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IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR TRIAL DIVISION (GENERAL)

BETWEEN:

RICHARD DEWEY, WILLIAM PERRY, CHARLOTTE JACOBS and WILLIAM TURNER

PLAINTIFFS

AND:

KRUGER INC., DEER LAKE POWER COMPANY LIMITED, CORNER BROOK PULP AND PAPER LIMITED, and THE TOWN OF DEER LAKE, HER MAJESTY THE QUEEN IN RIGHT OF NEWFOUNDLAND AND LABRADOR

DEFENDANTS

Brought under the Class Actions Act, SNL 2001, c. C-18.1

STATEMENT OF CLAIM

I. OVERVIEW

For nearly a century there has been a hydroelectric power generating system in the lower portion of the Humber River Basin, in the Town of Deer Lake (the "Town"), a town of about 5,000 residents in the Province of Newfoundland and Labrador (the "Province"). The hydroelectric power generating system (the "Power System") provides power to the Corner Brook Pulp and Paper Mill (the "Mill"). From about 1922-1925 a system of manmade water control structures was constructed for the production of hydroelectric power to the Mill. This water control system includes a reservoir (Grand Lake Reservoir) and a series of dams, dykes and the man-made Humber Canal (the system of water control structures, including the Humber Canal, collectively referred to herein as the "Water Control System"). The Defendants Kruger Inc., Deer Lake Power Company Limited (a



division of Corner Brook Pulp and Paper) and Corner Brook Pulp and Paper Limited (collectively the "Kruger Defendants") control the flow of water on the Water Control System through their system of canals, dams and dykes.

- 2. The Town of Deer Lake is situated downstream of the Humber Canal and immediately downhill from the Water Control System, specifically the Western portion of it known as the Western Canal.
- 3. The subject of the present action is damage caused by the Water Control System to the Plaintiffs' and Class Members' properties. Such properties are located within the residential area provisionally identified by the class boundaries, subject to refinement, as set out in Schedule "A" attached hereto (the "Class Boundaries"). Water from the Water Control System escapes from the Humber Canal and other components of the Water Control System and causes damage to the properties in the Town located within the Class Boundaries. This seepage elevates groundwater levels and causes extensive water damage to properties and grounds, thereby creating human health hazards by promoting mould growth, and rendering properties unfit for habitation.
- 4. The Plaintiffs and Class Members have been and are being exposed to a substantial risk to human health as a result of mould growth from the flooding caused by the Defendants' acts or omissions described herein. However, the Plaintiffs do not seek recovery of damages in this proceeding for any individual personal injuries they and the Class have suffered as a result of the Defendants' conduct. In this action the Plaintiffs seek, on their own behalf and on behalf of the Class (as defined in paragraph 10), the following:
 - An order requiring the Defendants to take reasonable steps to prevent future flooding of properties within the Class Boundaries caused by the Water Control System;
 - ii. To recover damages for the interference with their property rights resulting from the material physical damage caused by the Defendants; and

iii. Such other damages specified below.

II. THE PARTIES

The Plaintiffs

- 5. The Plaintiff, Richard John Dewey, formerly resided at and owns the property associated with 26 Garden Road, Deer Lake, Newfoundland and Labrador, A8A 1K6. The flooding caused by the Water Control System has forced him to relocate. The Plaintiff's address for service is c/o Bob Buckingham, Bob Buckingham Law, 81 Bond Street, St. John's, NL A1C 1T2, and the telephone is 709-739-6688.
- 6. The Plaintiff, William Perry, owns the property associated with 40 Main Dam Road, Deer Lake, Newfoundland and Labrador, A8A 1S2. The Plaintiff's address for service is c/o Bob Buckingham, Bob Buckingham Law, 81 Bond Street, St. John's, NL A1C 1T2, and the telephone is 709-739-6688.
- 7. The Plaintiff, William Craig Turner, resides at and owns the property associated with 34 Garden Road, Deer Lake, Newfoundland and Labrador, A8A 1K6. The Plaintiff's address for service is c/o Bob Buckingham, Bob Buckingham Law, 81 Bond Street, St. John's, NL A1C 1T2, and the telephone is 709-739-6688.
- 8. The Plaintiff, Charlotte June Jacobs, resides at and owns the property associated with 36 Garden Road, Deer Lake, Newfoundland and Labrador, A8A 1K6. The Plaintiff's address for service is c/o Bob Buckingham, Bob Buckingham Law, 81 Bond Street, St. John's, NL A1C 1T2, and the telephone is 709-739-6688.
- 9. Each property identified above is located within the Class Boundaries. Each of these properties has been damaged by water which has escaped from the man-made Water Control System and thereby caused elevated groundwater levels within the Class

Boundaries. The Defendants' acts and omissions, detailed herein, have materially caused physical damage to all properties within the Class Boundaries depicted in Schedule "A".

- 10. The Plaintiffs seek to certify this action as a class proceeding pursuant to the *Class Actions Act*, S.N.L. 2001, c. C-18.1, on behalf of all persons (other than the Defendants and their parent companies, affiliates or subsidiaries) who are the beneficial owners of real property within the Class Boundaries as of the date that notice of the order certifying this proceeding as a class proceeding is given (the "Class").
- 11. The Plaintiffs, as the proposed representative plaintiffs, do not have any interest adverse to any of the members of the proposed Class. The Plaintiffs state that there is an identifiable class that would be fairly and adequately represented by the Plaintiffs, that the Plaintiffs' claims raise a common issue, and that a class action is the preferable procedure to resolve the common issues of the Class.

<u>The Defendants</u>

i. The Kruger Defendants

- 12. The Defendant Kruger Inc. was incorporated in Quebec under the *Canada Business Corporations Act* in 1976 and is registered to do business in Quebec with a current registered office at 3285 ch. Bedford, Montreal, QC, H3S 1G5. Kruger is not registered to do business in Newfoundland and Labrador. Kruger, together with its parent companies, affiliates or subsidiaries, has owned and operated the Power System since 1984. Kruger is the parent company of the Defendants Deer Lake Power Company Limited and Corner Brook Pulp and Paper Limited (the three entities collectively referred to as the "Kruger Defendants").
- The Defendant Deer Lake Power Company Limited ("DLPC") is an incorporated company registered to do business in the Province, with a current registered address at P.O. Box 2001, 1 Mill Rd., Corner Brook, NL, A2H 6J4.

- 14. DLPC was owned and operated by International Power and Paper Company of Newfoundland Limited from 1925 to 1938, when its assets were acquired by Bowater Newfoundland Pulp and Paper Mills Limited.
- 15. On April 5, 1955, DLPC became incorporated as a sister company of the Mill, becoming an investor-owned regulated utility company operating under the name the Bowater Power Company Limited. In 1972, the company became a subsidiary of Bowater Newfoundland Limited and operated as such until December 1984, when the Bowater assets in Newfoundland were acquired by Kruger. The company was renamed Deer Lake Power Company and operated as a subsidiary of the Mill. DLPC, together with its parent companies, affiliates or subsidiaries, developed, designed, and has operated the Power System at all times material to this action.
- 16. The Defendant Corner Brook Pulp and Paper Limited ("CBPPL") is an incorporated company registered to do business in the Province, with a current registered address at P.O. Box 2001, 1 Mill Rd., Corner Brook, NL, A2H 6J4. CBPPL is a wholly-owned subsidiary of Kruger. CBPPL operates the Mill. CBPPL, together with its parent companies, affiliates or subsidiaries, developed, designed, and has operated the Power System at all times material to this action.

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- 17. The Kruger Defendants are wholly responsible for all of the acts and omissions of their predecessor and subsidiary companies, including the Defendants named herein, by virtue of having succeeded or acquired those companies and by virtue of having assumed the obligations of those companies.
- 18. Further, and in the alternative, the Plaintiffs plead that, by virtue of the acts described herein, each Kruger company is vicariously liable for the acts and omissions of the other for the following reasons:
 - (i) Each was the agent of the other;

- (ii) Each Kruger Defendant's business was operated so that it was inextricably interwoven with the business of the other;
- (iii) Each Kruger Defendant intended that the businesses be run as one business organization; and,
- (iv) The Kruger Defendants are related, associated or affiliated.

(b) **The Town**

- 19. The Town of Deer Lake is situated on the western portion of Newfoundland and Labrador, at the outlet of the upper Humber River at the northeastern end of Deer Lake. The Town was incorporated in 1950 and has population of about 5000 residents. The Town has had a policy of inspecting the Humber Canal approximately once a week.
- 20. Since at least the 1970s the Town has been aware of the flooding caused by the Water Control System. The Town has adopted policies to address the problem, but the policies have been negligently put into operation, as further detailed below.

(c) Her Majesty The Queen in Right of Newfoundland and Labrador

21. Her Majesty The Queen in Right of Newfoundland and Labrador (hereinafter referred to as "the "Province"), is responsible for approving water control structures, including dams, and regulating dam construction and dam safety, pursuant to the *Water Resources Act*, S.N.L. 2002, c. W-4.01 (the "Act"). These roles are carried out through the Department of Environment and Conservation ("ENVC"). The ENVC's role includes reviewing dam safety reviews of the Water Control System and ensuring the Kruger Defendants' compliance with the Act. The minister, through the ENVC, has authority to prevent and address damage to properties downstream, including the Class Members' properties, by directing the Kruger Defendants to undertake necessary repairs or alterations to the Water Control System to prevent damage to the properties.

III. THE POWER SYSTEM

- 22. The Kruger Defendants designed, developed, own and operate the Power System, which is located within the lower portion of the Humber River Basin on the west side of the Province. The total length of the Humber River is approximately 153 kilometres. The Lower Humber region represents the southern portion of the Humber River Basin. It contains the plains of Deer Lake and Grand Lake. Most parts of the lower Humber River Basin are regulated for hydroelectric power generation, including by the Power System.
- 23. In 1915, the Province granted DLPC's predecessor company, Newfoundland Power and Paper Company, the water power rights on the Humber River watershed, along with land, in return for investment in the industrial development of the Province. In 1922, development of the hydroelectric generating station at Deer Lake was commenced, along with the development of the Mill to which the hydroelectric power would be transmitted. Grand Lake was flooded in 1924 with the construction of the Ambursen-type Main Dam to a depth of approximately 100 feet above the original lake level. The Main Dam, which is 244 metres long, was built at the outlet of Grand Lake, which flowed into Junction Brook and the Humber River. The Main Dam controls the water elevation of Grand Lake is 130 kilometres long and is 6 kilometres at its widest point. Grand Lake serves as the main reservoir for the Power System. Water from the reservoir drains from Grand Lake to Deer Lake via the Humber Canal.
- 24. The Humber Canal is a man-made waterway cut through a height of land from Grand Lake. At the mouth of the Humber Canal, at a distance of 4 kilometres from Grand Lake, is a reinforced concrete Intake Control Dam constructed by the Kruger Defendants. The Humber Canal continues another 9 kilometres past the Intake Control Dam to Forbar Dam and the West Bank Dyke, all constructed by the Kruger Defendants and located directly above the Class Boundaries. The West Bank Dyke is located at an elevation of approximately 80 metres. The residential area immediately below it, encompassed by the Class Boundaries, is at elevations of 35 metres to 60 metres. The West Bank Dyke does

not contain any seepage control measures, such as a core or cut-off trench, apart from a 60 metre section containing a puddle clay core on its upslope.

- 25. The Power System was completed and began producing power in 1925, and has since been enlarged, housing several generating stations.
- 26. The Kruger Defendants use their dams built across the natural river system and the higher elevation of the Humber Canal to create the runoff for the hydroelectric generating plant.
- 27. The Kruger Defendants generate significant profits for themselves through their operation of the Water Control System, to the detriment of their neighbours.

IV. CAUSES OF ACTION

a. Nuisance

- 28. The Kruger Defendants are liable to the Plaintiffs and Class Members for having committed the tort of nuisance. The Kruger Defendants have interfered with the property rights of the Plaintiffs and Class Members. The Kruger Defendants' activities have indirectly and unreasonably caused material physical damage to the properties of the Plaintiffs and Class Members.
- 29. Despite the reports and studies that have investigated the flooding problem and proposed solutions to it, no, or no adequate, measures have been taken by the Kruger Defendants to fix the flooding problem.
- 30. The harm caused by the Kruger Defendants' continued inaction is borne directly by the Plaintiffs and other Class Members.
- 31. The continued flooding of the properties of the Plaintiffs and Class Members has caused and continues to cause water damage, in turn causing the presence of potentially hazardous mould particles. Exposure to mould represents a human health hazard. The

hazards of mould growth in indoor environments are well known. Federal and provincial regulators recognize mould as a significant occupational health and safety issue, and a public health issue.

- 32. Exposure to mould in indoor environments commonly results in aggravation of asthma, respiratory infections, flu-like symptoms, skin rash, congestion and headache. These adverse health effects have been suffered by the Plaintiffs and Class Members.
- 33. A proactive response to potential, or continuing, mould exposure is recognized as an appropriate measure to protect health. Health Canada has concluded that exposure to indoor mould is associated with an increased prevalence of asthma-related symptoms such as chronic wheezing and irritation symptoms. Given that mould is a recognized risk factor for health problems, Health Canada recommends that humidity be controlled and diligent repair of residential water damage be undertaken to prevent mould growth, and that any visible or concealed mould growing in residential buildings be thoroughly cleaned.
- 34. The Water Control System has caused material physical damage, including extensive water damage to the interior and exterior of the properties. It has rendered the land unfit for residential habitation, the purpose for which the properties were purchased and developed by the Plaintiffs and Class Members. This material physical damage has had a negative impact on the value of the Plaintiffs' and Class Members' properties. The material physical damage caused by the Kruger Defendants poses a serious risk of actual harm to the health and wellbeing of the claimants. These detrimental effects are material, actual and readily ascertainable.

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b. Negligence

i. The Kruger Defendants

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- 35. The Kruger Defendants owe the Plaintiffs and Class Members a duty of care in their maintenance and operation of the Water Control System to take reasonable steps to avoid injury or damage to the Plaintiffs' and Class Members' properties. The Kruger Defendants' Power System operations are conducted in close proximity to the Plaintiffs' and Class Members' properties. It is reasonably foreseeable that acts or omissions of the Kruger Defendants affecting the Water Control System could cause significant harm to the Plaintiffs' and Class Members' properties.
- 36. In the alternative, a duty of care arises from the Province's grant of water power rights on the Humber River watershed to the Kruger Defendants. As the grantee or licensee of such rights, the Kruger Defendants owe the Class Members, as owners of properties downstream of the Water Control System, the duty to take reasonable steps to prevent injury or damage to their properties and to minimize or eliminate any such hazardous conditions.
- 37. The Kruger Defendants have breached the applicable standard of care. Particulars of the negligence of the Kruger Defendants include the following:
 - (a) Choosing not to install or employ seepage control measures on the Humber Canal, such as foundation cut-offs;
 - (b) Neglecting to install, maintain and monitor weirs at seepage locations of embankments and dykes;
 - (c) Inadequately inspecting and maintaining records relating to seepage;
 - (d) Choosing not to implement groundwater monitoring wells;

- (e) Ignoring or choosing not to comply with the requirement under the Act that it notify the Province's Department of Environment and Conservation in the case of events hazardous to properties downstream, and that it eliminate or minimize such conditions;
- (f) Ignoring or choosing not to comply with the backlog of uncompleted recommendations from safety assessments dating back over 15 years, including design checks, required to comply with the Canadian Dam Association Dam Safety Guidelines;
- (g) Failing to comply with the Canadian Dam Association Dam Safety Guidelines;
- (h) Ignoring the growth of vegetation around the earth embankment dams and dykes, thereby impeding seepage inspection and monitoring;
- (i) Choosing not to remove any root systems jeopardizing the integrity of the Water Control System's walls;
- (j) Choosing not to conduct current flood and dam breach studies;
- (k) Choosing not to construct a diversion or drainage ditch between the Humber Canal and the neighbourhood encompassed by the Class Boundaries to address the problem of elevated groundwater levels;
- (1) Choosing not to include written flood handling/operating procedures or guidelines in its operations, maintenance and surveillance documentation; and
- (m) Any other such negligence as may arise from the evidence.
- 38. The damage caused to the Plaintiffs' and Class Members' properties is a foreseeable result of the Kruger Defendants' negligence. The past and continuing seepage and elevated groundwater levels on the properties of the Plaintiffs and Class Members has

caused, and continues to cause, damage to the Plaintiffs and Class Members as pleaded herein. The Kruger Defendants' failure to exercise a sufficient standard of care in relation to the Water Control System has caused or materially contributed to the damages suffered by the Plaintiffs and Class Members.

ii. The Town

- 39. The Town owes the Class Members a duty to use due care in giving effect to, and in putting into operation, its policies concerning the flooding problem posed by Water Control System.
- 40. The Town became engaged in the flooding problem as early as the 1970s. For decades the Town has known about the flooding problems posed by the Water Control System and the damage being caused to the Class Members' properties.
- 41. Yet the measures and decisions adopted by the Town, and discussed by Town officials with the Class Members, have been negligently implemented at the operational level.
- 42. In 1976 a letter was written on behalf of the Town to the Bowater Power Company Limited ("Bowater") seeking an easement from Bowater to the Town for the purpose of constructing a proposed diversion ditch from Main Dam Road to Glide Brook. Bowater agreed to grant the easement but recommended the Town Council conduct a survey for the proposed ditch. The Town Council moved to get the survey done "as soon as possible". Capital works funding for the diversion was approved for 1977-1978. The Town received "stamp money" from the Federal Government to pay for the construction of the diversion ditch, and it hired individuals to implement the approved plan. Although the line for construction of the diversion ditch was cut, no further steps were taken by the Town.
- 43. Further, and in the alternative, a duty of care arises from the interactions between the Class and the Town, bringing them into a close and direct relationship. For decades,

Town officials have engaged in discussions with Class Members about the flooding issue and given assurances that the Town will take necessary steps to address it, albeit with unsatisfactory results.

- 44. The Town's acts and omissions have breached the standard of care applicable to it. Particulars of the negligence of the Town include the following:
 - (a) Aborting construction of a diversion or drainage ditch between the Humber Canal and the neighbourhood encompassed by the Class Boundaries to address the problem of elevated groundwater levels;
 - (b) Taking inadequate or incomplete steps to prevent, mitigate or correct the flooding issue caused by the Water Control System;
 - (c) Failing to conduct thorough and regular inspections of the Humber Canal, despite undertaking to do so;
 - (d) Despite assumption of an oversight role, inadequately and incompletely monitoring the effect of the Water Control System on properties downstream, including the Class Members' properties;
 - (e) Choosing not to systematically and regularly request and review dam safety review reports from the Kruger Defendants, instead letting gaps in mandatory periodic reports go unaddressed; and
 - (f) Any other such negligence as may arise from the evidence.
- 45. The Plaintiffs and Class Members have suffered damages as a result of the Town's acts and omissions. The damages suffered by the Plaintiffs and Class Members are a foreseeable consequence of the Town's acts and omissions.

iii. The Province

- 46. The Province is responsible for approving water works (including dams, ditches and canals) in the Province, and for regulating the construction and safety of such works pursuant to the Act. This is done through the Department of Environment and Conservation ("ENVC").
- 47. The Province owes the Class Members a duty to use due care in giving effect to, and putting into operation, the policies it has adopted concerning structures such as the Water Control System. The Province has chosen to effect compliance under the Act by adopting policies that include: a) requesting and reviewing dam safety reports (which consider *inter alia* seepage issues); (b) reviewing and evaluating seepage flow data; (c) issuing recommendations to mitigate flooding risks; (d) maintaining dam inventory databases; and (e) directing owners or operators of dams and other water structures to arrange for safety inspections and to submit reports to the minister, and to take other necessary steps, including repairs or alterations to the structures to prevent damage to properties downstream.
- 48. Further, and in the alternative, the Province's duty of care to the Class arises explicitly from the Act itself. In particular, section 44 of the Act requires the Province to consider measures necessary to prevent damage to property caused by a dam or other structure upstream of that property. As owners of properties prone to flooding from an upstream dam or other structure, the Class is owed a duty of care arising from the Act. In the further alternative, the Province's duty of care arises from the Act by implication, due to its responsibility for supervising and regulating potential property damage caused by upstream dams and other structures.
- 49. The Province has displayed complete disregard for the adverse effects on the Plaintiffs' and Class Members' properties, in breach of the standard of care applicable to it.

- 50. Particulars of the negligence of the Province include the following:
 - (a) Inadequate, incomplete and delayed oversight of compliance of the Water Control System with the Act, as a result of which seepage has gone unmonitored and unmitigated and has caused damage to Class Members' properties downstream, a consequence which is intended to be avoided under the Act;
 - (b) Choosing not to systematically or thoroughly request and review dam safety review reports from the Kruger Defendants, instead letting gaps in mandatory periodic reports go unaddressed;
 - (c) Failing to take reasonable steps to ensure compliance with the Canadian Dam Association Dam Safety Guidelines;
 - (d) Inadequate and incomplete maintenance of its dam inventory database;
 - (e) Choosing not to upgrade instrumentation on water monitoring stations, the partial cost of which is a responsibility of the Province, resulting in an inability to properly monitor and respond to flooding risks; and
 - (f) Any other such negligence as may arise from the evidence.
- 51. The Plaintiffs and Class Members have suffered damages as a result of the Province's acts and omissions, which fell below the standard of care applicable to it. The damages the Plaintiffs and Class Members have suffered are a foreseeable consequence of the Province's acts and omissions.

V. RELIEF SOUGHT

52. The Plaintiffs restate the foregoing paragraphs of this Statement of Claim and state, on behalf of themselves and the Class Members, that the Defendants are jointly and severally liable for the following:

- (a) an order certifying this action as a class proceeding and appointing the Plaintiffs as Representative Plaintiffs for the Class;
- (b) an injunction against the nuisance caused by the Kruger Defendants' Water Control System;
- (c) general damages (including damages for interference with property rights resulting from the material physical damage caused by the Defendants);
- (d) special damages;
- (e) aggravated damages;
- (f) pre-judgment interest;
- (g) costs; and
- (h) such further and other relief as this Honourable Court may deem just.
- 53. The Plaintiffs propose that this proceeding be tried at the Judicial Centre of Corner Brook, Newfoundland and Labrador.
- 54. The Plaintiffs plead Rule 6.07 and more particularly ss. 6.07(1)(b)(h)(j) of the *Rules of the Supreme Court of Newfoundland and Labrador*, 1986, as amended respecting service out of province on Defendant Kruger Inc:

6.07. (1) A document by which a proceeding is commenced may be served outside of the province where,

(b) any act, deed, will, contract, obligation or liability affecting land situated within the province is sought to be construed, rectified, set aside or enforced;

(h) the proceeding is founded on a tort committed within the province;

(j) a person out of the province is a necessary or proper party to a proceeding properly brought against another person served within the province.

DATED at 51.50 MNS, in the Province of Newfoundland and Labrador, this 1152 day of MAY, 2015.

BOB BUCKINGHAM Bob Buckingham Law Counsel for the Plaintiffs 81 Bond Street St. John's, NL A1C 1T2 Tel: 709-739-6688 Fax: 709-739-6686 Email: bob@buckinghamlaw.ca

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TO: THE DEFENDANTS

Kruger Inc. 3285 ch. Bedford Montreal, QC H3S 1G5

Deer Lake Power Company Limited P.O. Box 2001 1 Mill Rd. Corner Brook, NL A2H 6J4

Corner Brook Pulp and Paper Limited P.O. Box 2001 1 Mill Rd. Corner Brook, NL A2H 6J4

The Town of Deer Lake 6 Crescent Street Deer Lake, NL A8A 1E9

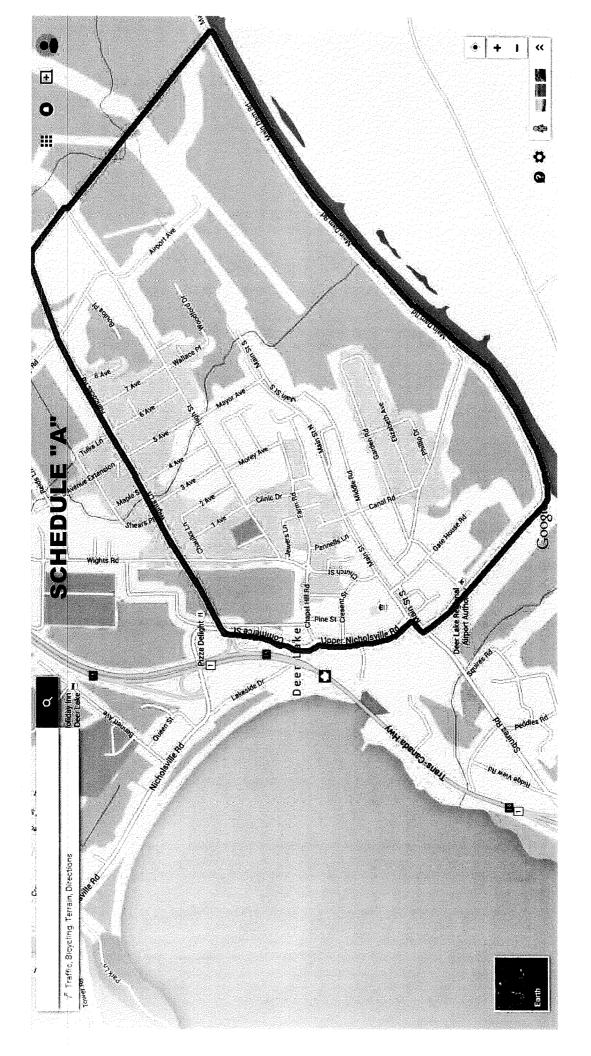
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Her Majesty the Queen in Right of Newfoundland and Labrador Department of Justice and Public Safety Civil Division PO Box 8700 Confederation Building St. John's, NL A1B 4J6 Tel: 709-729-5942 Fax: 709-729-2129

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DEPUTY RECISTENCE

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2015 04 G DIZD CP

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR TRIAL DIVISION (GENERAL)

BETWEEN:

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PLAINTIFFS

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KRUGER INC., DEER LAKE POWER COMPANY LIMITED, CORNER BROOK PULP AND PAPER LIMITED, and THE TOWN OF DEER LAKE, HER MAJESTY THE QUEEN IN RIGHT OF NEWFOUNDLAND AND LABRADOR

DEFENDANTS

NOTICE TO DEFENDANT

You are hereby notified that the Plaintiff(s) may enter judgment in accordance with the Statement of Claim or such order as, according to the practice of the Court, the Plaintiff(s) are entitled to, without further notice to you unless within 30 days. After service hereof upon you, you cause to be filed in the Registry of the Supreme Court of Newfoundland and Labrador at Corner Brook a defence and unless within the same time a copy of your defence is served upon the Plaintiff(s) of the Plaintiff(s) solicitor(s) at the Plaintiff's solicitor(s) stated address(es) for service.

Provided that if the claim if for a debt or other liquidated demand and you pay the amount claimed in the Statement of Claim and the sum of \$ (or such sum as may be allowed on taxation) for costs to the Plaintiff(s) or the Plaintiffs solicitor(s) within days from the service of this notice upon you, then this proceeding will be stayed.

TO: Kruger Inc. 3285 ch. Bedford Montreal, QC H3S 1G5

2015 04 G D 20 CP

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DEFENDANTS

NOTICE TO DEFENDANTS

You are hereby notified that the Plaintiff(s) may enter judgment in accordance with the Statement of Claim or such order as, according to the practice of the Court, the Plaintiff(s) are entitled to, without further notice to you unless within 10 days. After service hereof upon you, you cause to be filed in the Registry of the Supreme Court of Newfoundland and Labrador at Corner Brook a defence and unless within the same time a copy of your defence is served upon the Plaintiff(s) of the Plaintiff(s) solicitor(s) at the Plaintiff's solicitor(s) stated address(es) for service.

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TO: THE DEFENDANTS

Deer Lake Power Company Limited P.O. Box 2001 1 Mill Rd. Corner Brook, NL A2H 6J4

Corner Brook Pulp and Paper Limited P.O. Box 2001 1 Mill Rd. Corner Brook, NL A2H 6J4

The Town of Deer Lake 6 Crescent Street Deer Lake, NL A8A 1E9

Her Majesty the Queen in Right of Newfoundland and Labrador Department of Justice and Public Safety Civil Division Confederation Building St. John's, NL A1B 4J6 Tel: 709-729-5942 Fax: 709-729-2129