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February 1, 2021

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**VIA E-MAIL**

Reference: 11573/374

**Twin Falls Power Corporation Limited**

c/o Doug Mitchell  
 IMK LLP  
 3500 De Maisonneuve Boulevard West  
 Suite 1400  
 Montréal, QC H3Z 3C1

- and -

**Churchill Falls (Labrador) Corporation Limited**

c/o Guy Martel and Nathalie Nouvet  
 Stikeman Elliott LLP  
 1155 René-Lévesque Blvd. West, 41st Floor  
 Montréal, QC H3B 3V2

**RE: Twin Falls Power Corporation Limited (“Twinco”)**

Dear Sirs and Madame:

We are writing you in furtherance of our mutual agreement to an adjournment sine die of the following court proceedings:

1. The CCAA Parties’ Motion for Winding up and Dissolution, Distribution of Assets, Reimbursement of Monies and Additional Relief dated November 16, 2020, Court File No. 500-11-048114-157 in the Quebec Superior Court (the “**CCAA Parties Winding Up Motion**”);
2. The Twinco Motion to dismiss the CCAA Parties Winding Up Motion for Lack of Jurisdiction and for Forum Non Conveniens dated January 15, 2020 (the “**Twinco Dismissal Motion**”);
3. Churchill Falls (Labrador) Corporation Limited (“**CFLCo**”) Contestation of the CCAA Parties Winding Up Motion dated January 15, 2020 (the “**CFLCo Contestation**”); and
4. Originating Application for the Issuance of a Court Supervised Liquidation and Dissolution Order by CFLCo issued on January 21, 2021, Court File No. 2021 O1G 0432 in the Supreme Court of Newfoundland and Labrador (the “**Newfoundland Liquidation Motion**”),

(collectively, the “**Adjourned Motions**”).

All initially capitalized terms shall have the meanings given to them in the CCAA Parties Winding Up Motion.

On January 27, 2021, the Quebec Superior Court adjourned the CCAA Parties Winding UP Motion, the Twinco Dismissal Motion and the CFLCo Contestation. CFLCo has agreed to seek the court's adjournment of the Newfoundland Liquidation Motion. Please confirm that the Supreme Court of Newfoundland and Labrador Supreme Court has been informed that CFLCo will be seeking an adjournment of the Newfoundland Liquidation Motion and on or before February 19, 2021, that the Newfoundland Liquidation Motion has been adjourned sine die.

The aforementioned adjournment of the Adjourned Motions is without prejudice to each party's right to seek to a new hearing date for any Adjourned Motion on 14 days' prior written notice to the other parties.

In an attempt to explore the possibility of a consensual resolution of the matters raised in the Adjourned Motions, the CCAA Parties request the following documentation and information:

1. Amount of cash and cash equivalents held by Twinco as at January 31, 2021 and a budget of anticipated expenses anticipated to be incurred by Twinco to the date of the wind-up and liquidation that are not currently anticipated to be subject to any reimbursement or sharing obligation;
2. Copies of audited financial statements for Twinco for the years ended December 31, 1974 to 2019 (excluding audited financial statements for the years ended December 31, 2004, 2005, 2008, 2013-2019);
3. A summary of all expenses incurred by Twinco in respect of environmental and maintenance and other costs in respect of the Twinco Plant, Twinco Building and equipment located thereon for which Twinco has not received full reimbursement from CFLCo or any other party, for the period from July 1974 to December 31, 2020, including, without limitation:
  - a. All expenses of operation which are contemplated by Exhibit A to the Amended Power Contracts, which included salaries and benefits, operating supplies, maintenance materials and contracts, among others, as more particularly set out therein (see Clause VII of the Operation Lease);
  - b. All costs associated with keeping and maintaining in good working order all structures, works and plant erected from time to time for the Twinco Plant and all modifications and expansions made thereunder and all necessary repairs in order to secure the normal and satisfactory working of all such structures, works, plant, modifications and expansions including all obligations of Twinco, including under Clause 6 of Part II of the Sublease (as discussed in more detail further below (see Clause VIII of the Operating Lease);
  - c. All costs related to any fires that have occurred at the Twinco Plant or Twinco Building;
  - d. All costs related to any environmental maintenance, investigation, monitoring or clean-up of any of the Twinco Assets or any the lands upon which any of the Twinco Assets reside the "**Twinco Lands**"), including, without limitation, (i) environmental remediation costs; (ii) environmental up-keep and maintenance costs; (iii) environmental inspections and studies, including related reports; (iv) cleanup costs relating to any fires, spills, floods or any

contamination of land or water at or around the Twinco Assets or Twinco Lands; (v) costs associated with the management, removal or disposal of PCB's (including equipment containing PCBs), D&F's and TPHs, and any other chemicals or contaminated materials or equipment at or from the Twinco Assets or the Twinco Lands; and (vi) costs associated with reporting environmental hazards, risks, accidents, and requirements to the appropriate regulatory bodies and complying with environmental laws and regulations; and

- e. To the extent not already covered by items (a) to (d) above, any and all liability to any third parties for injuries to persons or damages to property or resulting from CFLCo's failure to carry out any of its covenants under the Operating Lease, including, without limitation, under the CFLCo Indemnity and CFLCo Maintenance Obligations (see Section IX of the Operation Lease; CFLCo Indemnity).

As agreed, Twinco will use its good faith efforts to provide the CCAA Parties and Monitor with the aforementioned requested information within 30 days of this letter. To the extent that any of the aforementioned requested information is not available for delivery to the CCAA Parties and Monitor within such time period, Twinco will provide a written explanation as to the reasons why such requested information is not available for delivery within such time period and the proposed date that Twinco reasonably anticipates that such information would be available for delivery to the CCAA Parties and Monitor.

Yours very truly



Milly Chow

MYC/sti  
Enclosure

- c: J. Graham, Wabush
- B. Boucher, Blakes
- N. Meakin, FTI
- S. Rigaud, Norton Rose
- M. McClure, IOC
- D. Pope, Nalcor/CF(L)Co
- T. Newhook, Nalcor
- P. Hickman, Nalcor
- T. Stanley, Cox & Palmer