effect until the indefeasible payment, observance and performance in full of the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation of all the credit facilities, extensions of credit and financial services to the Intermediary Trust, provided, however, that where at any time the Funding Vehicle or the Collateral Agent is required to pay over any IT Disgorged Amount, such Person shall be permitted to make a claim therefor under the provisions of Section 5.15.

**5.17 Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The IT Guarantors agree that each of the waivers, renunciations, declarations and authorizations set forth in this Article 5 is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**5.18 Authority to Modify LIL Guaranteed Obligations**

Each IT Guarantor expressly authorizes the Collateral Agent and the Funding Vehicle or any one thereof, at any time and from time to time, without notice and without affecting the liability of such IT Guarantor hereunder, to:

- 5.18.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the IT Guaranteed Obligations and any security and guarantees therefor;
- 5.18.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the IT Guaranteed Obligations;
- 5.18.3 accept partial payments on the IT Guaranteed Obligations;
- 5.18.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the IT Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Collateral Agent (for the benefit of the GAA Finance Parties) in its discretion may determine; and
- 5.18.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the IT Project Finance Documents.

**ARTICLE 6**

**SECURITY**

**6.1 Security by the Obligors**

As general and continuing security for the due payment and performance of the IT Secured Obligations, the Obligors shall grant the following security:

- 6.1.1 the Intermediary Trust shall grant first ranking Liens, subject only to Permitted Encumbrances, on all of its present and future Assets, to and in favour of the Collateral Agent or the IT Security Trustee, as the case may be,

and, for such purpose, on or prior to the single IT Drawdown hereunder, the Intermediary Trust shall:

- 6.1.1.1 execute a collateral trust deed in favour of the IT Security Trustee (the "**IT Collateral Trust Deed**");
  - 6.1.1.2 issue under the terms of the IT Collateral Trust Deed, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$2,400,000,000;
  - 6.1.1.3 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 paragraph 6.1.1.2; and
  - 6.1.1.4 execute a blocked account agreement in favour of the IT Security Trustee and the Collateral Agent with respect to the IT Accounts;
- 6.1.2 each of the IT Guarantors shall, on or prior to the single IT Drawdown hereunder:
- 6.1.2.1 issue under the terms of the LIL Collateral Trust Deed to which it is a party, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$2,400,000,000; and
  - 6.1.2.2 execute a pledge agreement with respect to the senior secured bond referred to in paragraph 6.1.2.1.

All of the foregoing documents must be in form and substance satisfactory to the Collateral Agent.

## 6.2 **Registration**

Each of the Obligors shall register, or shall cause to be registered, and hereby authorizes the Collateral Agent and the Collateral Agent's Counsel to register the IT Security Documents and any financing statement, notice, application for registration or other document in respect thereof, in all offices 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 IT Security Documents and their validity, effect, perfection and priority at all times.

## 6.3 **Further Assurances**

On request from the Collateral Agent from time to time, the Obligors shall execute or cause to be executed, all such agreements, documents and instruments (including any

amendment to any IT 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 IT Project Finance Documents or to facilitate realization under such Liens.

**6.4 Discharge of Certain Security**

The Funding Vehicle authorizes the Collateral Agent to discharge the Liens created pursuant to the IT Security Documents, but only in respect of any Assets disposed of in compliance with the provisions of this Agreement.

**6.5 Survival of Security**

The Obligors and the Funding Vehicle hereby acknowledge and agree that none of the Liens created pursuant to the IT Security Documents shall be released until all IT Secured Obligations are indefeasibly repaid in full, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA.

**ARTICLE 7**

**CONDITIONS PRECEDENT**

**7.1 Initial Conditions Precedent**

No IT Advance shall be made by the Funding Vehicle pursuant to the IT Facility until the following conditions precedent (the "**IT 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:

**LIL INITIAL CONDITIONS PRECEDENT**

7.1.1 the LIL Initial Conditions Precedent (save and except that set forth in subsection 7.1.25 of the LIL Project Finance Agreement relating to the IT 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**

7.1.2 the Collateral Agent shall have received:

7.1.2.1 true and complete copies of the constitutive documents, charter and by-laws of each of the Obligors;

7.1.2.2 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 Obligors of its obligations under the IT Project Finance Documents to which it is a party and stating the offices of the Responsible Officers or other Persons who are authorized to sign such documents;

7.1.2.3 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 each Obligor executing the IT Project Finance Documents;

7.1.2.4 in respect of each of the Obligors, 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;

#### **DUE DILIGENCE**

7.1.3 since November 29, 2013, no event has occurred or failed to occur which has or would have a Material Adverse Effect;

#### **IT ACCOUNTS**

7.1.4 the Intermediary Trust shall have established with the Collateral Agent all IT Accounts;

#### **MATTERS RELATING TO SECURITY**

7.1.5 the Collateral Agent shall have received all IT 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 the Assets of the Intermediary Trust and in the Collateral Mortgage Bonds of the IT Guarantors, subject only to Permitted Encumbrances, have been effected;

7.1.6 the Collateral Agent shall have received results of searches of public records by the Obligors' 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 Obligors and each of their respective Assets subject to the Liens created pursuant to the IT Security Documents 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 7.1.7;

- 7.1.7 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that concurrently with the making of the single IT Drawdown hereunder, it shall receive releases and discharges with respect to all Liens, other than Permitted Encumbrances, affecting the Obligors and their respective Assets subject to the Liens created pursuant to the IT Security Documents, duly executed by all of the Persons who benefit from such Liens or have been granted security on such Assets;

#### **LEGAL OPINIONS**

- 7.1.8 the Collateral Agent shall have received the legal opinions of the Obligors' Counsel, as the case may be, dated the Closing Date, regarding the Obligors, and in form and substance satisfactory to the Collateral Agent.

Such legal opinions shall cover such matters incident to the transactions contemplated by the IT Project Finance Documents as the Collateral Agent may request, including the legality, validity, binding nature and enforceability of each such agreement;

#### **COMPLIANCE**

- 7.1.9 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the Closing Date; and
- 7.1.10 no IT Event of Default shall have occurred and be continuing;

#### **7.2 Conditions Precedent to Single Advance under IT Facility**

No IT Advance shall be made by the Funding Vehicle pursuant to the IT Facility until the IT Initial Conditions Precedent and the following conditions precedent (the "**IT 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 Muskrat/LTA Project Finance Agreement have been met to the satisfaction of the Muskrat/LTA Collateral Agent, or, as the case may be, waived by the Muskrat/LTA Collateral Agent (other than those set forth in subsection 7.2.1 of the Muskrat/LTA Project Finance Agreement);
- 7.2.2 the Collateral Agent shall have received the single IT Draw Request within the time periods herein provided requesting the single IT Drawdown on the IT Drawdown Date in an amount equal to the IT 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; and
- 7.2.4 no IT Event of Default shall have occurred and be continuing.



7.3 **Conditions Precedent to First Funds Release from the Intermediary Trust Proceeds Account Balance**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the IT Funding Period, upon or following the IT Initial Conditions Precedent and the IT Drawdown Conditions Precedents having been met or, as the case may be, waived by the Collateral Agent, the first IT Funds Release shall be made provided, however, that the following conditions precedent to be met to the satisfaction of the Collateral Agent, or, as the case may be, waived by it:

**FIRST LIL DRAWDOWN CONDITIONS PRECEDENT**

7.3.1 the First LIL 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; and

7.3.2 no IT Event of Default shall have occurred and be continuing.

7.4 **Conditions Precedent to IT Funds Release from the Intermediary Trust Proceeds Account**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the IT Funding Period, upon or following the IT Initial Conditions Precedent and the IT Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, an IT Funds Release (other than the IT Final Funds Release) shall be made no more than once per calendar month 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:

**LIL DRAWDOWN CONDITIONS PRECEDENT**

7.4.1 the conditions precedent to LIL Drawdowns set forth in Section 7.3 of the LIL Project Finance Agreement with respect to the LIL Draw Request to be funded with the proceeds of such IT Funds Release shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent; and

7.4.2 no IT Event of Default shall have occurred and be continuing.

7.5 **Conditions Precedent to IT Final Funds Release**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the IT Initial Conditions Precedent and the IT Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, the IT Final Funds Release shall be made immediately prior to the Commissioning Date, but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

- 7.5.1 the Conditions Precedent to Commissioning (save and except those set forth in subsection 7.7.6 of the LIL Project Finance Agreement) shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent; and
- 7.5.2 no IT Event of Default shall have occurred and be continuing.

## **ARTICLE 8**

### **IT ACCOUNTS AND APPLICATION OF FUNDS**

#### **8.1 Intermediary Trust Proceeds Account**

On or prior to the Closing Date, the Intermediary Trust shall establish with the Collateral Agent an account called "Intermediary Trust Proceeds Account" at the Collateral Agent's Office (the "**Intermediary Trust Proceeds Account**").

##### 8.1.1 During the IT Funding Period:

8.1.1.1 there shall be deposited directly into the Intermediary Trust Proceeds Account, the proceeds of the single IT Advances under the IT Facility made under this Agreement;

8.1.1.2 subject to the provisions of paragraph 8.1.1.3, amounts in the Intermediary Trust Proceeds Account shall be released and transferred only to the Partnership Project Funding Account to fund Advances requested by the Partnership under the LIL Project Finance Agreement in accordance with the provisions of Sections 7.3, 7.4 or 7.5 hereof;

8.1.1.3 at any time that any interest in respect of the IT Construction Loan is due and payable, immediately prior to such interest payment, the lesser of the IT Income on Account Balances then on deposit in the Intermediary Trust Proceeds Account and the amount of such interest then due and payable shall be transferred from the Intermediary Trust Proceeds Account to the Intermediary Trust Payment Account.

#### **8.2 Intermediary Trust Payment Account**

On or prior to the Closing Date, the Intermediary Trust shall establish with the Collateral Agent an account called "Intermediary Trust Payment Account" at the Collateral Agent's Office (the "**Intermediary Trust Payment Account**").

8.2.1 From time to time during the IT Funding Period, there shall be deposited directly into the Intermediary Trust Payment Account all amounts (A) paid by the Partnership or Opco to the Intermediary Trust or to the Collateral Agent, on behalf of the Intermediary Trust, (B) transferred directly by the Collateral

Agent from a LIL Project Account, in each case on account of principal, interest and fees payable pursuant to the provisions of the LIL Project Finance Agreement or (C) all amounts to be transferred thereto from the Intermediary Trust Proceeds Account pursuant to paragraph 8.1.1.3.

8.2.2 During the IT Funding Period:

8.2.2.1 funds in the Intermediary Trust Payment Account shall be applied from time to time in the following order of priority:

- (a) firstly, at any time that any such amount is due, paid to the Funding Vehicle or directly to the FV Payment Account for rateable application towards the payment of (i) all interest in respect of the IT Construction Loan then due and payable; (ii) all principal on the IT Construction Loan and any IT Make-Whole Amount then due and payable; and (iii) all breakage costs and other expenses then due and payable pursuant to the provisions of the Consolidated Transaction Documents; and
- (b) secondly, provided that no IT Event of Default then exists, prior to the end of each fiscal year of the Intermediary Trust, an amount of \$10,000 shall be released and applied at the option of the Intermediary Trust.

## **ARTICLE 9**

### **REPRESENTATIONS AND WARRANTIES**

To induce the Funding Vehicle to make the IT Facility available to the Intermediary Trust, the Obligors 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 Obligor is a trust, corporation or limited partnership duly and validly incorporated or formed, as applicable, validly existing and in good standing under the Laws of NL. The Intermediary Trust 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 IT Project Finance Documents.

#### **9.2 Authority**

Each Obligor has the requisite capacity and power to enter into each of the IT Project Finance 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 Obligor has taken all necessary action to authorize the execution and delivery by it of each IT Project Finance Document to which it is a party, the creation and performance of its obligations thereunder and the creation of the Liens thereunder, if any, over its Assets subject thereto and the consummation of the transactions contemplated thereunder.

9.4 **Due Execution**

Each Obligor has duly executed and delivered each IT Project Finance Document to which it is a party.

9.5 **Non-Conflict**

None of the authorization, execution, delivery or performance of the IT Project Finance Documents by each Obligor, nor the creation of Liens in favour of the IT Security Trustee and the Collateral Agent, as the case may be, over the Assets subject thereto, nor the consummation of any of the transactions contemplated in the IT Project Finance 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 IT Security Documents to be made on or about the Closing Date, and (ii) such Authorizations which by the nature thereof need not be obtained until a future date;

9.5.2 conflicts with, contravenes or gives rise to any default under (i) any of the Organizational Documents of such Obligor, (ii) the provisions of any indenture, instrument, agreement or undertaking to which such Obligor is a party or by which such Obligor or any of its Assets are or may become bound, or (iii) any Applicable Law; 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 Obligor.

9.6 **Enforceability**

Each IT Project Finance Document to which each Obligor 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**

The Intermediary Trust is in compliance with all Applicable Laws, the non-compliance with which would have a Material Adverse Effect. Moreover, the Intermediary Trust is in compliance with all AML Legislation.

9.8 **Litigation**

Save and except as disclosed in Schedule B", there is no notice of infraction, action, suit or proceeding pending against (nor, to the Knowledge of the Obligors, any notice of infraction, action, suit or proceeding threatened against or in any other manner relating adversely to) the Intermediary Trust 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 would have a Material Adverse Effect.

9.9 **Corporate Structure and Location of Assets**

Subject to the notices provided by the Intermediary Trust to the Collateral Agent pursuant to Section 10.8, Schedule "C" indicates:

9.9.1 the location of the registered and chief executive offices and the principal place of business of the Intermediary Trust and the IT Trustee and their jurisdiction of organization; and

9.9.2 the exact name of the Intermediary Trust and the IT Trustee.

9.10 **No Material Adverse Effect**

No event or events have occurred which have or would have a Material Adverse Effect.

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 Intermediary Trust 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 Obligors, no information furnished by them to the Collateral Agent in connection with any of the IT 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 Obligor 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 Intermediary Trust furnished to the Collateral Agent was based upon assumptions believed to be reasonable by the IT Trustee as of the date of preparation.

9.14 **All Authorizations Obtained and Registrations Made**

All Authorizations and Registrations necessary to permit (i) each Obligor to execute, deliver and perform each IT Project Finance Document to which it is a party, consummate the transactions contemplated thereby and grant the Liens contemplated in the IT Security Documents to which it is a party, and (ii) the Intermediary Trust 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 Schedule "D", (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 IT Security Documents to be made on or about the Closing Date, and (d) generally as regards paragraph (ii) 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 Obligor 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**

The Intermediary Trust has no Pension Plans.

9.16 **No IT Event of Default**

No IT 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**

The Intermediary Trust is the sole legal and beneficial owner of its Assets, free and clear of any encumbrance or Lien other than Permitted Encumbrances.

9.18 **Taxes**

The Intermediary Trust has:

9.18.1 delivered or caused to be delivered as and when required all returns for Taxes to the appropriate Governmental Authorities;

9.18.2 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;

9.18.3 made provision for appropriate amounts in respect of any Taxes likely to be exigible in accordance with GAAP; and

9.18.4 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.

9.19 **Employee Relations**

The Intermediary Trust has no employees.

9.20 **Business**

The Intermediary Trust is engaged solely in the Intermediary Trust Activities.

9.21 **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 the IT Advance and each IT Funds Release is requested and made hereunder.

## **ARTICLE 10**

### **GENERAL COVENANTS**

So long as any IT Loan or any other amount payable hereunder is outstanding and unpaid or the Intermediary Trust shall have the right to borrow hereunder or obtain IT Funds Releases (whether or not the conditions to borrowing or IT 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 Obligors hereby covenant that:

10.1 **Preservation of Existence, etc.**

Each Obligor will preserve and maintain its existence. Subject to Sections 9.5 and 9.14, the Intermediary Trust will 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 9.20 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**

Each Obligor will obtain, as and when required, and maintain any Authorization of or from any Governmental Authority which may be or become necessary or required in order that it may fulfill its obligations under each of the IT Project Finance Documents to which it is a party. Subject to Sections 9.5 and 9.14, the Intermediary Trust will obtain, as and when required, and maintain any Authorization of or from any Governmental Authority which may be or become necessary or required in order that it may own its Assets and carry on its business as contemplated in Section 9.20.

**10.3 Business, Compliance with Applicable Law**

The Intermediary Trust will engage solely in the business referred to in Section 9.20 and carry on and conduct its business in a proper and efficient manner. Each Obligor will comply, in all material respects, with all requirements of the IT Project Finance Documents to which it is a party. The Intermediary Trust will comply, in all material respects, with all requirements of Applicable Law, and the terms and conditions of all Authorizations necessary or required in the normal conduct of its business provided, however, that nothing herein shall require the Intermediary Trust to comply with the requirements of any Applicable Law or the terms or conditions of any Authorization so long as non-compliance would not have a Material Adverse Effect.

**10.4 Keeping of Records**

The Intermediary Trust 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 Registrations**

The Obligors will maintain, amend and renew as required the Registrations made in connection with the IT 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 IT Security Documents in order to preserve, protect and perfect the validity, effect and priority of the Liens created thereunder.

**10.6 Payment of Taxes and Claims**

The Intermediary Trust will timely pay and discharge: **(i)** subject to paragraph (ii), all Taxes prior to the date on which penalties attach thereto, and **(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; 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.

**10.7 Visits and Inspections**

Upon reasonable prior notice, the Intermediary Trust shall permit representatives of the Collateral Agent and the GAA Finance Parties, upon reasonable request made (i) no more than once per calendar year if no IT Event of Default has occurred and is continuing or (ii) if an IT Event of Default then exists, from time to time as is reasonable in the circumstances, to 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 the Intermediary Trust's compliance with its covenants under the IT Project Finance Documents.

**10.8 Change of Name**

The Intermediary Trust shall notify the Collateral Agent in writing at least ten (10) Business Days prior to (a) any change of name of the Intermediary Trust, (b) any transfer of the Intermediary Trust's rights in its Assets not expressly permitted hereunder, (c) any change in jurisdictions in which the Assets of the Intermediary Trust are located, and (d) any change in the location of the Intermediary Trust within the meaning of the PPSA.

**10.9 Use of Proceeds**

The Intermediary Trust will apply all proceeds of the IT Drawdowns under the IT Facility to finance the advances it is required to make from time to time to the Partnership pursuant to the LIL Project Finance Agreement.

**10.10 Anti-Money Laundering Legislation**

Since, pursuant to AML Legislation, the Collateral Agent and the GAA Finance Parties may be required to obtain, verify and record information regarding any Obligor, 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 Obligor, and the transactions contemplated hereby, the Obligors 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.

**ARTICLE 11**

**INFORMATION COVENANTS**

So long as any IT 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

Intermediary Trust shall have the right to borrow or obtain IT Funds Releases hereunder (whether or not the conditions to borrowing or IT Funds Releases have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Obligors 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 the Intermediary Trust, the Intermediary Trust shall deliver to the Collateral Agent the unaudited consolidated Financial Statements of the Intermediary Trust for such fiscal quarter.

**11.2 Annual Financial Statements and Information**

Within one hundred and twenty (120) days after the end of each fiscal year of the Intermediary Trust, the Intermediary Trust shall deliver to the Collateral Agent the audited consolidated Financial Statements of the Intermediary Trust, 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 the Intermediary Trust.

**11.3 Notice of Litigation and other Matters**

The Intermediary Trust 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 Intermediary Trust has Knowledge thereof):

11.3.1 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 Intermediary Trust) in any other way relating to the Intermediary Trust, any of its Assets, or, to the Knowledge of the Intermediary Trust, threatened against it, in each case which would have a Material Adverse Effect;

11.3.2 any event or events which, singly or in the aggregate, would have a Material Adverse Effect; and

11.3.3 any IT Event of Default.

**11.4 Other Information**

Following each request, the Intermediary Trust shall furnish to the Collateral Agent, such data, certificates, reports, statements, documents or further information regarding its business, Assets, liabilities, financial position or results of operations 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 Obligors with any AML Legislation.

**11.5 Distribution by Use of Websites**

Each Obligor may satisfy its obligations under this Agreement to deliver to the Collateral Agent 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 Intermediary Trust to which the Collateral Agent and the GAA Finance Parties have access and which creates automatic notice of posting to the access list. The Intermediary Trust 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 11.5 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 any IT Loan or any other amount payable hereunder is outstanding and unpaid or the Intermediary Trust shall have the right to borrow or obtain IT Funds Releases hereunder (whether or not the conditions to borrowing or IT Funds Releases have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Obligors hereby covenant and agree that:

**12.1 Liens**

No Obligor will create, incur, assume or suffer to exist any Lien upon or in respect of any of its present or future Assets subject to the Liens created pursuant to the IT Security Documents, other than Permitted Encumbrances.

**12.2 Indebtedness**

The Intermediary Trust will not incur, create, assume or suffer to exist any Indebtedness except for:

12.2.1 Indebtedness under this Agreement and the other IT Project Finance Documents;

12.2.2 Indebtedness secured by a Lien which is a Permitted Encumbrance; and

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.

12.3 **Derivative Instruments**

The Intermediary Trust will not enter into or be a party to any Derivative Instrument.

12.4 **Business Combinations**

The Intermediary Trust will not 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 as contemplated in Section 2.6.

12.5 **Investments**

The Intermediary Trust will not make any Investment other than Permitted Investments.

12.6 **Change of Year-End**

The Intermediary Trust will not change its fiscal year-end or the end of any of its fiscal quarters. On the Closing Date, the fiscal year-end of the Intermediary Trust is December 31.

12.7 **Change in Business**

The Intermediary Trust will not effect any change in the nature of its business as described in Section 9.20 or cease to carry on its business.

12.8 **Pension Plans and Employees**

The Intermediary Trust shall not create any Pension Plan or have any employee.

12.9 **Sale or Lease of Assets**

The Intermediary Trust shall not sell, lease or otherwise dispose of its Assets, whether now owned or hereafter acquired, except the Assignment contemplated in Section 2.6.

12.10 **Subsidiaries**

The Intermediary Trust shall not create or acquire any Subsidiary.

12.11 **Amendments to Organizational Documents**

The Intermediary Trust shall not 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.

## ARTICLE 13

### **EVENTS OF DEFAULT**

The occurrence of any one or more of the following events shall constitute an IT Event of Default (each such event being herein referred to as an "IT Event of Default"):

#### 13.1 **Non-Payment of Principal or Interest**

The Intermediary Trust fails to pay, when due, any amount of principal, interest or fees outstanding hereunder or under any other IT Project Finance Document within five (5) Business Days of the due date thereof.

#### 13.2 **Misrepresentation**

Any representation or warranty made or deemed made by any Obligor herein or in any other IT Project Finance Document is found to have been false, inaccurate, incomplete, fraudulently made, or breached in any material respect.

#### 13.3 **Breach of Covenants**

Any Obligor 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 IT Project Finance Document and such failure continues unremedied for a period of thirty (30) days following the issuance to such Obligor by the Collateral Agent of a notice thereof.

#### 13.4 **Unsatisfied Judgments**

Any judgment or decree for the payment of money is entered against the Intermediary Trust and is not vacated, discharged, stayed or collateral has not been posted with respect thereto pending appeal within sixty (60) days of the entry thereof, or is not vacated or discharged prior to the expiration of any stay of proceedings applicable thereto, and involves a liability (not paid or fully covered by insurance) the amount of which, singly or when aggregated with all such liabilities of the Intermediary Trust, exceeds CDN\$50,000,000.

#### 13.5 **Enforcement Proceeding**

Any Enforcement Proceeding commenced against the Intermediary Trust is not vacated, discharged, dismissed or stayed within sixty (60) days of the commencement thereof, and relates to a material part of the Assets of the Intermediary Trust.

#### 13.6 **Insolvency**

An Insolvency Event shall have occurred with respect to any Obligor.

13.7 **Denial of Obligations**

Should any Obligor deny to any material extent, its obligations under any IT Project Finance Document or claim any of the IT Project Finance Documents to be rescinded, terminated (other than a scheduled termination), invalid or withdrawn, in whole or in part, or if any IT Project Finance Document ceases to be in full force and effect otherwise than in accordance with the provisions thereof.

13.8 **Security**

If any Lien under the IT Security Documents ceases to constitute a valid and perfected first priority Lien (subject only to Permitted Encumbrances) in the Assets of the Obligors subject thereto.

13.9 **Unauthorized Transfer**

If the Intermediary Trust fails to comply with the provisions of Section 12.9.

13.10 **LIL Cross Default**

If any LIL Event of Default occurs, provided, however, that this IT Event of Default shall automatically be cured in the event that the LIL Event of Default is either remedied or waived by the Collateral Agent under the LIL Project Finance Agreement before the Collateral Agent exercises any of the rights set forth in Article 14 hereof.

13.11 **Muskrat/LTA Cross Default**

If any Muskrat/LTA Event of Default occurs, provided, however, that this IT Event of Default shall automatically be cured in the event that the Muskrat/LTA Event of Default is either remedied or waived by the Muskrat/LTA Collateral Agent before the Collateral Agent exercises any of the rights set forth in Article 14 hereof.

**ARTICLE 14**

**REMEDIES**

14.1 **Preliminary Measures**

To the extent that a Remedies Consultation Period has been triggered pursuant to the LIL Project Finance Agreement, the parties hereto shall concurrently be subject to the same Remedies Consultation Period and to the application of the terms and conditions of Section 14.1 of LIL Project Finance Agreement with respect to such Remedies Consultation Period.

14.2 **Termination and Acceleration**

Upon the occurrence and during the continuance of an Enforcement Event, the Collateral Agent may do any one or more of the following:

- 14.2.1 declare the whole or any part of the IT Facility to be cancelled, terminated or reduced, whereupon the Funding Vehicle shall not be required to make any further IT Advance hereunder in respect of such portion of the IT Facility so cancelled, terminated or reduced;
- 14.2.2 accelerate the maturity of all or any item or part of the IT Loan and declare them and any applicable IT 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 IT Project Finance Documents;
- 14.2.4 suspend any rights of the Obligors under any IT 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 IT Project Finance Document or Applicable Law (whether or not provided for in any IT Project Finance Document) at such times and in such manner as the Collateral Agent may consider expedient,

all without any additional notice, demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour or any other action being required. If an Enforcement Event occurs and is continuing, the IT Facility shall immediately and automatically be cancelled and the IT Loan and the IT Make-Whole Amount shall be accelerated and become immediately and automatically due and payable without any action on the part of the Collateral Agent or any of the GAA Finance Parties being required.

14.3 **Distribution of Proceeds of Realization**

Any Proceeds of Realization received by any of the 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 and IT Make-Whole Amount in respect of the IT Loan, (ii) all principal on the IT Loan, 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 IT 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 Intermediary Trust under any IT 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 Intermediary Trust 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 IT Project Finance Documents, or to make or maintain all or any part of the IT 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 IT Loan shall terminate and, subject to the provisions of any such Law and those of Section 15.2 with respect to losses and expenses, the Intermediary Trust shall repay in full any such affected IT Loan, together with all interest accrued thereon and the IT 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 IT Facility, the IT Loan or any part thereof or to reduce any amount receivable by the Funding Vehicle with respect to the IT 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 Intermediary Trust 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 Intermediary Trust or the IT Loan made to the Intermediary Trust; and
- 15.1.2.5 subject to the provisions of Section 15.2 with respect to losses and expenses, the Intermediary Trust may repay in full the IT Loan together, in each case, with accrued interest thereon and the IT 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 the Intermediary Trust to borrow pursuant to the IT Draw Request once delivered (whether by reason of the Intermediary Trust's decision not to proceed, the non-fulfilment by the Intermediary Trust of any of

the conditions set forth herein, the existence of an IT Event of Default on the IT Drawdown Date or for any other reason other than default by the Intermediary Trust resulting from a default by the Funding Vehicle); or

- 15.2.2 the declaration by the Collateral Agent following the occurrence and during the continuance of an Enforcement Event that the IT Loan is immediately due and payable; or
- 15.2.3 the failure of the Intermediary Trust to pay when due any 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 "**IT Loss Event**" and the funds 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 "**IT Affected Funds**");

the Intermediary Trust agrees 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 **General Indemnity**

The Obligors hereby indemnify and hold harmless the Indemnified Parties from and against any and all losses and expenses, joint and several or joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defence with respect thereto arising out of or in connection with or relating to this Agreement (including, without limitation, any liability that any Indemnified Party incurs by virtue of being found, in respect of the Project, liable as a partner or joint venturer), the other IT Project Finance Documents or the transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the IT Facility, whether or not such investigation, litigation or proceeding is brought by any Obligor 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.

### 15.4 **Claims under the Indemnities**

The Indemnified Party claiming indemnification under Section 15.3 shall give the Obligors notice in writing of particulars of any claim asserted by third parties against it which is covered by such indemnities and the Obligors 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 Obligors, unless the

said fifteen (15) day period has expired without one of the Obligors having given written notice of its desire to dispute such claim. If the Indemnified Party is unable to obtain timely advice from the Obligors 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 Obligors give such written notice to the Indemnified Party that they do wish to dispute such claim, the Obligors 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 Obligors shall have the right to carry on such actions or proceedings in its name; provided that, counsel retained by the Obligors to prosecute such defense is approved by the Indemnified Party and the Obligors **(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 Obligors and at the reasonable cost and expense of the Obligors, 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 Obligors 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.

## **ARTICLE 16**

### **SPECIAL PROVISIONS**

#### **16.1 Covenant of the Funding Vehicle**

The Funding Vehicle covenants and agrees that, on demand made by the Intermediary Trust from time to time, it shall claim from the Indenture Trustee any moneys set aside in connection with any redemption of any securities issued by the Funding Vehicle under Section 5.6 of the MTI six (6) years following such setting aside if the holders of such securities have not claimed such amounts and shall pay such amounts to the Intermediary Trust and the Intermediary Trust shall pay same to the Partnership upon receipt.

#### **16.2 Actions and Decisions of the Collateral Agent and GAA Finance Parties**

Whenever any reference is made in this Agreement to a decision or judgment to be made by, consent or waiver to be granted by, discretion to be exercised by, action to be taken

by, request to be made by, or otherwise to the Collateral Agent, the GAA Finance Parties or any one of them, or any other Person, including the Collateral Agent's Counsel, 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, each of the Issuer Trustee as trustee of the Funding Vehicle and the IT Trustee as trustee of the Intermediary Trust hereby irrevocably appoints the Collateral Agent respectively as the Issuer Trustee's and the Funding Vehicle's and the IT Trustee's and Intermediary Trust's attorney-in-fact during the term of this Agreement, with full authority in the place and stead of and in the name of the Issuer Trustee and the Funding Vehicle, the IT Trustee and the Intermediary Trust or otherwise, from time to time as required by this Agreement, to take such actions on their respective behalves as the Collateral Agent, subject to the provisions of this Agreement, may deem necessary or advisable to comply with or effect the purposes of this Agreement and the Consolidated Transaction Documents including to execute any documents which the 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, and any documents which the IT Trustee could execute on behalf of the Intermediary Trust including consents and confirmations issued to the Partnership in accordance with the Project Financing Duty Requirement, to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts or moneys due and to become due in connection with the Consolidated Transaction Documents or otherwise owed to them pursuant thereto, to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection therewith, and to file any claims or take any action or institute any Proceedings which the Collateral Agent, subject to the provisions of this Agreement, may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of this Agreement.

#### **17.2 Notice**

17.2.1 Any notice, document or other communication required or permitted to be given or delivered hereunder will be given by personal delivery or courier, or facsimile, or by electronic mail delivery addressed as follows:

**17.2.1.1 To the Collateral Agent:**

The Toronto-Dominion Bank  
TD Bank Tower  
66 Wellington Street West  
9<sup>th</sup> 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 Funding Vehicle:**

Labrador-Island Link Funding Trust  
c/o BNY Trust Company of Canada, as Issuer Trustee  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administrator

Fax: 416-360-1711

With a copy to:

Labrador-Island Link General Partner Corporation, as General  
Partner of Labrador-Island Link Limited Partnership  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0M1

Attention: Corporate Secretary

Fax: 709-737-1782

E-mail:

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:

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 the Intermediary Trust:**

LIL Construction Project Trust  
c/o BNY Trust Company of Canada, as IT Trustee  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administrator

Fax: 416-360-1711

With a copy to:

Labrador-Island Link General Partner Corporation, as General  
Partner of Labrador-Island Link Limited Partnership  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0M1

Attention: Corporate Secretary

Fax: 709-737-1782

E-mail:

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:

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 Provisions Regarding Liability of IT Trustee**

The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the IT Trustee herein and therein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets of the Intermediary Trust. No Assets of the IT Trustee (other than the Assets of the Intermediary Trust), whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement or any of the documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

**17.6 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.

Save and except for any assignment pursuant to the GAA Security Documents, the Funding Vehicle hereby covenants and agrees that it shall not sell, assign, transfer or otherwise dispose of, or grant a participating interest in, any Indebtedness owed to it by the Intermediary Trust or any Liens granted in connection therewith to any Person at any time, notwithstanding the existence of any IT Event of Default, without having obtained the express prior written consent of the Obligors.

**17.7 No Novation**

Any security provided by the Intermediary Trust shall not constitute a payment, nor shall it operate novation of any amount due hereunder and shall not operate by way of set-off of, or merge with, any Indebtedness or liability of the Intermediary Trust 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.



**17.8 Obligation to Pay Absolute**

The obligations of the Intermediary Trust to make payments on the IT Loan as and when in this Agreement provided shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances without any right of compensation or set-off and notwithstanding any defense, right of action or claim of any nature whatsoever which the Intermediary Trust may at any time have or have had against the Collateral Agent or the Funding Vehicle, whether in connection with this Agreement or otherwise.

**17.9 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.

**17.10 Further Assurances**

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

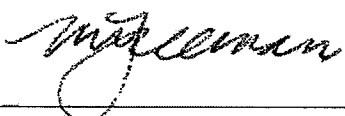
**17.11 Execution in Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

**[INTENTIONALLY LEFT BLANK]**

IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

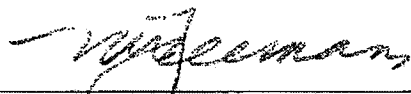
**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

Per:  \_\_\_\_\_

and Per: \_\_\_\_\_

IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE


**BNY TRUST COMPANY OF  
CANADA, as trustee of LABRADOR-  
ISLAND LINK FUNDING TRUST, as  
a GAA Finance Party, herein acting  
and represented by THE TORONTO-  
DOMINION BANK  
as a GAA Finance Party**

By:   
Name: Michael J. Brennan  
Title: Senior Vice President, GAA

By: \_\_\_\_\_  
Name:  
Title:

IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as Trustee of LIL  
CONSTRUCTION PROJECT TRUST,  
as Obligor**

By:   
Name: F. Steven Broude  
Title: Vice President

By: \_\_\_\_\_  
Name:  
Title:

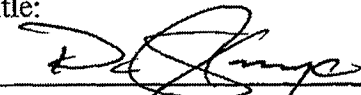
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**LABRADOR-ISLAND LINK LIMITED  
PARTNERSHIP,**  
by its general partner,  
**LABRADOR-ISLAND LINK GENERAL  
PARTNER CORPORATION,**  
as an Obligor

By: 

Name:


Title:


By: 

Name:

Title:

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION,**  
as an Obligor

By:   
Name:  
Title:

By:   
Name:  
Title:

**SCHEDULE "A"**

**IT PAYMENT DEMAND**

Date: \_\_\_\_\_

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION**

500 Columbus Drive  
P.O. Box 15050  
Stn A.  
St-John's, NL A1B 0M5

Attention: Corporate Secretary

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP**

500 Columbus Drive  
P.O. Box 12800  
Stn A.  
St. John's, NL A1B 0C9

Attention: Corporate Secretary

Gentlemen:

We refer you to the project finance agreement dated as of November 29, 2013 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, 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 "**IT Project Finance Agreement**").

We also refer you to the master definitions agreement dated as of November 29, 2013 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

In accordance with Section 5.3 of the IT Project Finance Agreement, we hereby demand payment of the sum of CDN\$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid in full of CDN\$<@>. We hereby certify that the Claimed Amount represents CDN\$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising IT Guaranteed Obligations that are now due and payable by the Intermediary Trust to the Funding Vehicle and that the Intermediary Trust failed to pay such amounts by the time provided on the IT Due Date.

Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours truly,

**THE TORONTO-DOMINION BANK,**  
**as Collateral Agent**

Per: \_\_\_\_\_

Per: \_\_\_\_\_



**SCHEDULE "B"**

**LITIGATION**

Nil.

**SCHEDULE "C"**

**CORPORATE STRUCTURE AND LOCATION OF ASSETS**

**1. LIL CONSTRUCTION PROJECT TRUST**

1.1. Jurisdiction of formation

Newfoundland and Labrador, Canada

1.2. Persons holding Capital Stock

- N/A

1.3. Nature of Capital Stock

- N/A

1.4. Location of the principal place of business

320 Bay Street, 11<sup>th</sup> Floor, Toronto, ON, M5H 4A6, c/o BNY Trust Company of Canada

1.5. Location of the registered and chief executive offices

10 Fort William Pl., St. John's, NL, A1C 1K4, c/o McInnes Cooper

1.6. Exact Name

LIL Construction Project Trust

1.7. Trustee

BNY Trust Company of Canada

**SCHEDULE "D"**

**AUTHORIZATIONS AND REGISTRATIONS**

Nil.

**SCHEDULE "E"**

**IT VOLUNTARY PREPAYMENT NOTICE**

Date: \_\_\_\_\_

**TO: The Toronto-Dominion Bank**, as Collateral Agent

Gentlemen:

We refer you to the project finance agreement dated as of November 29, 2013 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, 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 "**IT Project Finance Agreement**").

We also refer you to the master definitions agreement dated as of November 29, 2013 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

We also refer you to the LIL Voluntary Prepayment Notice dated as of <@>, a copy of which is attached hereto as Schedule "A".

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to the provisions of section 2.7 of the IT Project Finance Agreement, we hereby notify you that on **Note 1**, we shall make an IT 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 "B" an example of how the amount of the IT Voluntary Prepayment is calculated in accordance with the provisions of subsection 2.7.1 of the IT Project Finance Agreement.<sup>1</sup>

---

<sup>1</sup> The amount of the IT Voluntary Prepayment must be equal to the sum of (i) the aggregate principal amount of the IT 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 is payable on the FV Redemption Date; and (iii) the IT Make-Whole Amount.

Yours truly,

**BNY TRUST COMPANY OF  
CANADA, as IT Trustee of LIL  
CONSTRUCTION PROJECT TRUST**

Per: \_\_\_\_\_

\_\_\_\_\_

**Notes:**

1. Specify the date at which the prepayment is made. This prepayment notice must be made immediately upon receipt by the Collateral Agent of the LIL Voluntary Prepayment Notice.

**SCHEDULE "A"**

**LIL VOLUNTARY PREPAYMENT NOTICE**

**SCHEDULE "B"**

**(see attached calculations)**

**SCHEDULE "F"**

**IT DRAW REQUEST**

Date:     **Note 1**    

**The Toronto-Dominion Bank**  
as Collateral Agent

TD Bank Tower  
66 Wellington St. W., 9th Floor  
Toronto, Ontario, Canada. M5K 1A2  
Attention: Michael A. Freeman, Vice President Loan Syndications-Agency

Gentlemen:

We refer you to the project finance agreement dated as of November 29, 2013 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, 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 "**IT Project Finance Agreement**").

We also refer you to the master definitions agreement dated as of November 29, 2013 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty The Queen In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to subsection 2.5 of the IT Project Finance Agreement, we hereby request the single Drawdown under the IT 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 IT 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 IT Event of Default has occurred and is continuing.



Yours truly,

**BNY TRUST COMPANY OF  
CANADA, as IT Trustee of LIL  
CONSTRUCTION PROJECT TRUST**

Per: \_\_\_\_\_

---

**Notes:**

1. IT Draw Request must be delivered at least two (2) Business Days prior to the IT Drawdown Date.
2. Insert the amount of the single IT Drawdown. The IT Drawdown will be apportioned rateably amongst each of the IT Tranches.
3. Insert proposed IT Drawdown Date.

## SCHEDULE "G"

### ASSIGNMENT AND LOAN REPAYMENT AGREEMENT

This Assignment and Loan Repayment Agreement is made as of and with effect from <@> between BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, a single purpose trust formed under the Laws of NL (the "**Intermediary Trust**"), as assignor, and BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust, a single purpose trust formed under the Laws of NL (the "**Funding Vehicle**").

#### RECITALS:

1. A project finance agreement dated as of November 29, 2013 was entered into among the Intermediary Trust, as borrower, the Funding Vehicle, as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, and The Toronto-Dominion Bank, as Collateral Agent (as amended, the "**IT Project Finance Agreement**").
2. A project finance agreement dated as of November 29, 2013 was entered into among the Partnership, as borrower, the Intermediary Trust, as lender, Opco and Labrador-Island Link General Partner Corporation (the "**General Partner**"), as Credit Parties, and The Toronto-Dominion Bank, as Collateral Agent (as amended, the "**LIL Project Finance Agreement**").
3. A master definitions agreement dated as of November 29, 2013 was entered into among, *inter alia*, The Toronto-Dominion Bank, as Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Her Majesty The Queen in Right of the Province of Newfoundland and Labrador, the Partnership, Opco, the General Partner and Computershare Trust Company of Canada (as amended, the "**Master Definitions Agreement**").
4. The parties hereto acknowledge that Commissioning has occurred.
5. The Intermediary Trust wishes to assign and sell to the Funding Vehicle all Indebtedness owed to it by the Partnership under the LIL Project Finance Documents and all of its rights, titles and interests therein, the whole in full and final repayment of all its Indebtedness to the Funding Vehicle under the IT Project Finance Agreement.
6. The Funding Vehicle wishes to accept such assignment and sale in full and final repayment of all of the Intermediary Trust's Indebtedness to the Funding Vehicle under the IT Project Finance Agreement and assume all of the rights, titles and interests of the Intermediary Trust in the LIL Project Finance Documents.

**IN CONSIDERATION** of the respective covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

## ARTICLE 1

### INTERPRETATION

1.1 **Definitions.** The capitalized words and expressions, wherever used in this Agreement, in its Schedules or in any deed or agreement supplemental or ancillary hereto, unless there be something in the subject or the context inconsistent therewith, shall have the meanings ascribed thereto in 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, 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 "**Assignment and Loan Repayment Agreement**", "**this Assignment and Loan Repayment Agreement**", "**this Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular Recital, Article, Subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.

1.4 **Grammatical Variations.** In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Agreement shall be construed in like manner.

1.5 **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 Guarantor, the parties hereto shall amend 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 law.

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.

## ARTICLE 2

### ASSIGNMENT

2.1 **Assignment.** The Intermediary Trust hereby irrevocably sells and assigns to the Funding Vehicle, and the Funding Vehicle hereby irrevocably purchases and assumes from the Intermediary Trust, **(i)** all Indebtedness owed to the Intermediary Trust by the Partnership under the LIL Project Finance Documents and all of the Intermediary Trust's rights, titles and interests therein, including, without limitation, the LIL Loan and **(ii)** to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Intermediary Trust against any Person, whether known or unknown, arising under or in connection with the LIL Project Finance Documents, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (collectively, the "**Assigned Interest**").

2.2 **Consideration.** In consideration for the assignment and sale contemplated in Section 2.1, the Funding Vehicle hereby acknowledges and agrees that the Intermediary Trust's Indebtedness to the Funding Vehicle under the IT Project Finance Agreement (the "**IT Indebtedness**") is hereby satisfied and repaid in full by way of the assignment and sale of the Assigned Interest contemplated in Section 2.1.

2.3 **Acknowledgement.** The Funding Vehicle and the Intermediary Trust acknowledge that immediately prior to the assignment and sale contemplated in Section 2.1, the fair market value of the Assigned Interest was at least equal to the principal amount (as defined in subsection 248(1) of the *Income Tax Act* (Canada)) of the IT Indebtedness.

2.4 **No Recourse.** The assignment and sale contemplated in Section 2.1 is without recourse to the Intermediary Trust and without representation or warranty by the Intermediary Trust. The Intermediary Trust assumes no responsibility with respect to **(i)** any statements, warranties or representations made in or in connection with the LIL Project Finance Agreement or any other LIL Project Finance Document, **(ii)** the execution, legality, validity, enforceability, genuineness, sufficiency or value of the LIL Project Finance Documents or any collateral thereunder, **(iii)** the financial condition of the Partnership, any of the other Credit Parties or any other Person obligated in respect of any LIL Project Finance Document or **(iv)** the performance or observance by the Partnership, any of the other Credit Parties or any other Person of any of their respective obligations under any LIL Project Finance Document.

2.5 **Representations of the Funding Vehicle.** The Funding Vehicle **(a)** represents and warrants that **(i)** upon execution of this Agreement by all of the parties hereto (collectively, the "**Effective Time**"), it shall be bound by the provisions of the LIL Project Finance Agreement as the lender thereunder, and **(ii)** it has received a copy of the LIL Project Finance Agreement, the other LIL Project Finance Documents and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and

to purchase the Assigned Interest on the basis of which it has made such analysis and decision, and (b) agrees that as of the Effective Time (i) it will perform in accordance with their terms all of the obligations which by the terms of the LIL Project Finance Documents are required to be performed by it, and (ii) all references to the Intermediary Trust in the LIL Project Finance Documents shall be deemed to be a reference to the Funding Vehicle, where the context so admits.

2.6 **Release of IT Trustee and Intermediary Trust.** As of the Effective Time, (i) the IT Trustee and the Intermediary Trust are released from all their obligations under the Consolidated Transactions Documents including all indemnity obligations notwithstanding any provision of any Consolidated Transaction Document to the contrary and shall cease being parties thereto in any capacity and (ii) the Collateral Agent shall perform the Project Financing Duties on behalf only of the Funding Vehicle and Canada.

### ARTICLE 3

#### **GENERAL PROVISIONS**

3.1 **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.

3.2 **Provision Regarding Liability of IT Trustee.** The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the Issuer Trustee herein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets of the Intermediary Trust. No Assets of the IT Trustee (other than the Assets of the Intermediary Trust), whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT

Trustee under this Agreement or any of the other documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

3.3 **Successors and Assigns.** This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

3.4 **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.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**TO WITNESS THEIR AGREEMENT** the Parties have executed and delivered this Agreement this \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_ with effect from the day and year first above written.

**BNY TRUST COMPANY OF CANADA, as  
IT Trustee of LIL CONSTRUCTION  
PROJECT TRUST**

By: \_\_\_\_\_

**BNY TRUST COMPANY OF CANADA, as  
Issuer Trustee of LABRADOR - ISLAND  
LINK FUNDING TRUST**

By: \_\_\_\_\_

**ACKNOWLEDGED AND ACCEPTED ON \_\_\_\_\_.**

**LABRADOR - ISLAND LINK LIMITED  
PARTNERSHIP, by its general partner  
LABRADOR - ISLAND LINK GENERAL  
PARTNER CORPORATION**

By: \_\_\_\_\_

**LABRADOR - ISLAND LINK OPERATING  
CORPORATION**

By: \_\_\_\_\_

**LABRADOR - ISLAND LINK GENERAL  
PARTNER CORPORATION**

By: \_\_\_\_\_

**HER MAJESTY THE QUEEN IN RIGHT  
OF CANADA, as represented by THE  
MINISTER OF NATURAL RESOURCES**

By: \_\_\_\_\_

**THE TORONTO-DOMINION BANK, as  
Collateral Agent**

By: \_\_\_\_\_



**SECOND AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT**

**AMONG**

**THE TORONTO-DOMINION BANK,  
as Collateral Agent**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as Issuer Trustee of  
LABRADOR - ISLAND LINK FUNDING TRUST,  
as a GAA Finance Party**

**AND**

**BNY TRUST COMPANY OF CANADA,  
as IT Trustee of  
LIL CONSTRUCTION PROJECT TRUST,  
as an Obligor**

**AND**

**LABRADOR - ISLAND LINK LIMITED PARTNERSHIP,  
as an Obligor**

**AND**

**LABRADOR - ISLAND LINK OPERATING CORPORATION,  
as an Obligor**

**DATED AS OF MAY 10, 2017**

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**THIS SECOND AMENDED AND RESTATED IT PROJECT FINANCE AGREEMENT**  
is made as of May 10, 2017

**AMONG:**               **THE TORONTO-DOMINION BANK**, as Collateral Agent

**AND:**                 **BNY TRUST COMPANY OF CANADA**, as Issuer Trustee of  
**LABRADOR - ISLAND LINK FUNDING TRUST**, as a GAA Finance  
Party

**AND:**                 **BNY TRUST COMPANY OF CANADA**, as IT Trustee of **LIL**  
**CONSTRUCTION PROJECT TRUST**, as an Obligor

**AND:**                 **LABRADOR-ISLAND LINK LIMITED PARTNERSHIP**, as an  
Obligor

**AND:**                 **LABRADOR-ISLAND LINK OPERATING CORPORATION**, as an  
Obligor

**WITNESSETH THAT:**

**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 MTIs for the sole purpose of lending those funds to the Intermediary Trust pursuant to this Agreement and the Intermediary Trust will then onlend all the funds it borrows from the Funding Vehicle to the Partnership pursuant to the LIL Project Finance Documents so that the Partnership may finance, in part, the Project Costs;

**WHEREAS** pursuant to and in accordance with the provisions of the Collateral Agency Agreement the Collateral Agent has agreed to perform the various IT Project Financing Duties;

**WHEREAS** a project finance agreement was entered into as of November 29, 2013 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust, as a GAA Finance Party, and BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as an Obligor (the "**Initial IT Project Finance Agreement**");

**WHEREAS** the Initial IT Project Finance Agreement was amended and restated pursuant to an amended and restated project finance agreement entered into as of July 16, 2015 among The Toronto-Dominion Bank, as Collateral Agent, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust, as a GAA Finance Party, and BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, as an Obligor (the "**Principal IT Project Finance Agreement**");

**WHEREAS** the parties hereto wish to amend certain provisions of the Principal IT Project Finance Agreement and to restate the Principal IT Project Finance Agreement as so amended in its entirety, but without novation, the whole as herein provided;

**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 have agreed that, subject to the satisfaction of the conditions precedent set forth in Section **Erreur ! Source du renvoi introuvable.**, the Principal IT Project Finance Agreement is hereby amended and restated in its entirety, but without novation, 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 second amended and restated master definitions agreement dated the date hereof entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust and the Credit Parties (the "**Master Definitions Agreement**"). The rules of interpretation set forth in Article 1 of the Master Definitions Agreement apply to this Agreement as if at length recited herein.

#### **1.2 Recitals**

The recitals of this Agreement shall form an integral part hereof, as if at length recited herein.

#### **1.3 Headings, etc**

The division of this Agreement into recitals, Articles, Sections, subsections, Schedules, paragraphs, subparagraphs and clauses and the insertion of headings and titles are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**IT Project Finance Agreement**", "**this IT 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 or the Intermediary Trust) by or with respect to (a) the Funding Vehicle or the Intermediary Trust; or (b) the Issuer Trustee or the IT Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by a Proceeding to be taken by or against, or a covenant, representation or warranty (other than relating to the constitution or existence of the Funding Vehicle or the Intermediary Trust) by or with respect to the Issuer Trustee as trustee of the Funding Vehicle or the IT Trustee as trustee of the Intermediary Trust, as the case may be. It is hereby acknowledged and agreed that, subject to the FV Declaration of Trust and the IT Declaration of Trust, the Issuer Trustee and the IT Trustee, respectively, may appoint any Person to manage any of the Assets of the Funding Vehicle and the Intermediary Trust, respectively, and to appoint any agent to transact any business on behalf of the Funding Vehicle and the Intermediary Trust, respectively, and therefore, any acts to be performed by the Issuer Trustee and the IT Trustee, respectively, 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:

**[NOTE TO DRAFT: The following list of schedules will be reviewed and adapted as may be necessary to update the disclosures and to reflect the amendments agreed upon by the parties.]**

SCHEDULE	
"A"	IT Payment Demand



<b>SCHEDULE</b>	
"B"	Disclosure of litigation
"C"	Corporate structure and location of assets
"D"	Authorizations and registrations
"E"	IT Voluntary Prepayment Notice
"F"	IT Draw Request
"G"	IT Assignment Agreement
"H"	Initial IT Tranches
"I"	New IT Tranches

**1.8 Time of the Essence**

Time shall in all respects be of the essence of this Agreement.

**1.9 No Novation**

The parties hereto hereby acknowledge and agree that this Agreement does not novate any of the obligations of the parties pursuant to the Principal IT Project Finance Agreement and that it is not their intention to effect in any way novation of such obligations. To the extent necessary and for all legal purposes, the Collateral Agent, the Funding Vehicle and the other GAA Finance Parties hereby expressly reserve the security granted in their favour or for their benefit as security for the obligations pursuant to the Principal IT Project Finance Agreement, including, without limitation, the Security Documents.

**ARTICLE 2**

**IT FACILITY**

**2.1 Grant of IT Facility**

The Funding Vehicle agrees, upon the terms and subject to the conditions of this Agreement, to lend to the Intermediary Trust an amount of up to, but not exceeding, in the aggregate, the IT Facility which shall be available in tranches, namely the Initial IT Tranches and the New IT Tranches.

**2.2 Purpose**

Each IT Advance under the IT Facility shall be used by the Intermediary Trust exclusively for the purpose of onlending the funds so borrowed hereunder to the Partnership pursuant to, and in accordance with, the provisions of the LIL Project Finance Agreement so that the Partnership may finance, in part, the Project Costs.

## 2.3 **Facility Limit**

2.3.1 As of the IT Second Amendment and Restatement Effective Date, the aggregate amount of the IT Facility is CDN\$3,450,000,000, comprised of the following:

2.3.1.1 as to 2,400,000,000, the Initial IT Tranches, each such Initial IT Tranche being for an amount equal to the aggregate principal amount of FV Bonds issued under the series of FV Bonds listed in Schedule "H" under the heading "Corresponding FV Bonds Series" opposite the name of such Initial IT Tranche;

2.3.1.2 as to CDN\$1,050,000,000, the New IT Tranches, each such New IT Tranche being for an amount equal to the aggregate principal amount of FV Bonds issued under the series of FV Bonds listed in Schedule "I" under the heading "Corresponding FV Bonds Series" opposite the name of such New IT Tranche.

2.3.2 Where pursuant to the terms hereof the IT Facility or any IT Tranche thereof is cancelled, reduced or terminated, any such cancellation, reduction or termination thereof shall be permanent and, with respect to any reduction, such amount may not be subsequently increased.

## 2.4 **Nature and Availability**

2.4.1 The IT Facility is available on a non-revolving basis such that the Intermediary Trust may not reborrow the whole or any part of an IT Advance previously repaid, any such repayment automatically reducing the IT Facility by an amount equal to the amount repaid. Any such reduction of the IT Facility resulting from a prepayment on any IT Voluntary Prepayment Date shall result in a rateable reduction of each Initial IT Tranche or each New IT Tranche, as the case may be.

2.4.2 The parties acknowledge and agree that prior to the date hereof, an amount of CDN\$2,400,000,000 was drawn under the IT Facility, and that accordingly that amount is no longer available for drawdown under IT Facility. The balance of the IT Facility is available in Canadian Dollars only by way of a single IT Drawdown.

## 2.5 **Borrowing Procedures**

In order to obtain an IT Drawdown on an IT Drawdown Date, the Intermediary Trust must deliver to the Collateral Agent an IT Draw Request at the latest by 10:00 a.m., Newfoundland Time, at least two (2) Business Days prior to the proposed IT Drawdown Date. The first IT Drawdown was apportioned rateably amongst each of the Initial IT Tranches, and the second IT Drawdown shall be apportioned rateably amongst each of the New IT Tranches. Once delivered, an IT Draw Request may not subsequently be revoked or withdrawn by the Intermediary Trust.

2.6 **Repayment of IT Loan**

The Intermediary Trust hereby agrees to repay on or immediately prior to the first day of the Operating Period (the "**Scheduled IT Assignment Date**"), the entire amount of the IT Loan outstanding on such date, in principal, interest and fees and interest on arrears of interest and fees, by Assigning pursuant to the IT Assignment Agreement, in full and final payment of all its Indebtedness to the Funding Vehicle hereunder, all Indebtedness owed to it by the Partnership under the LIL Project Finance Documents, the LIL Project Finance Documents and all its rights, titles and interests therein and the Funding Vehicle hereby agrees to be paid as aforesaid and thereupon to grant a full and final release to the Obligors in respect of the IT Secured Obligations and all Liens relating thereto as contemplated in the IT Assignment Agreement.

2.7 **Voluntary Prepayments**

2.7.1 The Intermediary Trust may voluntarily prepay at any time **(a)** the whole (and the whole only) of the IT Loan under the Initial IT Tranches or **(b)** the whole (and the whole only) of the IT Loan under the New IT Tranches, in each case, by paying to the Collateral Agent, for the account of the Funding Vehicle, before 1:00 p.m., Newfoundland Time, on the IT Voluntary Prepayment Date an amount equal to the sum of **(i)** the aggregate principal amount of the IT Construction Loan under the Initial IT Tranches or, as the case may be, under the New IT Tranches; **(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 Redemption Date; and **(iii)** the IT Make-Whole Amount.

2.7.2 The Intermediary Trust shall issue an IT Voluntary Prepayment Notice immediately upon receipt by the Collateral Agent of the LIL Voluntary Prepayment Notice. Once delivered, no IT Voluntary Prepayment Notice may be revoked or withdrawn by the Intermediary Trust.

2.7.3 Upon an IT Voluntary Prepayment Notice having been so given, the IT Loan under the Initial IT Tranches or, as the case may be, under the New IT Tranches will thereupon be due and payable in an amount equal to that set forth in subsection 2.7.1 on the IT Voluntary Prepayment Date, in the same manner and with the same effect as if such date were the maturity date of such IT Loan, anything herein to the contrary notwithstanding, and from and after such IT Voluntary Prepayment, if the moneys necessary to prepay such IT Loan are paid as herein provided, such IT Loan will not be considered outstanding hereunder and interest will cease in respect of the portion of the IT Facility relating to such IT Loan.

**ARTICLE 3**

**INTEREST**

**3.1 Interest**

- 3.1.1 The Intermediary Trust hereby covenants and agrees to pay to the Collateral Agent, for the account of the Funding Vehicle, interest on each IT Tranche of the IT Construction Loan at an annual rate equal to the IT Applicable Interest Rate applicable to such IT Tranche, such interest to be reduced in accordance with subsection 3.1.7.
- 3.1.2 The IT Construction Loan shall bear interest from and including the date of the first Advance hereunder at a rate equal to the Applicable Interest Rate payable semi-annually in arrears on each IT Interest Payment Date, such interest to be reduced in accordance with subsection 3.1.7.
- 3.1.3 Interest is payable on each IT Interest Payment Date with respect to amounts of interest **(i)** in respect of the first IT Interest Payment Date, accrued and to accrue from the date of the first Advance hereunder up to and including the second Business Day immediately following such IT Interest Payment Date, and **(ii)** in respect of any IT Interest Payment Date thereafter, accrued from and including the immediately preceding IT Interest Payment Date up to but excluding such IT Interest Payment Date.
- 3.1.4 Interest on all overdue interest on each IT Tranche of the IT Construction Loan shall be calculated, compounded and payable in accordance with the corresponding provisions of the applicable MTI and each relevant Supplemental Indenture as they relate to such IT Tranche as set forth in the definition of IT Applicable Interest Rate.
- 3.1.5 Interest payable on each IT Tranche of the IT Construction Loan shall be payable after as well as before maturity and after as well as before default and judgement.
- 3.1.6 As additional interest payable in respect of the IT Construction Loan, the Intermediary Trust hereby covenants and agrees 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, commencing on December 31, 2014 an amount equal to CDN\$5,000 and thereafter an amount equal to CDN\$10,000.
- 3.1.7 The interest payable by the Intermediary Trust pursuant to Article 3 at any time shall be reduced by an amount equal to the total of the amount on deposit in the FV Proceeds Account and the FV Payment Account as at such time (as such deposits may be reduced following payment of income tax thereon, if any).

## ARTICLE 4

### MANNER OF PAYMENTS

#### 4.1 Payments to Collateral Agent Only

4.1.1 All payments or repayments of principal and interest on the IT Loan and of fees and other amounts due and to become due hereunder with respect to the IT Loan and the IT Facility by the Intermediary Trust 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.

4.1.2 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.

#### 4.2 Payment on any Business Day by 3:00 p.m., Newfoundland 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., Newfoundland Time, on any Business Day shall be applied to the appropriate payment or repayment which was required to be made on such Business Day, on the next following Business Day. Until so applied, interest shall continue to accrue as provided in this Agreement on the amount of such payment or repayment.

## ARTICLE 5

### GUARANTEE

#### 5.1 Guarantee

The IT Guarantors hereby jointly and severally, irrevocably, absolutely and unconditionally guarantee to the Collateral Agent, for the benefit of the GAA Finance Parties the due and timely payment of all payment obligations of the Intermediary Trust under the IT Project Finance Documents at the times, in the currencies and in the manner provided for in the IT Project Finance Documents (the "**IT Guaranteed Obligations**").

#### 5.2 Nature of Guarantee

The obligations of the IT Guarantors hereunder are and shall be irrevocable, absolute and unconditional, present and continuing and constitute a guarantee of payment and not merely a guarantee of collection. As and by way of indemnity, the IT Guarantors shall irrevocably, absolutely and unconditionally pay to the Collateral Agent all such amounts as shall be required from time to time to ensure that the Collateral Agent receives and is paid the full amount of the IT Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the IT Guaranteed Obligations or any failure by the

Intermediary Trust to duly and punctually pay in full the IT Guaranteed Obligations when due, (b) any loss of any right of the Collateral Agent or any GAA Finance Party against the Intermediary Trust in respect of the IT Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity and (c) any act or omission of the Collateral Agent or any GAA Finance Party in connection with the enforcement of any of the rights of the Collateral Agent or any GAA Finance Party against the Intermediary Trust.

**5.3 Payment Demand**

Within five (5) Business Days of its receipt of a written demand from the Collateral Agent in the form attached as Schedule "A" (an "**IT Payment Demand**"), the IT Guarantors shall pay to the Collateral Agent each amount claimed in the IT Payment Demand in immediately available funds and as directed by the Collateral Agent in the IT Payment Demand. An IT Payment Demand will not be valid under this Article 5 unless the amount claimed is due to the Funding Vehicle and has not been paid by the Intermediary Trust by the time provided on the IT Due Date. Any amount payable by the IT Guarantors under this Article 5 which is not paid when required herein will bear interest from the date of such demand until paid in full at the rate or rates expressed to be payable on the corresponding IT Guaranteed Obligations owing under the applicable IT Project Finance Documents.

**5.4 Withholdings**

All amounts payable by the IT Guarantors under this Article 5 shall be made free and clear of and without deduction for or on account of any present or future Taxes, charges, fees, levies, duties or withholdings of any kind. If the IT Guarantors are obliged to deduct or withhold an amount in respect of any such Taxes, charges, fees, levies, duties or withholdings, then in such event the IT Guarantors shall pay to the Collateral Agent such additional amount as is necessary to ensure that the Collateral Agent receives and retains (on an after-Tax basis, after payment of any and all income taxes on such additional amounts) an amount equal to the full amount otherwise payable hereunder, net of any such Taxes, charges, fees, levies, duties or withholdings.

**5.5 Statement of Account**

Any statement of account prepared by the Collateral Agent as regards the IT Guaranteed Obligations shall constitute *prima facie* evidence of the amount which, as at the date of the statement so prepared, is due by the Intermediary Trust to the Funding Vehicle and the Collateral Agent, and the IT Guarantors hereby acknowledge and agree that, absent manifest error, they shall be bound by each such statement. The Collateral Agent agrees to provide the IT Guarantors with the computations and calculations used by the Collateral Agent to prepare each such statement of account following a request therefor.

**5.6 No Requirement to Exhaust Recourse**

The Collateral Agent shall not be bound to seek or exhaust its recourse or remedies against the Intermediary Trust, any other guarantor or any other Person nor to enforce, marshal or value any Liens before being entitled to payment under this Article 5.

**5.7 Postponed Subrogation**

The IT Guarantors shall not be subrogated to any right of the Collateral Agent until (i) indefeasible payment in full of all the IT Guaranteed 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 IT Project Finance Documents.

Thereafter, the IT Guarantors (i) shall be subrogated to the rights of the Collateral Agent under, pursuant to and otherwise in respect of all the IT Project Finance Documents and (ii) may require the Collateral Agent to assign to them and each other Person that has made payment of the IT Guaranteed Obligations pursuant to any other guarantee, any of their respective rights then remaining with respect to the IT Guaranteed Obligations, but any such assignment shall be without representation or warranty by, or recourse against, the Collateral Agent.

**5.8 Set-Off Acknowledgement**

The IT Guarantors hereby acknowledge and agree that vis-à-vis the Funding Vehicle and the Collateral Agent they have no available remedy of set-off. Accordingly, each payment to be made by the IT Guarantors hereunder in respect of the IT Guaranteed Obligations shall be made as required in whole without application of the right of set-off. Each payment to be made by the IT Guarantors hereunder in respect of the IT Guaranteed Obligations shall be made without regard to any equities between or among any of the Partnership, Opco, the Intermediary Trust, the Funding Vehicle and the Collateral Agent and without counterclaim, reduction, recoupment, retention or diminution of any kind or nature (including as a result of any defence, right of action, recoupment, retention or counterclaim of any nature that the Intermediary Trust, the Partnership or Opco may have or have had against the Collateral Agent, the Funding Vehicle or any other Person.

**5.9 Imputation of moneys received in reduction of IT Guaranteed Obligations**

Notwithstanding every legal rule concerning the imputation of payments, all sums of money received by the Collateral Agent from the IT Guarantors pursuant to the provisions of this Article 5 shall be applied in reduction of the IT Guaranteed Obligations as provided in the IT Project Finance Documents.

**5.10 Irregularity in borrowings of no effect on obligations of IT Guarantors**

All sums of money, advances, renewals, commitments and undertakings related to the IT Guaranteed Obligations borrowed or effectively obtained from the Funding Vehicle by the Intermediary Trust pursuant to the IT Project Finance Documents shall be considered as being part of the IT Guaranteed Obligations, notwithstanding any irregularity, defect or flaw in the borrowing or obtaining of such sums of money, advances, renewals, commitments and undertakings, whether or not the Funding Vehicle or the Collateral Agent was aware of the same, it being expressly understood that any sum which cannot be recovered from the IT Guarantors as Guarantors hereunder for reasons of voidness of the principal obligation may be recovered from the IT Guarantors under the indemnity contained in Section 5.2 and shall be payable to the Collateral Agent, for the benefit of the GAA Finance Parties, upon demand therefor by the Collateral Agent.

**5.11 No Release of IT Guarantors**

Until the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, have been indefeasibly paid in full and all credit facilities, extensions of credit and accommodations to the Intermediary Trust under the IT Project Finance Documents have been cancelled and terminated the obligations of the IT Guarantors hereunder shall not be reduced, limited or terminated, nor shall the IT Guarantors be discharged from any obligation hereunder for any reason whatsoever including, but not limited to (whether or not the same shall have occurred or failed to occur once or more than once and, in the case of extensions of time for payment, observance or performance of obligations, whether such extensions or any of them are for periods longer than the respective periods then specified therefor and whether or not the IT Guarantors shall have received notice thereof or assented thereto):

- 5.11.1 any extension of the time for payment, observance or performance, or any other amendment or modification of any of the terms and conditions of the IT Guaranteed Obligations or the IT Project Finance Documents;
- 5.11.2 any composition or settlement (whether by way of release, acceptance of a plan of reorganization or otherwise) of the IT Guaranteed Obligations;
- 5.11.3 the release of any Liens securing any or all of the IT Guaranteed Obligations or any release, compromise, settlement or extension of time for payment, observance or performance of any obligations under any of the IT Project Finance Documents;
- 5.11.4 any failure to exercise, delay in the exercise of, exercise or waiver of, or forbearance or other indulgence with respect to any rights, remedies and/or recourses available to the Collateral Agent or any of the GAA Finance Parties, including but not limited to:
  - 5.11.4.1 any exercise of or failure to exercise any counterclaim, reduction, recoupment or retention;



- 5.11.4.2 any election of rights, remedies and/or recourses effected by any of them;
- 5.11.4.3 any subordination by operation of Applicable Law, whether present or future, of any or all of the IT Guaranteed Obligations;
- 5.11.4.4 any election not or failure to protect or preserve any collateral or protect, preserve or continue the perfection of any Lien on any collateral securing any or all of the IT Guaranteed Obligations;
- 5.11.4.5 any disallowance, invalidity, illegality, voidness or unenforceability of any or all Liens securing any or all of the IT Guaranteed Obligations; and
- 5.11.5 any other act or failure to act which varies the risks of the IT Guarantors hereunder or, but for the provisions hereof, under the terms of any Applicable Law, would operate to reduce, limit or terminate the obligations of the IT Guarantors from any obligation hereunder.

5.12 **Certain Waivers**

Each of the IT Guarantors hereby waives:

- 5.12.1 any requirement and any right to require, that any power be exercised or any action be taken against the Intermediary Trust or any other guarantor or any collateral for any of the IT Guaranteed Obligations;
- 5.12.2 any and all defences to and counterclaims, reductions, retentions and claims of recoupment against any and all of the IT Guaranteed Obligations that may at any time be available to the Intermediary Trust or any other guarantor. As regards set-offs, such IT Guarantor confirms the acknowledgement contained in Section 5.8;
- 5.12.3 any notice of acceptance of the incurrence or renewal of any IT Guaranteed Obligations;
- 5.12.4 all notices which may be required by Applicable Law to preserve any rights against such IT Guarantor hereunder including any notice of default, demand, dishonour, presentment and protest;
- 5.12.5 diligence;
- 5.12.6 any defence based upon, arising out of or in any way related to:
  - 5.12.6.1 any claim that any election of remedies by the Collateral Agent or any of the GAA Finance Parties impaired, reduced, released or extinguished any rights that such IT Guarantor might otherwise have had against the Intermediary Trust or any other guarantor;

- 5.12.6.2 any claim that the IT Guaranteed Obligations should be strictly construed against the Funding Vehicle or the Collateral Agent; and
- 5.12.6.3 any and all other defences related to the IT Guaranteed Obligations save and except for the receipt by the Funding Vehicle or the Collateral Agent of the full, final and definitive payment of the amount of the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation in full of all credit facilities, extensions of credit and other financial services under the IT Project Finance Documents.

**5.13 No Release in Event of Bankruptcy**

No settlement or discharge of the IT Guaranteed Obligations shall be effective if any payment by the IT Guarantors in respect thereof is avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, liquidation, fraudulent conveyances, assignments and preferences or similar laws of general application from time to time, and if such payment is so avoided or reduced, the Collateral Agent shall be entitled to recover the amount of such payment as if such settlement or discharge had not occurred.

**5.14 Additional Security**

The guarantee provided under this Article 5 shall be in addition to and without prejudice to any other security by whomsoever given, held at any time by the Funding Vehicle, the Collateral Agent or any of the GAA Finance Parties. None of the GAA Finance Parties, the Collateral Agent or the Funding Vehicle shall be under any obligation to marshal any such security or any of the funds or assets they or any one thereof may be entitled to receive or have a claim upon.

**5.15 Continuing Liability of Guarantor**

The IT Guaranteed Obligations shall be deemed not to have been paid, observed or performed, and the liability of the IT Guarantors hereunder in respect thereof shall continue and not be discharged, to the extent that any payment, observance or performance thereof by the Intermediary Trust or any other guarantor, or out of the proceeds of any collateral (collectively referred to herein as the "**IT Disgorged Amount**"), is recovered from or reimbursed by or for the account of the Funding Vehicle or the Collateral Agent for any reason, including, but not limited to, a preference or fraudulent transfer or by virtue of any subordination (whether present or future or contractual or otherwise) of the IT Guaranteed Obligations, whether such recovery or payment over is effected by any judgment, decree or order of any court or Governmental Authority, by any plan of reorganization or by settlement or compromise by the Funding Vehicle or the Collateral Agent (whether or not consented to by the IT Guarantors or any other guarantor) of any claim for any such recovery or payment over. The IT Guarantors hereby expressly waive the benefit of any Applicable Law of limitations and agree that they shall be liable hereunder whenever such a recovery or payment ever occurs.

**5.16 Continuance of Guarantee Agreement**

Subject to Section 5.15, the guarantee provided in this Article 5 shall continue in full force and effect until the indefeasible payment, observance and performance in full of the IT Guaranteed Obligations, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA, and the cancellation of all the credit facilities, extensions of credit and financial services to the Intermediary Trust, provided, however, that where at any time the Funding Vehicle or the Collateral Agent is required to pay over any IT Disgorged Amount, such Person shall be permitted to make a claim therefor under the provisions of Section 5.15.

**5.17 Reasonableness of Waivers, Renunciations, Declarations and Authorizations**

The IT Guarantors agree that each of the waivers, renunciations, declarations and authorizations set forth in this Article 5 is made with full knowledge of its significance and consequences and if any of such waivers, renunciations, declarations and authorizations is determined to be contrary to any Applicable Law or public policy, such waivers, renunciations, declarations and authorizations shall be effective only to the maximum extent permitted by Applicable Law.

**5.18 Authority to Modify LIL Guaranteed Obligations**

Each IT Guarantor expressly authorizes the Collateral Agent and the Funding Vehicle or any one thereof, at any time and from time to time, without notice and without affecting the liability of such IT Guarantor hereunder, to:

- 5.18.1 change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the terms of all or any part of the IT Guaranteed Obligations and any security and guarantees therefor;
- 5.18.2 accept new or additional instruments, documents, agreements, security or guarantees in connection with all or any part of the IT Guaranteed Obligations;
- 5.18.3 accept partial payments on the IT Guaranteed Obligations;
- 5.18.4 waive, release, reconvey, terminate, abandon, subordinate, exchange, substitute, transfer, compound, compromise, liquidate and enforce all or any part of the IT Guaranteed Obligations and any security or guarantee therefor, and apply any such security and direct the order or manner of sale thereof as the Collateral Agent (for the benefit of the GAA Finance Parties) in its discretion may determine; and
- 5.18.5 otherwise change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, suspend or waive the provisions of any of the IT Project Finance Documents.

**ARTICLE 6**

**SECURITY**

**6.1 Security by the Obligors**

As general and continuing security for the due payment and performance of the IT Secured Obligations, the Obligors shall grant the following security:

6.1.1 the Intermediary Trust shall grant first ranking Liens, subject only to Permitted Encumbrances, on all of its present and future Assets, to and in favour of the Collateral Agent or the IT Security Trustee, as the case may be, and, for such purpose, on or prior to the first IT Drawdown, the Intermediary Trust shall:

6.1.1.1 execute a collateral trust deed in favour of the IT Security Trustee (the "**IT Collateral Trust Deed**");

6.1.1.2 issue under the terms of the IT Collateral Trust Deed, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$2,400,000,000;

6.1.1.3 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 paragraph 6.1.1.2; and

6.1.1.4 execute a blocked account agreement in favour of the IT Security Trustee and the Collateral Agent with respect to the IT Accounts.

6.1.2 each of the IT Guarantors shall, on or prior to the first IT Drawdown hereunder:

6.1.2.1 issue under the terms of the LIL Collateral Trust Deed to which it is a party, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$2,400,000,000;

6.1.2.2 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 paragraph 6.1.2.1.

Also for such purpose:

6.1.3 on or prior to the second IT Drawdown, the Intermediary Trust shall:

6.1.3.1 amend the IT Collateral Trust Deed;

- 6.1.3.2 issue under the terms of the IT Collateral Trust Deed, 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\$1,050,000,000;
- 6.1.3.3 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 paragraph 6.1.3.2; and
- 6.1.4 each of the IT Guarantors shall, on or prior to the second IT Drawdown:
  - 6.1.4.1 issue under the terms of the LIL Collateral Trust Deed to which it is a party, in the name of the Collateral Agent, for its own benefit and the benefit of the GAA Finance Parties, one senior secured bond in an aggregate principal amount of CDN\$1,050,000,000; and
  - 6.1.4.2 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 paragraph 6.1.4.1.

All of the foregoing documents must be in form and substance satisfactory to the Collateral Agent.

**6.2 Registration**

Each of the Obligors shall register, or shall cause to be registered, and hereby authorizes the Collateral Agent and the Collateral Agent's Counsel to register the IT Security Documents and any financing statement, notice, application for registration or other document in respect thereof, in all offices 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 IT Security Documents and their validity, effect, perfection and priority at all times.

**6.3 Further Assurances**

On request from the Collateral Agent from time to time, the Obligors shall execute or cause to be executed, all such agreements, documents and instruments (including any amendment to any IT 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 IT Project Finance Documents or to facilitate realization under such Liens.

6.4 **Discharge of Certain Security**

The Funding Vehicle authorizes the Collateral Agent to discharge the Liens created pursuant to the IT Security Documents, but only in respect of any Assets disposed of in compliance with the provisions of this Agreement.

6.5 **Survival of Security**

The Obligors and the Funding Vehicle hereby acknowledge and agree that none of the Liens created pursuant to the IT Security Documents shall be released until all IT Secured Obligations are indefeasibly repaid in full, including, for clarity, and without duplication, all repayments required to be made to Canada under the GAA.

**ARTICLE 7**

**CONDITIONS PRECEDENT**

7.1 **Conditions Precedent to the Second Amendment and Restatement**

Notwithstanding the execution of this Agreement by the parties hereto, the provisions hereof shall not come into force and the provisions of the Principal IT Project Finance Agreement shall continue to bind the parties hereto until such time as the Collateral Agent shall have issued a notice in writing to the Intermediary Trust declaring that each of the following conditions precedent (the "**IT Conditions Precedent to the Second Amendment and Restatement**") has been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent (the date of such notice shall be referred to herein as the "**IT Second Amendment and Restatement Effective Date**"):

**LIL CONDITIONS PRECEDENT TO THE SECOND AMENDMENT AND RESTATEMENT**

7.1.1 the LIL Conditions Precedent to the Second Amendment and Restatement (save and except that set forth in subsection 7.1.11 of the LIL Project Finance Agreement relating to the IT Conditions Precedent to the Second Amendment and Restatement) shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent;

**CORPORATE MATTERS**

7.1.2 the Collateral Agent shall have received:

7.1.2.1 true and complete copies of the constitutive documents, charter and by-laws of each of the Obligors;

7.1.2.2 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 Obligors of its obligations under such

of the IT Project Finance Documents to which it is a party and that are being executed in order to give effect to this Agreement, and stating the offices of the Responsible Officers or other Persons who are authorized to sign such documents;

7.1.2.3 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 each Obligor executing such of the IT Project Finance Documents to which it is a party and that are being executed in order to give effect to this Agreement;

7.1.2.4 in respect of each of the Obligors, 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;

#### **DUE DILIGENCE**

7.1.3 since the last Funding Request delivered pursuant to the Principal LIL Project Finance Agreement, no event has occurred or failed to occur which has or would have a Material Adverse Effect;

#### **MATTERS RELATING TO SECURITY**

7.1.4 the Collateral Agent shall have received all IT 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 the Assets of the Intermediary Trust and in the Collateral Mortgage Bonds of the IT Guarantors, subject only to Permitted Encumbrances, have been effected;

7.1.5 the Collateral Agent shall have received results of searches of public records by the Obligors' 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 Obligors and each of their respective Assets subject to the Liens created pursuant to the IT Security Documents and the results of such searches shall be as current to the 2017 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 7.1.6;

7.1.6 the Collateral Agent shall have received evidence, in form and substance satisfactory to the Collateral Agent, that concurrently with the making of the second IT Drawdown, it shall receive releases and discharges with respect to all Liens, other than Permitted Encumbrances, affecting the Obligors and their

respective Assets subject to the Liens created pursuant to the IT Security Documents, duly executed by all of the Persons who benefit from such Liens or have been granted security on such Assets;

## **LEGAL OPINIONS**

7.1.7 the Collateral Agent shall have received the legal opinions of the Obligors' Counsel, as the case may be, dated the IT Second Amendment and Restatement Effective Date, regarding the Obligors, which shall be in form and substance satisfactory to the Collateral Agent.

Such legal opinions shall cover such matters incident to the transactions contemplated by such of the IT Project Finance Documents that are being executed in order to give effect to this Agreement as the Collateral Agent may request, including the legality, validity, binding nature and enforceability thereof;

## **COMPLIANCE**

7.1.8 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the 2017 Closing Date; and

7.1.9 no IT Event of Default shall have occurred and be continuing.

## **7.2 Conditions Precedent to Second Advance under IT Facility**

The second IT Advance shall not be made by the Funding Vehicle pursuant to the IT Facility until the IT Conditions Precedent to the Second Amendment and Restatement and the following conditions precedent (the "**IT Second 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 second advance under the Muskrat/LTA Project Finance Agreement have been met to the satisfaction of the Muskrat/LTA Collateral Agent, or, as the case may be, waived by the Muskrat/LTA Collateral Agent (other than those set forth in subsection 7.2.1 of the Muskrat/LTA Project Finance Agreement);

7.2.2 the Collateral Agent shall have received an IT Draw Request within the time periods herein provided requesting the second IT Drawdown on the corresponding IT Drawdown Date in an amount equal to the amount the available under the IT Facility;

7.2.3 the representations and warranties made under this Agreement are true, accurate and complete in all material respects as at the 2017 Closing Date; and

7.2.4 no IT Event of Default shall have occurred and be continuing.



7.3 **Conditions Precedent to First Funds Release from the Intermediary Trust Proceeds Account Balance following the IT Second Amendment and Restatement Effective Date**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the IT Funding Period, upon or following the IT Conditions Precedent to the Second Amendment and Restatement and the IT Second Drawdown Conditions Precedents having been met or, as the case may be, waived by the Collateral Agent, an IT Funds Release shall be made provided, however, that the following conditions precedent shall be met to the satisfaction of the Collateral Agent, or, as the case may be, waived by it:

**SECOND AMENDMENT AND RESTATEMENT FIRST LIL DRAWDOWN CONDITIONS PRECEDENT**

7.3.1 the Second Amendment and Restatement First LIL 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; and

7.3.2 no IT Event of Default shall have occurred and be continuing.

7.4 **Conditions Precedent to IT Funds Releases from the Intermediary Trust Proceeds Account**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, at any time during the IT Funding Period, upon or following the IT Conditions Precedent to the Second Amendment and Restatement and the IT Second Drawdown Conditions Precedent having been met or, as the case may be, waived by the Collateral Agent, an IT Funds Release (other than the IT Final Funds Release) shall be made on the LIL Drawdown Date of the LIL Drawdown Request or the Working Capital Revolving Funding Request, as the case may be, to which such IT Funds Release relates, 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:

**LIL DRAWDOWN CONDITIONS PRECEDENT**

7.4.1 the conditions precedent to LIL Drawdowns set forth in Section 7.3, 7.8 or 7.9, as the case may be, of the LIL Project Finance Agreement with respect to the LIL Drawdown to be funded with the proceeds of such IT Funds Release shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent; and

7.4.2 no IT Event of Default shall have occurred and be continuing.

7.5 **Conditions Precedent to IT Final Funds Release**

Subject to and upon compliance with all of the relevant terms and conditions of this Agreement, following the IT Conditions Precedent to the Second Amendment and Restatement and the IT Second Drawdown Conditions Precedent having been met or, as

the case may be, waived by the Collateral Agent, the IT Final Funds Release shall be made immediately prior to the Commissioning Date, but only if the following conditions are met to the satisfaction of the Collateral Agent, or, as the case may be, waived by the Collateral Agent:

- 7.5.1 the Conditions Precedent to Commissioning (save and except those set forth in subsection 7.7.6 of the LIL Project Finance Agreement) shall have been met to the satisfaction of the Collateral Agent or, as the case may be, waived by the Collateral Agent; and
- 7.5.2 no IT Event of Default shall have occurred and be continuing.

## ARTICLE 8

### IT ACCOUNTS AND APPLICATION OF FUNDS

#### 8.1 Intermediary Trust Proceeds Account

On or prior to the Closing Date, the Intermediary Trust shall establish with the Collateral Agent an account called "Intermediary Trust Proceeds Account" at the Collateral Agent's Office (the "**Intermediary Trust Proceeds Account**").

- 8.1.1 During the IT Funding Period:
  - 8.1.1.1 there shall be deposited directly into the Intermediary Trust Proceeds Account, the proceeds of each IT Advance under the IT Facility made under this Agreement;
  - 8.1.1.1A there shall be deposited directly into the Intermediary Trust Proceeds Account the amounts required to be transferred thereto pursuant to paragraph 8.2.2.1(a1);
  - 8.1.1.2 subject to the provisions of paragraph 8.1.1.3, amounts in the Intermediary Trust Proceeds Account (other than amounts required by the Intermediary Trust to repurchase the FRDN, in whole or in part, from the issuer thereof pursuant to Section 1.3 of the Deposit Note Letter Agreement) shall be released and transferred only to the Partnership Project Funding Account to fund Advances requested by the Partnership under the LIL Project Finance Agreement in accordance with the provisions of Sections Article 7 and 7.5 hereof, provided, however, that any such amounts required to fund Advances requested by the Partnership pursuant to Section 7.8 of the LIL Project Finance Agreement shall be released and transferred only to the Partnership Project Operating Account; and
  - 8.1.1.3 at any time that any interest in respect of the IT Construction Loan is due and payable, immediately prior to such interest payment, the

lesser of the IT Income on Account Balances then on deposit in the Intermediary Trust Proceeds Account and the amount of such interest then due and payable shall be transferred from the Intermediary Trust Proceeds Account to the Intermediary Trust Payment Account.

- 8.1.1.4 upon any proceeds from the repayment of the Working Capital Revolving Loan being deposited into the Intermediary Trust Proceeds Account pursuant to paragraphs 8.1.1.1.A and 8.2.2.1(a1), on the same day on which such deposit shall have occurred, the Collateral Agent shall transfer to the issuer of the FRDN in payment of the repurchase price to be paid by the Intermediary Trust pursuant to the Deposit Note Letter Agreement an amount sufficient such that the aggregate principal amount of the FRDN immediately following such repurchase shall be equal to the Remaining Principal Amount (as such expression is used in the Deposit Note Letter Agreement) applicable to the date on which such repurchase occurs.

## 8.2 **Intermediary Trust Payment Account**

On or prior to the Closing Date, the Intermediary Trust shall establish with the Collateral Agent an account called "Intermediary Trust Payment Account" at the Collateral Agent's Office (the "**Intermediary Trust Payment Account**").

- 8.2.1 From time to time during the IT Funding Period, there shall be deposited directly into the Intermediary Trust Payment Account all amounts (A) paid by the Partnership or Opco to the Intermediary Trust or to the Collateral Agent, on behalf of the Intermediary Trust, (B) transferred directly by the Collateral Agent from a LIL Project Account, in each case on account of principal, interest (including, for greater certainty, any interest prepaid pursuant to subsection 3.1.7 of the LIL Project Finance Agreement) and fees payable pursuant to the provisions of the LIL Project Finance Agreement or (C) all amounts to be transferred thereto from the Intermediary Trust Proceeds Account pursuant to paragraph 8.1.1.3.

- 8.2.2 During the IT Funding Period:

- 8.2.2.1 funds in the Intermediary Trust Payment Account shall be applied from time to time in the following order of priority:
- (a) firstly, at any time that any such amount is due, paid to the Funding Vehicle or directly to the FV Payment Account for rateable application towards the payment of (i) all interest in respect of the IT Construction Loan then due and payable; (ii) all principal on the IT Construction Loan and any IT Make-Whole Amount then due and payable; and (iii) all breakage costs and other expenses then due and

payable pursuant to the provisions of the Consolidated Transaction Documents;

- (a1) secondly, at any time that the repayment of the Working Capital Revolving Loan is effected by the Partnership, the proceeds of such repayment shall be immediately transferred to the Intermediary Trust Proceeds Account; and
- (b) thirdly, provided that no IT Event of Default then exists, prior to the end of each fiscal year of the Intermediary Trust, an amount of \$10,000 shall be released and applied at the option of the Intermediary Trust.

## **ARTICLE 9**

### **REPRESENTATIONS AND WARRANTIES**

To induce the Funding Vehicle to make the IT Facility available to the Intermediary Trust, the Obligors 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 Obligor is a trust, corporation or limited partnership duly and validly incorporated or formed, as applicable, validly existing and in good standing under the Laws of NL. The Intermediary Trust 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 IT Project Finance Documents.

#### **9.2 Authority**

Each Obligor has the requisite capacity and power to enter into each of the IT Project Finance 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 Obligor has taken all necessary action to authorize the execution and delivery by it of each IT Project Finance Document to which it is a party, the creation and performance of its obligations thereunder and the creation of the Liens thereunder, if any, over its Assets subject thereto and the consummation of the transactions contemplated thereunder.

#### **9.4 Due Execution**

Each Obligor has duly executed and delivered each IT Project Finance Document to which it is a party.

**9.5 Non-Conflict**

None of the authorization, execution, delivery or performance of the IT Project Finance Documents by each Obligor, nor the creation of Liens in favour of the IT Security Trustee and the Collateral Agent, as the case may be, over the Assets subject thereto, nor the consummation of any of the transactions contemplated in the IT Project Finance 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 IT Security Documents to be made on or about the Closing Date, or the 2017 Closing Date, as the case may be, and (ii) such Authorizations which by the nature thereof need not be obtained until a future date;
- 9.5.2 conflicts with, contravenes or gives rise to any default under (i) any of the Organizational Documents of such Obligor, (ii) the provisions of any indenture, instrument, agreement or undertaking to which such Obligor is a party or by which such Obligor or any of its Assets are or may become bound, or (iii) any Applicable Law; 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 Obligor.

**9.6 Enforceability**

Each IT Project Finance Document to which each Obligor 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**

The Intermediary Trust is in compliance with all Applicable Laws, the non-compliance with which would have a Material Adverse Effect. Moreover, the Intermediary Trust is in compliance with all AML Legislation.

**9.8 Litigation**

Save and except as disclosed in Schedule B", there is no notice of infraction, action, suit or proceeding pending against (nor, to the Knowledge of the Obligors, any notice of infraction, action, suit or proceeding threatened against or in any other manner relating adversely to) the Intermediary Trust 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 would have a Material Adverse Effect.

9.9 **Corporate Structure and Location of Assets**

Subject to the notices provided by the Intermediary Trust to the Collateral Agent pursuant to Section 10.8, Schedule "C" indicates:

9.9.1 the location of the registered and chief executive offices and the principal place of business of the Intermediary Trust and the IT Trustee and their jurisdiction of organization; and

9.9.2 the exact name of the Intermediary Trust and the IT Trustee.

9.10 **No Material Adverse Effect**

No event or events have occurred which have or would have a Material Adverse Effect.

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 Intermediary Trust 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 Obligor, no information furnished by them to the Collateral Agent in connection with any of the IT 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 Obligor 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 Intermediary Trust furnished to the Collateral Agent was based upon assumptions believed to be reasonable by the IT Trustee as of the date of preparation.

9.14 **All Authorizations Obtained and Registrations Made**

All Authorizations and Registrations necessary to permit (i) each Obligor to execute, deliver and perform each IT Project Finance Document to which it is a party, consummate the transactions contemplated thereby and grant the Liens contemplated in the IT Security Documents to which it is a party, and (ii) the Intermediary Trust 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 Schedule "D", (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 IT Security Documents to be made on or about the 2017 Closing Date, and (d) generally as regards paragraph (ii) 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 Obligor 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**

The Intermediary Trust has no Pension Plans.

9.16 **No IT Event of Default**

No IT 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**

The Intermediary Trust is the sole legal and beneficial owner of its Assets, free and clear of any encumbrance or Lien other than Permitted Encumbrances.

9.18 **Taxes**

The Intermediary Trust has:

- 9.18.1 delivered or caused to be delivered as and when required all returns for Taxes to the appropriate Governmental Authorities;
- 9.18.2 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;
- 9.18.3 made provision for appropriate amounts in respect of any Taxes likely to be exigible in accordance with GAAP; and
- 9.18.4 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.

9.19 **Employee Relations**

The Intermediary Trust has no employees.

9.20 **Business**

The Intermediary Trust is engaged solely in the Intermediary Trust Activities.

9.21 **Repetition of Representations and Warranties**

The representations and warranties made under this Agreement shall be deemed to be made and shall be true, accurate and complete at and as of the date hereof and on the date each IT Advance and each IT Funds Release is requested and made hereunder.

**ARTICLE 10**

**GENERAL COVENANTS**

So long as any IT Loan or any other amount payable hereunder is outstanding and unpaid or the Intermediary Trust shall have the right to borrow hereunder or obtain IT Funds Releases (whether or not the conditions to borrowing or IT 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 Obligors hereby covenant that:

10.1 **Preservation of Existence, etc.**

Each Obligor will preserve and maintain its existence. Subject to Sections 9.5 and 9.14, the Intermediary Trust will 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 9.20 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**

Each Obligor will obtain, as and when required, and maintain any Authorization of or from any Governmental Authority which may be or become necessary or required in order that it may fulfill its obligations under each of the IT Project Finance Documents to which it is a party. Subject to Sections 9.5 and 9.14, the Intermediary Trust will obtain, as and when required, and maintain any Authorization of or from any Governmental Authority which may be or become necessary or required in order that it may own its Assets and carry on its business as contemplated in Section 9.20.

10.3 **Business, Compliance with Applicable Law**

The Intermediary Trust will engage solely in the business referred to in Section 9.20 and carry on and conduct its business in a proper and efficient manner. Each Obligor will comply, in all material respects, with all requirements of the IT Project Finance Documents to which it is a party. The Intermediary Trust will comply, in all material



respects, with all requirements of Applicable Law, and the terms and conditions of all Authorizations necessary or required in the normal conduct of its business.

**10.4 Keeping of Records**

The Intermediary Trust 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 Registrations**

The Obligors will maintain, amend and renew as required the Registrations made in connection with the IT 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 IT Security Documents in order to preserve, protect and perfect the validity, effect and priority of the Liens created thereunder.

**10.6 Payment of Taxes and Claims**

The Intermediary Trust will timely pay and discharge: **(i)** subject to paragraph (ii), all Taxes prior to the date on which penalties attach thereto, and **(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; 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.

**10.7 Visits and Inspections**

Upon reasonable prior notice, the Intermediary Trust shall permit representatives of the Collateral Agent and the GAA Finance Parties, upon reasonable request made **(i)** no more than once per calendar year if no IT Event of Default has occurred and is continuing or **(ii)** if an IT Event of Default then exists, from time to time as is reasonable in the circumstances, to 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 the Intermediary Trust's compliance with its covenants under the IT Project Finance Documents.

**10.8 Change of Name**

The Intermediary Trust shall notify the Collateral Agent in writing at least ten (10) Business Days prior to (a) any change of name of the Intermediary Trust, (b) any transfer of the Intermediary Trust's rights in its Assets not expressly permitted hereunder, (c) any change in jurisdictions in which the Assets of the Intermediary Trust are located, and (d) any change in the location of the Intermediary Trust within the meaning of the PPSA.

**10.9 Use of Proceeds**

The Intermediary Trust will apply all proceeds of each IT Drawdown under the IT Facility to finance the advances it is required to make from time to time to the Partnership pursuant to the LIL Project Finance Agreement.

**10.10 Anti-Money Laundering Legislation**

Since, pursuant to AML Legislation, the Collateral Agent and the GAA Finance Parties may be required to obtain, verify and record information regarding any Obligor, 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 Obligor, and the transactions contemplated hereby, the Obligors 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.

**10.11 Schedule to be Completed Following the Closing Date**

The Intermediary Trust hereby undertakes within thirty (30) days after the first LIL Drawdown Date following the 2017 Closing Date, to deliver to the Collateral Agent Schedule "I", with the acknowledgement set forth therein duly executed by the Intermediary Trust, and completed so as to provide for all information required pursuant to the terms hereof.

**ARTICLE 11**

**INFORMATION COVENANTS**

So long as any IT 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 Intermediary Trust shall have the right to borrow or obtain IT Funds Releases hereunder (whether or not the conditions to borrowing or IT Funds Releases have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Obligors 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 the Intermediary Trust, the Intermediary Trust shall deliver to the Collateral Agent the unaudited consolidated Financial Statements of the Intermediary Trust for such fiscal quarter.

**11.2 Annual Financial Statements and Information**

Within one hundred and twenty (120) days after the end of each fiscal year of the Intermediary Trust, the Intermediary Trust shall deliver to the Collateral Agent the audited consolidated Financial Statements of the Intermediary Trust, 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 the Intermediary Trust.

**11.3 Notice of Litigation and other Matters**

The Intermediary Trust 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 Intermediary Trust has Knowledge thereof):

11.3.1 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 Intermediary Trust) in any other way relating to the Intermediary Trust, any of its Assets, or, to the Knowledge of the Intermediary Trust, threatened against it, in each case which would have a Material Adverse Effect;

11.3.2 any event or events which, singly or in the aggregate, would have a Material Adverse Effect; and

11.3.3 any IT Event of Default.

**11.4 Other Information**

Following each request, the Intermediary Trust shall furnish to the Collateral Agent, such data, certificates, reports, statements, documents or further information regarding its business, Assets, liabilities, financial position or results of operations 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 Obligor with any AML Legislation.

**11.5 Distribution by Use of Websites**

Each Obligor may satisfy its obligations under this Agreement to deliver to the Collateral Agent 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 Intermediary Trust to which the Collateral Agent and the GAA Finance Parties have access and which creates automatic notice of posting to the access list. The Intermediary Trust 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 11.5 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 any IT Loan or any other amount payable hereunder is outstanding and unpaid or the Intermediary Trust shall have the right to borrow or obtain IT Funds Releases hereunder (whether or not the conditions to borrowing or IT Funds Releases have been or can be fulfilled) and unless the Collateral Agent shall otherwise consent in writing, the Obligors hereby covenant and agree that:

**12.1 Liens**

No Obligor will create, incur, assume or suffer to exist any Lien upon or in respect of any of its present or future Assets subject to the Liens created pursuant to the IT Security Documents, other than Permitted Encumbrances.

**12.2 Indebtedness**

The Intermediary Trust will not incur, create, assume or suffer to exist any Indebtedness except for:

12.2.1 Indebtedness under this Agreement and the other IT Project Finance Documents;

12.2.2 Indebtedness secured by a Lien which is a Permitted Encumbrance; and

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.

**12.3 Derivative Instruments**

The Intermediary Trust will not enter into or be a party to any Derivative Instrument.

12.4 **Business Combinations**

The Intermediary Trust will not 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 as contemplated in Section 2.6.

12.5 **Investments**

The Intermediary Trust will not make any Investment other than Permitted Investments.

12.6 **Change of Year-End**

The Intermediary Trust will not change its fiscal year-end or the end of any of its fiscal quarters. On the Closing Date, the fiscal year-end of the Intermediary Trust is December 31.

12.7 **Change in Business**

The Intermediary Trust will not effect any change in the nature of its business as described in Section 9.20 or cease to carry on its business.

12.8 **Pension Plans and Employees**

The Intermediary Trust shall not create any Pension Plan or have any employee.

12.9 **Sale or Lease of Assets**

The Intermediary Trust shall not sell, lease or otherwise dispose of its Assets, whether now owned or hereafter acquired, except the Assignment contemplated in Section 2.6.

12.10 **Subsidiaries**

The Intermediary Trust shall not create or acquire any Subsidiary.

12.11 **Amendments to Organizational Documents**

The Intermediary Trust shall not 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.

## ARTICLE 13

### **EVENTS OF DEFAULT**

The occurrence of any one or more of the following events shall constitute an IT Event of Default (each such event being herein referred to as an "**IT Event of Default**"):

**13.1 Non-Payment of Principal or Interest**

The Intermediary Trust fails to pay, when due, any amount of principal, interest or fees outstanding hereunder or under any other IT Project Finance Document within five (5) Business Days of the due date thereof.

**13.2 Misrepresentation**

Any representation or warranty made or deemed made by any Obligor herein or in any other IT Project Finance Document is found to have been false, inaccurate, incomplete, fraudulently made, or breached in any material respect.

**13.3 Breach of Covenants**

Any Obligor 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 IT Project Finance Document and such failure continues unremedied for a period of thirty (30) days following the issuance to such Obligor by the Collateral Agent of a notice thereof, provided, however, that with respect to the requirements in Section 10.3 to perform or comply with any Applicable Law or the terms or conditions of any Authorization, the Intermediary Trust shall be deemed not to have failed to so perform or comply where such failure would not have a Material Adverse Effect.

**13.4 Unsatisfied Judgments**

Any judgment or decree for the payment of money is entered against the Intermediary Trust and is not vacated, discharged, stayed or collateral has not been posted with respect thereto pending appeal within sixty (60) days of the entry thereof, or is not vacated or discharged prior to the expiration of any stay of proceedings applicable thereto, and involves a liability (not paid or fully covered by insurance) the amount of which, singly or when aggregated with all such liabilities of the Intermediary Trust, exceeds CDN\$50,000,000.

**13.5 Enforcement Proceeding**

Any Enforcement Proceeding commenced against the Intermediary Trust is not vacated, discharged, dismissed or stayed within sixty (60) days of the commencement thereof, and relates to a material part of the Assets of the Intermediary Trust.

**13.6 Insolvency**

An Insolvency Event shall have occurred with respect to any Obligor.

**13.7 Denial of Obligations**

Should any Obligor deny to any material extent, its obligations under any IT Project Finance Document or claim any of the IT Project Finance Documents to be rescinded, terminated (other than a scheduled termination), invalid or withdrawn, in whole or in part, or if any IT Project Finance Document ceases to be in full force and effect otherwise than in accordance with the provisions thereof.

**13.8 Security**

If any Lien under the IT Security Documents ceases to constitute a valid and perfected first priority Lien (subject only to Permitted Encumbrances) in the Assets of the Obligors subject thereto.

**13.9 Unauthorized Transfer**

If the Intermediary Trust fails to comply with the provisions of Section 12.9.

**13.10 LIL Cross Default**

If any LIL Event of Default occurs, provided, however, that this IT Event of Default shall automatically be cured in the event that the LIL Event of Default is either remedied or waived by the Collateral Agent under the LIL Project Finance Agreement before the Collateral Agent exercises any of the rights set forth in Article 14 hereof.

**13.11 Muskrat/LTA Cross Default**

If any Muskrat/LTA Event of Default occurs, provided, however, that this IT Event of Default shall automatically be cured in the event that the Muskrat/LTA Event of Default is either remedied or waived by the Muskrat/LTA Collateral Agent before the Collateral Agent exercises any of the rights set forth in Article 14 hereof.

**ARTICLE 14**

**REMEDIES**

**14.1 Preliminary Measures**

To the extent that a Remedies Consultation Period has been triggered pursuant to the LIL Project Finance Agreement, the parties hereto shall concurrently be subject to the same Remedies Consultation Period and to the application of the terms and conditions of Section 14.1 of LIL Project Finance Agreement with respect to such Remedies Consultation Period.

**14.2 Termination and Acceleration**

Upon the occurrence and during the continuance of an Enforcement Event, the Collateral Agent may do any one or more of the following:

- 14.2.1 declare the whole or any part of the IT Facility to be cancelled, terminated or reduced, whereupon the Funding Vehicle shall not be required to make any further IT Advance hereunder in respect of such portion of the IT Facility so cancelled, terminated or reduced;
- 14.2.2 accelerate the maturity of all or any item or part of the IT Loan and declare them and any applicable IT 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 IT Project Finance Documents;
- 14.2.4 suspend any rights of the Obligors under any IT 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 IT Project Finance Document or Applicable Law (whether or not provided for in any IT Project Finance Document) at such times and in such manner as the Collateral Agent may consider expedient,

all without any additional notice, demand, presentment for payment, protest, noting of protest, dishonour, notice of dishonour or any other action being required. If an Enforcement Event occurs and is continuing, the IT Facility shall immediately and automatically be cancelled and the IT Loan and the IT Make-Whole Amount shall be accelerated and become immediately and automatically due and payable without any action on the part of the Collateral Agent or any of the GAA Finance Parties being required.

**14.3 Distribution of Proceeds of Realization**

Any Proceeds of Realization received by any of the 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 and IT Make-Whole Amount in respect of the IT Loan, (ii) all principal on the IT Loan, 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 IT 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 Intermediary Trust under any IT 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 Intermediary Trust 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 IT Project Finance Documents, or to make or maintain all or any part of the IT 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 IT Loan shall terminate and, subject to the provisions of any such Law and those of Section 15.2 with respect to losses and expenses, the

Intermediary Trust shall repay in full any such affected IT Loan, together with all interest accrued thereon and the IT 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 IT Facility, the IT Loan or any part thereof or to reduce any amount receivable by the Funding Vehicle with respect to the IT 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 Intermediary Trust 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 Intermediary Trust or the IT Loan made to the Intermediary Trust; and

15.1.2.5 subject to the provisions of Section 15.2 with respect to losses and expenses, the Intermediary Trust may repay in full the IT Loan together, in each case, with accrued interest thereon and the IT 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 the Intermediary Trust to borrow pursuant to an IT Draw Request once delivered (whether by reason of the Intermediary Trust's decision not to proceed, the non-fulfilment by the Intermediary Trust of any of the conditions set forth herein, the existence of an IT Event of Default on the IT Drawdown Date or for any other reason other than default by the Intermediary Trust resulting from a default by the Funding Vehicle); or
- 15.2.2 the declaration by the Collateral Agent following the occurrence and during the continuance of an Enforcement Event that the IT Loan is immediately due and payable; or
- 15.2.3 the failure of the Intermediary Trust to pay when due any 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 "**IT Loss Event**" and the funds 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 "**IT Affected Funds**");

the Intermediary Trust agrees 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 General Indemnity**

The Obligors hereby indemnify and hold harmless the Indemnified Parties from and against any and all losses and expenses, joint and several or joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defence with respect thereto arising out of or in connection with or relating to this Agreement (including, without limitation, any liability that any Indemnified Party incurs by virtue of being found, in respect of the Project, liable as a partner or joint venturer), the other IT Project Finance Documents or the transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the IT Facility, whether or not such investigation, litigation or proceeding is brought by any Obligor 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.

**15.4 Claims under the Indemnities**

The Indemnified Party claiming indemnification under Section 15.3 shall give the Obligors notice in writing of particulars of any claim asserted by third parties against it which is covered by such indemnities and the Obligors 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 Obligors, unless the said fifteen (15) day period has expired without one of the Obligors having given written notice of its desire to dispute such claim. If the Indemnified Party is unable to obtain timely advice from the Obligors 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 Obligors give such written notice to the Indemnified Party that they do wish to dispute such claim, the Obligors 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 Obligors shall have the right to carry on such actions or proceedings in its name; provided that, counsel retained by the Obligors to prosecute such defense is approved by the Indemnified Party and the Obligors **(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 Obligors and at the reasonable cost and expense of the Obligors, 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 Obligors 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.

**ARTICLE 16**

**SPECIAL PROVISIONS**

**16.1 Covenant of the Funding Vehicle**

The Funding Vehicle covenants and agrees that, on demand made by the Intermediary Trust from time to time, it shall claim from the Indenture Trustee any moneys set aside in connection with any redemption of any securities issued by the Funding Vehicle under

Section 5.6 of each MTI six (6) years following such setting aside if the holders of such securities have not claimed such amounts and shall pay such amounts to the Intermediary Trust and the Intermediary Trust shall pay same to the Partnership upon receipt.

**16.2 Actions and Decisions of the Collateral Agent and GAA Finance Parties**

Whenever any reference is made in this Agreement to a decision or judgment to be made by, consent or waiver to be granted by, discretion to be exercised by, action to be taken by, request to be made by, or otherwise to the Collateral Agent, the GAA Finance Parties or any one of them, or any other Person, including the Collateral Agent's Counsel, 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, each of the Issuer Trustee as trustee of the Funding Vehicle and the IT Trustee as trustee of the Intermediary Trust hereby irrevocably appoints the Collateral Agent respectively as the Issuer Trustee's and the Funding Vehicle's and the IT Trustee's and Intermediary Trust's attorney-in-fact during the term of this Agreement, with full authority in the place and stead of and in the name of the Issuer Trustee and the Funding Vehicle, the IT Trustee and the Intermediary Trust or otherwise, from time to time as required by this Agreement, to take such actions on their respective behalves as the Collateral Agent, subject to the provisions of this Agreement, may deem necessary or advisable to comply with or effect the purposes of this Agreement and the Consolidated Transaction Documents including to execute any documents which the 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, and any documents which the IT Trustee could execute on behalf of the Intermediary Trust including consents and confirmations issued to the Partnership in accordance with the Project Financing Duty Requirement, to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts or moneys due and to become due in connection with the Consolidated Transaction Documents or otherwise owed to them pursuant thereto, to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection therewith, and to file any claims or take any action or institute any Proceedings which the Collateral Agent, subject to the provisions of this Agreement, may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions of this Agreement.

17.2 **Notice**

17.2.1 Any notice, document or other communication required or permitted to be given or delivered hereunder will be given by personal delivery or courier, or facsimile, or by electronic mail delivery addressed as follows:

17.2.1.1 **To the Collateral Agent:**

The Toronto-Dominion Bank  
TD Bank Tower  
66 Wellington Street West  
9<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2  
  
Attention: Emilia Casado  
Loan Syndications - Agency  
  
Fax: 416-944-6976  
E-mail: [emilia.casado@tdsecurities.com](mailto:emilia.casado@tdsecurities.com)

17.2.1.2 **To the Funding Vehicle:**

Labrador-Island Link Funding Trust  
c/o BNY Trust Company of Canada, as Issuer Trustee  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6  
  
Attention: Corporate Trust Administrator  
  
Fax: 416-360-1711

With a copy to:

Labrador-Island Link General Partner Corporation, as General  
Partner of Labrador-Island Link Limited Partnership  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0M1

Attention: General Counsel  
  
Fax: 709-737-1782  
E-mail: [NalcorGeneralCounsel@nalcorenergy.com](mailto:NalcorGeneralCounsel@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: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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

**17.2.1.3 To the Intermediary Trust:**

LIL Construction Project Trust  
c/o BNY Trust Company of Canada, as IT Trustee  
320 Bay Street  
11<sup>th</sup> Floor  
Toronto, Ontario M5H 4A6

Attention: Corporate Trust Administrator

Fax: 416-360-1711

With a copy to:

Labrador-Island Link General Partner Corporation, as General  
Partner of Labrador-Island Link Limited Partnership  
500 Columbus Drive  
P.O. Box 13000, Station A  
St. John's, NL A1B 0M1

Attention: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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: General Counsel

Fax: 709-737-1782

E-mail: NalcorGeneralCounsel@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 Provisions Regarding Liability of IT Trustee**

The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the IT Trustee herein and therein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets of the Intermediary Trust. No Assets of the IT Trustee (other than the Assets of the Intermediary Trust), whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement or any of the documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

**17.6 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.

Save and except for any assignment pursuant to the GAA Security Documents, the Funding Vehicle hereby covenants and agrees that it shall not sell, assign, transfer or otherwise dispose of, or grant a participating interest in, any Indebtedness owed to it by the Intermediary Trust or any Liens granted in connection therewith to any Person at any time, notwithstanding the existence of any IT Event of Default, without having obtained the express prior written consent of the Obligor.

17.7 **No Novation**

Any security provided by the Intermediary Trust shall not constitute a payment, nor shall it operate novation of any amount due hereunder and shall not operate by way of set-off of, or merge with, any Indebtedness or liability of the Intermediary Trust 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.

17.8 **Obligation to Pay Absolute**

The obligations of the Intermediary Trust to make payments on the IT Loan as and when in this Agreement provided shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances without any right of compensation or set-off and notwithstanding any defense, right of action or claim of any nature whatsoever which the Intermediary Trust may at any time have or have had against the Collateral Agent or the Funding Vehicle, whether in connection with this Agreement or otherwise.

17.9 **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.

17.10 **Further Assurances**

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

17.11 **Execution in Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

**[INTENTIONALLY LEFT BLANK]**

SECOND AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

IN WITNESS WHEREOF the parties have executed this IT Project Finance Agreement.

**THE TORONTO-DOMINION BANK,**  
as Collateral Agent

By:   
Name: **Emilia Casado**  
Title: **Vice President, Loan Syndications-Agency**

By: \_\_\_\_\_  
Name:  
Title:

SECOND AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as trustee of LABRADOR-  
ISLAND LINK FUNDING TRUST, as  
a GAA Finance Party, herein acting  
and represented by THE TORONTO-  
DOMINION BANK  
as a GAA Finance Party**

By:   
Name: Emilia Casado  
Title: Vice President, Loan Syndications-Agency

By: \_\_\_\_\_  
Name:  
Title:

SECOND AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**BNY TRUST COMPANY OF  
CANADA, as Trustee of LIL  
CONSTRUCTION PROJECT TRUST,  
as Obligor**

By: \_\_\_\_\_

Name:

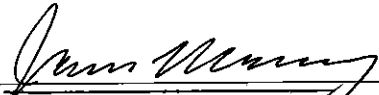
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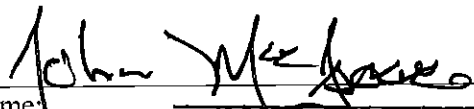


**J. Steven Broude**  
Authorized Signatory

SECOND AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

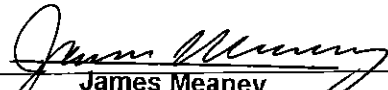
**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP, by its  
general partner,  
LABRADOR - ISLAND LINK  
GENERAL PARTNER  
CORPORATION,**  
as an Obligor


By:   
Name: **James Meaney**  
Title: **VP Finance Power Supply**

By:   
Name: **John H. MacIsaac**  
Title: **Exec. VP Power Supply**

SECOND AMENDED AND RESTATED  
IT PROJECT FINANCE AGREEMENT - SIGNATURE PAGE

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION,**  
as an Obligor

By:   
Name: **James Meaney**  
Title: **VP Finance Power Supply**

By:   
Name: **John H. MacIsaac**  
Title: **Exec. VP Power Supply**

**SCHEDULE "A"**

**IT PAYMENT DEMAND**

Date: \_\_\_\_\_

**LABRADOR - ISLAND LINK  
OPERATING CORPORATION**

500 Columbus Drive  
P.O. Box 15050  
Stn A.  
St-John's, NL A1B 0M5

Attention: Corporate Secretary

**LABRADOR - ISLAND LINK  
LIMITED PARTNERSHIP**

500 Columbus Drive  
P.O. Box 12800  
Stn A.  
St. John's, NL A1B 0C9

Attention: Corporate Secretary

Gentlemen:

We refer you to the second amended and restated project finance agreement dated as of May 10, 2017 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opc**"), as guarantors, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**IT Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

In accordance with Section 5.3 of the IT Project Finance Agreement, we hereby demand payment of the sum of CDN\$<@> (the "**Claimed Amount**") and a per diem amount of interest on such Claimed Amount until paid in full of CDN\$<@>. We hereby certify that the Claimed Amount represents CDN\$<@> of principal, \$<@> of interest and \$<@> of other amounts comprising IT Guaranteed Obligations that are now due and payable by the Intermediary Trust to the Funding Vehicle and that the Intermediary Trust failed to pay such amounts by the time provided on the IT Due Date.



Please pay the Claimed Amount by wire transfer as follows:

Financial Institution:

Bank number:

Transit number:

Account number:

[Account name:]

[SWIFT code]

[other particulars:]

Yours truly,

**THE TORONTO-DOMINION BANK,**  
**as Collateral Agent**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**SCHEDULE "B"**

**LITIGATION**

Nil.

**SCHEDULE "C"**

**CORPORATE STRUCTURE AND LOCATION OF ASSETS**

**1. LIL CONSTRUCTION PROJECT TRUST**

1.1. Jurisdiction of formation

Newfoundland and Labrador, Canada

1.2. Persons holding Capital Stock

- N/A

1.3. Nature of Capital Stock

- N/A

1.4. Location of the principal place of business

320 Bay Street, 11<sup>th</sup> Floor, Toronto, ON, M5H 4A6, c/o BNY Trust Company of  
Canada

1.5. Location of the registered and chief executive offices

10 Fort William Pl., St. John's, NL, A1C 1K4, c/o McInnes Cooper

1.6. Exact Name

LIL Construction Project Trust

1.7. Trustee

BNY Trust Company of Canada

**SCHEDULE "D"**

**AUTHORIZATIONS AND REGISTRATIONS**

Nil.

**SCHEDULE "E"**

**IT VOLUNTARY PREPAYMENT NOTICE**

Date: \_\_\_\_\_

**TO:** The Toronto-Dominion Bank, as Collateral Agent

Gentlemen:

We refer you to the second amended and restated project finance agreement dated as of May 10, 2017 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**IT Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opco, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

We also refer you to the LIL Voluntary Prepayment Notice dated as of <@>, a copy of which is attached hereto as Schedule "A".

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to the provisions of section 2.7 of the IT Project Finance Agreement, we hereby notify you that on Note 1, we shall make an IT 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 "B" an example of how the amount of the IT Voluntary Prepayment is calculated in accordance with the provisions of subsection 2.7.1 of the IT Project Finance Agreement<sup>1</sup>

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<sup>1</sup> The amount of the IT Voluntary Prepayment must be equal to the sum of (i) the aggregate principal amount of the IT Construction Loan under the Initial IT Tranches or, as the case may be, under the New IT Tranches; (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 is payable on the FV Redemption Date; and (iii) the IT Make-Whole Amount.

Yours truly,

**BNY TRUST COMPANY OF  
CANADA, as IT Trustee of LIL  
CONSTRUCTION PROJECT TRUST**

Per: \_\_\_\_\_

---

**Notes:**

1. Specify the date at which the prepayment is made. This prepayment notice must be made immediately upon receipt by the Collateral Agent of the LIL Voluntary Prepayment Notice.

**SCHEDULE "A"**

**LIL VOLUNTARY PREPAYMENT NOTICE**

**SCHEDULE "B"**

**(see attached calculations)**



**SCHEDULE "F"**

**IT DRAW REQUEST**

Date:     **Note 1**    

The Toronto-Dominion Bank  
as Collateral Agent

TD Bank Tower  
66 Wellington St. W., 9th Floor  
Toronto, Ontario, Canada. M5K 1A2  
Attention: Michael A. Freeman, Vice President Loan Syndications-Agency

Gentlemen:

We refer you to the second amended and restated project finance agreement dated as of May 10, 2017 was entered into among BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust (the "**Intermediary Trust**"), as borrower, BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust (the "**Funding Vehicle**"), as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opc**"), as guarantors, and The Toronto-Dominion Bank, as collateral agent (the "**Collateral Agent**") (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**IT Project Finance Agreement**").

We also refer you to the second amended and restated master definitions agreement dated as of May 10, 2017 entered into among, *inter alia*, the Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Labrador-Island Link Holding Corporation, Her Majesty In Right of the Province of Newfoundland and Labrador, the Partnership, as an obligor, Opc, as an obligor, Labrador-Island Link General Partner Corporation, as an obligor, and Computershare Trust Company of Canada, as security trustee (said agreement, as same may be further amended, supplemented or restated from time to time, is hereinafter referred to as the "**MDA**").

Unless otherwise defined herein or unless there be something in the subject or the context inconsistent therewith, all capitalized terms and expressions used herein shall have the same meaning as that ascribed to them from time to time in the MDA.

Pursuant to subsection 2.5 of the IT Project Finance Agreement, we hereby request the single Drawdown under the IT 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 IT 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 IT Event of Default has occurred and is continuing.

Yours truly,

**BNY TRUST COMPANY OF  
CANADA, as IT Trustee of LIL  
CONSTRUCTION PROJECT TRUST**

Per: \_\_\_\_\_

---

**Notes:**

1. IT Draw Request must be delivered at least two (2) Business Days prior to the IT Drawdown Date.
2. Insert the amount of the single IT Drawdown. The first IT Drawdown will be apportioned rateably amongst each of the Initial IT Tranches. The second IT Drawdown shall be apportioned rateably amongst each of the New IT Tranches.
3. Insert proposed IT Drawdown Date.

## SCHEDULE "G"

### ASSIGNMENT AND LOAN REPAYMENT AGREEMENT

This Assignment and Loan Repayment Agreement is made as of and with effect from <@> between BNY Trust Company of Canada, as IT Trustee of LIL Construction Project Trust, a single purpose trust formed under the Laws of NL (the "**Intermediary Trust**"), as assignor, and BNY Trust Company of Canada, as Issuer Trustee of Labrador - Island Link Funding Trust, a single purpose trust formed under the Laws of NL (the "**Funding Vehicle**").

#### RECITALS:

1. A second amended and restated project finance agreement dated as of May 10, 2017 was entered into among the Intermediary Trust, as borrower, the Funding Vehicle, as lender, Labrador-Island Link Limited Partnership (the "**Partnership**") and Labrador-Island Link Operating Corporation ("**Opco**"), as guarantors, and The Toronto-Dominion Bank, as Collateral Agent (as amended, the "**IT Project Finance Agreement**").
2. A second amended and restated project finance agreement dated as of May 10, 2017 was entered into among the Partnership, as borrower, the Intermediary Trust, as lender, Opco and Labrador-Island Link General Partner Corporation (the "**General Partner**"), as Credit Parties, and The Toronto-Dominion Bank, as Collateral Agent (as amended, the "**LIL Project Finance Agreement**").
3. A second amended and restated master definitions agreement dated as of May 10, 2017 was entered into among, *inter alia*, The Toronto-Dominion Bank, as Collateral Agent, the Funding Vehicle, the Intermediary Trust, Nalcor Energy, Her Majesty in Right of the Province of Newfoundland and Labrador, the Partnership, Opco, the General Partner and Computershare Trust Company of Canada (as amended, the "**Master Definitions Agreement**").
4. The parties hereto acknowledge that Commissioning has occurred.
5. The Intermediary Trust wishes to assign and sell to the Funding Vehicle all Indebtedness owed to it by the Partnership under the LIL Project Finance Documents and all of its rights, titles and interests therein, the whole in full and final repayment of all its Indebtedness to the Funding Vehicle under the IT Project Finance Agreement.
6. The Funding Vehicle wishes to accept such assignment and sale in full and final repayment of all of the Intermediary Trust's Indebtedness to the Funding Vehicle under the IT Project Finance Agreement and assume all of the rights, titles and interests of the Intermediary Trust in the LIL Project Finance Documents.

SECOND AMENDED AND RESTATED IT PROJECT FINANCE AGREEMENT

IN CONSIDERATION of the respective covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1

INTERPRETATION

1.1 **Definitions.** The capitalized words and expressions, wherever used in this Agreement, in its Schedules or in any deed or agreement supplemental or ancillary hereto, unless there be something in the subject or the context inconsistent therewith, shall have the meanings ascribed thereto in 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, 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 "**Assignment and Loan Repayment Agreement**", "**this Assignment and Loan Repayment Agreement**", "**this Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular Recital, Article, Subsection, Schedule, paragraph, subparagraph, clause or other portion of this Agreement.

1.4 **Grammatical Variations.** In this Agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein) in the singular include the plural and vice versa (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this Agreement shall be construed in like manner.

1.5 **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 Guarantor, the parties hereto shall amend 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 law.

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.

## ARTICLE 2

### ASSIGNMENT

2.1 **Assignment.** The Intermediary Trust hereby irrevocably sells and assigns to the Funding Vehicle, and the Funding Vehicle hereby irrevocably purchases and assumes from the Intermediary Trust, **(i)** all Indebtedness owed to the Intermediary Trust by the Partnership under the LIL Project Finance Documents and all of the Intermediary Trust's rights, titles and interests therein, including, without limitation, the LIL Loan and **(ii)** to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Intermediary Trust against any Person, whether known or unknown, arising under or in connection with the LIL Project Finance Documents, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (collectively, the "**Assigned Interest**").

2.2 **Consideration.** In consideration for the assignment and sale contemplated in Section 2.1, the Funding Vehicle hereby acknowledges and agrees that the Intermediary Trust's Indebtedness to the Funding Vehicle under the IT Project Finance Agreement (the "**IT Indebtedness**") is hereby satisfied and repaid in full by way of the assignment and sale of the Assigned Interest contemplated in Section 2.1.

2.3 **Acknowledgement.** The Funding Vehicle and the Intermediary Trust acknowledge that immediately prior to the assignment and sale contemplated in Section 2.1, the fair market value of the Assigned Interest was at least equal to the principal amount (as defined in subsection 248(1) of the *Income Tax Act* (Canada)) of the IT Indebtedness.

2.4 **No Recourse.** The assignment and sale contemplated in Section 2.1 is without recourse to the Intermediary Trust and without representation or warranty by the Intermediary Trust. The Intermediary Trust assumes no responsibility with respect to **(i)** any statements, warranties or representations made in or in connection with the LIL Project Finance Agreement or any other LIL Project Finance Document, **(ii)** the execution, legality, validity, enforceability, genuineness, sufficiency or value of the LIL Project Finance Documents or any collateral thereunder, **(iii)** the financial condition of the Partnership, any of the other Credit Parties or any other Person obligated in respect of any LIL Project Finance Document or **(iv)** the performance or observance by the Partnership, any of the other Credit Parties or any other Person of any of their respective obligations under any LIL Project Finance Document.

2.5 **Representations of the Funding Vehicle.** The Funding Vehicle **(a)** represents and warrants that **(i)** upon execution of this Agreement by all of the parties hereto (collectively, the "**Effective Time**"), it shall be bound by the provisions of the LIL Project Finance Agreement as the lender thereunder, and **(ii)** it has received a copy of the LIL Project Finance Agreement, the other LIL Project Finance Documents and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and

SECOND AMENDED AND RESTATED IT PROJECT FINANCE AGREEMENT

to purchase the Assigned Interest on the basis of which it has made such analysis and decision, and (b) agrees that as of the Effective Time (i) it will perform in accordance with their terms all of the obligations which by the terms of the LIL Project Finance Documents are required to be performed by it, and (ii) all references to the Intermediary Trust in the LIL Project Finance Documents shall be deemed to be a reference to the Funding Vehicle, where the context so admits.

2.6 **Release of IT Trustee and Intermediary Trust.** As of the Effective Time, (i) the IT Trustee and the Intermediary Trust are released from all their obligations under the Consolidated Transactions Documents including all indemnity obligations notwithstanding any provision of any Consolidated Transaction Document to the contrary and shall cease being parties thereto in any capacity and (ii) the Collateral Agent shall perform the Project Financing Duties on behalf only of the Funding Vehicle and Canada.

### ARTICLE 3

#### **GENERAL PROVISIONS**

3.1 **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.

3.2 **Provision Regarding Liability of IT Trustee.** The IT Trustee has entered into this Agreement in its capacity as trustee of the Intermediary Trust. Any and all of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations made on the part of the Issuer Trustee herein are made and intended not as personal representations, warranties, undertakings, covenants, indemnities, agreements and other obligations by the IT Trustee or for the purpose or with the intention of binding the IT Trustee in its personal capacity, but are made and intended for the purpose of binding only the Assets of the Intermediary Trust. No Assets of the IT Trustee (other than the Assets of the Intermediary Trust), whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT

SECOND AMENDED AND RESTATED IT PROJECT FINANCE AGREEMENT

Trustee under this Agreement or any of the other documents accessory hereto. No recourse may be had or taken, directly or indirectly against the IT Trustee in its personal capacity, any beneficiary of the Intermediary Trust or any Affiliate, shareholder, officer, director, employee or agent of the IT Trustee or any predecessor or successor of the IT Trustee, with regard to the representations, warranties, undertakings, covenants, indemnities, agreements and other obligations of the Intermediary Trust or the IT Trustee under this Agreement and the documents accessory hereto.

3.3 **Successors and Assigns.** This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

3.4 **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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**TO WITNESS THEIR AGREEMENT** the Parties have executed and delivered this Agreement this \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_ with effect from the day and year first above written.

**BNY TRUST COMPANY OF CANADA, as  
IT Trustee of LIL CONSTRUCTION  
PROJECT TRUST**

By: \_\_\_\_\_

**BNY TRUST COMPANY OF CANADA, as  
Issuer Trustee of LABRADOR - ISLAND  
LINK FUNDING TRUST**

By: \_\_\_\_\_



**ACKNOWLEDGED AND ACCEPTED ON \_\_\_\_\_.**

**LABRADOR - ISLAND LINK LIMITED  
PARTNERSHIP, by its general partner  
LABRADOR - ISLAND LINK GENERAL  
PARTNER CORPORATION**

By: \_\_\_\_\_

**LABRADOR - ISLAND LINK OPERATING  
CORPORATION**

By: \_\_\_\_\_

**LABRADOR - ISLAND LINK GENERAL  
PARTNER CORPORATION**

By: \_\_\_\_\_

**HER MAJESTY THE QUEEN IN RIGHT  
OF CANADA, as represented by THE  
MINISTER OF NATURAL RESOURCES**

By: \_\_\_\_\_

**THE TORONTO-DOMINION BANK, as  
Collateral Agent**

By: \_\_\_\_\_

**SCHEDULE "H"**

**INITIAL IT TRANCHES**

<b><u>Initial IT Tranche</u></b>	<b><u>Corresponding FV Bond Series</u></b>
1. IT Tranche A	Series A Bonds
2. IT Tranche B	Series B Bonds
3. IT Tranche C	Series C Bonds

**SCHEDULE "I"**

**NEW IT TRANCHES**

On the date indicated below, the Intermediary Trust has delivered this Schedule to the Collateral Agent pursuant to Section 10.11 of the IT Project Finance Agreement.

Executed as of \_\_\_\_\_.

**BNY TRUST COMPANY OF  
CANADA, as Trustee of LIL  
CONSTRUCTION PROJECT TRUST,  
as Obligor**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**New IT Tranche**

**Corresponding FV Bond Series**

1. IT Tranche [<@>D<@>]

Series [<@>D<@>] Bonds

2. IT Tranche [<@>E<@>]

Series [<@>E<@>] Bonds

**[NOTE TO DRAFT: To be completed with appropriate lettering in respect of the series of bonds and to reflect all of the series of bonds under FLG2.]**