

From: dsturge@nalconenergy.com
Sent: Friday, May 3, 2013 8:02 PM
To: auburn warren/nlhydro
Cc: ed martin/nlhydro; rob hull/nlhydro
Subject: Re: Sanction Resolution and Final Amendments to the ML-JDA

I took a look at the resolution. The preamble refers to Sanction as per section 2b of the Sanction Agreement. Section 2b references Sanction subject to the terms and conditions of the Sanction Agreement. Not sure if deleting this reference to 2b in the preamble would do the trick - or if it is a more fundamental disconnect.

Derrick Sturge, FCA

Vice-President, Finance & CFO

Nalcor Energy

Sent from my iPad

On 2013-05-03, at 6:48 PM, "Auburn Warren" <AuburnWarren@nalconenergy.com> wrote:

Seems like the confusion is in the definition of "Sanction" -- it appears they do not realize definition of Sanction remains unchanged from the July 30th ML-JDA...

Auburn

Auburn Warren, CA

Manager, Investment Evaluation

Nalcor Energy

tel: 709.737.1256

mob: 709.725.1141

On 2013-05-03, at 6:39 PM, "Derrick Sturge" <DSturge@nalcoreenergy.com> wrote:

See attached from Canada - not the response we wanted. They refer to our resolution, which is confusing as we also refer to the Sanction Agreement.

Derrick Sturge, FCA

Vice-President, Finance & CFO

Nalcor Energy

Sent from my iPad

Begin forwarded message:

From: "TOWER, NANCY" <NANCY.TOWER@Emera.com>

Date: 3 May, 2013 6:27:57 PM NDT

To: "Derrick F. Sturge" <dsturge@nalcoreenergy.com>

Subject: Fwd: Sanction Resolution and Final Amendments to the ML-JDA

Response from Mark Corey. Happy to chat over the weekend.

Nancy Tower

Begin forwarded message:

From: "Corey, Mark" <Mark.Corey@NRCan-RNCan.gc.ca>

Date: May 3, 2013, 3:31:07 PM ADT

To: "TOWER, NANCY" <NANCY.TOWER@Emera.com>

Cc: "Will, Jonathan" <Jonathan.Will@NRCan-RNCan.gc.ca>

Subject: RE: Sanction Resolution and Final Amendments to the ML-JDA

Nancy:

Here is the view from our side:

This draft Resolution continues to include conditionality as to the sanction of the ML project by Emera contemplated by the FLG Agreement. It persists in the conditionality by defining Sanction by reference to s. 2 (b) of the Sanction Agreement, thereby importing the condition of UARB approval because it adds to the defined term Sanction "subject to the conditions of the Sanction Agreement". Section 5 is the part of the Sanction Agreement that allows Emera to refuse to proceed if the UARB ruling does not occur in the agreed range . In other words, this draft Resolution doesn't get us any further. To Sanction Emera must not pull in the Sanction Agreement.

We require a resolution of the Board much like that provided by Nalcor and LILCo.

Mark Corey

Assistant Deputy Minister / Sous-ministre adjoint

Energy Sector / Secteur de l'énergie

Natural Resources Canada / Ressources naturelles Canada

580 Booth Street, 16th floor, Section C7-1 / 580 rue Booth, 16ième étage, pièce C7-1

Ottawa, Ontario K1A 0E4

Tel: 613-947-2751 Fax: 613-992-1405

email/courriel: mark.corey@nrcan-rncan.gc.ca

From: TOWER, NANCY [<mailto:NANCY.TOWER@Emera.com>]

Sent: May 2, 2013 17:47

To: Corey, Mark

Cc: DSturge@nalconenergy.com; BALFOUR, SCOTT; Will, Jonathan

Subject: RE: Sanction Resolution and Final Amendments to the ML-JDA

Mark

We will await your response.

Thanks

Nancy

From: Corey, Mark [<mailto:Mark.Corey@NRCan-RNCan.gc.ca>]

Sent: Thursday, May 02, 2013 5:49 PM

To: TOWER, NANCY

Cc: DSturge@nalconenergy.com; BALFOUR, SCOTT; Will, Jonathan

Subject: RE: Sanction Resolution and Final Amendments to the ML-JDA

Thank you for the latest information you have provided. Mark has asked Jonathan Will to forward this to our legal advisors for advice and Mark will respond to you when that advice has been provided.

Regards,

Ariane

Ariane Brassard

Executive Assistant/ Adjointe exécutive

Assistant Deputy Minister's Office /

Bureau du Sous-Ministre adjoint

Tel.: (613) 943-0670

ariane.brassard@nrcan.gc.ca

From: TOWER, NANCY [<mailto:NANCY.TOWER@Emera.com>]

Sent: May-02-13 3:36 PM

To: Corey, Mark

Cc: DSturge@nalconenergy.com; BALFOUR, SCOTT

Subject: FW: Sanction Resolution and Final Amendments to the ML-JDA

Dear Mark:

I am sending this in advance of our call and for discussion tomorrow.

I enclose a draft Emera Inc. board resolution, which Emera management intends to submit to

our Board of Directors for consideration at its upcoming meeting on May 8, 2013.

We understand you were concerned with the December 16, 2012 Emera resolution because

although it authorized the entering into of the Sanction Agreement, it did not explicitly sanction

the Maritime Link and consequently could be interpreted in a different manner than was

intended. To address your concern, in addition to ratifying the entering into of the Sanction

Agreement, our new draft resolution includes a specific "Sanction" of the Maritime Link, using

the defined term from the Formal Agreements to ensure the meaning is clear.

We confirm that, sanction of the Maritime Link having been given by Emera and Nalcor, the

provisions of Section 2(b) of the Sanction Agreement are operative.

Please provide written confirmation no later than May 7, 2013 that upon delivery of a certified

copy of a resolution in the form of the attached, Canada will consider the condition in Section

3.5 A. (vii) of the November 30, 2012 Federal Loan Guarantee agreement to have been

satisfied. We will then be able to make the necessary arrangements to submit the resolution to

our Board of Directors.

Nancy

Nancy Tower | EVP, Business Development and CEO, Emera Newfoundland and Labrador Manager | Emera Inc.

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