

MR. CAMERON, EXAM. BY MR. MERRICK

1 the argument was.

2 Q. And I take it that ultimately the Province agreed to  
3 that?

4 A. I think we agreed to pari passu.

5 Q. Now help me with this for a second. We have a  
6 project owner who puts a certain amount of money in and  
7 borrows a certain amount of money from a lender.

8 A. Uh-huh.

9 Q. As Mr. Redrupp points out, normally, one would  
10 expect the lender to acquire first charge on the assets.  
11 But in this case, the borrower comes and says, "Hey,  
12 we've both got money in here; let's share equally."

13 A. Except that we agreed that it would be a fully  
14 subordinated loan, that \$12-million loan.

15 Q. Yes.

16 A. Fully subordinated doesn't give you a position.

17 Q. But this is separate now.

18 A. You're down at the bottom. This is an advance of  
19 that loan.

20 Q. But you're -- Elizabeth Cuddihy, and we'll come  
21 across one of her memos in a few minutes that says:  
22 "You've got to keep these two loans separate."

23 A. Uh-huh, yeah.

24 Q. The interim financing has to be kept completely  
25 separate from the 12 million for --