

Clerk's Stamp:

COURT FILE NUMBER

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

ROYAL BANK OF CANADA

DEFENDANTS

DOWLAND CONTRACTING LTD., DOWLAND
INDUSTRIAL WORKS LTD., DOWLAND
CONSTRUCTION, INC. and 6070 N.W.T. LIMITED

DOCUMENT

AFFIDAVIT OF GARY IVANY

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

Ray C. Rutman
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File No.: 125665-8417/RCR

Sworn on APRIL 29th, 2013

I, Gary Ivany, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY THAT:

1. I am a Senior Manager in the Group Risk Management department, employed by Royal Bank of Canada ("RBC"), the Plaintiff in these proceedings and as such have knowledge of the facts and matters hereinafter deposed to by me, except where stated to be based upon information and belief and where so stated I do verily believe the same to be true.
2. RBC is a Bank to which the *Bank Act* (Canada) applies.
3. The Defendants, Dowland Contracting Ltd. ("Contracting"), Dowland Industrial Works Ltd. ("Industrial"), Dowland Construction, Inc. ("Construction") and 6070 N.W.T. Limited ("6070") are customers and/or debtors of RBC. I am the senior manager at RBC directly responsible for the administration of the accounts of the Defendants insofar as concerns the matters raised in the Statement of Claim in these proceedings.
4. I am authorized to make this Affidavit on behalf of RBC.
5. Contracting is a company incorporated pursuant to the laws of the Northwest Territories, which is extra-provincially registered to carry on business in Alberta.

6. Attached to my Affidavit and collectively marked as Exhibit "A" are copies of the Northwest Territories and Alberta Corporate Registry search results for Contracting.
7. Industrial is a company incorporated pursuant to the laws of the Province of British Columbia, which is extra-provincially registered to carry on business in Alberta.
8. Attached to my Affidavit and collectively marked as Exhibit "B" are copies of the British Columbia and Alberta Corporate Registry search results for Industrial.
9. Construction is a company incorporated pursuant to the laws of the State of Alaska.
10. Attached to my Affidavit and marked as Exhibit "C" is a copy of the Alaska Division of Corporations, Business and professional Licensing search results for Construction.
11. 6070 is a company incorporated pursuant to the laws of the Northwest Territories.
12. Attached to my Affidavit and marked as Exhibit "D" is a copy of the Northwest Territories Corporate Registry search results for 6070.
13. I have been advised by senior officers of Contracting and verily believe that the shares of Contracting are wholly owned by 6070, and the shares of Industrial and Construction are wholly owned by Contracting.
14. The Defendants carry on business as general contractors in the Northwest Territories, Nunavut, Alberta, British Columbia, Saskatchewan, the Yukon Territory, Alaska and elsewhere. The construction projects in which the Defendants are involved are generally multi-million dollar commercial, industrial, institutional and infrastructure projects.
15. The Defendants have offices in the Northwest Territories, Nunavut, Alberta, British Columbia, Saskatchewan, Manitoba, Ontario and Alaska.
16. Until recently the Defendants employed approximately 450 people. I understand that the Defendants have been downsizing employment levels somewhat and I am not certain of the exact number of persons currently employed by the Defendants.

FINANCIAL CONCERNS

17. RBC is the primary banker of Contracting and Industrial. RBC has extended an operating loan to Contracting and term loans to Contracting.
18. In or about February and March, 2013, senior officers of Contracting (Patrick McGinness, Morgan Elliot and others) and the financial advisors of the Defendants informed persons at RBC involved in the administration of the accounts of the Defendants with RBC (including me) that the Defendants were facing significant financial difficulties by reason of numerous circumstances including, without limitation, a number of disputes with owners and contractors respecting various construction projects in which the Defendants were involved. The Defendants made clear that the Defendants could not sustain their current operations on an ongoing basis absent a material injection of capital or refinancing and that they were facing material cash flow difficulties. As a result of the information provided by the Defendants and their financial

advisors, RBC became very concerned about the operation and financial position of the Defendants.

19. On April 4, 2013 a number of demands for payment were issued on behalf of RBC to the Defendants in respect of facilities or obligations that were payable on demand.
20. The Defendants provided to RBC from early March, 2013 to April 24, 2013 a number of cash flows prepared by the Defendants in order to reflect their financial circumstances. Each of the cash flows demonstrated an increasing deterioration in the ability of the Defendants to repay their obligations to RBC in a timely manner. The rapidity of such deterioration has contributed significantly to RBC losing confidence in the ability of the management of the Defendants to continue to manage the business and affairs of the Defendants in a manner that will not prejudice the financial position of RBC.

The Forbearance Agreement

21. On April 15, 2013, a Forbearance Agreement was entered into between RBC and the Defendants (the "Forbearance Agreement"). By the Forbearance Agreement the Defendants agreed that any action, directly or indirectly, related to the indebtedness or security discussed below shall be properly commenced and continued in the Judicial Centre of Edmonton.
22. The Defendants acknowledged, agreed and represented by the Forbearance Agreement, amongst other things, that:
 - (a) they are in default of their obligations to RBC, which obligations were fully due and owing to RBC;
 - (b) the loans referenced in the Forbearance Agreement are fully due and owing to RBC;
 - (c) there is no defence or set off to RBC's claims for repayment;
 - (d) all documentation respecting the loans extended to the Defendants and the guarantees of their loans giving rise to the Defendants' respective indebtedness have been duly executed, and are valid, binding and enforceable and, adequate consideration has been provided for same;
 - (e) all security granted by the Defendants' in favour of RBC has been duly executed and is valid, binding and enforceable in accordance with its terms and adequate consideration had been given for same; and
 - (f) RBC had issued certain demands and section 244 notices on certain loans, guarantees and mortgages, and such demands and notices were received by the Defendants.
23. The Defendants also agreed by the terms Forbearance Agreement to pay to RBC costs (legal, financial, advisory and monitoring) on a solicitor and own client full indemnity basis.
24. The Forbearance Agreement contained a Cash Flow statement and specific terms with respect to certain successive payments to be made between the date of the Forbearance Agreement and June 7, 2013 (the termination date of the Forbearance Agreement unless expressly

extended) by the Defendants as permanent reductions of their respective indebtedness to RBC. This included a \$1,000,000.00 permanent pay down of the operating loan extended to Contracting by RBC being made on or before April 26, 2013.

25. The Defendants further agreed and consented under the Forbearance Agreement to the appointment of a Receiver of the undertakings, property (real and personal) and assets of the Defendants, subject to the remaining terms of the Forbearance Agreement. As part of this agreement, the Defendants executed the Consent Order located at Schedule G of the Forbearance Agreement.
26. Attached to my Affidavit and marked as Exhibit "E" is a copy of the Forbearance Agreement.
27. However, by April 24, 2013, Dowland had defaulted under and breached the terms of the Forbearance Agreement by:
 - (a) failing to meet the terms of the Cash Flow attached as Schedule "F" to the Forbearance Agreement;
 - (b) failing to provide RBC with a collateral mortgage acceptable to RBC in accordance with Article 15.1.6.18 and 15.1.6.19 of the Forbearance Agreement by reason of its failure to provide lease particulars; and
 - (c) failing to provide RBC the shares certificates required by Article 15.1.7 of the Forbearance Agreement.
28. RBC, through its legal counsel (Mr. Rutman), provided notice to the Defendants, through their legal counsel (Mr. Bieganek), of these events of default and notice of RBC's intention to use the Consent Order under the Forbearance Agreement.
29. Attached to my Affidavit and collectively marked as Exhibit "F" are copies of letters dated April 24, 2013 from Mr. Rutman to Mr. Bieganek setting out such notice.
30. The Defendants, through Mr. Bieganek, acknowledged that the above notices issued by RBC were sufficient compliance with the requirements of the Forbearance Agreement.
31. Attached to my Affidavit and marked as Exhibit "G" is a letter dated April 25, 2013 from Mr. Bieganek to Mr. Rutman.
32. Further, on April 26, 2013, the Defendants defaulted in their obligation under the Forbearance Agreement to make a \$1,000,000.00 payment to RBC, as a permanent reduction of the Contracting operating loan.
33. On April 29, 2013, RBC, through Mr. Rutman, provided notice of this event of default, and provided notice that it was terminating the forbearance period created by the Forbearance Agreement and accelerating the time for repayment of all of the Defendants' outstanding indebtedness to immediate repayment, in accordance with Articles 11.1 and 11.2 of the Forbearance Agreement. Pursuant to those Articles of the Forbearance Agreement, upon such defaults, RBC treated all of the Defendants' respective indebtedness to RBC pursuant to any and all credit facilities as matured and fully due, owing and payable to RBC and RBC treated all

indebtedness guaranteed pursuant to any guarantees provided by the Defendants as immediately fully due, owing and payable to RBC (the "Acceleration").

34. Attached to my Affidavit and marked as Exhibit "H" is a letter dated April 29, 2013 from Mr. Rutman to Mr. Bieganeck setting out such notice of default and termination.

CONTRACTING

The Contracting Indebtedness

35. Contracting borrowed money from RBC which it agreed to repay to RBC with interest. As a result of such borrowing, Contracting is directly indebted to RBC as follows:
- (a) operating loan 28016731-001 - \$15,503,189.38, plus interest thereon from and after the 25th day of April, 2013 in accordance with the terms of that credit facility, which equates to \$1,541.10 per day as at April 25, 2013;
 - (b) term loan 28016731-012 - \$569,131.48, plus interest thereon from and after the 25th day of April, 2013 in accordance with the terms of that credit facility, which equates to \$62.11 per day as at April 25, 2013;
 - (c) term loan 28016731-008 - \$546,208.59, plus interest thereon from and after the 25th day of April, 2013 in accordance with the terms of that credit facility, which equates to \$61.80 per day as at April 25, 2013;
 - (d) term loan 28016731-009 - \$410,781.54, plus interest thereon from and after the 25th day of April, 2013 in accordance with the terms of that credit facility, which equates to \$46.43 per day as at April 25, 2013;
 - (e) term loan 28016731-011 - \$669,871.67, plus interest thereon from and after the 25th day of April, 2013 in accordance with the terms of that credit facility, which equates to \$75.89 per day as at April 25, 2013;
 - (f) term loan 28016731-006 - \$435,439.20, plus interest thereon from and after the 25th day of April, 2013 in accordance with the terms of that credit facility, which equates to \$50.46 per day as at April 25, 2013;
 - (g) term loan 28016731-010 - \$2,678,972.83, plus interest thereon from and after the 25th day of April, 2013 in accordance with the terms of that credit facility, which equates to \$292.05 per day as at April 25, 2013;
 - (h) visa - \$209,727.76, plus all sums charged to Visa accounts issued in the name of Contracting from and after April 25, 2013, plus interest upon all such indebtedness at a rate of 19.9% percent per annum;
 - (i) overdraft 03749-1070473 - \$348,344.10, plus interest thereon from and after the 25th day of April, 2013 plus interest thereon at a rate equal to RBC's prime interest rate per annum in effect from time to time ("Prime") plus 5%, plus costs on a solicitor and his own client full indemnity basis;

- (j) any further credit or other loan amounts extended by RBC to Contracting from and after April 25, 2013, in RBC's absolute discretion; and
- (k) costs on a solicitor and his own client full indemnity basis with respect to all legal and financial advisory (including without limitation monitoring costs), incurred from time to time;

(all sums payable to RBC in paragraphs (a) – (k) above are herein collectively referred to as the "Contracting Indebtedness").

- 36. The above interest per diems are calculated as a function of RBC's prime interest rate. If RBC's prime interest rate changes in the future, there will be a corresponding change to the interest calculations.
- 37. Attached to my Affidavit and collectively marked as Exhibit "I" are copies copy of the credit agreements, evidencing the Contracting Indebtedness with respect to loans enumerated as loans (a)-(g) and (i) described above in paragraph 33.
- 38. Attached to my Affidavit and marked as Exhibit "J" is a copy of agreement with respect to the visa portion of the Contracting Indebtedness.
- 39. Attached to my Affidavit and collectively marked as Exhibit "K" are true copies of entries made in the usual and ordinary course of business of RBC in books or records which were at the time of the making of the entries one of the ordinary books or records of RBC. The books or records are in the custody and control of RBC. Exhibit "K" evidences the Contracting Indebtedness.
- 40. The indebtedness under the above referenced operating loan is payable upon demand.
- 41. The visa indebtedness of Contracting to RBC is fully due and payable.

April 4, 2013 Demand for Payment on Contracting

- 42. On or about April 4, 2013, RBC did demand payment of the operating loan and visa facilities of the Contracting Indebtedness, inclusive of costs, but Contracting has failed or neglected and continues to fail or neglect to pay that Contracting Indebtedness to RBC. Concurrent with the issuance of a demand for payment, RBC did serve on Contracting a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*.
- 43. Attached to my Affidavit and marked as Exhibit "L" is a copy of the Affidavit of Service of such demands and notices.
- 44. By reason of the default of Contracting in relation to the repayment of the operating loan and visa indebtedness, the indebtedness under the remaining term loan and overdraft facilities referenced above became fully and immediately repayable upon demand.

April 22, 2013 Demand for Payment on Contracting

- 45. On or about April 22, 2013, RBC did demand payment of the term loan facilities of the Contracting Indebtedness, inclusive of costs, but Contracting has failed or neglected and

continues to fail or neglect to pay that Contracting Indebtedness to RBC. Concurrent with the issuance of that demand for payment, RBC did serve on Contracting a supplemental Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*.

- 46. Attached to my Affidavit and marked as Exhibit "M" is a copy of the Affidavit of Service of such demands and notices.
- 47. By reason of the Acceleration, the Contracting Indebtedness became fully due and owing.
- 48. The Contracting Indebtedness is fully due, owing and payable to RBC.

The Contracting Security

- 49. At all material times, Contracting has been and continues to be the registered owner of the following lands:

LOTS SIXTEEN (16) TO TWENTY TWO (22), INCLUSIVE
BLOCK FORTY NINE (49)
PLAN 633
INUVIK
(the "Contracting Plan 633 Lands")

- 50. By a Collateral Mortgage dated April 24, 2003 and registered in the Land Titles Office in the Northwest Territories registration district as instrument number 129,762, Contracting mortgaged to RBC Lots 19 and 20, Block 49, Plan 633 Inuvik for securing payment of the sum of \$1,500,000.00, plus interest thereon at a rate equal to Prime plus 2% per annum, plus costs on a solicitor and his own client full indemnity basis (the "First Contracting Mortgage").
- 51. By the First Contracting Mortgage, Contracting covenanted with RBC:
 - (a) to pay all taxes, rates and assessments on the mortgaged lands which may fall due or be unpaid;
 - (b) to keep the mortgaged lands free and clear of all liens, mortgages, charges and other encumbrances which charge or otherwise affect the mortgaged lands other than any such liens, mortgages, charges or encumbrances approved in writing by RBC;
 - (c) to maintain in form, substance and amount (and with insurance satisfactory to RBC) all insurance required by RBC from time to time with respect to the mortgaged lands; and
 - (d) to maintain all buildings, erections, equipment, machinery and improvements on the mortgaged lands in good condition and repair to the satisfaction of RBC, and not permit waste to be committed or suffered on the mortgaged lands or any part thereof.

And in default of any or all of the above, RBC is entitled by the First Contracting Mortgage to do the same and to add to the First Contracting Mortgage all costs and expenses incurred by RBC in that regard and in respect of any proceedings taken to realize monies secured by the First Contracting Mortgage, including legal costs, taxed as between solicitor and his own client and an allowance for the time, work and expenses of RBC, its servants or agents.

52. Attached to my Affidavit and marked as Exhibit "N" is a copy of the First Contracting Mortgage.
53. There is due and owing to RBC pursuant to the First Contracting Mortgage the sum of \$1,500,000, plus interest charged thereon, plus costs on a solicitor and his own client full indemnity basis.
54. By a Collateral Mortgage dated January 18, 2012 and registered in the Land Titles Office in the Northwest Territories registration district as instrument number 177,085, Contracting mortgaged to RBC the Contracting Plan 633 Lands for securing payment of the sum of \$2,800,000.00, plus interest thereon at a rate equal to Prime plus 5% per annum, plus costs on a solicitor and his own client full indemnity basis (the "Second Contracting Mortgage").
55. By the Second Contracting Mortgage, Contracting covenanted with RBC:
- (a) to pay all taxes, rates and assessments on the Contracting Plan 633 Lands which may fall due or be unpaid;
 - (b) to keep the Contracting Plan 633 Lands free and clear of all liens, mortgages, charges and other encumbrances which charge or otherwise affect the Contracting Plan 633 Lands other than any such liens, mortgages, charges or encumbrances approved in writing by RBC;
 - (c) to maintain in form, substance and amount (and with insurance satisfactory to RBC) all insurance required by RBC from time to time with respect to the Contracting Plan 633 Lands; and
 - (d) to maintain all buildings, erections, equipment, machinery and improvements on the Contracting Plan 633 Lands in good condition and repair to the satisfaction of RBC, and not permit waste to be committed or suffered on the Contracting Plan 633 Lands or any part thereof.

And in default of any or all of the above, RBC is entitled by the Second Contracting Mortgage to do the same and to add to the Second Contracting Mortgage all costs and expenses incurred by RBC in that regard and in respect of any proceedings taken to realize monies secured by the Second Contracting Mortgage, including legal costs, taxed as between solicitor and his own client and an allowance for the time, work and expenses of RBC, its servants or agents.

56. Attached to my Affidavit and marked as Exhibit "O" is a copy of the Second Contracting Mortgage.
57. Attached to my Affidavit and marked as Exhibit "P" is a copy of the Certificate of Title for the Contracting Plan 633 Lands.
58. There is due and owing to RBC pursuant to the Second Contracting Mortgage the sum of \$2,800,000.00, plus interest charged thereon, plus costs on a solicitor and his own client full indemnity basis.

59. The amounts secured by the First Contracting Mortgage and the Second Contracting Mortgage (collectively herein referred to as the "Original Contracting Mortgages") are payable upon demand.

Demand on the Original Contracting Mortgages

60. On or about April 4, 2013, RBC did demand payment of the indebtedness secured by the Original Contracting Mortgages, and a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* was issued along with these demands, but Contracting has failed or neglected and continues to fail or neglect to pay all or any of such secured indebtedness to RBC.
61. The indebtedness outstanding pursuant to the Original Contracting Mortgages is fully due, owing and payable to RBC.
62. Contracting is in default of payment of the Contracting Indebtedness, and default has been made in payment of the principal sum and interest secured pursuant to the terms of the Original Contracting Mortgages.
63. On or about April 24, 2003, Contracting granted to RBC a General Security Agreement (the "First Contracting GSA") securing to RBC all of its present and after acquired personal property, including, without limitation, all accounts receivable, goods, equipment, inventory, intellectual property and the proceeds thereof. The First Contracting GSA secures all of the Contracting Indebtedness.
64. Attached to my Affidavit and marked as Exhibit "Q" is a copy of the First Contracting GSA.
65. Default has been made in payment of the principal sum and payment of interest secured by the First Contracting GSA.
66. RBC has perfected its security interests created by the First Contracting GSA.
67. Attached to my Affidavit and collectively marked as Exhibit "R" are copies of the Northwest Territories and Alberta Personal Property Registry search results with respect to Contracting.

Additional Contracting Lands

68. At all material times, Contracting has been and continues to be the registered owner of a fee simple interest in the following lands:

LOTS 5 AND 6, INCLUSIVE
BLOCK 47
PLAN 564
INUVIK,
SUBJECT TO SECTIONS 13 TO 16 AND 19 OF THE TERRITORIAL LANDS ACT, AS SET FORTH
IN INSTRUMENT OF GRANT REGISTERED UNDER DAYBOOK NUMBER 116,240;
(the "Plan 564 Inuvik Lands")

LOT 19

BLOCK 34
PLAN 1652
TUKTOYAKTUK
(the "Plan 1652 Tuktoyaktuk Lands");

LOT 21
BLOCK 87
PLAN 2182
INUVIK
(the "Plan 2182 Inuvik Lands");

LOT 19
BLOCK 21
PLAN 3422
TUKTOYAKTUK
(the "Plan 3422 Tuktoyaktuk Lands");

and

LOTS 1, 2, 3, 4, 5, 6, 11, 12, 13, 14, 15 AND 16
BLOCK 97
PLAN 3820
INUVIK
(the "Plan 3820 Inuvik Lands");

(the Plan 564 Inuvik Lands, Plan 1652 Tuktoyaktuk Lands, Plan 2182 Inuvik Lands, Plan 3422 Tuktoyaktuk Lands and Plan 3820 Inuvik Lands are herein collectively referred to as the "Contracting 2013 Lands")

(the Contracting Plan 633 Lands and the Contracting 2013 Lands are herein collectively referred to as the "Contracting Fee Simple Lands")

69. At all material times, Contracting has been and continues to be the owner of a leasehold interest in the following lands:

LOT 7
BLOCK 228
PLAN 3586
IQALUIT
(the "Plan 3586 Iqaluit Lands")

LOT SK-004
SACHS HARBOUR
(the "Sachs Harbour Lands")

and

Lot 46
PLAN 3529
PAULATUK
(the "Paulatuk Lands")

(the Sachs Harbour Lands and Paulatuk Lands are herein collectively referred to as the "Contracting NWT Lands")

(the Plan 3586 Iqaluit Lands and the Contracting NWT Lands are herein collectively referred to as the "Contracting Leasehold Lands")

(the Contracting Fee Simple Lands and Contracting Leasehold Lands are herein collectively referred to as the "Contracting Lands")

Additional Contracting Security

70. Contracting has granted the following additional security in favour of RBC:

- (a) By a Collateral Mortgage dated November 27, 2012 and registered in the Land Titles Office in the Northwest Territories and Nunavut registration district as instrument number 131,658, Contracting mortgaged to RBC the Plan 3586 Iqaluit Lands for securing payment of the sum of \$1,000,000.00, plus interest thereon at a rate equal to Prime plus 5% per annum, plus costs on a solicitor and his own client full indemnity basis (the "Third Contracting Mortgage");
- (b) By a Collateral Mortgage dated April 15, 2013 and registered in the Land Titles Office in the Northwest Territories registration district as instrument number 181,110, Contracting mortgaged to RBC the Plan 633 Inuvik Lands for securing payment of the sum of \$3,000,000.00, plus interest thereon at a rate equal to Prime plus 5% per annum, plus costs on a solicitor and his own client full indemnity basis (the "Fourth Contracting Mortgage");
- (c) By a Collateral Mortgage dated April 22, 2013 and registered in the Land Titles Office in the Northwest Territories registration district as instrument number 181,138, Contracting mortgaged to RBC the Contracting 2013 Lands for securing payment of the sum of \$1,000,000.00, plus interest thereon at a rate equal to Prime plus 5% per annum, plus costs on a solicitor and his own client full indemnity basis (the "Fifth Contracting Mortgage");
- (d) By a Collateral Mortgage dated April 15, 2013 and registered in the Land Titles Office in the Northwest Territories and Nunavut registration district as instrument number 132,013, Contracting mortgaged to RBC the Plan 3586 Iqaluit Lands for securing payment of the sum of \$400,000.00, plus interest thereon at a rate equal to Prime plus 5% per annum, plus costs on a solicitor and his own client full indemnity basis (the "Sixth Contracting Mortgage");
- (e) By a Collateral Mortgage dated April 15, 2013 (which as of the date of swearing this Affidavit has not been registered in any Land Titles Office due to lack of information provided by Contracting regarding the underlying leases), Contracting mortgaged to RBC

the Contracting NWT Lands for securing payment of the sum of \$1,000,000.00, plus interest thereon at a rate equal to Prime plus 5% per annum, plus costs on a solicitor and his own client full indemnity basis (the "Seventh Contracting Mortgage");

- (f) By General Security Agreement - Floating Charge on Land dated April 15, 2013, Contracting granted to RBC a security interest in all of its present and after acquired property, including, without limitation, all accounts receivable, goods, equipment, inventory, intellectual property and the proceeds thereof (the "Second Contracting GSA"). The Second Contracting GSA also grants RBC a mortgage by way of a floating charge over all of Contracting's present and after acquired real property. The Second Contracting GSA secures all of the Contracting Indebtedness;
- (g) By a Share Pledge Agreement dated April 15, 2013, Contracting mortgaged, pledged, charged, assigned and transferred to RBC all shares registered and/or beneficially owned by Contracting in Construction for securing payment of all of the Construction Indebtedness (the "First Contracting Share Pledge") and
- (h) By a Share Pledge Agreement dated April 15, 2013, Contracting mortgaged, pledged, charged, assigned and transferred to RBC all shares registered and/or beneficially owned by Contracting in Industrial for securing payment of all of the Construction Indebtedness (the "Second Contracting Share Pledge");

(the Fourth Contracting Mortgage, Fifth Contracting Mortgage, Sixth Contracting Mortgage and Seventh Contracting Mortgage are collectively herein referred to as the "2013 Contracting Mortgages");

(the First Contracting Share Pledge and the Second Contracting Share Pledge are collectively herein referred to as the "Contracting Share Pledges");

(the Third Contracting Mortgage, the 2013 Contracting Mortgages, Second Contracting GSA and Contracting Share Pledges are collectively herein referred to as the "Additional Contracting Security").

- 71. Attached to my Affidavit and marked collectively as Exhibit "S" are copies of the Third Contracting Mortgage and the 2013 Contracting Mortgages.
- 72. Attached to my Affidavit and marked collectively as Exhibit "T" are copies of the Certificates of Titles for the Contracting 2013 Lands and the Contracting Leasehold Lands.
- 73. Attached to my Affidavit and marked as Exhibit "U" is a copy of the Second Contracting GSA.
- 74. Attached to my Affidavit and collectively marked as Exhibit "V" are copies of the Contracting Share Pledges.
- 75. The indebtedness secured by each of the 2013 Contracting Mortgages is payable upon demand.

Demand on Additional Security

76. On or about April 22, 2013, RBC did demand payment within 10 days of April 22, 2013 of the full indebtedness secured by the Third Contracting Mortgage and the 2013 Contracting Mortgages, but Contracting has failed or neglected and continues to fail or neglect to pay all or any of such secured indebtedness to RBC as of the date of swearing this Affidavit. Concurrent with the issuance of this demand for payment, RBC did serve on Contracting a supplemental Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (the "Supplemental Contracting NOI"). All of the Additional Contracting Security was included in the Supplemental Contracting NOI.
77. The Affidavit of Service attached to my Affidavit and marked as Exhibit "M" is evidence of these demands and notices.
78. The 10 day period referenced in the Supplemental Contracting NOI has not expired as of the date of swearing this Affidavit.
79. In commencing this legal action and filing this application for the appointment a Receiver, RBC is not seeking to enforce any of the Additional Contracting Security or obtain any judgment pursuant to the Additional Contracting Security, including without limitation the Third Contracting Mortgage or the 2013 Contracting Mortgages, since the 10 day period in the Supplemental Contracting NOI has not expired as of the date of swearing this Affidavit. RBC reserves all of its rights and remedies to seek to enforce the Additional Contracting Security and seek judgment pursuant to the Additional Contracting Security, including without limitation the indebtedness secured by Third Contracting Mortgage and the 2013 Contracting Mortgages, whether by way of a separate action, an Amendment to this Statement of Claim, or otherwise once the 10 day period referenced above has lapsed in the event of non-payment in full of the Contracting Indebtedness.

INDUSTRIAL

The Industrial Direct Indebtedness

80. Industrial borrowed money from RBC which it agreed to repay to RBC with interest. As a result of such borrowing, industrial is directly indebted to RBC as follows:
- (a) visa - \$41,299.34, plus all sums charged to visa accounts issued in the name of Industrial from and after April 25, 2013, plus interest upon all such indebtedness at a rate of 19.9 percent per annum;
 - (b) any further credit or other loan amounts extended by RBC to Industrial, in RBC's absolute discretion; and
 - (c) Costs on a solicitor and his own client full indemnity basis with respect to all legal and financial advisory (including without limitation monitoring costs), incurred from time to time;
- (all sums payable to RBC in paragraphs (a) – (c) above are herein collectively referred to as the "Industrial Direct Indebtedness").

81. Attached to my Affidavit and marked as Exhibit "W" is a copy of the agreement with respect to the visa portion of the Industrial Direct Indebtedness.
82. The Industrial Direct Indebtedness is fully due, owing and payable to RBC.

The Industrial Guarantees

83. On or about November 18, 2011, Industrial granted to RBC a continuing guarantee and postponement of claim, guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$10,000,000.00 on demand, plus interest thereon at Prime plus 5%, plus costs on a solicitor and his own client full indemnity basis (the "First Industrial Guarantee").
84. Attached to my Affidavit and marked as Exhibit "X" is a copy of the First Industrial Guarantee.
85. On or about July 19, 2012, Industrial granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$24,345,000.00 on demand, plus interest thereon at Prime plus 5%, plus costs on a solicitor and his own client full indemnity basis (the "Second Industrial Guarantee") (the First Industrial Guarantee and the Second Industrial Guarantee are herein collectively referred to as the "Industrial Guarantees").
86. Attached to my Affidavit and marked as Exhibit "Y" is a copy of the Second Industrial Guarantee.
87. As described above, Contracting is indebted to RBC in the amount of \$20,921,666.55, plus interest thereon from and after April 25, 2013, plus costs (including without limitation legal and financial advisory costs) on a solicitor and his own client full indemnity basis. Thus, in addition to the Industrial Direct Indebtedness, Industrial is indebted to RBC pursuant to:
 - (a) the First Industrial Guarantee in the amount of \$10,000,000.00, plus interest and costs in accordance with terms of the First Industrial Guarantee;
 - (b) the Second Industrial Guarantee in the amount of \$20,921,666.55, plus interest and costs in accordance with terms of the Second Industrial Guarantee;(the indebtedness payable under the First Industrial Guarantee and the Second Industrial Guarantee is herein collectively referred to as the "Industrial Guarantee Indebtedness");

(the Industrial Direct Indebtedness and the Industrial Guarantee Indebtedness are herein collectively referred to as the "Industrial Indebtedness").
88. The documents attached at Exhibit "K" also evidence the Industrial Indebtedness.
89. The amounts payable pursuant to the Industrial Guarantees are payable upon demand.

The April 4, 2013 Industrial Demand

90. On or about April 4, 2013, RBC did demand payment of visa indebtedness, which is part of the Industrial Direct Indebtedness, and did demand payment of the Industrial Guarantee

Indebtedness, both inclusive of costs, but Industrial has failed or neglected and continues to fail or neglect to pay the Industrial Indebtedness to RBC. Concurrent with the issuance of a demand for payment, RBC did serve on Industrial a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*.

91. The Affidavit of Service already attached to my Affidavit as Exhibit "L" is evidence of such demands and notices.

The April 22, 2013 Industrial Notice

92. On or about April 22, 2013, RBC did serve on Industrial a Supplemental Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*.
93. The Affidavit of Service attached to my Affidavit as Exhibit "M" is evidence of such demands and notices.
94. The Industrial Indebtedness is fully due, owing and payable to RBC.

The Industrial Security

95. On or about November 18, 2011, Industrial granted to RBC a General Security Agreement (the "First Industrial GSA") securing to RBC all of its present and after acquired personal property, including, without limitation, all accounts receivable, goods, equipment, inventory, intellectual property and the proceeds thereof. The First Industrial GSA secures all of the Industrial Indebtedness.
96. Attached to my Affidavit and marked as Exhibit "Z" is a copy of the First Industrial GSA.
97. Default has been made in payment of the principal sum and payment of interest secured by the First Industrial GSA.
98. RBC has perfected its security interest created by the First Industrial GSA.
99. Attached to my Affidavit and collectively marked as Exhibit "AA" are copies of the British Columbia and Alberta Personal Property Registry search results with respect to Industrial.
100. As further security in favour of RBC, on or about April 15, 2013, Industrial granted to RBC a General Security Agreement – Floating Charge on Land (the "Second Industrial GSA") securing to RBC all of its present and after acquired property, including, without limitation, all accounts receivable, goods, equipment, inventory, intellectual property and the proceeds thereof. The Second Industrial GSA also grants RBC a mortgage by way of a floating charge over all of Industrial's present and after acquired real property. The Second Industrial GSA secures all of the Industrial Indebtedness.
101. Attached to my Affidavit and marked as Exhibit "BB" is a copy of the Second Industrial GSA.

The April 22, 2013 Industrial Demand

102. As indicated above, on or about April 22, 2013, RBC did issue a supplemental demand for payment within 10 days of April 22, 2013 for the Industrial Indebtedness, and concurrent with the issuance of that demand, RBC served on Industrial a supplemental Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (the "Supplemental Industrial NOI"). The Second Industrial GSA was included in the Supplemental Industrial NOI.
103. The Affidavit of Service already attached to my Affidavit and marked as Exhibit "M" is evidence of these demands and notices.
104. The 10 day period referenced in the Supplemental Industrial NOI has not expired as of the date of swearing this Affidavit.
105. By commencing this action and filing this Application for the appointment of a Receiver, RBC is not seeking to enforce the Second Industrial GSA since the 10 day period in the Supplemental Industrial NOI has not expired as of the date of swearing this Affidavit. RBC reserves all of its rights and remedies to seek to enforce the Second Industrial GSA, whether by way of a separate action, an Amendment to this Statement of Claim, or otherwise once the 10 day period referenced above has lapsed in the event of non-payment in full of the Industrial indebtedness

CONSTRUCTION

106. On or about April 15, 2013, Construction granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$20,000,000.00 on demand, with interest at Prime plus 5%, plus costs on a solicitor and his own client full indemnity basis (the "Construction Guarantee").
107. Attached to my Affidavit and marked as Exhibit "CC" is a copy of the Construction Guarantee.
108. The amounts secured by and owing under the Construction Guarantee are payable upon demand.
109. Contracting is indebted to RBC in an amount in excess of \$20,000,000.00, plus interest thereon from and after the 25th day of April, 2013 plus costs (including without limitation legal and financial advisory costs) on a solicitor and his own client full indemnity basis. Thus, Construction is indebted to RBC in the amount of \$20,000,000.00, plus interest and costs in accordance with terms of the Construction Guarantee (the "Construction Indebtedness").
110. The documents attached to this Affidavit at Exhibit "K" also evidence the Construction Indebtedness.

The April 22, 2013 Construction Demand

111. On or about April 22, 2013, RBC did demand payment from Construction in the amount of \$20,000,000.00, plus interest and costs pursuant to the Construction Guarantee, but Construction has failed or neglected and continues to fail or neglect to pay the Construction Indebtedness to RBC. Concurrent with the issuance of a demand for payment, RBC did serve on

Construction a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (the "Construction NOI").

- 112. The Affidavit of Service attached to this Affidavit as Exhibit "M" includes evidence of this demand and notice.
- 113. As a result of the Acceleration, all of the Construction Indebtedness became immediately fully due, owing, payable to RBC.
- 114. The Construction Indebtedness is fully due, owing and payable to RBC.

The Construction Security

- 115. On or about April 15, 2013, Construction granted to RBC a General Security Agreement – Floating Charge on Land (the "Construction GSA") securing to RBC all of its present and after acquired property, including, without limitation, all accounts receivable, goods, equipment, inventory, intellectual property and the proceeds thereof. The Construction GSA also grants RBC a mortgage by way of a floating charge over all of Construction's present and after acquired real property. The Construction GSA secures all of the Construction Indebtedness.
- 116. Attached to my Affidavit and marked as Exhibit "DD" is a copy of the Construction GSA.
- 117. Attached to my Affidavit and collectively marked as Exhibit "EE" are copies of the Alaska Uniform Commercial Code search results and Alberta Personal Property Registry search results with respect to Construction.
- 118. As indicated above, on or about April 22, 2013, RBC did issue a demand for payment within 10 days of April 22, 2013 for the Construction Indebtedness, and concurrent with the issuance of that demand, RBC served on Construction the Construction NOI. The Construction GSA was included in the Construction NOI.
- 119. The 10 day period referenced in the Construction NOI has not expired as of the date of swearing this Affidavit.
- 120. By commencing this Action and filing this Application for the appointment of a Receiver, RBC is not seeking to enforce the Construction GSA since the 10 day period in the Construction NOI has not expired as of the date of swearing this Affidavit. RBC reserves all of its rights and remedies to seek to enforce the Construction GSA, whether by way of a separate action, an Amendment to this Statement of Claim, or otherwise once the 10 day period referenced above has lapsed in the event of non-payment in full of the Construction Indebtedness.

The 6070 Guarantees

- 121. On or about November 24, 2009, 6070 granted to RBC a continuing guarantee and postponement of claim, guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$1,500,000.00 on demand, with interest thereon at Prime plus 5%, plus costs on a solicitor and his own client full indemnity basis (the "First 6070 Guarantee").
- 122. Attached to my Affidavit and marked as Exhibit "FF" is a copy of the First 6070 Guarantee.

123. On or about November 18, 2011, 6070 granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$10,500.00 on demand, with interest at Prime plus 5%, plus costs on a solicitor and his own client full indemnity basis (the "Second 6070 Guarantee").
124. Attached to my Affidavit and marked as Exhibit "GG" is a copy of the Second 6070 Guarantee.
125. 6070 had contracted with RBC to provide to RBC a guarantee in the amount of \$10,500,000.00 and not \$10,500.00 with respect to the Second 6070 Guarantee. The Second 6070 Guarantee ought to have provided for a \$10,500,000.00 guarantee, as opposed to a \$10,500.00 guarantee, and the \$10,500.00 inclusion was an inadvertent clerical error.
126. On or about July 19, 2012, 6070 granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$24,345,000.00, on demand, plus interest thereon at Prime plus 5%, plus costs on a solicitor and his own client full indemnity basis (the "Third 6070 Guarantee").
127. Attached to my Affidavit and marked as Exhibit "HH" is a copy of the Third 6070 Guarantee.
128. On or about April 15, 2013, 6070 granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$10,500,000.00 on demand, plus interest at Prime plus 5%, plus costs on a solicitor and his own client full indemnity basis (the "Fourth 6070 Guarantee").
129. Attached to my Affidavit and marked as Exhibit "II" is a copy of the Fourth 6070 Guarantee.
130. While the Fourth 6070 Guarantee was granted by 6070 to RBC in addition to, and not in substitution of, the Second 6070 Guarantee, 6070 granted the Fourth 6070 Guarantee to RBC with the purpose of rectifying the erroneously referenced amount of \$10,500.00 in the Second 6070 Guarantee. That purpose is specifically expressed in Article 15.1.1 of the Forbearance Agreement, which is already attached at Exhibit "F" to this Affidavit.
131. The amounts secured by and owing under the First 6070 Guarantee, the Second 6070 Guarantee, the Third 6070 Guarantee and the Fourth 6070 Guarantee (which are collectively herein referred to as the "6070 Guarantees") are payable upon demand.
132. As described above, Contracting is indebted to RBC in the amount of \$20,921,666.55 plus interest thereon from and after the 25th day of April, 2013 plus costs (including without limitation legal and financial advisory costs) on a solicitor and his own client full indemnity basis. Thus, 6070 is indebted to RBC pursuant to:
 - (a) the First 6070 Guarantee in the amount of \$1,500,000.00, plus interest and costs in accordance with terms of the First 6070 Guarantee;
 - (b) the Second 6070 Guarantee in the amount of \$10,500.00 (or in the alternative if rectified, \$10,500,000.00), plus interest and costs in accordance with terms of the Second 6070 Guarantee;

- (c) the Third 6070 Guarantee in the amount of \$20,921,666.55, plus interest and costs in accordance with terms of the Third 6070 Guarantee;
- (d) the Fourth 6070 Guarantee in the amount of \$10,500,000.00, plus interest and costs in accordance with terms of the Fourth 6070 Guarantee;

(the indebtedness payable under the First 6070 Guarantee, Second 6070 Guarantee, Third 6070 Guarantee, and Fourth 6070 Guarantee is herein collectively referred to as the "6070 Indebtedness").

133. The documents attached to this Affidavit as Exhibit "K" also evidence the 6070 Indebtedness.

The April 4, 2013 6070 Demand

- 134. On or about April 4, 2013, RBC did demand payment from 6070 of the respective amounts owing under each of the First 6070 Guarantee, Second 6070 Guarantee and Third 6070 Guarantee outlined immediately above, inclusive of costs, but 6070 has failed or neglected and continues to fail or neglect to pay that 6070 Indebtedness to RBC. Concurrent with the issuance of a demand for payment, RBC did serve on 6070 a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*.
- 135. The Affidavit of Service attached to this Affidavit as Exhibit "L" is evidence of these demands and notices.

The April 22, 2013 6070 Demand

- 136. On or about April 22, 2013, RBC did demand payment pursuant to the Fourth 6070 Guarantee, inclusive of costs, but 6070 has failed or neglected and continues to fail or neglect to pay that 6070 Indebtedness to RBC. Concurrent with the issuance of that demand for payment, RBC did serve on 6070 a supplemental Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (the "Supplemental 6070 NOI").
- 137. The Affidavit of Service attached to this Affidavit as Exhibit "M" is evidence of these demands and notices.
- 138. Further, as a result of the Acceleration, all of the 6070 Indebtedness became immediately fully due, owing, payable to RBC.
- 139. The 6070 Indebtedness is fully due, owing and payable to RBC.

The 6070 Security

- 140. 6070 granted the following additional security in favour of RBC:
 - (a) by a General Security Agreement - Floating Charge on Land dated April 15, 2013, 6070 granted to RBC a security interest in all of its present and after acquired property, including, without limitation, all accounts receivable, goods, equipment, inventory, intellectual property and the proceeds thereof (the "6070 GSA"). The 6070 GSA also

grants RBC a mortgage by way of a floating charge over all of Contracting's present and after acquired real property. The 6070 GSA secures all of the 6070 Indebtedness; and

- (b) by a Share Pledge Agreement dated April 15, 2013, 6070 mortgaged, pledged, charged, assigned and transferred to RBC all shares, registered and/or beneficially owned, by 6070 in Contracting for securing payment of all of the 6070 Indebtedness (the "6070 Share Pledge");

(the 6070 GSA and the 6070 Share Pledge are collectively herein referred to as the "6070 Security").

- 141. Attached to my Affidavit and marked as Exhibit "JJ" is a copy of the 6070 GSA.
- 142. Attached to my Affidavit and marked as Exhibit "KK" is a copy of the 6070 Share Pledge.
- 143. Attached to my Affidavit and collectively marked as Exhibit "LL" are copies of the Northwest Territories and Alberta Personal Property Registry search results with respect to 6070.
- 144. As indicated above, on or about April 22, 2013, RBC did issue a demand for payment of the 6070 Indebtedness within 10 days of April 22, 2013, and concurrent with the issuance of that demand, RBC served on 6070 the Supplemental 6070 NOI. The 6070 Security was included in the Supplemental 6070 NOI.
- 145. The 10 day period referenced in the Supplemental 6070 NOI has not expired as of the date of issuance of swearing this Affidavit.
- 146. By commencing this Action and filing this Application for the appointment of a Receiver, RBC is not seeking to enforce the 6070 Security since the 10 day period in the Supplemental 6070 NOI has not expired as of the date of swearing this Affidavit. RBC reserves all of its rights and remedies to later seek to enforce the 6070 Security, whether by way of a separate action or an Amendment to the Statement of Claim issued in this action, once the 10 day period referenced above has lapsed and in the event of non-payment in full by 6070 of that date.

APPOINTMENT OF RECEIVER

- 147. Each of the Original Contracting Mortgages, the First Contracting GSA, and the First Industrial GSA allows and provides for the appointment of a Receiver or a Receiver and Manager of the undertakings, property (real and personal) and assets of the Defendants, respectfully (collectively "Receiver") in the event of default with respect to the obligations owed in favour of RBC.
- 148. The time periods applicable to each of the demands and notices regarding the Original Contracting Mortgages, the First Contracting GSA, and the First Industrial GSA have expired.
- 149. The time period applicable to the demands for payment made April 4, 2013 has expired and the Defendants have not satisfied the demands.
- 150. The accelerated time periods with respect to the April 22, 2013 demands has expired and the Defendants have not satisfied the indebtedness referenced in the April 22, 2013 demands.

151. The Defendants are in default of their obligations to RBC including, but not limited to obligations arising pursuant to the Forbearance Agreement.
152. As a result of the Defendant's default under the terms of the Forbearance Agreement, RBC is entitled to apply for and rely on the Consent Order appointing a Receiver of the undertaking and property (real and personal) of the Defendants granted by the Defendants to RBC.
153. The property of the Defendants is located in multiple jurisdictions and in some instances remote locations which property may be at risk if not preserved by an independent third party such as a Receiver.
154. The Defendants have admitted their default to RBC and have admitted that they have no defence or set-off to the claims of RBC.
155. A substantial portion of the property of the Defendants includes land which cannot be realized upon other than by way of foreclosure or other judicial intervention in the context of the administration of an officer of the Court such as a Receiver.
156. RBC has lost confidence in the ability of the management of the Defendants to continue operating the business of the Defendants. A large proportion of the contracts of the Defendants appear to be subject to litigation or are otherwise in dispute.
157. Almost as soon as the Defendants agreed on a cash flow effective April 15, 2013, it became apparent that the Defendants could not meet that cash flow. The Defendants did not make a \$1,000,000.00 permanent pay down of the operating loan required April 26, 2013 in accordance with that cash flow.
158. Moreover, and as a result of all of the facts herein deposed, including without limitation the defaults under the Forbearance Agreement, I (and RBC through extension) no longer have confidence in the management of the Defendants, which are the same persons for each of the Defendants. I am also respectfully of the view that it is just and convenient to appoint a Receiver in these circumstances, and that such an appointment is necessary for the protection of the estates of the Defendants and RBC's interests.
159. I have spoken to Mr. Todd Martin of Alvarez & Marsal Canada Inc. regarding that firm acting as a Receiver of the undertaking, property (real and personal) and assets of the Defendants. Mr. Martin has advised that it is prepared to consent to act as Receiver in this matter. RBC supports the appointment of Alvarez & Marsal Canada Inc. as the Receiver of the undertakings and property of the Defendants.
160. Alvarez & Marsal Canada ULC (a company related to Alvarez & Marsal Canada Inc.) has provided financial advisory services to RBC in respect of RBC's dealings with the Defendants since early March, 2013 and Alvarez & Marsal Canada ULC was appointed and has acted as monitor of the business and affairs of the Defendants under the Forbearance Agreement. As a result of these engagements Alvarez & Marsal Canada Inc. has substantial knowledge of the business and affairs of the Defendants which would facilitate administrative and cost efficiencies if it was appointed as Receiver of the undertakings and property of the Defendants.
161. I make this Affidavit *bona fide* in support of an application for the appointment of a Receiver.

SWORN before me at the City of
Toronto, in the Province of Ontario
this 29th day of APRIL, 2013.

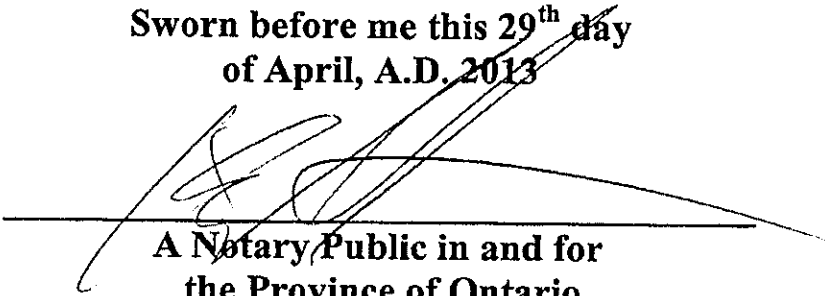
A Notary Public in and for the
Province of Ontario

Kate Haviland Stigler

Gary Ivany

**This is Exhibit "A" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2013/03/11
Time of Search: 01:53 PM
Search provided by: FRASER MILNER CASGRAIN, EDM

Service Request Number: 19377112
Customer Reference Number:

Corporate Access Number: 219193802
Legal Entity Name: DOWLAND CONTRACTING LTD.

Legal Entity Status: Active
Extra-Provincial Type: Other Prov/Territory Corps
Registration Date: 2001/02/12 YYYY/MM/DD
Date of Last Status Change: 2010/10/08 YYYY/MM/DD
Date Of Formation in Home Jurisdiction: 1983/01/17 YYYY/MM/DD
Home Jurisdiction: NORTH WEST TERRITORIES
Home Jurisdiction CAN: C1478
Reinstatement Date: 2010/10/08 YYYY/MM/DD

Primary Attorney:

Last Name	First Name	Middle Name
RICE	ANDREW	

Attorney Address:

Firm Name	Street	City	Province	Postal Code
	7028-56TH AVENUE	EDMONTON	ALBERTA	T6B 1E4

Head Office Address:

Street: 7028-56TH AVENUE
City: EDMONTON
Province: ALBERTA

Postal Code: T6B IE4

Directors:

Last Name: MCGUINNESS
First Name: PATRICK
Street/Box Number: 29 INDUSTRIAL ROAD, BOX 1660
City: INUVIK
Province: NORTHWEST TERRITORIES
Postal Code: X0E 0T0

Voting Shareholders:

Last Name: 6070 NWT LTD.
Street: P.O. BOX 1660, 29 INDUSTRIAL ROAD
City: INUVIK
Province: NORTHWEST TERRITORIES
Postal Code: X0E 0T0
Percent Of Voting Shares: 100

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2012	2012/12/14

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2001/02/12	Register Extra-Provincial Profit / Non-Profit Corporation
2010/06/02	Status Changed to Start for Failure to File Annual Returns
2010/10/02	Status Changed to Struck for Failure to File Annual Returns
2010/10/08	Reinstate Extra-Provincial
2011/11/24	Change Director / Shareholder
2012/12/14	Change Attorney
2012/12/14	Change Address

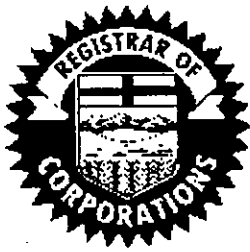
2012/12/14

Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Statutory Declaration	10000398000254954	2005/04/08

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



1st Floor, Stuart M. Hodgson Bldg.
5009 - 49th Street, P.O. Box 1320
Yellowknife, NT X1A 2L9
corporateregistries@gov.nt.ca
www.justice.gov.nt.ca/corporateregistry

Phone: (867) 920-8987
Toll Free: 1-877-743-3302
Fax: (867) 873-0243

Corporate Registries

504703

BY EMAIL
March 12, 2013

ELDOR-WAL REGISTRATION (1987) LTD.
EDMONTON, AB

ATTENTION: ADMINISTRATION

Dear Sir/Madam:

Re: Corporate Search Request for DOWLAND CONTRACTING LTD.

In response to your request, we are pleased to provide you the following information regarding the above named corporation.

Registered Office:
29 INDUSTRIAL ROAD
BOX 1660
INUUVIK, NT X0E 0T0

Date of Incorporation or Amalgamation:
July 24, 2000

Standing:
The corporation is in good standing with Corporate Registries with respect to the filing of annual returns.

Filing History:

Filing Date	Filing
2012-09-04	Annual Return
2011-12-01	Change of Directors
2011-09-19	Annual Return
2010-08-06	Annual Return
2010-07-05	Annual Return
2009-01-16	Amendment
2009-01-16	Amendment
2009-01-16	Amendment

Filing Details

2001-02-21

Amendment

Amalgamation History:

Date Amalgamated

2000-07-24

2000-07-24

Company Amalgamated

DOWLAND CONTRACTING LTD. 504703

KIRKLAND HOLDINGS LTD. 504703

Directors:

The *Business Corporations Act* does not require that shareholder information be filed with our office. However, the current directors of this corporation are as follows:

MCGUINNESS, PATRICK
29 INDUSTRIAL ROAD
P.O BOX 1660
INUUVIK, NT X0E0T0

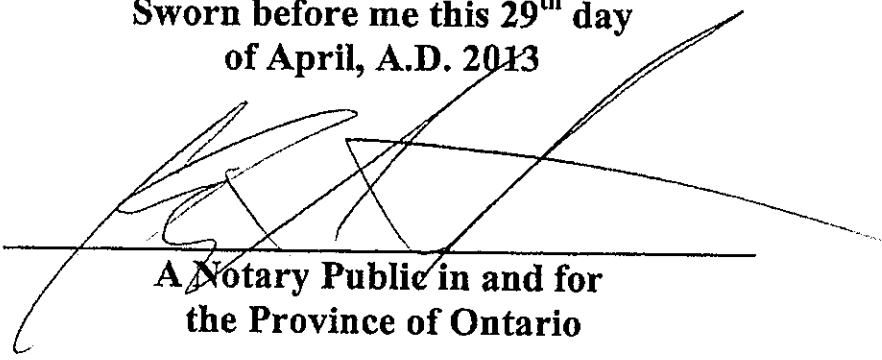
If you have any questions or require further information, please do not hesitate to contact our office at (867) 920-8987.

Sincerely,

Roberta Blake
Corporate Registries Clerk

**This is Exhibit "B" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2013/03/14
Time of Search: 10:19 AM
Search provided by: FRASER MILNER CASGRAIN, EDM

Service Request Number: 19395532
Customer Reference Number: 125665.8417

Corporate Access Number: 2115310399

Legal Entity Name: DOWLAND INDUSTRIAL WORKS LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
TERCON INDUSTRIAL WORKS LTD.	2011/08/31

Legal Entity Status: Active
Extra-Provincial Type: Other Prov/Territory Corps
Registration Date: 2010/05/21 YYYY/MM/DD
Date Of Formation in Home Jurisdiction: 2009/04/16 YYYY/MM/DD
Home Jurisdiction: BRITISH COLUMBIA
Home Jurisdiction CAN: BC0849809

Primary Attorney:

Last Name	First Name	Middle Name
FLOWERS	KENNETH	B.

Attorney Address:

Firm Name	Street	City	Province	Postal Code
LAWSON LUNDELL LLP	SUITE 3700, 205 - 5 AVENUE SW	CALGARY	ALBERTA	T2P2V7

Head Office Address:

Street: #202 - 166 ORIOLE ROAD
City: KAMLOOPS
Province: BRITISH COLUMBIA
Postal Code: V2C 4N7

Other Information:**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2010/05/21	Register Extra-Provincial Profit / Non-Profit Corporation
2011/08/31	Name Change Extra-Provincial
2012/09/18	Change Attorney

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.





BC Company Summary

For
DOWLAND INDUSTRIAL WORKS LTD.

Date and Time of Search: March 11, 2013 02:14 PM Pacific Time

Currency Date: February 04, 2013

ACTIVE

Incorporation Number: BC0849809

Name of Company: DOWLAND INDUSTRIAL WORKS LTD.

Recognition Date and Time: Incorporated on April 16, 2009 08:36 AM Pacific Time

In Liquidation: No

Last Annual Report Filed: April 16, 2012

Receiver: No

COMPANY NAME INFORMATION

Previous Company Name

TERCON INDUSTRIAL WORKS LTD.

Date of Company Name Change

August 30, 2011

REGISTERED OFFICE INFORMATION

Mailing Address:

1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

Delivery Address:

1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

Delivery Address:

1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

McGuinness, Patrick

Mailing Address:

7028 - 56TH AVE
EDMONTON AB T6B 1E4
CANADA

Delivery Address:

7028 - 56TH AVE
EDMONTON AB T6B 1E4
CANADA

OFFICER INFORMATION AS AT April 16, 2012

Last Name, First Name, Middle Name:

Elliot, Morgan

Office(s) Held: (CFO)

Mailing Address:

59 FOXBORO ROAD
SHERWOOD PARK AB T8A 6P1
CANADA

Delivery Address:

59 FOXBORO ROAD
SHERWOOD PARK AB T8A 6P1
CANADA

Last Name, First Name, Middle Name:

Jerome, Amanda

Office(s) Held: (Assistant Secretary)

Mailing Address:

39, 6835 SPEAKER VISTA NW
EDMONTON AB T6R 0S6
CANADA

Delivery Address:

39, 6835 SPEAKER VISTA NW
EDMONTON AB T6R 0S6
CANADA

Last Name, First Name, Middle Name:

McGuinness, Patrick

Office(s) Held: (CEO, President)

Mailing Address:

29 INDUSTIRAL ROAD
INUVIK NT X0E 0T0
CANADA

Delivery Address:

29 INDUSTIRAL ROAD
INUVIK NT X0E 0T0
CANADA

Last Name, First Name, Middle Name:

Rice, Andrew S.

Office(s) Held: (Secretary, Treasurer)

Mailing Address:

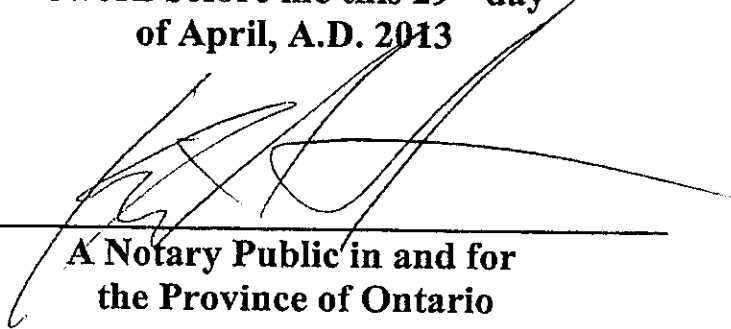
187 WILLOW STREET
SHERWOOD PARK AB T8A 1P7
CANADA

Delivery Address:

187 WILLOW STREET
SHERWOOD PARK AB T8A 1P7
CANADA

**This is Exhibit "C" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler

Division of Corporations, Business and Professional Licensing

Name(s)

Type	Name
Legal Name	DOWLAND CONSTRUCTION, INC.

Entity Details

Entity Type: Business Corporation

Entity #: 61565D

Status: Good Standing

AK Formed Date: 7/30/1997

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2015

Entity Mailing Address: 9825- 44TH AVENUE, EDMONTON, AB T6E5E3 CANADA

Entity Physical Address: 4134 INGRA STREET, SUITE 201B, ANCHORAGE, AK 99503

Registered Agent

Agent Name: William M Bankston

Registered Mailing Address: 601 W 5TH AVE STE 900, ANCHORAGE, AK 99501

Registered Physical Address: 601 W 5TH AVE STE 900, ANCHORAGE, AK 99501

Officials

AK Entity#	Name	Titles	Percent Owned
	Amanda Jerome	Assistant Secretary	
	Andrew Rice	Secretary, Treasurer	
	DOWLAND CONTRACTING, LTD	Shareholder	100
	Patrick Knox	Vice President	
	Patrick McGuinness	President	

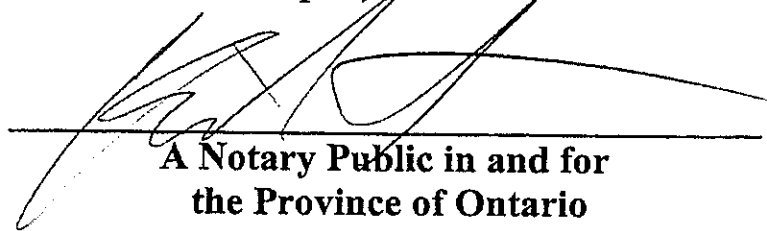
Filed Documents

Date Filed	Type	Filing	Certificate

7/30/1997	Creation Filing		
9/22/1997	Biennial Report		
12/11/1998	Biennial Report		
5/17/2001	Biennial Report		
11/29/2002	Biennial Report		
7/6/2004	Change of Officials		
9/8/2005	Biennial Report		
10/16/2006	Biennial Report		
10/19/2006	Entity Address Change		
4/11/2007	Agent Change		
12/30/2008	Biennial Report		
1/28/2011	Biennial Report		
1/10/2012	Certificate of Compliance		
7/16/2012	Change of Officials		
3/1/2013	Biennial Report		

**This is Exhibit "D" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



1st Floor, Stuart M. Hodgson Bldg.
5009 - 49th Street, P.O. Box 1320
Yellowknife, NT X1A 2L9
corporateregistries@gov.nt.ca
www.justice.gov.nt.ca/corporateregistry

Corporate Registries

Phone: (867) 920-8987
Toll Free: 1-877-743-3302
Fax: (867) 873-0243

506070

BY EMAIL
March 12, 2013

ELDOR-WAL REGISTRATIONS (1987) LTD.
EDMONTON, AB

ATTENTION: ADMINISTRATION

Dear Sir/Madam:

Re: Corporate Search Request for 6070 N.W.T. LIMITED

In response to your request, we are pleased to provide you the following information regarding the above named corporation.

Registered Office:
29 INDUSTRIAL ROAD
P.O. BOX 1660
INUVIK, NT X0E 0T0

Date of Incorporation or Amalgamation:
October 22, 2008

Standing:

The corporation is **not** in good standing with Corporate Registries with respect to the filing of annual returns. 2012 Annual Return is due.

Filing History:

Filing Date	Filing	Filing Details
2011-11-09	Annual Return	
2011-11-09	Annual Return	
2011-11-09	Annual Return	
2011-11-09	Amendment	
2011-11-09	Change of Registered Office	
	Change of Community permitted by Articles of Amendment filed on	
2011-11-09 (Filing ID: 73172)		
2010-05-11	Change of Registered Office	

Directors:

The *Business Corporations Act* does not require that shareholder information be filed with our office. However, the current directors of this corporation are as follows:

MCGUINNESS, PATRICK
240 MACKENZIE ROAD
P.O. BOX 1660
INUVIK, NT X0E0T0

PEMBERTON, GUY
58 FRANKLIN ROAD
P.O. BOX 2186
INUVIK, NT X0E0T0

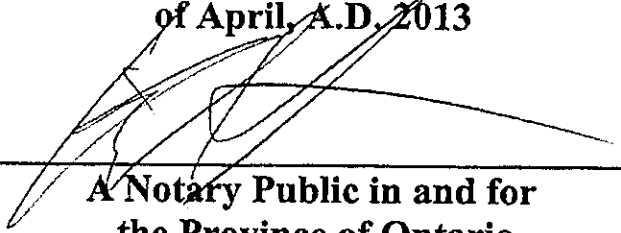
If you have any questions or require further information, please do not hesitate to contact our office at (867) 920-8987.

Sincerely,

Roberta Blake
Corporate Registries Clerk

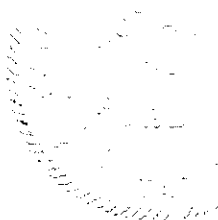
**This is Exhibit "E" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



FORBEARANCE AGREEMENT

BETWEEN:

ROYAL BANK OF CANADA
(hereinafter referred to as the "Bank")

OF THE FIRST PART

-and-

DOWLAND CONTRACTING LTD.
(hereinafter referred to as "Contracting")

OF THE SECOND PART

- and -

DOWLAND INDUSTRIAL WORKS LTD.
(hereinafter referred to as "Industrial")

OF THE THIRD PART

- and -

DOWLAND CONSTRUCTION, INC.
(hereinafter referred to as "Construction")

OF THE FOURTH PART

- and -

6070 N.W.T. LIMITED
(hereinafter referred to as "6070")

OF THE FIFTH PART

(Industrial, Construction and 6070 being referred to herein individually and collectively as the "Guarantors") (Contracting and the Guarantors being referred to herein individually and collectively as "the Borrower") (The Borrower, NCC Dowland Construction Ltd. ("NCC") and MG Lodging Inuvik Ltd. ("Lodging") being referred to herein individually and collectively as the "Dowland Parties")

WHEREAS:

- A. Contracting is indebted to the Bank for loans or other credit made or extended by the Bank as set forth in facilities 1-8 inclusive listed in Schedule "A" (the "Contracting Loans").
- B. Contracting granted to the Bank the security set forth in Schedule "B" to secure the Contracting Loans (the "Contracting Security").
- C. The Guarantors granted (or will grant pursuant to this Agreement) to the Bank guarantees guaranteeing to the Bank the indebtedness of Contracting (to the Bank) which guarantees are set forth in Schedule "C" (the "Existing Guarantees"). (The Existing Guarantees and any guarantee granted in accordance with this Agreement are referred to herein individually as a "Guarantee" and collectively as the "Guarantees").
- D. Industrial is indebted to the Bank for the loans or other credit made or extended by the Bank as set forth in facility 9 listed in Schedule "A" (the "Industrial Visa Facility") (the Contracting Loans and the Industrial Visa Facility are referred to herein individually and collectively as the "Loans").
- E. Industrial granted to RBC the security set forth in Schedule "D" to secure the Industrial Visa Facility and the indebtedness arising from the Guarantees granted by Industrial (the "Industrial Security").
- F. 6070 granted to the Bank the security set forth in Schedule "E" to secure its obligations to the Bank (the "6070 Security") (the Contracting Security, the Industrial Security, the 6070 Security and any security granted in accordance with the terms of this Agreement (by deposit or document) is referred to herein individually and collectively as the "Security").
- G. Contracting is in default of its obligations to the Bank in relation to the Contracting Loans.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Bank from the Borrower and by the Borrower from the Bank, the Bank and the Borrower agree as follows:

ARTICLE 1. NO AMENDMENT

- 1.1. Save as expressly provided in this Agreement, nothing in this Agreement is intended to alter, amend, modify or limit the existence or the effectiveness of any agreement between the Bank and the Borrower including, without limitation, the Loans, the Guarantees or the Security, or any agreement evidencing or detailing the terms of the Loans, the Guarantees or the Security.

ARTICLE 2. ACKNOWLEDGEMENTS AND REPRESENTATIONS OF THE BORROWER

- 2.1. The Borrower acknowledges, agrees and represents that:
 - 2.1.1. there is no defence or set off to the claims of the Bank for repayment of the Loans or payment pursuant to the Guarantees;

- 2.1.2. the Borrower has fully disclosed to the Bank prior to execution hereof the full extent of its financial affairs including without limitation the financial assets and financial liabilities of the Borrower;
- 2.1.3. the Borrower has not transferred any of its property whether real or personal to any other person which, if such transfer were known to the Bank might reasonably be expected to deter the Bank from entering into this Agreement;
- 2.1.4. the Borrower has no information or knowledge of any facts relating to the Borrower or the property of the Borrower now or previously owned which, if known to the Bank might reasonably be expected to deter the Bank from entering into this Agreement;
- 2.1.5. no person, other than the Borrower, has any legal or beneficial interest in any of the property secured (or to be secured pursuant to this Agreement) by the Borrower in favour of the Bank other than as disclosed by the Borrower to the Bank;
- 2.1.6. the Loans are due to the Bank and owing to the Bank by the Borrower;
- 2.1.7. all documentation giving rise to the Loans has been duly executed by the Borrower and is valid, binding and enforceable and adequate consideration was given for same;
- 2.1.8. the Borrower is in default of its obligations to the Bank;
- 2.1.9. the Bank has demanded repayment of the Loans listed as facilities 1, 8 and 9 plus costs in Schedule "A" and payment pursuant to the mortgages listed in Schedule "B" and may issue supplemental demands seeking repayment of the remaining facilities of the Loans listed in Schedule "A" and payment pursuant to any additional Security.
- 2.1.10. the indebtedness guaranteed by the Guarantees is due to the Bank and owing by the Guarantors to the Bank.
- 2.1.11. the Bank has demanded payment of the indebtedness guaranteed pursuant to the Guarantees and may issue supplemental demands seeking payment of the indebtedness guaranteed by the Guarantees and supplemental demands in relation to any additional Security.
- 2.1.12. the Guarantees have been duly and properly executed and are valid, binding and enforceable in accordance with their terms and adequate consideration was given for same.
- 2.1.13. the Security has been duly and properly executed and is valid, binding and enforceable in accordance with its terms and adequate consideration was given for same;
- 2.1.14. interest and fees continue to accrue on the Loans and the Guarantees in accordance with agreements reached between the Bank and the Borrower;

- 2.1.15. the Bank has issued Section 244 *Bankruptcy and Insolvency Act* notices to the Borrower and may issue supplemental Section 244 *Bankruptcy and Insolvency Act* notices;
- 2.1.16. the Borrower acknowledges receipt of all of the above referenced demands and notices;
- 2.1.17. the recitals to this Agreement are repeated and incorporated by reference and constitute binding representations and agreements on the part of each of the Borrower.
- 2.1.18. The Bank is under no obligation to advance any further funds or credit pursuant to the operating facility extended by the Bank to the Borrower being facility 1 in Schedule "A" (the "Operating Loan") or in relation to the Visa facilities listed as 8 and 9 in Schedule "A" (the "Visa Facilities"). Any new advance or credit extended in the absolute discretion of the Bank in accordance with this Agreement constitutes new and fresh consideration provided by the Bank for the benefit of the Dowland Parties which advance or credit is requested by the Dowland Parties.

ARTICLE 3. PROHIBITION ON DISPOSITION OF CAPITAL AND OTHER ASSETS

- 3.1. The Borrower shall not transfer, dispose of, release, encumber or otherwise alienate any of its interest in any mobile good, trailer or other equipment or capital asset (including without limitation real property) without the prior written consent of the Bank.
- 3.2. On or before April 19, 2013, the Borrower shall provide to the Bank a written proposal to the Bank setting out mobile goods, trailers, equipment and other capital assets (including without limitation real property) which the Borrower proposes to dispose of along with details with respect to proposed mode and timing of disposition and such other information as may be requested by the Bank so as to enable the Bank to consider the proposal.
- 3.3. Any and all proceeds from the disposition of mobile goods, trailers, equipment and other capital assets (excluding real property) will be paid forthwith to the Bank by way of permanent reduction firstly of the term loans referenced as facilities 2-7 inclusive in Schedule "A" (the "Term Loans") and thereafter, in permanent reduction of the Operating Loan and thereafter as a permanent reduction of the Visa Facilities. The allocation of the proceeds between any of the Term Loans and the Visa Facilities shall be in the absolute discretion of the Bank.
- 3.4. Any and all proceeds from the disposition of real property will be paid forthwith to the Bank by way of permanent reduction firstly of the Operating Loan and thereafter, in permanent reduction of the Visa Facilities and thereafter in permanent reduction of the Term Loans. The allocation of the proceeds between any of the Visa Facilities and the Term Loans shall be in the absolute discretion of the Bank.
- 3.5. The Borrower shall not transfer, dispose of, release, encumber or otherwise alienate (by way of agreement or otherwise) any interest in a contract, work-in-progress or account receivable (a "Transaction") without the written consent of the Bank where the

Transaction would entitle a third party (including, without limitation, a bonding company) to hold a priority over the Bank to the contract, work-in-progress, account receivable or any of the proceeds thereof.

ARTICLE 4. PROHIBITION ON NON-ARM'S LENGTH TRANSACTIONS

- 4.1. Subject always to the additional prohibition in Article 3.1, the Borrower will not transfer, lease, dispose of or pay any assets, property or funds owned or controlled by the Borrower to any person or entity other than in the ordinary course of business absent the prior written consent of the Bank.

ARTICLE 5. DEPOSITS, BANKING AND CERTIFICATES

- 5.1. The Borrower acknowledges and agrees that all receipts, funds and other proceeds held or received by Contracting or to which Contracting is entitled are secured in favour of the Bank and, the Bank is entitled, upon receipt of any such funds or proceeds to utilize same as a permanent reduction of any of the Contracting Loans, including, without limitation, the Operating Loan.
- 5.2. The Borrower acknowledges and agrees that each advance and debit permitted by the Bank in respect of the Operating Loan from and after April 4, 2013, including, without limitation, any debit (by way of cheque or otherwise) to any current account of Contracting, constitutes a fresh and new advance and fresh and new consideration provided by the Bank to the Borrower for and at the request of the Borrower.
- 5.3. Contracting shall deposit (promptly upon receipt) in its account with the Bank all receipts, funds and other proceeds received by Contracting, howsoever arising, including, without limitation, those arising by reason of the provision of services and from the sale, lease, loan or other dealings of Contracting with the Dowland Parties or with any assets or property owned or controlled by the Borrower.
- 5.4. Industrial shall deposit (promptly upon receipt) in its account with the Bank all receipts, funds and other proceeds received by Industrial, howsoever arising, including, without limitation, those arising by reasons of the provision of services and from the sale, lease or other dealings of Industrial with any assets or property owned or controlled by the Dowland Parties.
- 5.5. Concurrent with delivery of this Agreement in executed form by the Borrower to the Bank, the Borrower shall deliver to the Bank a certificate executed by Contracting confirming that:
- 5.5.1. Contracting shall forthwith make a request to NCC that NCC promptly wire to the account of Contracting with the Bank all funds presently payable by NCC to Contracting howsoever arising, including, without limitation, funds arising pursuant to the Unanimous Shareholder Agreement between Contracting, NCC Investment Group Inc. and NCC;
- 5.5.2. Contracting shall forthwith request NCC that NCC ensure that if any funds become payable to Contracting by NCC in the future howsoever arising, including, without limitation, funds arising pursuant to the Unanimous

Shareholder Agreement between Contracting, NCC Investment Group Inc. and NCC, then NCC shall promptly, upon such funds becoming payable, wire to the account of Contracting with the Bank all such funds;

- 5.5.3. Contracting shall forthwith request NCC that NCC ensure that if any funds to which Contracting is entitled are deposited to the credit of NCC in any financial institution, such funds shall be wired to the account of Contracting within 72 hours of the later of such funds becoming payable to Contracting and the funds being deposited to the credit of NCC;
 - 5.5.4. NCC was improperly designated as the payee pursuant to a promissory note dated June 3, 2011 between the Diocese of the Arctic and NCC (the "Promissory Note") and that the proper payee of that Promissory Note is Contracting;
 - 5.5.5. all debts and obligations owing now or in the future by the Diocese of the Arctic in respect of the Promissory Note are debts and obligations not in favour of NCC but rather in favour of Contracting;
 - 5.5.6. should NCC receive any funds in relation to the Promissory Note or the debt underlying the Promissory Note, Contracting will require NCC to promptly forward such funds to the account of Contracting with the Bank;
 - 5.5.7. Contracting will forthwith endeavor to have the Promissory Note replaced, amended or rectified so as to properly reflect Contracting as the payee (as opposed to NCC). If such replacement, amendment or rectification is effected, all reference to the Promissory Note in this Agreement and in any document granted pursuant to this Agreement shall be deemed to refer, mean and include the applicable replacement, amended or rectified Promissory Note;
 - 5.5.8. Contracting shall forthwith make a request to Lodging that Lodging promptly wire to the account of Contracting with the Bank all funds presently payable by Lodging to Contracting;
 - 5.5.9. Contracting shall forthwith request Lodging that Lodging ensure that if any funds be payable to Contracting by Lodging in the future, then, Lodging shall promptly, upon such funds becoming payable, wire to the account of Contracting with the Bank all such funds;
 - 5.5.10. Contracting shall forthwith request Lodging that Lodging ensure that if any funds to which Contracting is entitled are deposited to the credit of Lodging in any financial institution, such funds shall be wired to the account of Contracting with the Bank within 72 hours of the later of such funds becoming payable to Contracting and the funds being deposited to the credit of Lodging.
- 5.6. The Borrower will not alter the signing authorities with respect to any accounts of the Borrower at the Bank (or at any other financial institution) absent the prior written consent of the Bank.

- 5.7. Nothing in this Agreement shall limit the right of the Bank to exercise any right of set off from time to time with respect to any deposit or funds in any account with the Bank.

ARTICLE 6. OPERATING LOAN

- 6.1. Notwithstanding any present or future demand issued by or on behalf of the Bank, at the request of the Borrower and subject to the remaining terms of this Agreement, the Bank will permit advances and extensions of credit pursuant to the Operating Loan subject as well to authorized limits.
- 6.2. The Borrower has provided to the Bank a cash flow, a copy of which is attached as Schedule "F" (the "Cash Flow"). No change to the Cash Flow which will result in less money being paid to the Bank as a permanent reduction of the Loans at any particular date (as referenced in the cash flow) shall be permitted without the express written consent of the Bank. Notwithstanding any other term of this Agreement, the incorporation of the Cash Flow into this Agreement shall not:
- 6.2.1. limit, modify or supercede the provisions of Article 3.5 of this Agreement;
 - 6.2.2. constitute a waiver by the Bank of the provisions of Article 3.5 of this Agreement; or
 - 6.2.3. constitute an acquiescence on the part of the Bank to any Transaction in contravention of Article 3.5 of this Agreement.
- 6.3. Contracting will cause to be made permanent reductions in the outstanding Operating Loan as outlined in the Cash Flow by way of successive payments of no less than the following amounts on the following dates (or such later dates as may be agreed to by the Bank from time to time in writing):
- 6.3.1. \$1,000,000 on or before April 26, 2013;
 - 6.3.2. \$1,000,000 on or before May 10, 2013; and
 - 6.3.3. \$1,000,000 on or before May 31, 2013.
- 6.4. Contracting agrees that the authorized limit of the Operating Loan shall be reduced as follows:
- 6.4.1. April 26, 2013 - \$14,000,000;
 - 6.4.2. May 10, 2013 - \$13,000,000; and
 - 6.4.3. May 31, 2013 - \$12,000,000.
- 6.5. Should Contracting receive any repayment of intercorporate indebtedness, or of any equity or other capital injection prior to the expiration of any forbearance contemplated by this Agreement (as extended from time to time), such repayment or injection shall, absent the written consent of the Bank, be applied firstly as a permanent reduction of the amount outstanding under the Operating Loan in addition to the amounts specified

in Article 6.3 and the authorized limit of the Operating Loan shall be reduced by an amount equivalent to any such repayment of intercorporate indebtedness, equity or capital injection in addition to the reductions referenced in Article 6.4.

- 6.6. Should Contracting receive any payment in accordance with Articles 3.3 or 3.4 of this Agreement which, in accordance with such Articles, is to be applied against the Operating Loan, then, an amount equivalent to such payment shall be applied as a permanent reduction of the amount outstanding under the Operating Loan in addition to the amounts specified in Article 6.3 and the authorized limit of the Operating Loan shall be reduced by an amount equivalent to any such payment in addition to the reductions referenced in Article 6.4.
- 6.7. Should the net cash inflow actually available to Contracting from time to time exceed that set out in the Cash Flow for any reason other than set out in Articles 3.3, 3.4 and 6.5, such excess shall, absent the written consent of the Bank, be applied as an additional permanent reduction against the amount outstanding under the Operating Loan (in addition to that specified in Article 6.3) and shall result in a concurrent permanent reduction in the authorized limit of the Operating Loan in amounts equivalent to the reduction in the Operating Loan in addition to that specified in Article 6.4. Contracting shall not accelerate any payment contemplated by the Cash Flow to any person other than the Bank notwithstanding that the net cash inflow available to Contracting from time to time exceeds that set out in the Cash Flow.
- 6.8. The Bank may in its absolute discretion from time to time during any forbearance period contemplated by this Agreement revoke the Operating Loan or advance additional funds or credit in accordance with the terms of the Operating Loan. Any such advance or credit shall constitute fresh consideration extended by the Bank to the Dowland Parties and shall not effect or constitute:
 - 6.8.1. a waiver of any rights or remedies of the Bank;
 - 6.8.2. an acquiescence to any default on the part of Contracting;
 - 6.8.3. an agreement to accept any proposal or plan put forward by the Borrower;
 - 6.8.4. an agreement to forbear, to offer a term sheet, to extend credit or to increase credit availability beyond that expressly provided or authorized by the Bank;
 - 6.8.5. a revocation or extension of any demand or notice issued by or on behalf of the Bank;
 - 6.8.6. an agreement to alter the terms of any agreement between the Bank and the Borrower including, without limitation, the June 26, 2012 Credit Facility Agreement between the Bank and Contracting.
- 6.9. No provision of this Agreement (including, without limitation, this Article 6) shall in any way limit any right of the Bank to set-off any amount in any account of the Borrower with the Bank as against any of the indebtedness outstanding pursuant to the Loans or any indebtedness guaranteed by the Guarantees.

ARTICLE 7. VISA FACILITIES

- 7.1. Notwithstanding any demand for repayment by the Bank whether prior to or subsequent to the execution of this Agreement, at the request of the Borrower and subject to the remaining terms of this Agreement, the Bank will permit advances and extensions of credit pursuant to the Visa Facilities subject as well to established authorized limits.
- 7.2. Contracting will permanently repay the Visa Facilities in the name of Contracting (the "Contracting Visa Facility") on or before the earlier of the termination of the forbearance provided by this Agreement and June 7, 2013.
- 7.3. Should Contracting receive any repayment of intercorporate indebtedness, or any equity or other capital injection after the Operating Loan is repaid in full, prior to the Contracting Visa Facility being repaid in full and prior to the expiration of any forbearance contemplated by this Agreement (as extended from time to time), such repayment or injection shall, absent the written consent of the Bank, be applied as a permanent reduction of the amount outstanding under the Contracting Visa Facility and the authorized limit of the Contracting Visa Facility shall be reduced by any amount equivalent to any such repayment of intercorporate indebtedness, equity or capital injection.
- 7.4. Should Contracting receive any payment in accordance with Articles 3.3 and 3.4 of this Agreement after the Operating Loan is repaid in full, prior to the Contracting Visa Facility being repaid in full and prior to the expiration of any forbearance contemplated by this Agreement (as extended from time to time), then, an amount equivalent to such payment shall, absent the written consent of the Bank, be applied as a permanent reduction of the amount outstanding under the Contracting Visa Facility and the authorized limit of the Contracting Visa Facility shall be reduced by an amount equivalent to any such payment.
- 7.5. Should the net cash inflow actually available to Contracting from time to time exceed that set out in the Cash Flow for any reason other than set out in Articles 3.3, 3.4 and 7.3, after the Operating Loan is paid in full, prior to the Contracting Visa Facility being repaid in full and prior to the expiration of any forbearance contemplated by this Agreement (as extended from time to time), then, an amount equivalent to such excess shall, absent the written consent of the Bank, be applied as a permanent reduction of the amount outstanding under the Contracting Visa Facility and the authorized limit of the Contracting Visa Facility shall be reduced by an amount equivalent to any such reduction.
- 7.6. Industrial will permanently repay the Industrial Visa Facility on or before the earlier of the termination of the forbearance provided by this Agreement and June 7, 2013.
- 7.7. The Bank may in its absolute discretion from time to time during any forbearance period contemplated by this Agreement revolve the Visa Facilities or advance additional funds or credit in accordance with the terms of the Visa Facilities. Any such advance or credit shall constitute fresh consideration extended by the Bank to the Dowland Parties and shall not effect or constitute:

- 7.7.1. a waiver of any rights or remedies of the Bank;
 - 7.7.2. an acquiescence to any default on the part of Contracting;
 - 7.7.3. an agreement to accept any proposal or plan put forward by the Borrower;
 - 7.7.4. an agreement to forbear, to offer a term sheet, to extend credit or to increase credit availability beyond that expressly provided or authorized by the Bank;
 - 7.7.5. a revocation or extension of any demand or notice issued by or on behalf of the Bank;
 - 7.7.6. an agreement to alter the terms of any agreement between the Bank and the Borrower including, without limitation, the June 26, 2012 Credit Facility Agreement between the Bank and Contracting.
- 7.8. No provision of this Agreement (including, without limitation, this Article 7) shall in any way limit any right of the Bank to set-off any amount in any account of the Borrower with the Bank as against any of the indebtedness outstanding pursuant to the Loans or any indebtedness guaranteed by the Guarantees.
- 7.9. Concurrent with termination of the Visa Facilities for any reason, the Borrower shall forthwith deliver to the Bank all existing cards issued pursuant to the Visa Facilities.

ARTICLE 8. MONITOR

- 8.1. The Bank appoints Alvarez & Marsal Canada ULC as a monitor (the "Monitor") for the purpose of monitoring the business and affairs of the Borrower including, without limitation, the business, property, contracts, projects, business plans, disposition plans, restructuring plans, refinancing plans and viability of the Borrower in accordance with the remaining terms of this Article.
- 8.2. The monitoring engagement shall be of such nature as the Monitor shall deem advisable and may include any and all reviews, investigations, analyses, valuations and inspections as considered appropriate by the Monitor for the purpose of enabling the Monitor to conduct a business review and evaluation of the business, property, contracts, projects, business plans, disposition plans, restructuring plans, refinancing plans and viability of the Borrower, including, without limitation, an assessment of the prospects for the business of the Borrower, evaluation of the Security (including, without limitation a review and analysis of any encumbrances or charges in relation to any of the property secured by the Security), the valuation of any or all of the property owned or leased by the Borrower and an assessment of the Borrower's plans and efforts for restructuring or for the sale or refinancing of all or any of the property of the Borrower or any portion of the business of the Borrower.
- 8.3. The Monitor shall report to the Bank and make recommendations to the Bank in relation to any matter reviewed, investigated, analyzed, valued and inspected. The Monitor shall make all reasonable efforts to ensure that the information and advice contained in any report to the Bank shall address any requirements of the Bank as to

form, substance and timeliness, provided that the Bank shall not be entitled to direct the Monitor with respect to any opinion which may be inserted in any report by the Monitor.

- 8.4. The findings, analyses, recommendations and valuations provided by the Monitor (or such other third party as may be appointed pursuant to this Article) shall not be binding upon the Bank and the Bank shall be at liberty to disagree with all or any of such findings, analyses, recommendations and valuations or to seek additional or other input, analysis, review, investigation and valuation with respect to any matter referenced in any report of the Monitor to the Bank.
- 8.5. Any report or document prepared by the Monitor specifically for the Bank shall become the property of the Bank, although copies may at the option of the Bank be released to the Borrower. The Monitor may in its discretion provide any draft factual portions of a report (as opposed to conclusions or recommendations) to the Borrower for its review prior to submission to the Bank. The Monitor will ask the Borrower to confirm that the facts as stated are accurate in all material respects and that the Borrower is not aware of any material matters that have been excluded. The Borrower shall respond to the draft documentation within 48 hours of such documentation being provided to the Borrower. The Monitor will include comments (if any) of the Borrower in the final report of the Monitor. The Monitor is, however, under no obligation to change any report as a result of any comment of the Borrower (or as a result of the failure of the Borrower to provide a comment). Any reports prepared by the Monitor shall not be delivered by the Borrower in whole or in part or disclosed, in whole or in part, to any third party without the Monitor's prior written consent.
- 8.6. The Monitor is authorized with the prior approval of the Bank to employ such agents, consultants, firms, employees, advisors and monitors including legal and professional advisors as it may in its discretion consider appropriate to carry out its mandate hereunder.
- 8.7. The Borrower shall promptly pay the Monitor for the services rendered by it and the disbursements incurred by it. If the Borrower does not pay any account of the Monitor pursuant to this Agreement, the Bank is entitled to pay such account and any such payment shall constitute an addition to the Loans outstanding the specific allocation of which shall be in the discretion of the Bank and shall be secured by the Security and guaranteed by the Guarantees.
- 8.8. The Monitor is not the agent of the Bank by this Agreement. The Borrower shall not be entitled to dictate to the Bank or the Monitor the means by which the Monitor carries on its duties hereunder.
- 8.9. The Monitor shall discharge its duties in a professional manner and it is acknowledged and agreed that the Monitor shall act only as a monitor in accordance with this Agreement and has no decision making responsibility or managerial authority over the affairs of the Borrower.
- 8.10. The Monitor shall not take possession or be deemed to be in possession of any of the property of the Dowland Parties.

- 8.11. Each of the Borrowers acknowledge that each remains solely responsible for the management, direction and conduct of their business and affairs and agree that they will not hold out to any person that the Bank or the Monitor is responsible for the management, direction or conduct of its business and affairs.
- 8.12. The Borrower irrevocably agree to promptly:
- 8.12.1. provide the Monitor full and unrestricted access to all lands and buildings whether owned by the Borrower, leased by or to the Borrower or on which the Borrower otherwise carries on business or businesses;
 - 8.12.2. provide to the Monitor all computer records, electronic transmissions, books, records, account documents, including financial statements, supporting notes, analyses, working papers and related documents requested by the Monitor;
 - 8.12.3. provide to the Monitor any information which it requests and to instruct its financial advisors, joint venturers, employees, agents, accountants, auditors, consultants, customers, insurers, bonding companies and insurance adjusters to supply any such information;
 - 8.12.4. provide to the Monitor any information, communications and documentation which has been communicated to or released by the Borrower to any bonding company (or any person on behalf of any bonding company) which communications and information are to be provided to the Monitor in a prompt and comprehensive manner;
 - 8.12.5. report to the Monitor in a prompt and comprehensive manner any and all communications and information received from bonding companies (or any person on behalf of bonding companies) to the Borrower from time to time and to provide, concurrent therewith any and all relevant documentation received by the Borrower in connection with such communications or information;
 - 8.12.6. make available to the Monitor for inspection all purchase and sale agreements, contracts, documents, records, inventory and equipment;
 - 8.12.7. provide to the Monitor any information necessary to assist the Monitor in locating inventory or equipment of the Borrower, whether owned or leased, and to instruct any person in the possession of such inventory or equipment to grant to the Monitor access to such inventory or equipment and to the premises upon which such inventory or equipment is located so as to facilitate the discharge of the Monitor's duties hereunder;
 - 8.12.8. cooperate with the Monitor in every way to facilitate the discharge of the Monitor's duties hereunder and not to withhold any information which may be relevant to the Monitor's review;
 - 8.12.9. provide to the Monitor all information, including supporting documentation with respect to contracts, insurance claims, bonding claims, revenues, expenses, accounts receivable and the collection thereof and payables;

- 8.12.10. execute a revised or supplemental standard form engagement letter of the Monitor (or any consent thereto) if requested to do so by the Monitor;
- 8.12.11. authorize any restructuring officer and any monitor or Trustee (appointed in any CCAA or proposal proceedings) to provide full, prompt and complete disclosure to the Monitor of any and all information and documentation in their respective possession or control which information and documentation is requested by the Monitor in respect of the Borrower or any of their business, affairs, property and restructuring, refinancing or liquidation efforts;
- 8.12.12. report to the Monitor on a daily basis all receipts, deposits, and all cash balances in all accounts of the Borrower with financial institutions;
- 8.12.13. report to the Monitor on a weekly, or in the discretion of the Monitor more frequent basis, all cash balances in any account of NCC or Lodging with any financial institution;
- 8.12.14. report to the Monitor on a weekly, or in the discretion of the Monitor more frequent basis, with respect to all efforts (and the results of all efforts) in relation to attempts by or on behalf of the Borrower to solicit interest from persons to:
 - 8.12.14.1. acquire all or any of the shares of the Borrower;
 - 8.12.14.2. acquire all or any portion of the business or assets of the Borrower other than in the ordinary course of business; or
 - 8.12.14.3. inject capital by way of equity, loan or otherwise in favour of the Borrower (all of such efforts being referred to herein individually and collectively as the "Solicitation");
- 8.12.15. provide to the Monitor copies of all documentation in the possession or control of the Borrower with respect to the Solicitation including, without limitation, confidential information memoranda, teasers, control sheets or other related documentation;
- 8.12.16. provide to the Monitor copies of all expressions of interest or letters of intention received by the Borrower from prospective purchasers or investors in relation to the Solicitation;
- 8.12.17. provide to the Monitor all information and all copies of documentation in the possession or control of the Borrower (other than that subject to solicitor-client privilege) respecting any legal action by or against the Borrower;
- 8.13. The Monitor shall be entitled to, without consultation or authorization from the Borrower:
 - 8.13.1. disclose and communicate to the Bank, its agents or employees and professional advisors any confidential or other information or knowledge that the Monitor may acquire in its review;

- 8.13.2. disclose and communicate any confidential or other information or knowledge concerning the affairs or operations of the Borrower to the Monitor's employees, agents, consultants and professional advisors;
- 8.13.3. copy any document which may come into the Monitor's possession and the Monitor shall not be required to return or otherwise account to the Borrower for any copies made and the Monitor shall be at liberty to provide copies to the Bank; and
- 8.13.4. use such methods and techniques as the Monitor considers reasonably necessary to carry out its duties hereunder including, without limitation:
 - 8.13.4.1. contacting the Dowland Parties, owners, customers, partners, joint venturers, suppliers, purchasers, contractors, subcontractors, bonding companies, insurers, and others to confirm the status of contracts, negotiations, receivables, and other similar matters;
 - 8.13.4.2. contacting creditors or other persons with claims including, without limitation, the Canada Revenue Agency and Workers' Compensation Board to confirm the status of accounts.
- 8.14. The Borrower releases and indemnifies the Monitor and its officers, directors, agents, consultants, servants and employees from any and all claims (save for claims arising as a result of gross negligence or wilful misconduct), the Borrower may have or acquire against the Monitor as the result of any steps taken and any methods and techniques employed in accordance with this Agreement, notwithstanding that such steps, methods or techniques may have adverse impact on the reputation of the Borrower in the business community.
- 8.15. The Borrower agrees that the Monitor may be appointed monitor, receiver, receiver/manager or trustee of the Borrower all in the Bank's discretion notwithstanding its appointment as Monitor.
- 8.16. It is understood that the assignment of the Monitor in accordance with this Agreement shall not be performed to audit standards.
- 8.17. The terms of this Agreement so far as they concern the Monitor may (in the discretion of the Bank) be read in supplement to an engagement letter between the Bank and the Monitor with an effective date of March 26, 2013.
- 8.18. The Monitor will make all reasonable efforts to conduct and fulfill its duties in coordination with the Borrower's financial advisors.

ARTICLE 9. POSTPONMENT

- 9.1. From and after the date of this Agreement, the Borrower shall not make any payments to any of the Dowland Parties or any officer of the Dowland Parties other than as contemplated by the Cash Flow. Without limiting the foregoing, no repayment of shareholder or other advances shall be made by the Borrower to Guy Pemberton,

Patrick McGuinness or Inuvialuit Development Corporation without the express written approval of the Bank.

ARTICLE 10. FOREBEARANCE

- 10.1. Subject to Articles 10.2 and 11 and to the remaining terms of this Agreement, the Bank has agreed at the request of the Borrower to forbear from initiating realization proceedings in relation to the Loans, the Guarantees or the Security until June 7, 2013 or such later date as may be agreed to by the Bank in writing from time to time.
- 10.2. Notwithstanding the forbearance contemplated by this Agreement, the Bank may in its absolute discretion issue any demands, supplemental demands, Section 244 *Bankruptcy and Insolvency Act* notices and supplemental Section 244 *Bankruptcy and Insolvency Act* notices to the Borrower during the forbearance period.

ARTICLE 11. TERMINATION OF FORBEARANCE

- 11.1. Notwithstanding the provisions of Article 10, the Bank will not be bound to forbear as contemplated by Article 10 and the Bank will be entitled in its absolute discretion to accelerate the termination of the forbearance period contemplated by Article 10 to the date of notice of such acceleration upon any of:
 - 11.1.1. the occurrence of an "Event of Default" as contemplated by Article 12 of this Agreement;
 - 11.1.2. the Bank becoming aware that any of the representations made by the Dowland Parties in this Agreement are or were untrue;
 - 11.1.3. the Bank determining in its absolute discretion that continued forbearance will negatively impact the likelihood of the Bank being repaid all or any portion of the Loans or being paid any indebtedness pursuant to the Guarantees;
 - 11.1.4. the Bank determining in its absolute discretion that continued forbearance will negatively impact its priority position or its ability to maximize realization with respect to any Security.
- 11.2. Upon the termination of any forbearance in accordance with this Article, the Bank shall be entitled to treat all of the Loans as fully due, owing, payable and matured and to treat all of the Indebtedness guaranteed by the Guarantees as fully due, owing and payable.
- 11.3. Upon termination of the forbearance in accordance with this Article, the Bank may demand payment of any of the Loans (which are not already the subject of demand), demand payment pursuant to any of the Guarantees (which are not already the subject of demand), realize upon and enforce Security, initiate or continue legal proceedings.
- 11.4. Upon termination of the forbearance in accordance with this Article the Bank may utilize any Consent Order granted in accordance with this Agreement. Unless the Bank

determines in its absolute discretion acting in good faith, that a delay in utilization of a Consent Order may adversely impact the priority position or security position of the Bank or the amount of the Loans which will be recovered by the Bank, the Bank will provide five calendar days notice of an application for the Consent Order so as to allow the Borrower an opportunity to cure the default. Should the Bank determine in its absolute discretion acting in good faith that a delay in utilization of a Consent Order may adversely impact the Bank's priority position or security position or the amount of the Loans recovered by the Bank, the Bank may utilize such Consent Order without further notice to the Borrower or its counsel.

ARTICLE 12. DEFAULT

- 12.1. Each of the following shall constitute an event of default (an "Event of Default") under the terms of this Agreement:
- 12.1.1. any default by any of the Dowland Parties pursuant to the terms of this Agreement (including, without limitation, a default declared by the Bank);
 - 12.1.2. non-payment by any of the Dowland Parties of any amount, principal, interest, costs or fees when due pursuant to this Agreement or any Guarantee, Security or other document contemplated or made pursuant to this Agreement;
 - 12.1.3. default by a Borrower in the observance or performance of any agreement between any of the Borrower or the Bank, whether or not such agreement is specifically identified in this Agreement;
 - 12.1.4. any representation made by any of the Dowland Parties to the Bank as at the effective date hereof proving to have been untrue in any material respect when made;
 - 12.1.5. judgment for the payment of money in excess of the cumulative sum of \$100,000 as against a Borrower;
 - 12.1.6. the commencement of any legal proceeding seeking the dissolution or division of a Borrower save for any legal proceeding to which the Bank consents in writing;
 - 12.1.7. the commencement by or acquiescence of, a Borrower (absent the written consent of the Bank), of or in proceedings seeking substantive relief with respect to the Borrower in any mediation, bankruptcy, insolvency, debt restructuring, reorganization, readjustment of debt, dissolution, liquidation or other similar proceedings (including, without limitation, proceedings under the *Bankruptcy and Insolvency Act* ("BIA"), the *Winding-up and Restructuring Act* (Canada), the *Companies Creditors Arrangement Act*, the *Bankruptcy Code* or other similar federal, provincial or foreign legislation) including, without limitation, the filing of a proposal or plan of arrangement or a notice of intention to file same, or proceedings for the appointment of a trustee, trustee in bankruptcy, interim receiver, receiver, receiver and manager, custodian, guardian, liquidator, provisional liquidator, administrator,

sequestrator or other like official with respect to a Borrower or all or any substantial part of the assets of a Borrower, or any similar relief;

- 12.1.8. any creditor or other person exercising or purporting to exercise any rights as against a Borrower or against any assets of a Borrower, which would, in the assessment of the Bank (determined in its absolute discretion) have an adverse impact on a Borrower, or the Security, or any priority position of the Bank or the prospect of repayment of the Loans, or payment pursuant to the Guarantees;
 - 12.1.9. a Borrower applying (absent the prior written consent of the Bank) to extend any stay of proceedings;
 - 12.1.10. a Borrower filing a notice of an intention to make a proposal or a proposal under the *BIA* without the prior written consent of the Bank;
 - 12.1.11. the Bank, in its absolute discretion, determining that it is in its best interest to declare an Event of Default;
 - 12.1.12. a Borrower disposing or attempting to dispose of any of its property other than in the ordinary course of business of the Borrower without the prior written consent of the Bank;
 - 12.1.13. the Monitor recommending to the Bank in its absolute discretion to declare an Event of Default;
 - 12.1.14. the Bank not being satisfied for any reason with the progress of the Borrower in repaying or refinancing the Loans; and
 - 12.1.15. any change in control of the Borrower whether by way of sale of shares, amalgamation, merger or otherwise absent the prior written consent of the Bank.
- 12.2. A default on the part of any one of the Borrower shall constitute a default on the part of each of the Borrower. A default in relation to any one of the Loans, the Guarantees or any portion of the Security, shall constitute a default in relation to the remainder of the Loans, the Guarantees and the remainder of the Security.
- 12.3. Notwithstanding the detailing in this Agreement of Events of Default, nothing in this Agreement alters or limits the demand nature of any Loans, Security or Guarantee otherwise payable on demand and nothing in this Agreement constitutes:
- 12.3.1. a waiver or revocation of any demand or notice issued prior or subsequent to the execution of this Agreement by or on behalf of the Bank;
 - 12.3.2. a renewal or reinstatement of any of the Loans that have matured; or
 - 12.3.3. an agreement to permit the deferral of repayment of any of the Loans which have matured pending the occurrence of one or more Events of Default.

- 12.4. Notwithstanding any forbearance contemplated by this Agreement, the failure of Contracting to pay the Operating Loan in full within ten days of any demand by the Bank issued prior to the execution of this Agreement shall constitute a default entitling the Bank to accelerate the date for repayment of the Term Loans indebtedness and entitling the Bank to issue demand for repayment of such accelerated Term Loans indebtedness. Such demand shall not in and of itself constitute a triggering event for the expiration of the forbearance contemplated by this Agreement.

ARTICLE 13. FORBEARANCE FEE

- 13.1. Effective April 4, 2013, the Bank will be deemed to have earned a forbearance fee equal to \$400,000 (the "Forbearance Fee").
- 13.2. The Forbearance Fee constitutes a joint and several obligation of the Borrower to the Bank.
- 13.3. The Borrower acknowledges that the Forbearance Fee is fair and reasonable and shall be in addition to and not in substitution for any other fee, charge or interest paid or payable by the Borrower to the Bank. The Forbearance Fee shall form part of the Loans and part of the indebtedness guaranteed by the Guarantees. Subject to Article 13.6 of this Agreement, the Forbearance Fee shall be paid to the Bank upon the earlier of June 7, 2013 or the termination of any forbearance contemplated by this Agreement for any reason.
- 13.4. The Borrower Irrevocably authorizes the Bank to debit any account of the Borrower for payment of the Forbearance Fee upon the Forbearance Fee becoming payable.
- 13.5. The Forbearance Fee shall be secured by the Security.
- 13.6. Notwithstanding any other provision of this Agreement, the Bank agrees that if the Borrower wholly fulfills each and all of its obligations pursuant to this Agreement, the Bank, shall, in consideration therefor, waive the requirement for payment of 50 per cent of the Forbearance Fee.

ARTICLE 14. PRICING

- 14.1. Subject to Article 14.2 of this Agreement, effective April 4, 2013, the Loans shall bear interest at a rate equal to 300 basis points (the "Interest Rate Augment") above the rates in effect for each of such Loans immediately prior to April 4, 2013 (the "Base Rates").
- 14.2. Notwithstanding Article 14.1 should the Borrower fulfill each and every one of its obligations pursuant to this Agreement, then, in consideration therefor, the Bank will waive the requirement of the Borrower to pay the Interest Rate Augment and the Loans shall continue to bear interest at the Base Rates.

ARTICLE 15. SUPPLEMENTAL SECURITY

- 15.1. Concurrent with delivery of this Agreement in executed form by Contracting to the Bank, the Borrower shall provide to the Bank the following:

- 15.1.1. Guarantee and Postponement of claim from 6070 in the Bank's standard form for up to the sum of \$10,500,000 with interest at a rate equal to the Bank's prime interest rate per annum in effect from time to time ("Prime") plus 5 per cent guaranteeing to the Bank the indebtedness of Contracting for the purpose of rectifying the Guarantee and Postponement of Claim which had previously been provided to the Bank November 18, 2011 by 6070 which sum erroneously referenced the guaranteed indebtedness as \$10,500, instead of \$10,500,000 (6070 having contracted to provide a Guarantee and Postponement of Claim in the amount of \$10,500,000);
- 15.1.2. Guarantee and Postponement of Claim from Construction in the Bank's standard form for up to the sum of \$20,000,000 with interest at Prime plus 5 per cent guaranteeing to the Bank the indebtedness of Contracting;
- 15.1.3. General Security Agreements executed by each of the Borrower in a form or forms satisfactory to the Bank which form may, in the Bank's discretion be different for one or more of the Borrower;
- 15.1.4. Form 913 Collateral Mortgage in favour of the Bank executed by Contracting in the principal sum of \$3,000,000 which mortgage shall be registered in the Land Titles Office for the Northwest Territories Land Registration District against the land referenced in the mortgage registered in the Northwest Territories Land Registration District as registration number 177,085 and which, upon registration against titles to such land shall be registered immediately subsequent to registration 177,085.
- 15.1.5. Form 913 Collateral Mortgage in favour of the Bank executed by Contracting in the principal sum of \$400,000 which mortgage shall be registered in the Land Titles Office for Nunavut Land Registration District against the land legally described as Lot seven (7), Block two hundred and twenty-eight (228), Plan 3586, Iqaluit, subject only to encumbrances permitted by the Bank in writing.
- 15.1.6. A demand collateral mortgage or mortgages in such form as may be acceptable to the Bank executed by Contracting in the principal sum of \$1,000,000 which mortgage or mortgages shall be registered in the Land Titles Office for the Northwest Territories Land Registration District (subject only to encumbrances permitted by the Bank in writing) against the title (or leasehold interest of Contracting) in the following lands:
 - 15.1.6.1. LOT 5, BLOCK 47, PLAN 564, INUVIK;
 - 15.1.6.2. LOT 6, BLOCK 47, PLAN 564, INUVIK;
 - 15.1.6.3. LOT 19, BLOCK 34, PLAN 1652, TUKTOYAKTUK;
 - 15.1.6.4. LOT 21, BLOCK 87, PLAN 2182, INUVIK;
 - 15.1.6.5. LOT 19, BLOCK 21, PLAN 3422, TUKTOYAKTUK;
 - 15.1.6.6. LOT 1, BLOCK 97, PLAN 3820, INUVIK;

- 15.1.6.7. LOT 2, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.8. LOT 3, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.9. LOT 4, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.10. LOT 5, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.11. LOT 6, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.12. LOT 11, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.13. LOT 12, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.14. LOT 13, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.15. LOT 14, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.16. LOT 15, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.17. LOT 16, BLOCK 97, PLAN 3820, INUVIK;
- 15.1.6.18. LOT SK-004, SACHS HARBOUR;
- 15.1.6.19. LOT 46, PLAN 3529, PAULATUK.
- 15.1.7. Share certificates for all issued shares of Contracting, Industrial and Construction endorsed in blank, duly executed by each respective shareholder so as to facilitate the transfer of such shares to the Bank or its nominee with all resolutions and consents required so as to enable the Bank to transfer the share certificates to the Bank or its nominee with hypothecations, transfers or pledges of such shares in favour of the Bank in forms acceptable to the Bank.
- 15.1.8. An assignment by Contracting of all of its rights and interests in and to the Promissory Note and an assignment of any and all debts and obligations of NCC to Contracting, including, without limitation, debts and obligations pursuant to or in relation to the Promissory Note along with a record of all payments which have been made on account of the obligation evidenced by the Promissory Note.
- 15.1.9. An assignment by Contracting of any and all security granted in favour of Contracting (and any and all security granted in favour of NCC) for the purpose of securing the Promissory Note or any and all debts and obligations relating to the Promissory Note.
- 15.1.10. An assignment in a form acceptable to the Bank of a claim of lien registered in the Land Titles Office for the Nunavut Registration District on the 16th day of July, 2012 as number 130,642 by Contracting along with any and all records and information available to Contracting with respect to the claim of lien and the circumstances, agreements and documentation giving rise to the lien.

- 15.2. Any and all assignments, guarantees, security agreements, mortgages, hypothecations, pledges and share certificates delivered pursuant to this Article shall be delivered in a form satisfactory to the Bank, duly executed and supported by resolutions demonstrating authorization to execute and deliver such documentation to the Bank.
- 15.3. The Bank and its solicitors are irrevocably authorized to complete any hypothecation, pledge, transfer or endorsement of any share certificate provided in accordance with this Agreement for the purpose of completing any hypothecation, pledge, transfer or endorsement or for the purpose of enforcing or realizing upon any security and any shares delivered in accordance with this Agreement and to facilitate the transfer of such shares to the Bank or any nominee of the Bank.
- 15.4. Contracting shall provide to the Bank and the Monitor any and all information reasonably requested by the Bank or the Monitor for the purpose of assisting the Bank in collecting any and all sums owing in respect of the Promissory Note assigned pursuant to this Article or any obligation evidenced by such Promissory Note.
- 15.5. The Borrower acknowledges and agrees that the Agreements to provide mortgages in Articles 15.1.4, 15.1.5 and 15.1.6 of this Agreement, each constitutes an equitable mortgage in favour of the Bank.
- 15.6. Contracting shall seek and provide to the Bank any lessor consent requested by the Bank so as to enable the Bank to register a mortgage provided pursuant to the Agreement.

ARTICLE 16. DISCRETION OF LENDER

- 16.1. The Bank is not acting in a fiduciary capacity with respect to the Borrower. Any exercise of any discretion by or on behalf of the Bank shall be final and binding upon the Borrower and may be exercised by the Bank in the best interests of the Bank without regard to the interests of the Borrower.

ARTICLE 17. NO WAIVER OR ACQUIESCENCE

- 17.1. Nothing in this Agreement constitutes a waiver on the part of the Bank of any rights or remedies which the Bank may have in relation to the Borrower save as specified expressly herein in writing.
- 17.2. Nothing in this Agreement constitutes an acquiescence on the part of the Bank to any default on the part of the Borrower save as specified expressly herein in writing.
- 17.3. Nothing in this Agreement constitutes a revocation or extension of any demand or notice issued by or on behalf of the Bank.

ARTICLE 18. RELEASE

- 18.1. The Borrower does hereby release and discharge the Bank and the Monitor, and each of their respective employees, directors, officers, solicitors and agents from any and all liability, past or present, direct or indirect, relating to the Loans, the Guarantees, the Security, and this Agreement and any conduct, omission, representation or matter

directly or indirectly relating thereto, past or present (individually and collectively a "Released Claim").

- 18.2. The Borrower covenants and agrees not to sue or participate in legal proceedings against any releasee with respect to a Released Claim. Should any of the Borrower violate the foregoing covenant, such Borrower agrees to pay (and fully indemnify) any releasee which is the subject of such suit or legal proceeding, in addition to such other damages as such releasee may sustain as a result of such violation, all legal fees and costs on a solicitor and his own client full indemnity basis incurred by the releasee as a result of such violation.

ARTICLE 19. DEMAND PERIOD

- 19.1. The Borrower agrees that should the Bank enforce Security upon the termination or otherwise initiate realization proceedings upon the termination of any forbearance contemplated by this Agreement, it will be just and reasonable for the Bank not to extend any further demand period prior to the enforcement of Security or initiation of legal proceedings in relation to the Borrower and/or the property of the Borrower.

ARTICLE 20. CONSENT ORDER

- 20.1. Concurrent with delivery of this Agreement in executed form by the Borrower to the Bank, the Borrower shall deliver to the Bank a consent order in the form attached as Schedule "G" (with the endorsed consents and affidavits of execution contemplated by such form) (the "Consent Order"). The Borrower agrees that the Bank may use the Consent Order in its absolute discretion subject to the remaining terms of this Agreement and that the Consent Order provided pursuant to this Agreement is irrevocable.
- 20.2. By this Agreement, the Borrower irrevocably authorizes the Bank and/or the Bank's solicitors to complete (or delete) any portion of any Consent Order provided pursuant to this Agreement that is not fully complete as at the date of the delivery of such Consent Order by the Borrower to the Bank, all without notice to the Borrower and to apply for such Consent Order without notice to the Borrower.
- 20.3. By this Agreement, the Borrower irrevocably authorizes the Bank and/or the Bank's solicitors to modify any Consent Order provided pursuant to this Agreement so as to reflect the fact that one or more of the Borrower did not execute the Consent Order. Notwithstanding any such modification, the Bank and/or its solicitors are irrevocably authorized to attach to such modified Consent Order the consents and affidavits of execution to the Consent Order provided in accordance with the terms of this Agreement.
- 20.4. The Borrower agrees that the failure to name any of the Borrower as a Defendant in the Consent Order (or in the action in relation to the Consent Order) shall not in any way limit the liability of any other Borrower to the Bank pursuant to any Guarantee and shall not constitute a defence to any separate action against such other Borrower.

ARTICLE 21. MISCELLANEOUS

- 21.1. Execution of this Agreement by the Bank does not in any way limit, release or discharge the Dowland Parties from the obligations and liabilities of the Borrower to the Bank.
- 21.2. The Borrower agrees that should any action be commenced by the Bank, directly or indirect, in relation to this Agreement, the Loans or the Security such action shall be categorized as a "standard case" in accordance with the Alberta Rules of Court. The Dowland Parties agree with the Bank that a dispute resolution process would not be beneficial or likely to result in an agreement between the Bank or the Dowland Parties with respect to any such action and there are compelling reasons why a dispute resolution process should not be attempted by the Bank and the Dowland Parties and that engaging in a dispute resolution process would be futile.
- 21.3. The Borrower agrees that any action commenced by the Bank against the Borrower, directly or indirectly related to the Loans, the Security or this Agreement shall properly be commenced and continued in the Judicial Centre of Edmonton.
- 21.4. The Borrower shall immediately notify the Bank of any actions, proceedings or steps taken by the Borrower to enforce or collect payment of monies owed to it, or of any other information which comes to the attention of the Borrower which has or might reasonably have a material effect on the Security or the amount or recoverability of the Loans.
- 21.5. This Agreement shall be governed by the laws of the Province of Alberta and the parties attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.
- 21.6. The Borrower shall observe and fulfill all terms and conditions of this Agreement and all terms and conditions of any other agreement (save as expressly provided in this Agreement) entered into (or previously entered into) with the Bank including, without limitation, any credit agreements.
- 21.7. All acknowledgements, agreements, representations, conditions, warranties, releases and waivers given by the Dowland Parties in this Agreement or in any document given pursuant to this Agreement and in any Guarantee, and in any Security, any agreement or other document evidencing the Loans or detailing the terms of the Loans, any lending agreement, loan agreement, account agreement, financial services agreement, credit agreement and/or equipment facility agreement shall survive the execution of this Agreement and delivery of the remaining documents contemplated by this Agreement and any expiration of the forbearance period, acceleration of the forbearance period, mediation or legal proceedings and shall continue in full force and effect for the benefit of the Bank.
- 21.8. If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:
 - 21.8.1. the legality, validity or enforceability of the remaining provisions of this Agreement; or

- 21.8.2. the legality, validity or enforceability of that provision in any other jurisdiction.
- 21.9. The Borrower represents and warrants to the Bank that the Borrower:
- 21.9.1. understands fully the terms of this Agreement and all Schedules to this Agreement and the consequences of the execution and delivery of this Agreement and all Schedules to this Agreement;
 - 21.9.2. has been afforded an opportunity to review and discuss this Agreement and all Schedules thereto (along with all documents executed in connection therewith) with legal counsel and financial advisors; and
 - 21.9.3. has entered into this Agreement and any documents contemplated to be executed and delivered pursuant to this Agreement, freely and without threat, duress or other coercion of any kind by the Bank or by any other person. The parties hereto acknowledge and agree that neither this Agreement nor the other documents executed pursuant to this Agreement shall be construed more favourably in favour of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Agreement and the other documents executed pursuant hereto or in connection herewith.
- 21.10. The Borrower will provide to the Bank a Certificate of Independent Legal Advice in the form of Schedule "H" concurrent with delivery of this Agreement in executed form by the Borrower to the Bank.
- 21.11. The Borrower represents and warrants that the execution and delivery of this Agreement or any document contemplated by this Agreement represent and warrant that the execution and delivery of this Agreement and any document contemplated by this Agreement has been duly authorized and all approvals and resolutions have been obtained prior to the execution and delivery of this Agreement and any document contemplated by this Agreement for the purpose of ensuring that this Agreement and any such document is valid, effective and binding upon the Borrower.
- 21.12. No amendment to this Agreement shall be effective unless in writing and executed by each of the parties hereto or on their behalf by their legal counsel.
- 21.13. Recognizing that disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable provincial and federal laws to apply (rather than arbitration), the parties desire that their disputes be resolved by a Judge applying such applicable laws. Therefore, the parties hereto waive all rights to trial by a jury in action, suit or legal proceeding brought to resolve any dispute whether arising in contract, tort or otherwise between the Bank and any of the Dowland Parties arising out of, connected with, related to or incidental to the relationship established between them in connection with this Agreement, the Loans, the Guarantees, the Security or any transactions related thereto.

- 21.14. Should one or more of the Borrower not execute this Agreement (or any document contemplated to be executed by such person) in this Agreement (an "Excluded Borrower"), then the Bank may in its absolute discretion elect to treat the Agreement and any documents delivered in accordance with this Agreement as binding and effective on the Bank and each Borrowers which did execute the Agreement and any document contemplated to be delivered by such person in accordance with this Agreement (the "Remaining Borrower"). In such event the Remaining Borrower agrees that the Agreement and any documents delivered pursuant to the Agreement shall be binding and effective on the Bank and the Remaining Borrower. The Bank and its solicitors are authorized to amend or delete any portion of this Agreement including any schedule thereto and any document granted pursuant to this Agreement to reflect the exclusion of an Excluded Borrower from this Agreement (notwithstanding the prior execution thereof by one or more of the Remaining Borrower). An Excluded Borrower shall not be entitled to any benefits arising pursuant to this Agreement including, without limitation, any forbearance contemplated by this Agreement.
- 21.15. Time shall be of the essence of this Agreement.
- 21.16. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 21.17. This Agreement may be executed in counterpart. A facsimile or other copy of this Agreement shall be as effective as an original.
- 21.18. The specification of Loans, Guarantees or items of Security in the Schedules to this Agreement may not be exhaustive. Failure to specify a Loan, Guarantee or Security shall not constitute an agreement that such Loan, Guarantee or Security does not exist and shall not limit or impact the obligation of the Borrower to repay any Loan or Guarantee nor shall it limit or impact the efficacy of any Item not listed as Security.
- 21.19. Any notice or demand contemplated or referenced by this Agreement may be effectively delivered to the Borrower by facsimile or email transmission to Dowland Contracting Ltd. c/o 7028 – 56 Avenue, Edmonton, Alberta T6B 1E4 Attention: Andrew Rice with a copy to Duncan & Craig LLP, Barristers and Solicitors, 2800, 10060 Jasper Avenue, Edmonton, Alberta T5J 3V9 Attention: Darren Bieganek, Email: dbieganek@dcllp.com.
- 21.20. Any notice contemplated or referenced by this Agreement may be effectively delivered to the Bank by email transmission to Royal Bank of Canada, 20 King Street W., 9th Floor, Toronto, Ontario M5H 1C4 Attention: Gary Ivany Email: gary.ivany@rbc.com with a copy directed to Dentons Canada LLP, Barristers and Solicitors, 2900, 10180 – 101 Street, Edmonton, Alberta, T5J 3V5 Attention: Ray Rutman, Email: ray.rutman@dentons.com.

21.21. This Agreement shall be deemed effective on the 15th day of April, 2013.

ROYAL BANK OF CANADA

Per: _____

Per: _____

DOWLAND CONTRACTING LTD.

Per: _____

Per: _____

DOWLAND INDUSTRIAL WORKS LTD.

Per: _____

Per: _____

DOWLAND CONSTRUCTION, INC.

Per: _____

Per: _____

6070 N.W.T. LIMITED

Per: _____

Per: _____

SCHEDULE A

The "Loans" as at April 1, 2013

(a) Dowland Contracting Ltd.

Facility 1	Operating Loan 28016731-001	\$ 14,595,477.65 (Principal and Interest)
Facility 2	Term Loan 28016731-012	\$580,276.31 (Principal and Interest)
Facility 3	Term Loan 28016731-008	\$ 556,323.22 (Principal and Interest)
Facility 4	Term Loan 28016731-009	\$ 418,043.87 (Principal and Interest)
Facility 5	Term Loan 28016731-011	\$ 681,148.01 (Principal and Interest)
Facility 6	Term Loan 28016731-006	\$ 442,599.52 (Principal and Interest)
Facility 7	Term Loan 28016731-010	\$ 2,684,577.39 (Principal and Interest)
Facility 8	Visa	\$ 152,514.05 (Principal and Interest)

(b) Dowland Industrial Works Ltd.

Facility 9	Visa	\$ 33,370.14 (Principal and Interest)
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- (c) Legal, financial, advisory and monitoring costs paid incurred or to be incurred by the Bank, pay, accrued and accruing present and future on a solicitor and his own client full indemnity basis howsoever arising in any way connected directly or indirectly with the Dowland Parties, to Loans, the Guarantees, the Security or any dealings between the Bank and any of the Dowland Parties or any realization of legal proceedings directly or indirectly associated with any of the Dowland Parties to Loans or Guarantees or the Security.

The Operating Loan and Visa Facilities may fluctuate, in the absolute discretion of the Bank having regard to the revolving nature of the facilities. The Loans shall include any additional credit advanced (in the absolute discretion of the Bank) by reason of the revolving nature of the facilities with any and all interest accrued thereon.

The Loans, shall include, in addition to the above any fee including, without limitation any Forbearance Fee earned or charged in accordance with this or any other Agreement entered into between the Borrower and the Bank.

The Loans shall include, in addition to the above, any and all interest accruing upon the Loans from and after April 1, 2013.

SCHEDULE B

The "Security"

1. GSA-Form 924 granted by Dowland Contracting Ltd. dated April 24, 2003.
2. \$1,500,000 mortgage granted by Dowland Contracting Ltd. against Lots 19 and 20, Block 49, Plan 633, Inuvik registered May 2, 2003 in the Land Titles office in the Northwest Territories registration district – payable on demand – interest at prime plus 2 per cent executed April 24, 2003.
3. \$2,800,000 mortgage granted by Dowland Contracting Ltd. against Lots 16, 17, 18, 19, 20, 21 and 22, Block 49, Plan 633, Inuvik registered April 13, 2012 in the Land Titles office in the Northwest Territories registration district – payable on demand – interest at prime plus 2 per cent executed January 18, 2012.
4. \$1,000,000 mortgage granted by Dowland Contracting Ltd. Against Lot 7, Block 228, Plan 3586, Iqaluit registered March 4, 2013 in the Land Titles Office in the Nunavut registration district – payable on demand – interest at prime plus 5 per cent executed November 27, 2012.

SCHEDULE C

The "Existing Guarantees"

1. Guarantee dated November 24, 2009 granted by 6070 N.W.T. Limited for up to the sum of \$1,500,000 with interest at prime plus 5 per cent.
2. Guarantee and Postponement of Claim dated November 18, 2011 granted by 6070 N.W.T. Limited guaranteeing the indebtedness of Dowland Contracting Ltd. for up to \$10,500 with interest at prime plus 5 per cent
3. Guarantee and Postponement of Claim dated November 18, 2011 granted by Dowland Industrial Works Ltd. for up to \$10,000,000 in relation to Dowland Contracting Ltd. with interest at prime plus 5 per cent.
4. Guarantee and Postponement of Claim dated July 19, 2012 granted by 6070 N.W.T. Limited guaranteeing the indebtedness of Dowland Contracting Ltd. for up to the sum of \$24,345,000 with interest at prime plus 5 per cent.
5. Guarantee and Postponement of Claim dated July 19, 2012 granted by Dowland Industrial Works Ltd. guaranteeing the indebtedness of Dowland Contracting Ltd. for up to the sum of \$24,345,000 with interest at prime plus 5 per cent.

SCHEDULE D

The "Industrial Security"

1. GSA-Form 924 dated November 18, 2011 granted by Dowland Industrial Works Ltd.

SCHEDULE E

The "Dowland Parties' Security"

1. Postponement and Assignment of Claim dated May 2, 2009 from 6070 N.W.T. Limited respecting Dowland Contracting Ltd.
2. Postponement and Assignment of Claim dated November 18, 2011 from 6070 N.W.T. Limited.

SCHEDULE F

"Cash Flow"

SCHEDULE "F"

Dowland Contracting Ltd. - Consolidated
Updated Cash Flow Forecast
Apr 06, 2013 to Jun 21, 2013
(in Canadian dollars)
\$ '000s

	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Total
Week ended												
Receipts	211	1,968	3,662	4,547	471	1,041	322	5,084	-	1,173	1,275	19,754
Expected Reversal of Timing Differences	1,084	(16)	(16)	(91)	290	(16)	(16)	394	(16)	(16)	(16)	1,367
Total Receipts	1,295	1,952	3,647	4,456	761	1,025	307	5,279	(16)	1,157	1,259	21,121
Disbursements												
Hourly payroll	404	308	308	308	308	404	434	404	434	376	329	4,285
Subcontractor/materials ancurs payments	-	693	250	-	-	-	-	-	-	-	-	933
Subcontractor/materials current payments	40	482	1,111	2,150	326	664	416	3,456	200	600	538	9,984
Salaries expense	125	122	130	127	120	124	122	127	120	124	122	1,361
Other SG&A	73	50	134	60	26	30	30	124	26	27	27	608
Bank fees and interest	22	40	28	8	22	40	-	22	9	33	29	253
Professional Fees	54	25	25	25	32	25	25	25	22	25	25	318
Expected Reversal of Timing Differences	-	277	(200)	-	-	(28)	(28)	(187)	(28)	-	-	(192)
Total Disbursements	718	2,047	1,845	2,738	696	1,279	993	3,080	702	1,185	1,070	17,550
Net cash flow	577	(95)	1,802	1,718	(135)	(254)	(682)	1,298	(800)	(28)	189	3,571
Beginning Cash	(296)	281	186	988	2,706	1,571	1,317	625	923	115	86	(296)
Change in Cash from Operations	577	(95)	1,802	1,718	(135)	(254)	(682)	1,298	(800)	(28)	189	3,571
Permanent Reinvestment	-	-	(1,000)	-	(1,000)	-	(692)	(1,000)	-	-	-	(3,000)
Available Cash	281	186	988	2,706	1,571	1,317	625	923	115	86	275	276
Borrowing Base Limit (if-ozent)	15,000	15,000	14,000	14,000	13,000	13,000	13,000	12,000	12,000	12,000	12,000	

SCHEDULE G

"Consent Order"

COURT FILE NUMBER
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

Clerk's Stamp

PLAINTIFF ROYAL BANK OF CANADA
DEFENDANT DOWLAND CONTRACTING LTD., DOWLAND INDUSTRIAL WORKS LTD., DOWLAND CONSTRUCTION, INC. and 6070 N.W.T. LIMITED
DOCUMENT CONSENT ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Ray C. Rutman
Dentons Canada LLP
2900 Manulife Place
10180 – 101 Street
Edmonton, Alberta T5J 3V5
Ph. (780) 423-7246 Fx. (780) 423-7276
File No.: 125665-8417

DATE ON WHICH ORDER WAS PRONOUNCED: _____ day, _____, 20____

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE/MASTER WHO MADE THIS ORDER: Justice _____

UPON the application of ROYAL BANK OF CANADA in respect of DOWLAND CONTRACTING LTD. ("Contracting"), DOWLAND INDUSTRIAL WORKS LTD. ("Industrial"), DOWLAND CONSTRUCTION, INC. ("Construction"), 6070 N.W.T. LIMITED ("6070"), (Contracting, Industrial, Construction and 6070 being referred to herein individually and collectively as the "Debtor"); AND UPON having read the Application, the Affidavit of _____, filed; AND UPON reading the consent of _____ to act as receiver and manager (the "Receiver") of the property of the Debtor, filed; AND UPON hearing counsel for the Applicant; IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this Order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.A. 1985 c.B-3, as amended (the "BIA") and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2 (the "JA") and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7 (the "PPSA")
_____ is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtor;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
 - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
 - (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,and in each such case notice under subsection 60(8) of the *PPSA* shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to assign the Debtor into bankruptcy;

(t) to apply for any Orders, in any jurisdiction for recognition of this Order, recognition of the rights and power of the Receiver or any other Order for the purpose of assisting or facilitating the exercise of the rights and powers granted by this Order; and

(u) to take any steps reasonably incidental to the exercise of these powers;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION OF THE RECEIVER

4. (i) The Debtor, (ii) all of its respective current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an "eligible financial contract" (as defined by the *Companies' Creditors Arrangement Act*) with the Debtor from terminating such contract or exercising any rights of set-off, in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
- A. complies with the order, or
- B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
- B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Receiver by Section 14.06 of the *BIA* or any other applicable legislation.

RECEIVER'S ACCOUNTS

16. Any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").
17. The Receiver and its legal counsel shall pass their accounts from time to time.
18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the

Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ _____ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.
20. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
21. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

23. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

JUDGMENT

24. It is hereby declared that there is due and owing by the Debtor, Guy and Development to RBC the following sums and RBC is granted judgment against such persons in such amounts:
 - (a) Dowland Contracting Ltd. - \$ _____ plus interest thereon from and after _____ at the rate of \$ _____ per day plus costs on a solicitor and his own client full indemnity basis;
 - (b) Dowland Industrial Works Ltd. - \$ _____ plus interest thereon from and after _____ at the rate of \$ _____ per day plus costs on a solicitor and his own client full indemnity basis;
 - (c) Dowland Construction Inc. - \$ _____ plus interest thereon from and after _____ at the rate of \$ _____ per day plus costs on a solicitor and his own client full indemnity basis;

- (d) 6070 N.W.T. Limited - \$_____ plus interest thereon from and after _____ at the rate of \$_____ per day plus costs on a solicitor and his own client full indemnity basis.

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
27. The Registrar of Titles is directed to register a copy of this Order in the Land Titles Office against Title to any land in which the Debtor holds any interest by way of lease or otherwise notwithstanding the requirements of Subsection 191(1) of the *Land Titles Act* R.S.A. 2000 c L-4.
28. In accordance with Section 13(2) of the *JA*, Section 99 of the *Business Corporations Act*, and the *Rules of Court* 1.2, 1.3, 1.4 and 6.11(1)(e), subject to any further order of this Honourable Court:
- (a) The Receiver is authorized, in its discretion, to report to this Honourable Court by report as opposed to affidavit;
- (b) The Court may consider the information and evidence of any such report on the hearing of any application.
29. Subject to any further direction of this Honourable Court, the Court shall consider the information and evidence contained in any such report filed by the Receiver on the hearing of any application to the extent that the information and evidence contained in such a report is relevant and material to any matter before this Honourable Court.
30. The Plaintiff is given leave to continue with any and all proceedings in relation to this matter.
31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
32. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
33. The Plaintiff shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor estate with such priority and at such time as this Court may determine.

34. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
35. An alternative dispute resolution process with respect to the matters raised in these proceedings is dispensed with.

THIS ORDER IS CONSENTED TO:

Dowland Contracting Ltd.

Per: 

Per: _____



Witness

Witness

Dowland Industrial Works Ltd.

Per: 

Per: _____



Witness

Witness

Dowland Construction, Inc.

Per: 

Per: _____



Witness

Witness

6070 N.W.T. Limited

Per: 

Per: _____



Witness

Witness

THIS ORDER IS CONSENTED TO BY COUNSEL:

On behalf of Dowland Contracting Ltd.

Per: 

On behalf of Dowland Industrial Works Ltd.

Per:  _____

On behalf of Dowland Construction, Inc.

Per:  _____

On behalf of 6070 N.W.T. Limited

Per:  _____

J.C.Q.B.A.

ENTERED this __ day of _____, ____.

CLERK OF THE COURT

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that _____ the receiver and manager (in each capacity the "Receiver") of all of the assets, undertaking and property of DOWLAND CONTRACTING LTD., DOWLAND INDUSTRIAL WORKS LTD., DOWLAND CONSTRUCTION, INC. and 6070 N.W.T. LIMITED appointed by Order of the Court of Queen's Bench of Alberta (the "Court") dated the ____ day of _____, 20____ (the "Order") made in action _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20____.

_____, solely in its
capacity as Receiver of the Property (as defined in the
Order), and not in its personal capacity

Per: _____

Name: _____

Title: _____

AFFIDAVIT OF EXECUTION

CANADA

PROVINCE OF ALBERTA

TO WIT:

I, Amanda Shortreed of the City of

Edmonton, in the Province of

Alberta

MAKE OATH AND SAY THAT:

1. I WAS PERSONALLY present and did see Patrick McGinness ~~and~~
, duly appointed officers of Dowland Contracting Ltd., named on
the within agreement, who are personally known to me to be the persons named therein, duly
sign and execute the same for the purposes named thereon.
2. THAT THE SAME was executed at the City of Edmonton, in the Province of
Alberta, and that I am the subscribing witness thereto.
3. THAT I KNOW the said Patrick McGinness ~~and~~ ~~and~~
~~they are~~ ^{is} in my belief, of the full age of eighteen years.

SWORN BEFORE ME at the City of
Edmonton, in the Province of
Alberta, this 15 day of
April, 2013

ANDREW S. RICE
A Commissioner for Oaths/Notary Public in
and for the Province of

22

AFFIDAVIT OF EXECUTION

CANADA

PROVINCE OF ALBERTA

TO WIT:

1, Amanda Shortreed of the City of

Edmonton, in the Province of

Alberta

MAKE OATH AND SAY THAT:

1. I WAS PERSONALLY present and did see Patrick McGuinness and _____, duly appointed officers of Dowland Industrial Works Ltd., named on the within agreement, who are personally known to me to be the persons named therein, duly sign and execute the same for the purposes named thereon.
2. THAT THE SAME was executed at the City of Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.
3. THAT I KNOW the said Patrick McGuinness and _____ and ^{is} ~~they are~~ in my belief, of the full age of eighteen years.

SWORN BEFORE ME at the City of
Edmonton in the Province of
Alberta this 15 day of

~~April~~ 2013
~~ANDREW S. RICE~~
~~Commissioner for Oaths/Notary Public in~~
~~and for the Province of~~

A Commissioner for Oaths/Notary Public in
and for the Province of

and for the Province of

AB

ANDREW S. RICE

1924976_26|NATDOCS

AFFIDAVIT OF EXECUTION

CANADA

PROVINCE OF ALBERTA

TO WIT:

1, Amanda Shortreed of
Edmonton
Alberta

MAKE OATH AND SAY THAT:

1. I WAS PERSONALLY present and did see Patrick McGuinness and _____, duly appointed officers of Dowland Construction, Inc., named on the within agreement, who are personally known to me to be the persons named therein, duly sign and execute the same for the purposes named thereon.
2. THAT THE SAME was executed at Edmonton Alberta, and that I am the subscribing witness thereto.
3. THAT I KNOW the said Patrick McGuinness and _____ and they are in my belief, of the full age of eighteen years.

SWORN BEFORE ME at

Edmonton

Alberta

15 day of April, 2013

12

A Notary Public in and for the State of New York

~~Barry & Barry~~
Barry & Barry

22

AFFIDAVIT OF EXECUTION

CANADA

PROVINCE OF ALBERTA

TO WIT:

I, Amanda Shortreed of the City of
Edmonton, in the Province of
Alberta,

MAKE OATH AND SAY THAT:

1. I WAS PERSONALLY present and did see Patrick McGuinness and _____, duly appointed officers of 6070 N.W.T. LIMITED, named on the within agreement, who are personally known to me to be the persons named therein, duly sign and execute the same for the purposes named thereon.
2. THAT THE SAME was executed at the City of Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.
3. THAT I KNOW the said Patrick McGuinness and _____ and _____ is/are in my belief, of the full age of eighteen years.

SWORN BEFORE ME at the City of
Edmonton in the Province of
Alberta, this 15 day of
April, 2013
ARZ
A Commissioner for Oaths/Notary Public in
and for the Province of
AB

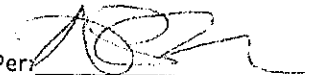
SCHEDULE H

"Certificate of Independent Legal Advice"

The undersigned, being a Barrister and Solicitor, duly authorized to practice law do hereby certify to Royal Bank of Canada (the "Bank") that:

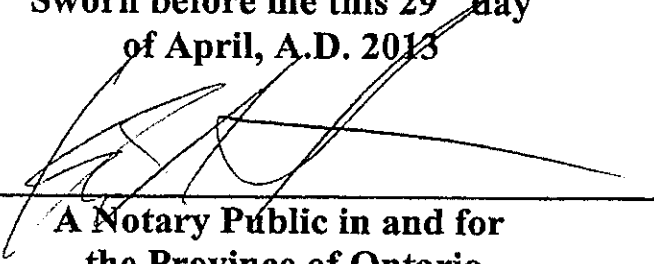
1. I have reviewed the terms of a Forbearance Agreement made effective as at the 15 day of April, 2013 between DOWLAND CONTRACTING LTD., DOWLAND INDUSTRIAL WORKS LTD., DOWLAND CONSTRUCTION, INC. and 5070 N.W.T. LIMITED (individually and collectively the "Client") with the Bank along with all documents attached as a Schedule to that agreement (collectively the "Agreement").
2. I have reviewed and explained the terms of the Agreement to the Client.
3. The Client appeared to me to understand the meaning and effect of the Agreement.
4. I have advised the Client of the rights and obligations of the Client associated with the Agreement.
5. The Client appeared to me to execute the Agreement voluntarily and without duress.
6. I have acted on the matter for the Client and not for the Bank.
7. A facsimile or other copy of this Certificate shall be as effective as an original.

DATED EFFECTIVE the 15 day of April, 2013.

Per: 
ANDREW RILE

**This is Exhibit "F" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 24, 2013

File No.: 125665-8417

SENT VIA E-MAIL (DBIEGANEK@DCLLP.COM)Mr. Darren R. Bieganeck, Q.C.
Duncan & Craig LLP
Scotia Place
Suite 2800
10060 Jasper Avenue NW
Edmonton AB T5J 3V9

Dear Sir:

Re: Royal Bank of Canada ("RBC") – Dowland Contracting Ltd. ("Contracting") – Dowland Industrial Works Ltd. ("Industrial") – Dowland Construction, Inc. ("Construction") – 6070 N.W.T. Limited ("6070") (Contracting, Industrial, Construction and 6070 being referred to herein collectively as the "Borrower") – Forbearance Agreement deemed effective April 15, 2013 between RBC and the Borrower (the "Forbearance Agreement")

Reference is made to the Forbearance Agreement. RBC notes the following events of default on the part of the Borrower in relation to the Forbearance Agreement:

- (a) Contracting has not met the terms of the Cash Flow attached as Schedule "F" to the Forbearance Agreement;
- (b) Failure of the Borrower to provide a collateral mortgage acceptable to the Bank in accordance with Articles 15.1.6.18 and 15.1.6.19 of the Forbearance Agreement by reason of the absence of lease particulars in the document provided;
- (c) Failure of the Borrower to provide share certificates required pursuant to Article 15.1.7 of the Forbearance Agreement.

Yours truly,
Dentons Canada LLP
Ray Rutman

RCR/cd

c.c. Royal Bank of Canada/Att: Gary Ivany and Steve Kampers

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 24, 2013

File No.: 125665-8417

SENT VIA E-MAIL (DBIEGANEK@DCLLP.COM)Mr. Darren R. Bieganeck, Q.C.
Duncan & Craig LLP
Scotia Place
Suite 2800
10060 Jasper Avenue NW
Edmonton AB T5J 3V9

Dear Sir:

Re: Royal Bank of Canada ("RBC") – Dowland Contracting Ltd. ("Contracting") – Dowland Industrial Works Ltd. ("Industrial") – Dowland Construction, Inc. ("Construction") – 6070 N.W.T. Limited ("6070") (Contracting, Industrial, Construction and 6070 being referred to herein collectively as the "Borrower") – Forbearance Agreement deemed effective April 15, 2013 between RBC and the Borrower (the "Forbearance Agreement")


Reference is made to the Forbearance Agreement. RBC has informed the Borrower under separate cover of the existence of events of default in respect of the Forbearance Agreement.

It is RBC's understanding of the Forbearance Agreement that it need not formally terminate the forbearance period outlined in the Forbearance Agreement prior to RBC being entitled to provide notice respecting utilization of the Consent Order as contemplated by Article 11.4 of the Forbearance Agreement. Please confirm by return in writing by April 25, 2013 that the Borrower is in agreement with same.

Subject to RBC receiving the confirmation above, RBC advises that it intends to apply for the Consent Order provided pursuant to the Forbearance Agreement subsequent to five days from the date of this communication. Please confirm in writing by return by April 25, 2013 that the Borrower considers this communication as full and sufficient compliance with the notice requirement respecting utilization of the Consent Order contemplated by Article 11.4 of the Forbearance Agreement.

Thank you for your assistance.

Yours truly,
Dentons Canada LLP


Ray Rutman
RCR/cd

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**This is Exhibit "G" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**

**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



Our File: 204-179487

Your File:

Lawyer:

Telephone:

Email:

Fax:

Darren R. Bieganeck, QC

780.441.4386

dbieganeck@dcllp.com

780.969.6381

April 25, 2013

Via E-Mail

Dentons LLP
2900, 10180 - 101 Street
Edmonton, AB T5J 3V5

Attention: Ray C. Rutman

Dear Sir:

Re: Royal Bank of Canada ("RBC") – Dowland Contracting Ltd. ("Contracting") – Dowland Industrial Works Ltd. ("Industrial") – Dowland Construction, Inc. ("Construction") – 6070 NWT Limited ("6070") (Contracting, Industrial, Construction and 6070 being referred to herein collectively as the "Borrower") – Forbearance Agreement deemed effective April 15, 2013 between RBC and the Borrower (the "Forbearance Agreement")

We refer to your letters of April 24, 2013 and confirm acceptance of service of them on behalf of the Borrower pursuant to the terms of the Forbearance Agreement.

With respect to your letter requesting the Borrower's advice that written notification within that letter of the Bank's intention to apply for the Consent Order provided pursuant to the Forbearance Agreement was full and sufficient compliance with the notice requirement as contemplated by Article 11.4 of the Forbearance Agreement, we confirm we have received instructions to advise you that the notification provided is sufficient compliance with the requirements for notice under the terms of the Forbearance Agreement.

· www.dcllp.com

Tel: 780.428.6036 ■ Toll Free: 1.800.782.9409 ■ Fax: 780.428.9683
2800 Scotia Place, 10060 Jasper Ave. Edmonton, Alberta T5J 3V9

Duncan Craig LLP

April 25, 2013

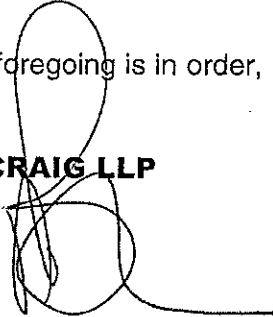
Page 2

Trusting the foregoing is in order, I remain,

Yours truly,

DUNCAN CRAIG LLP

Per:

A handwritten signature in black ink, appearing to read 'Darren R. Bieganek', with a long horizontal line extending to the right.

DARREN R. BIEGANEK, QC

DRB/kjs

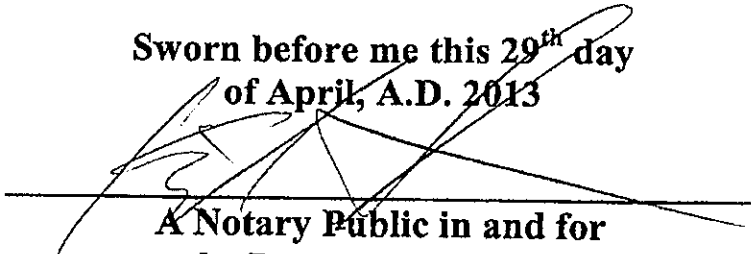
cc: Dowland Contracting Ltd.
Attention: Morgan Elliot, Patrick McGuinness & Andrew Rice

cc: PricewaterhouseCoopers Inc.
Attention: Donald A. MacLean, David Bryan & Mica Arlette

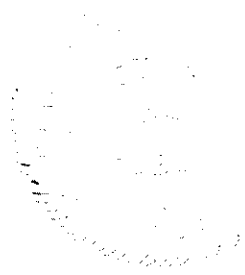
DCLLP-#1150043-v1-Ltr_Rutman_-_Apr_25_13

**This is Exhibit "H" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**


**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 29, 2013

File No.: 125665-8417

Personal and Confidential**Via Email ARice@dowland.ca**Dowland Contracting Ltd.,
Dowland Industrial Works Ltd.,
Dowland Construction, Inc. and
6070 N.W.T. Limited
c/o Dowland Contracting Ltd.
7028 – 56 Avenue
Edmonton, AB T6B 1E4**Attention: Andrew Rice****And**c/o Duncan & Craig LLP
Scotia Place
Suite 2800
10060 Jasper Avenue NW
Edmonton AB T5J 3V9**Attention : Mr. Darren R. Bieganeck,
Q.C.****Via Email dbieganeck@dcllp.com**

Dear Sirs:

Re: Royal Bank of Canada ("RBC") - Dowland Contracting Ltd. ("Contracting") - Dowland Industrial Works Ltd. ("Industrial") - Dowland Construction, Inc. ("Construction") and 6070 N.W.T. Limited ("6070") (Contracting, Industrial, Construction and 6070 are referred to herein collectively as the "Borrower") – Forbearance Agreement dated April 15, 2013 between RBC and the Borrower (the "Forbearance Agreement")

Reference is made to the Forbearance Agreement. The Borrower has defaulted in its obligation to permanently reduce the operating loan of Contracting by \$1,000,000 on or before April 26, 2013 in accordance with Article 6.3.1 of the Forbearance Agreement. On behalf of RBC we hereby advise the Borrower that such default in payment constitutes an Event of Default under the terms of the Forbearance Agreement. On behalf of RBC we do further advise the Borrower that having regard to the Event of Default, RBC does accelerate the termination of the forbearance period contemplated by Article 10 of the Forbearance Agreement such that the forbearance period is now terminated. In that the forbearance period is now terminated, RBC elects to treat all "Loans" referenced in the Forbearance Agreement as being fully due, owing, payable and matured and to treat all of the indebtedness guaranteed by the "Guarantees" as referenced in the Forbearance Agreement as fully due, owing and payable.

All loan and guarantee indebtedness referenced in any April 22, 2013 demands made on behalf of RBC to the Borrower is hereby accelerated such that payment is due immediately in respect thereto.

Yours truly,

Dentons Canada LLP



Ray Rutman

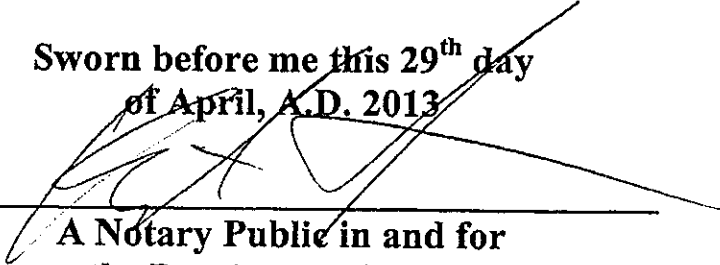
RCR/cd

cc Royal Bank of Canada/Att: Gary Ivany and Steven Kampers

2295428_2|NATDOCS

**This is Exhibit "I" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



Royal Bank of Canada
Commercial Financial Services
10117 Jasper Avenue - 3rd Floor
Edmonton, AB T5J 1W8
Tel.: (780) 448-6251
Fax: (780) 448-6393

June 26, 2012

Private and Confidential

last full loan agreement

DOWLAND CONTRACTING LTD.
9820 44 Avenue NW
Edmonton, AB
T6E 5E5

ROYAL BANK OF CANADA (the "Bank") hereby confirms the credit facilities described below (the "Credit Facilities") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). This Agreement amends and restates without novation the existing agreement dated November 14, 2011 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Dowland Contracting Ltd. (the "Borrower").

CREDIT FACILITIES

Facility #1: \$15,000,000 revolving demand facility by way of:

a) RBP based loans ("RBP Loans")

Revolve in increments of:	\$10,000	Minimum retained balance:	\$0
Revolved by:	Bank	Interest rate (per annum):	RBP + .75%

b) Bankers' Acceptances ("BAs")

Acceptance fee (per annum):	2.5%
-----------------------------	------

* Registered Trademark of Royal Bank of Canada

SRF #975 873 795

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Borrowings outstanding under this facility must not exceed at any time the aggregate of the following, less Potential Prior-Ranking Claims (the "Borrowing Limit"):

- a) 75% of Good Accounts Receivable;
- b) 100% of Good Government Accounts Receivable;
- c) 85% of Good Qualified Accounts Receivable; and
- d) upon receipt of the Portfolio Agreement described under paragraph k) of the Security section, the lending value of liquid collateral in which the Bank has a valid first ranking security interest, determined in accordance with Schedule "K".

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under this facility are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under this facility.

Facility #2: \$2,788,087.33 non-revolving term facility fully drawn by way of:

- a) RBP Loans Interest rate (per annum): RBP + 1%

REPAYMENT

Payment Amount:	21,425	Payment Frequency:	Monthly
Payment Type:	Blended	Payment date:	8 th of each month
Repayable in full on:	May 8, 2013	Current Remaining Amortization (months)	117 ¹⁷⁰

Facility #3: \$5,000,000 revolving facility available by way of a series of term loans, by way of:

- a) RBP Loans Interest rate (per annum): RBP + 1.15%
- b) Fixed Rate Term Loans ("FRT Loans") Fixed interest rate to be determined at time of Borrowing
- c) Leases, which will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and a separate agreement, the terms of the separate agreement will govern.

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time without notice. If the Borrower elects to utilize this facility by way of Leases, the determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion and the term of any Lease shall not exceed 5 years.

The amount of any Borrowing must not exceed 75% of the purchase price of the new equipment purchased within 3 months prior to the requested Borrowing and 50% of the purchase price of used equipment (purchased greater than 3 months but not longer than 18 months prior to the requested Borrowing) being financed with such Borrowing.

*interest term
up to 2 years
for new
equipment
and used
equipment
loans

REPAYMENT

Each Borrowing under this facility shall be repayable by consecutive monthly principal payments based on a maximum amortization of 5 years for new equipment and a maximum amortization of 3 years for used equipment less than 18 months old and a maximum term of 2 years. The specific repayment terms for each new Borrowing will be agreed to between the Borrower and the Bank at the time of the Borrowing by way of a Borrowing Request substantially in the form of Schedule "E" provided to the Bank.

The Borrower, prior to any Borrowing by way of FRT Loans, will select the amount eligible for prepayment of each FRT Loan.

Existing Borrowings as at the date of this Agreement are shown and repayable as described in the attached Schedule "F".

Facility #4: \$1,000,000 non-revolving term facility by way of:

- a) RBP Loans
- b) FRT Loans

Interest rate (per annum): RBP + 1%
Fixed interest rate to be determined at time of Borrowing

AVAILABILITY

The Borrower may borrow and convert up to the amount of this term facility provided an Event of Default shall not have occurred and be continuing at the time of any Borrowing or advance of any Lease. At any time after December 31, 2012, or such later date as may be agreed upon between the Bank and the Borrower, any unutilized portion of this facility shall be cancelled by the Bank.

REPAYMENT

Payment Amount:	To be determined at drawdown	Payment Frequency:	Monthly
Payment Type:	Blended	First payment date:	30 days from drawdown
Repayable in full on:	The last day of a 1, 2 or 3 year term from drawdown as selected by the Borrower if the variable option is selected and the last day of a 1, 2, 3, 4 or 5 year term from drawdown as selected by the Borrower if the fixed rate option is selected	Original Amortization (months)	180

The specific repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "I" provided by the Borrower and accepted by the Bank.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) VISA Business to a maximum amount of \$500,000.

FEES**One Time Fee:**

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Application Fee: \$10,000

Monthly Fee:

Payable in arrears on the same day of each month.

Revolving Funds Arrangement Fee: \$250

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts outstanding under any Leases, (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Postponement and assignment of claim on the Bank's form 918 signed by 6070 N.W.T. Ltd.;
- c) Collateral mortgage in the amount of \$2,800,000 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 19021 Industrial Road, Inuvik, Northwest Territories, (the "Industrial Road Properties");
- d) Certificate of insurance evidencing fire and other perils coverage on the Industrial Road Properties, showing the Bank as first mortgagee;
- e) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$10,000,000 signed by Dowland Industrial Works Ltd., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Dowland Industrial Works Ltd.;
- f) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$10,500,000 signed by 6070 N.W.T. Ltd.;
- g) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$24,345,000 signed by Dowland Industrial Works Ltd. (the "New Dowland Works Guarantee"), supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Dowland Industrial Works Ltd.;
- h) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$24,345,000 signed by 6070 N.W.T. Ltd. (the "New 6070 Guarantee");
- i) Collateral mortgage in the amount of \$1,000,000 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 1801 Kakivak Court, Iqaluit, Northwest Territories;
- j) Certificate of insurance evidencing fire and other perils coverage on the property located at 1801 Kakivak Court, Iqaluit, Northwest Territories, showing the Bank as first mortgagee;

(collectively the New Dowland Works Guarantee, the New 6070 Guarantee and the security listed in paragraphs i) and j) inclusive above, are referred to as the "New Security").

In the event the Borrower includes the lending value of liquid collateral in which the Bank has a valid first ranking security interest in the Borrowing Limit Certificate calculation, in addition to the security set forth in paragraphs a) to j) above, security for Borrowings under Facility #1, shall include:

- k) Portfolio monitoring and securities control agreement signed by the Bank, RBC Dominion Securities Inc. ("RBCDS"), and the Borrower covering an investment portfolio of securities held in an account maintained with RBCDS (the "Investment Account"), supported by a

security agreement on the Bank's form 1032 signed by the Borrower constituting a first ranking security interest in the securities held in the Investment Account (the "Portfolio Agreement").

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain on a consolidated basis, to be measured as at the end of each fiscal quarter:
 - i. a ratio of Total Liabilities to Tangible Net Worth of not greater than 2.50:1;
 - ii. Fixed Charge Coverage, calculated on a rolling 4 quarters basis for the fiscal quarter then ended and the immediately preceding 3 fiscal quarters, of not less than 1.25:1.
- b) not, without the prior written consent of the Bank, which consent will not be unreasonably withheld:
 - i. make any Corporate Distributions;
 - ii. create, incur, assume, guarantee or otherwise become directly or indirectly liable for any Funded Debt;
 - iii. make any Investments.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) monthly Borrowing Limit Certificate, substantially in the form of Schedule "G" signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, within 25 days of each month end;
- b) in the event the Borrower includes the lending value of liquid collateral in which the Bank has a valid first ranking security interest in the Borrowing Limit Certificate calculation, a monthly statement from RBCDS in respect of the Investment Account, within 25 days of each month end;
- c) quarterly summary of contracts and projects for the Borrower and Dowland Industrial Works Ltd., within 25 days of each fiscal quarter end;
- d) quarterly company prepared consolidated financial statements and cash flow statement for the Borrower with comparisons to budget, within 25 days of each fiscal quarter end;
- e) quarterly schedule of net equity in accounts receivable and work in progress net of claims for the Borrower and Dowland Industrial Works Ltd., within 25 days of each fiscal quarter end;
- f) quarterly Compliance Certificate, substantially in the form of Schedule "H" signed by an authorized signing officer of the Borrower, within 25 days of each fiscal quarter end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;
- g) annual audited consolidated financial statements for the Borrower, within 120 days of each fiscal year end;

- h) annual notice to reader unit financial statements for each of the Borrower, Dowland Industrial Works Ltd. and 6070 N.W.T. Ltd., within 120 days of each fiscal year end;
- i) annual consolidated forecasted balance sheet and income and cash flow statements for the Borrower, prepared on a monthly basis for the next following fiscal year, within 120 days of each fiscal year end; and
- j) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein with the exception of the New Security, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank; and
- f) no Borrowing under Facility #3 will be made available unless the Bank has received a Borrowing Request from the Borrower substantially in the form of Schedule "E" together with an invoice, bill of sale or cancelled cheque in respect of the equipment being financed with such Borrowing.

CONDITIONS PRECEDENT FACILITY #1, FACILITY #3 AND FACILITY #4

In addition to the conditions set forth in the Conditions Precedent section above, the availability of any Borrowing under Facility #1 where the aggregate Borrowings outstanding, after giving effect to the requested Borrowing, would exceed \$10,000,000, any Borrowing under Facility #3 where the aggregate Borrowings outstanding, after giving effect to the requested Borrowing, would exceed \$2,500,000 and any Borrowings under Facility #4 is conditional upon the receipt of:

- a) the New Security provided for herein, registered, as required, to the satisfaction of the Bank together with such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

CONDITIONS PRECEDENT FACILITY #4

In addition to the conditions set forth in the Conditions Precedent section and the Conditions Precedent Facility #1, Facility #3 and Facility #4 section above, the availability of any Borrowing under Facility #4 is conditional upon the receipt of:

- a) a reliance letter from Stewart, Weir in respect of an appraisal report on 1801 Kakivak Court, Iqaluit, Northwest Territories dated January 2012 confirming that the Bank may rely on such on such appraisal report; and
- b) a Short Environmental Questionnaire completed by the Borrower in respect of the property located at 1801 Kakivak Court, Iqaluit, Northwest Territories, and containing findings satisfactory to the Bank.

GOVERNING LAW JURISDICTION

Province of Alberta.

ACCEPTANCE

This Agreement is open for acceptance until July 26, 2012, after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA

Per: [Signature]
Name: Karie Edmonds
Title: Senior Account Manager

/gv

We acknowledge and accept the terms and conditions of this Agreement
on this 19th day of July, 2012.

DOWLAND CONTRACTING LTD.

Per: [Signature]
Name: Patrick McGuinness
Title: CEO / President
Per: [Signature]
Name: Norman Bennett
Title: VP

I/We have the authority to bind the Borrower

As Guarantor, we acknowledge and confirm our agreement with the terms and conditions of this
Agreement on this 19th day of July, 2012.

6070 N.W.T. LTD.

Per: [Signature]
Name: Patrick McGuinness
Title: CEO / President
Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Guarantor

As Guarantor, we acknowledge and confirm our agreement with the terms and conditions of this
Agreement on this 19th day of July, 2012.

DOWLAND INDUSTRIALWORKS LTD.

Per: [Signature]
Name: Patrick McGuinness
Title: CEO / President
Per: [Signature]
Name: Norman Bennett
Title: VP

I/We have the authority to bind the Guarantor

Attachments:
Terms and Conditions

Schedules:

- **Definitions**
- **Calculation and Payment of Interest and Fees**
- **Notice Requirements**
- **Additional Borrowing Conditions**
- **Revolving Term by way of a series of term loans - Borrowing Request**
- **Revolving Term by way of a series of term loans - Repayment Terms**
- **Borrowing Limit Certificate**
- **Compliance Certificate**
- **Non-Revolving Term Facility – Borrowing Request**
- **RBC Covarity Dashboard Terms and Conditions**
- **Lending Value**

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarity agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all BAs which are unmaturred or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

Where Borrowings are by way of FRT Loans, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage, as selected by the Borrower for each FRT Loan, of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Prepayments greater than the amounts provided for herein may be made only with the prior written consent of the Bank and will be subject to a prepayment fee determined by the Bank, in its sole discretion.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the

principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure and it will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) will maintain adequate bonding as would be customarily held by Persons carrying on a similar business;
- k) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, which consent will not be unreasonably withheld, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- l) will not, without the prior written consent of the Bank, which consent will not be unreasonably withheld, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- m) will not, without the prior written consent of the Bank, which consent will not be unreasonably withheld, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- n) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- o) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any

- such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- p) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

EXPENSES, ETC.

The Borrower agrees to pay the Bank all fees, as stipulated in this Agreement. The Borrower also agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with preparation, negotiation and documentation of this Agreement and any Security and the operation, enforcement or termination of this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank which consent will not be unreasonably withheld. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

LIFE AND DISABILITY INSURANCE

The Borrower acknowledges that the Bank has offered it insurance on the Borrowings under Business Loan Insurance Plan Policy 51000 ("Policy") issued by Sun Life Assurance Company of Canada to the Bank and the Borrower hereby waives this offer or acknowledges it is ineligible for this offer and acknowledges that Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If there are any discrepancies between the insurance information above, and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums, if applicable, are taken with your scheduled loan payments. In the case of blended payments of principal and interest, as premiums fluctuate based on various factors such as, by way of example, the age of the insured and changes to the insured loan balance, a part of the premium payment may be deducted and taken from the scheduled blended loan payment with the result that the amortization period may increase in the case of any such loan to which this coverage applies. Refer to the Business Loan Insurance Plan application (form 3460 Eng or 53460 Fr) for further explanation and disclosure.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) it is duly incorporated, validly existing and duly registered or qualified to carry on business in each jurisdiction in which its business or assets are located;
- b) the execution, delivery and performance by it of this Agreement have been duly authorized by all necessary actions and do not violate its constituting documents or any Applicable Laws or agreements to which it is subject or by which it is bound;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé

que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

The Borrower shall reimburse the Bank for any additional cost or reduction in income arising as a result of (i) the imposition of, or increase in, taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) the imposition of, or increase in, any reserve or other similar requirement, (iii) the imposition of, or change in, any other condition affecting the Credit Facilities imposed by any Applicable Law or the interpretation thereof.

Schedule "A" to the Agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

DEFINITIONS

For the purpose of this Agreement, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction;

"Bankers' Acceptance" or **"BA"** means a bill of exchange, including a depository bill issued in accordance with the Depository Bills and Notes Act (Canada), drawn on the Bank by, and payable to the order of, the Borrower which have been accepted by the Bank;

"Borrowing" means each use of a Credit Facility and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada, and when used in connection with a BA, a **"Business Day"** also excludes any day which shall be a legal holiday or a day on which banking institutions are closed in Toronto, Ontario or in the province where the Borrower's accounts are maintained;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental Law;

"Corporate Distributions" means any payments to any shareholder, director or officer of the Borrower, or to any associate or holder of subordinated debt of the Borrower, or to any shareholder, director or officer of any associate or holder of subordinated debt of the Borrower, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equity" means the total of share capital, (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Fixed Charges" means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt, payments under operating leases and Corporate Distributions;

"Fixed Charge Coverage" means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes and unfunded Capital Expenditures to Fixed Charges;

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

"Good Accounts Receivable" means trade accounts receivable of the Borrower and Dowland Industrial Works Ltd. owing by Persons whose chief operating activities are located in Canada excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

"Good Government Accounts Receivable" means Government Accounts Receivable excluding (i) the entire amount of accounts, any portion of which is outstanding more than 120 days after billing date, provided that the under 120 day portion may be included where the over 120 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

"Good Qualified Accounts Receivable" means Qualified Accounts Receivable, excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank's security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

"Government Accounts Receivable" means trade accounts receivable of the Borrower and Dowland Industrial Works Ltd. owing by Canadian and US federal, state and provincial governments, municipal or other local governments and any department or agency thereof,

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances;

"Investment" means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Maturity Date" means the date on which a facility is due and payable in full;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"Qualified Accounts Receivable" means trade accounts receivable of the Borrower and Dowland Industrial Works Ltd. owing by school boards, universities, hydro, electric and public utilities; *private/public companies, all subject to approval by RBC*

"RBP" and "Royal Bank Prime" each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"Tangible Net Worth" means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance; and

"Total Liabilities" means all liabilities, exclusive of deferred tax liabilities and Postponed Debt.

Schedule "B" to the Agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS

The Borrower shall pay interest on each RBP Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

BANKERS ACCEPTANCES

The Borrower shall pay an acceptance fee in advance on the date of issue of each BA at the applicable rate provided for in this Agreement. Acceptance fees shall be calculated on the face amount of the BA issued and based upon the number of days in the term thereof and a year of 365 days.

FRT LOANS

The Borrower shall pay interest on each loan in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

Schedule "C" to the Agreement dated June 28, 2012 between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

NOTICE REQUIREMENTS**Notice Requirements for BAs:**

Amount	Prior Notice
Up to but not including \$50,000,000	By 10.00 a.m. Eastern Standard Time on the day of Borrowing

Schedule "D" to the Agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

ADDITIONAL BORROWING CONDITIONS

BAs:

Borrowings made by way of BAs will be subject to the following terms and conditions:

- a) BAs shall be issued and mature on a Business Day and shall be issued in minimum face amounts of \$500,000 or such larger amounts which are in whole multiples of \$1,000 for terms of not less than 30 and not more than 365 days unless otherwise agreed to in writing between the Borrower and the Bank;
- b) the Bank may, in its sole discretion, refuse to accept the Borrower's drafts or limit the amount of any BA issue at any time;
- c) notwithstanding any other provision of this Agreement, the Borrower shall indemnify the Bank against any loss, cost or expense incurred by the Bank if any BA is repaid, prepaid, converted or cancelled other than on the maturity date of such BA;
- d) any BA issued under a term facility must have a maturity on or before the Maturity Date of the term facility, unless otherwise agreed by the Bank; and
- e) prior to the issue of any BA the Borrower shall execute the Bank's standard form of undertaking and agreement in respect of BAs. If there is any inconsistency at any time between the terms of this Agreement and the terms of the Bank's standard form of undertaking and agreement, the terms of this Agreement shall govern.

FRT Loans:

Borrowings made by way of FRT Loans will be subject to the following terms and conditions:

- a) each FRT Loan shall have a minimum term of one year;
- b) the Borrower shall select an amount eligible for prepayment of 10% or 0% for each new FRT Loan prior to the advance of such FRT Loan;
- c) each FRT Loan shall be in an amount not less than \$10,000; and
- d) each FRT Loan shall have a term as outlined in the applicable repayment section of each corresponding credit facility, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the Maturity Date of the term facility.

Schedule "E" to the Agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

REVOLVING FACILITY AVAILABLE BY WAY OF A SERIES OF TERM LOANS**BORROWING REQUEST**

The Borrower hereby requests the following be established under Facility #3

Date of Borrowing	
Purpose of Borrowing	
Amount of Borrowing:	\$
Selected Amortization (in months):	
Payment Amount:	\$
Borrowing Option:	
Payment Frequency:	monthly
Interest Rate:	
Payment Type:	Principal Plus Interest
First Payment Due Date:	
Maturity Date (date Borrowing repayable in full):	
Amount Eligible for Prepayment of FRT Loan:	

Dated this _____ day of _____, 20____.

DOWLAND CONTRACTING LTD.

Per: _____
Name: Patrick McGuinness
Title: CEO & President

Per: _____
Name: Morgan Elliot
Title: CFO

I/We have the authority to bind the Borrower

Schedule "F" to the Agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

REVOLVING FACILITY AVAILABLE BY WAY OF A SERIES OF TERM LOANS

REPAYMENT TERMS

Details of Borrowing(s) outstanding under Facility #3 and applicable repayment terms:

Date of original Borrowing	Borrowing option	Original outstanding amount of Borrowing	Current outstanding amount of Borrowing	Payment amount	Payment type (blended or principal plus interest)	Regular payment date	Interest rate (per annum)	Amount eligible for prepayment of FRT Loans	Final Maturity Date
August 15, 2007	RBP Loans	\$1,000,000	\$33,233.24	\$16,621.30	Principal plus interest	15 th of each month	RBP + 1.25%	NA	August 15, 2012
August 15, 2007	RBP Loans	\$1,000,000	\$518,674.98	\$8,333.48 16,250.00	Principal plus interest	15 th of each month	RBP + 1.25% 1.15%	NA	June 15, 2013
January 17, 2012	RBP Loans	\$755,640	\$692,870	\$12,594	Principal plus interest	17 th of each month	RBP + 1.15%	NA	February 11, 2013
March 14, 2012	RBP Loans	\$693,904	\$859,209	\$11,565	Principal plus interest	14 th of each month	RBP + 1.15%	NA	March 14, 2013
May 3, 2012	RBP Loans	\$500,000	\$491,667	\$8,333	Principal plus interest	3 rd of each month	RBP + 1.15%	NA	May 3, 2014

Schedule "G" to the Agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

BORROWING LIMIT CERTIFICATE

I, _____, representing the Borrower hereby certify as of the month ending _____:

1. I am familiar with and have examined the provisions of the Agreement dated June 26, 2012 and any amendments thereto, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ _____, calculated as follows:

Total accounts receivable of the Borrower and Dowland Industrial Works Ltd. owing by Persons located in Canada		\$ _____
Less:	a) Accounts, any portion of which exceeds 90 days	\$ _____
	b) Lienable payables and amounts owing to sub contractors	\$ _____
	c) Accounts due from affiliates	\$ _____
	d) "Under 90 days" accounts where collection is suspect	\$ _____
	e) Accounts subject to prior encumbrances	\$ _____
	f) Holdbacks, contra-accounts or rights of set-off	\$ _____
	g) Accounts included elsewhere in the Borrowing Limit calculation	\$ _____
	h) Other ineligible accounts	\$ _____
Plus:	i) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good	\$ _____
Good Accounts Receivable		A \$ _____
Marginable Good Accounts Receivable at 75% of A		B \$ _____
Total Government Accounts Receivable of the Borrower and Dowland Industrial Works Ltd.		\$ _____
Less:	a) Accounts, any portion of which exceeds 120 days	\$ _____
	b) Lienable payables and amounts owing to sub contractors	\$ _____
	c) Accounts due from affiliates	\$ _____
	d) "Under 120 days" accounts where collection is suspect	\$ _____
	e) Accounts subject to prior encumbrances	\$ _____
	f) Holdbacks, contra-accounts or rights of set-off	\$ _____
	g) Accounts included elsewhere in the Borrowing Limit calculation	\$ _____
	h) Other ineligible accounts	\$ _____
Plus:	i) Under 120 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good	\$ _____
Good Government Accounts Receivable		C \$ _____
Marginable Good Government Accounts Receivable at 100% of C		D \$ _____

Total Qualified Accounts Receivable of the Borrower and
Dowland Industrial Works Ltd.

\$ _____

Less: a) Accounts, any portion of which exceeds 90 days \$ _____
b) Liable payables and amounts owing to sub contractors \$ _____
c) Accounts due from affiliates \$ _____
d) "Under 90 days" accounts where collection is suspect \$ _____
e) Accounts subject to prior encumbrances \$ _____
f) Holdbacks, contra-accounts or rights of set-off \$ _____
g) Accounts included elsewhere in the Borrowing Limit calculation \$ _____
h) Other ineligible accounts \$ _____
Plus: i) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good \$ _____

Good Qualified Accounts Receivable

E \$ _____

Marginable Good Qualified Accounts Receivable at 85% of E

F \$ _____

Upon receipt of the Portfolio Agreement, the lending value of liquid collateral in which the Bank has a valid first ranking security interest, determined in accordance with Schedule "K"

G \$ _____

Less: Potential Prior-Ranking Claims of the Borrower and Dowland Industrial Works Ltd. while not limited to these include:

Sales tax, Excise & GST \$ _____

Employee source deductions such as E.I., CPP, Income Tax \$ _____

Workers Compensation Board \$ _____

Wages, Commissions, Vacation Pay \$ _____

Unpaid Pension Plan Contributions \$ _____

Overdue Rent, Property & Business Tax \$ _____

Other \$ _____

Total Potential Prior-Ranking Claims

H \$ _____

Borrowing Limit (B+D+F+G-H)

\$ _____

Less: Facility #1 Borrowings

\$ _____

Margin Surplus (Deficit)

\$ _____

3. Annexed hereto are the following reports in respect of the Borrower and Dowland Industrial Works Ltd.:

- aged list of accounts receivable and holdback receivables,
- aged list of accounts payable and holdbacks payable summary,
- listing of liable payables and amounts owing to sub contractors; and
- listing of Potential Prior-Ranking Claims.

4. The reports and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this _____ day of _____, 20____.

Per: _____

Name: _____

Title: _____

Schedule "H" to the Agreement dated June 26, 2012 between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

COMPLIANCE CERTIFICATE

I, _____, representing the Borrower hereby certify as of the fiscal quarter ending _____:

1. I am familiar with and have examined the provisions of the Agreement dated June 26, 2012 and any amendments thereto, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor if applicable. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute an Event of Default and there is no reason to believe that during the next fiscal quarter of the Borrower, any such event or circumstance will occur.
4. The ratio of Total Liabilities to Tangible Net Worth is ____:1, being not greater than the required ratio of 2.50:1.
5. Fixed Charge Coverage is ____:1, being not less than the required ratio of 1.25:1.
6. The detailed calculations of the foregoing ratios and covenants is set forth in the annexed hereto and are true and correct in all respects.

Dated this ____ day of _____, 20____.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

Schedule "I" to the Agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

NON-REVOLVING TERM FACILITY

BORROWING REQUEST

The Borrower hereby requests the following be established under Facility #4:

Date of Borrowing			
Amount of Borrowing:	\$		
Amortization (in months):			
Selected Term (in months): (Borrowing repayable in full on the last day of the Term)			
Payment Amount:	\$		
Payment Frequency:	monthly		
Selected Interest Rate (per annum):	% <input type="checkbox"/>	RBP + 1 %	<input type="checkbox"/>
Selected Payment Type:	Blended (Principal and Interest) <input type="checkbox"/>		
First Payment Due Date:			
Amount Eligible for Prepayment of FRT Loan:	0% <input type="checkbox"/>	10%	<input type="checkbox"/>

Dated this _____ day of _____, 20____.

DOWLAND CONTRACTING LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Borrower

Schedule "J" to the Agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

RBC COVARIETY DASHBOARD TERMS AND CONDITIONS

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("RBC Covarity Dashboard") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "Service"), then the following terms and conditions (the "RBC Covarity Dashboard Terms and Conditions") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse. Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted

using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.

Schedule "K" to the agreement dated June 26, 2012, between Dowland Contracting Ltd., as Borrower, and Royal Bank of Canada, as the Bank.

LENDING VALUE

a.	Canada Savings Bonds & Savings Bonds issued by Provincial Governments or Provincial Crown Corporations, redeemable at par.	100% of par value		
		Bond Remaining Term to Maturity (years)	Lending Value Coupon or Whole Bonds (%)	Lending Value Zero-rate or Zero-coupon or Stripped (%)
b.	Government of Canada, or Government of Canada guaranteed bonds excluding Savings Bonds. Lending value is a percentage of market value, not face value.	Less than 5	95	90
		5 - 10	90	85
		10+	85	65
c.	Government of Canada and Provincial Treasury Bills. Lending value is a percentage of market value, not face value.	Treasury Bill Govt. of Canada or Provincial	Lending Value (%) 98	
d.	Provincial Government, or Provincial Government guaranteed bonds and Treasury Bills except as indicated above. Lending value is a percentage of market value, not face value.	Bond Remaining Term to Maturity (years)	Lending Value Coupon or Whole Bonds (%)	Lending Value Zero-rate or Zero-coupons or Stripped (%)
		Less than 5	90	85
		5 - 10	85	80
		10+	80	60
e.	Bankers Acceptance stamped by Royal Bank of Canada:			
	30 - 90 days	180 days	1 year	
	95%	90%	85%	

Schedule K

f.	<p>Readily marketable from Canada or U.S.A. resident issuers corporate and municipal bonds or debentures. This includes debentures of all Canadian Chartered Banks.</p> <p>Rated A, AA, AAA by Standard & Poors.</p> <p>Refer Note 1.</p> <p>Lending Value is a percentage of market value, not face value.</p> <p>Remaining term to maturity must be 15 years or less.</p> <p>Note 1. If not rated by Standard & Poors (A, AA, AAA), an acceptable alternative would be equivalent ratings by Moody's (A, Aa, Aaa); Dominion Bond Rating Service (A, AA, AAA); or Canadian Bond Rating Service (A, A+, A++). Only these four rating agencies will qualify.</p>	Bond Remaining Term to Maturity (years)	Lending Value Bonds Rated A*	Lending Value Bonds Rated AA**	Lending Value Bonds Rated AAA***
			(%)	(%)	(%)
		Less than 5	75	85	90
		5 - 10	70	80	85
		10 - 15	65	75	80
g.	<p>Readily marketable (normally TSE 300/NYSE -S&P 500) common or preferred stocks including Canadian and American mutual fund shares, trading at \$5 or more per share, excluding speculative stocks, over-the-counter securities and other shares of a high risk nature.</p> <p>*Stocks of all Canadian Chartered Banks are eligible.</p> <p>Applicable Maximum 50% of market value</p>				
h.	<p>Cash collateral, including Royal Bank, Royal Trust or Royal Bank Mortgage Corp. deposit instruments redeemable before maturity, and account covered by a cash collateral agreement on the Bank's form 610.</p> <p>Applicable Maximum 100% of assigned amount with restraint/collateral hold applied to deposit funds.</p>				
i.	<p>Net cash surrender value (C.S.V.) of fully paid up whole life insurance policies.</p> <p>Applicable Maximum 100% of confirmed net C.S.V.</p>				

Schedule K

j	Gold/Silver bullion and certificates issued by this Bank and other major chartered banks. Applicable Maximum Gold: 75% of the market value. Silver: 50% of the market value.				
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Note*** Where the market value of the securities of one issuer exceeds \$1,000,000, the lending value of such securities may not exceed 20% of the aggregate lending value.



**RBC
Royal Bank**

①
Royal Bank of Canada

Commercial Financial Services

36 York Mills Road - Suite 400 - 4th Floor

Toronto, Ontario, Canada M2P 0A4

10 January 2013

Private and Confidential

DOWLAND CONTRACTING LTD.

7028 56 AVE NW

EDMONTON, AB

T6B 1E4

Dear Patrick McGuinness

RE: Term Loan Credit Renewal 28016731-007

We refer to the agreement dated 26 June 2012 and any amendments thereto, between DOWLAND CONTRACTING LTD., as the Borrower, and Royal Bank of Canada, as the Bank, (the "Agreement") and in particular to the Credit Facilities section of the Agreement.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Term Loan for \$617,106.00 will be maturing on 11 February 2013 (referred to as the "Current Maturity Date"). Upon maturity, the Bank would be pleased to renew your term loan for a 12 month term. The Agreement will be amended as follows:

- **Open to Prepayment and/or convertible to any other term/interest, at any time, without penalty.**
- **Consecutive monthly principal payments of \$12,594.00, plus interest. First payment is due 17 March 2013. Interest is due and payable monthly.**
- **Interest rate: [RBP+ 1.00 % per annum].**
- **All outstanding principal and interest is payable in full on 17 February 2014 (the new "Maturity Date").**
- **These amendments to the Agreement will take effect on the Current Maturity Date.**
- **All other terms and conditions of the Agreement will remain unchanged.**

If you're satisfied with these terms, then no action is needed on your part. If the loan has an outstanding balance on 11 February 2013, it will confirm your acceptance of the renewal terms set out above.

Should you wish to discuss other terms, such as fixing the interest rate, a longer term, pricing options, or if you have any questions, please call your account manager Monty Ross at 780-448-6661 at least 10 days prior to the Current Maturity Date.

Royal Bank of Canada.


RBC Term Loan Renewal Group

975873795





Royal Bank of Canada
Commercial Financial Services
10117 Jasper Avenue – 3rd Floor
Edmonton, Alberta T5J 1W8
Tel.: (780) 448-6251
Fax: (780) 448-6393

July 30, 2012

Private and Confidential

DOWLAND CONTRACTING LTD.
9820 44 Avenue NW
Edmonton, Alberta
T6E 5E5

We refer to the agreement dated June 28, 2012 and any amendments thereto, between Dowland Contracting Ltd., as the Borrower, and Royal Bank of Canada, as the Bank, (the "Agreement").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Event of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. The Credit Facilities section is amended as follows:

i) Facility # 1 is amended by the addition of the following Borrowing options:

c) Letters of Credit ("LCs")

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts.

d) Letters of Guarantee "LGs")

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. Minimum fee of \$100.

2. Under the Terms and Conditions, the first paragraph of the Repayment section is amended and restated as follows:

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility

* Registered Trademark of Royal Bank of Canada

upon demand including, without limitation, an amount equal to the face amount of all BAs, LCs and LGs which are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

3. Schedule "A" - Definitions is amended by the addition of the following definitions which are inserted in alphabetical order:

"Letter of Credit" or "LC" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

"Letter of Guarantee" or "LG" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

4. Schedule "B" - Calculation and Payment of Interest and Fees is amended by the addition of the following:

LETTER OF CREDIT FEES

The Borrower shall pay a LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days.

LETTER OF GUARANTEE FEES

The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable.

5. Schedule "D" - Additional Borrowing Conditions is amended by the addition of the following:

LCs or LGs:

Borrowings made by way of LCs or LGs will be subject to the following terms and conditions:

- a) each LC and LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC or LG, the Borrower shall execute a duly authorized application with respect to such LC or LG and each LC and LG shall be governed by the terms and conditions of the relevant application for such contract;
- c) an LC or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC or LG has been obtained;

- d) any LC or LG issued under a term facility must have an expiry date on or before the Maturity Date of the term facility, unless otherwise agreed by the Bank; and
 - e) if there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC or LG, the terms of the application for LC or LG shall govern.
6. The Other Facilities section paragraph a) is amended by deleting "\$500,000" and by substituting "\$600,000".
7. Under the Security section, paragraph b) is deleted in its entirety.
8. The Reporting Requirements section is amended as follows:
- (i) paragraphs a) and b) are each amended by deleting "25 days" and by substituting "30 days".
 - (ii) paragraphs c), d), e), and f) are each amended by deleting "25 days" and by substituting "45 days".
 - (iii) paragraph i) is amended by deleting "120 days" and by substituting "30 days".

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of a duly executed copy of this amending agreement.

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until August 29, 2012, after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA

Per: 

Name: Karie Edmonds
Title: Senior Account Manager

/pf

Agreed to and accepted this 26 day of September 2012.

DOWLAND CONTRACTING LTD.

Per: [Signature]
Name: Patrick McGuinness
Title: CEO & President

Per: [Signature]
Name: Morgan Elliot
Title: CFO

I/We have the authority to bind the Borrower

We acknowledge and confirm our agreement with the foregoing terms and conditions, as Guarantor, as of September 26, 2012.

6070 N.W.T. LTD.

Per: [Signature]
Name: Patrick McGuinness
Title: CEO & President

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Guarantor

We acknowledge and confirm our agreement with the foregoing terms and conditions, as Guarantor, as of September 26, 2012.

DOWLAND INDUSTRIAL WORKS LTD.

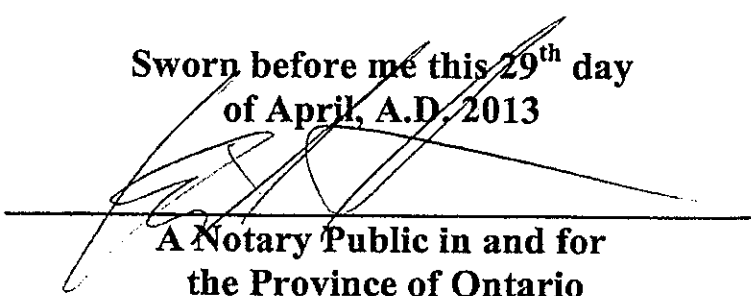
Per: [Signature]
Name: Patrick McGuinness
Title: CEO & President

Per: [Signature]
Name: Morgan Elliot
Title: CFO

I/We have the authority to bind the Guarantor

**This is Exhibit "J" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler





In consideration of the mutual promises stated in this Agreement, we agree with you as follows:

What the Words Mean: In this Agreement and the Disclosure Statement, please remember that,

"we", "our" and "us" mean the person or entity which has signed this Agreement; and

"you" and "your" mean Royal Bank of Canada.

Please also remember that in this Agreement and the Disclosure Statement,

"Account" means the Royal Bank VISA Business card account you have opened in a Cardholder's name to which Debt is charged;

"Account Statement" means your written statement of the Account that you prepare for a Cardholder about every three (3) or four (4) weeks [the period covered by each Account Statement will vary between 27 days and 34 days];

"Aggregate Credit Limit" means the maximum aggregate amount of Debt that can remain outstanding and unpaid at any time in the Accounts of all Cardholders under this Agreement;

"Agreement" means this VISA Business Card Agreement and all annexes attached to this VISA Business Card Agreement;

"Authorized Person" means any individual we have designated in writing as being authorized to ask you to open an Account and issue a Card to a Cardholder under this Agreement and to perform administrative duties for us under this Agreement;

"Card" means any VISA Business or CHARGE[®] credit card you issue to a Cardholder on an Account in their name at our request, and all renewals of and replacements for that credit card;

"Cardholder" means an individual for whom you have opened an Account and to whom you have issued a Card on that Account at the request of an Authorized Person under this Agreement;

"Cash Advance" means an advance of cash that is charged to a Cardholder's Account with or in connection with their Card (or any other eligible Account access card you have issued to the Cardholder);

"Credit Limit" means the maximum amount of Debt that can remain outstanding and unpaid at any time in a Cardholder's Account under this Agreement;

"Debt" means all amounts charged to a Cardholder's Account with or in connection with their Card, including Purchases, Cash Advances, interest, service fees and other charges;

"Disclosure Statement" means your written statement of the Interest Rates, service fees and other charges for each Account and each Card set out in a document accompanying each Card when you issue it to a Cardholder and in any other document or statement you may send to Cardholders from time to time;

"Due Date" means the date indicated as such on an Account Statement;

"Interest-Bearing Balance" means the unpaid balance of the Debt outstanding in a Cardholder's Account that is made up of any combination of Interest-Bearing Purchases and Cash Advances;

"Interest-Bearing Purchase" means a Purchase appearing on an Account Statement for the first time whether either or both of the following occurs: (i) the Debt shown on that Account Statement is not paid in full by that Account Statement's Due Date or (ii) the Debt shown on the preceding Account Statement was not paid in full by that preceding Account Statement's Due Date;

"Interest Rate (Cash Advances and Cheques)" means the annual percentage rate of interest referred to in the Disclosure Statement and set out on each Account Statement that applies to each Cash Advance;

"Interest Rate (Interest-Bearing Purchases)" means the annual percentage rate of interest referred to in the Disclosure Statement and set out on each Account Statement that applies to each Interest-Bearing Purchase;

"Interest Rates" mean, collectively, the Interest Rate (Cash

Advances and Cheques) and the Interest Rate (Interest-Bearing Purchases);

"Liability Waiver Program" means the Royal Bank VISA Liability Waiver program in force from time to time, a current copy of which is annexed to this Agreement;

"Minimum Payment" means the amount indicated as such on an Account Statement;

"New Balance" means the amount indicated as such on an Account Statement;

"Personal Identification Number" means the personal identification number that a Cardholder has selected in your prescribed manner;

"Purchase" means a purchase of goods or services (or both) that is charged to a Cardholder's Account with or in connection with their Card; and

"Statement Date" means the date indicated as such on an Account Statement.

2. **General Terms of Agreement:** This Agreement and the Disclosure Statement apply to each Account and Card. This Agreement replaces all prior VISA Business card agreements between you and us for each Account and Card.

We must promptly give you up-to-date credit and financially-related information about us when you ask for it.

The section headings in this Agreement appear only for ease of reference purposes. They do not form part of this Agreement.

3. **Account Opening/Card Issuance and Renewal:** You will open an Account for, and will issue a Card on that Account to, a Cardholder at the request of an Authorized Person made on a fully completed request form that you have prescribed for this purpose.

You will also issue renewal and replacement Cards (excluding an emergency replacement Card) to each Cardholder before the expiration date indicated on the Card last issued to them. You will continue to issue renewal and replacement Cards to a Cardholder in this way until we or the Cardholder tells you to stop. An emergency replacement Card will be issued by you to a Cardholder when required according to your customary operating procedures.

4. **Account and Card Use:** A Cardholder may use their Account and Card to obtain advances of money from you through Purchase transactions, Cash Advance transactions and other transactions you permit from time to time. The use of each Account and Card is governed by this Agreement. An Account and Card may only be used by the Cardholder in whose name it has been opened or issued. A Cardholder must not use their Card after the expiration date shown on it or after the termination of this Agreement.

5. **Account and Card Ownership:** You are the owner of each Account and Card. Neither a Cardholder or we have the right to assign or transfer this Agreement, any Card or any Account to anyone else.

6. **Lost or Stolen Card:** We or a Cardholder must tell you at once if the Cardholder's Card is lost or stolen or if we or the Cardholder suspects it is lost or stolen. We or the Cardholder may do this in the way you have set out on each Account Statement.

If a Cardholder's Card is lost or stolen, we will be liable to you for:

- (a) all Debt on the Cardholder's Account, up to a maximum of \$1,000.00, resulting from the loss or theft of their Card that is incurred before the time we or the Cardholder tells you about that loss or theft through any one or more transactions on the Cardholder's Account in which only their Card or the Cardholder's Account number has been used to complete those transactions; and
- (b) all Debt resulting from the loss or theft of their Card that is incurred before the time we or the Cardholder tells you about that loss or theft through any one or more transactions on the Cardholder's Account in which their Card and Personal Identification Number have been used together to complete those transactions.

We will not be liable to you for any Debt resulting from the loss or theft of the Cardholder's Card that is incurred after the time we or the Cardholder tells you about that loss or theft.

Card Cancellation/Revocation or Suspension of Use: We may cancel a Cardholder's Account and Card for any reason (including, without limitation, the death of the Cardholder) by providing you with written notice of cancellation of that Account and Card. Subject to Section 6., we will be liable to you for all Debt, howsoever and by whomsoever incurred, resulting from the use of the Cardholder's Account or Card from the time we provide written notice of cancellation to you of the Cardholder's Card until the time we have notified you that the Card has been destroyed.

If the Debt outstanding in a Cardholder's Account exceeds the Credit Limit at any time, you may suspend the Cardholder's right to use their Account and Card and all services you provide to the Cardholder under this Agreement until such time as that excess is paid to you in full.

You may revoke or suspend a Cardholder's right to use their Account and Card at any time without notice. The Cardholder must also surrender their Card to us or to you at our (or your) request.

8. **Limits:** You will set an Aggregate Credit Limit for all Accounts and you may change it from time to time by providing written notice of the change to us. You will tell us what the initial Aggregate Credit Limit is in writing at or before the time an Account is opened for a Cardholder under this Agreement. We will not permit the Debt we owe to you at any time to exceed the Aggregate Credit Limit. However, you may (but are not required to, even if you have done so before) permit that Debt to exceed the Aggregate Credit Limit you set from time to time.

You will set a Credit Limit for each Cardholder's Account and you may change the Credit Limit for a Cardholder's Account periodically. You will tell each Cardholder what their current Credit Limit is on the document accompanying their Card when you issue it to them and on each Account Statement. We will ensure that each Cardholder observes their Credit Limit. We will not permit the Debt we owe to you in respect to an Account at any time to exceed the Credit Limit for that Account. However, you may (but are not required to, even if you have done so before) permit that Debt to exceed that Credit Limit you set from time to time.

9. **Liability for Debt:** Subject to Sections 6. and 7., and except as may otherwise be provided under the Liability Waiver Program, we will be liable to you for all Debt charged to each Account, no matter how it is incurred or who has incurred it and even though you may send Account Statements to Cardholders and not to us. However, you will provide Account Statement or other information about that Debt to us at our request.

You may apply any money we have on deposit with you or any of your affiliates against any Debt we have not paid to you as required under this Agreement without notice to us.

10. Payment of Debt:

- (a) Subject to sub-Sections 10.(b), 10.(c) and Section 18., we may pay the Debt we owe to you in respect to each Cardholder's Account in full or in part at any time.
- (b) Subject to sub-Section 10.(c) and Section 18., we must make one of the following payments of the Debt shown on each Account Statement by the Due Date shown there in order to keep the Account up-to-date:
- (i) a payment in full of the New Balance shown on the current Account Statement if that New Balance is less than \$10.00; or
 - (ii) a payment of not less than the Minimum Payment shown on the current Account Statement if the New Balance shown on that Account Statement is \$10.00 or more.
- (c) We must also pay the amount of any Debt that exceeds the Credit Limit for a Cardholder's Account at once to keep that Account up-to-date. We must pay this excess even though you may not yet have sent an

Account Statement to the Cardholder on which that excess appears.

- (d) We must keep each Cardholder's Account up-to-date at all times even when you are delayed in or prevented from sending, for any reason, any one or more Account Statements to Cardholders. We must contact your Card Centre identified on Account Statements at least once a month during such a delay or interruption to obtain any payment information we do not have and need to know in order for us to comply with our obligations under this Section.
- (e) If any payment made by us in respect of a Cardholder's Account is not honoured, or if you must return it to us because it cannot be processed, the applicable service fee will be charged under Section 13. and Card privileges may be revoked or suspended by you under Section 7.

11. Interest Charges:

- (a) **Interest-Free Purchases:** We will not pay interest on the amount of any Purchase appearing on an Account Statement for the first time provided that all Debt shown on that Account Statement is paid in full by that Account Statement's Due Date and all Debt shown on the preceding Account Statement was also paid in full by that preceding Account Statement's Due Date.
- (b) **Interest-Bearing Balance:** We will pay interest on the Interest-Bearing Balance at the Interest Rates in effect in the manner described below and in sub-Section 11.(c):

You will charge us interest:

- (i) on the amount of each Interest-Bearing Purchase from (and including) the transaction date recorded for them on the Account Statement where they appeared for the first time to the day you receive payment in full of the Interest-Bearing Balance; and
- (ii) on the amount of each Cash Advance from (and including) the day they are obtained to the day you receive payment in full of the Interest-Bearing Balance.

- (c) **Interest Calculation:** The interest you charge on the Interest-Bearing Balance accrues daily.

You will calculate the interest on the Interest-Bearing Balance made up of Cash Advances by multiplying this Interest-Bearing Balance outstanding on any day by the Interest Rate (Cash Advances and Cheques) in effect and dividing the result by the number of days in the year.

You will calculate the interest on the Interest-Bearing Balance made up of Interest-Bearing Purchases by multiplying this Interest-Bearing Balance outstanding on any day by the Interest Rate (Interest-Bearing Purchases) in effect and dividing the result by the number of days in the year.

You will post the interest we owe on the Interest-Bearing Balance for the period covered by an Account Statement to the Account at the end of that period. Since the interest you charge on the Interest-Bearing Balance accrues daily up to the time you receive a payment of the Debt, the final interest charge on the Interest-Bearing Balance for that period can only be calculated and included on the Account Statement that shows the payment.

You will not charge interest on billed interest or service fees and other charges, except foreign currency fees.

12. **Application of Payments:** You will apply each payment of the Debt in respect to a Cardholder's Account in the following order: interest charges; service fees and other charges; billed Cash Advances; Interest-Bearing Purchases, unbilled Cash Advances; unbilled Purchases. Unless you otherwise agree, any payment must be made in money which is legal tender at the time of payment. As well, the mere lapse of the time fixed for performing an obligation under this Agreement will have the effect of putting us in default of it.

13. **Service Fees and other Charges:** We must pay all service fees and other charges that apply to a Cardholder's

Account and this Agreement, as set out in the Disclosure Statement and in any document or other written statement you may send to Cardholders or us from time to time. You will charge them to the Cardholder's Account at the time they are incurred.

Automated Banking Machines: A Cardholder may use their Card together with their Personal Identification Number to make transactions on their Account at those banking machines and terminals you operate and at any other banking machines or terminals you designate from time to time, subject to the Cardholder's agreement with you governing the use of their Personal Identification Number.

15. Debt Incurred Without a Card: If a Cardholder incurs Debt without having presented their Card to a merchant (such as for mail order or telephone Purchase), the legal effect will be the same as if the Cardholder had used their Card and signed a Purchase or Cash Advance draft.

16. Changes to Disclosure Statement: You may change the Interest Rates, service fees and other charges for each Cardholder's Account and this Agreement set out or referred to in the Disclosure Statement periodically. We will be given at least thirty (30) days prior written notice of each change, directed to our address last appearing on your records. If any Card is used or any Debt remains unpaid after the effective date of a change, it will mean that we have agreed to the change.

17. Changes to Agreement: You may change this Agreement periodically. We will be given at least thirty (30) days prior written notice of each change, directed to our address last appearing on your records. If any Card is used or any Debt remains unpaid after the effective date of a change, it will mean that we have agreed to the change.

18. Termination:

(a) You or we may terminate this Agreement at any time by giving written notice of termination to the party(ies) to be bound by that written notice. You must direct your written notice to our address last appearing on your records. Our written notice must be directed to your address appearing on the last Account Statement you have sent to Cardholders.

(b) The occurrence of any one of the following events has the effect of putting us in default and you may terminate this Agreement at once without giving us any notice, if:

- (i) we become insolvent or bankrupt,
- (ii) someone files a petition in bankruptcy against us,
- (iii) we make an unauthorized assignment for the benefit of our creditors,
- (iv) we institute, or someone else institutes, any proceedings for the dissolution, liquidation or winding up of our affairs,
- (v) we institute, or someone else institutes, any other type of insolvency proceeding involving our assets under the Bankruptcy and Insolvency Act or otherwise,
- (vi) we cease or give notice of our intention to cease to carry on business or make or agree to make a bulk sale of our assets without complying with applicable laws or we commit an act of bankruptcy,
- (vii) we fail to pay any Debt or to perform any other obligation to you as required under this Agreement,
- (viii) we make any statement or representation to you that is untrue in any material respect when made, or
- (ix) there is, in your opinion, a material adverse change in our financial condition.

(c) Upon termination of this Agreement, we must pay all Debt for each Account to you at once and ensure that each Cardholder destroys their Card. If we fail to comply with our obligations to you under this Agreement, we will be liable to you for:

- (i) all court costs and reasonable legal fees and expenses (on a solicitor-client basis) you incur through any legal process to recover any Debt, and

- (ii) all costs and expenses you incur in reclaiming any Card.

19. Problems with a Purchase: Subject to Section 20.,

- (a) you will not be responsible for any problem a Cardholder has with any Purchase, and
- (b) if the Cardholder has a problem or dispute with a merchant regarding a Purchase, we must still pay all Debt as required by this Agreement and settle the problem or dispute directly with the merchant.

You will not be responsible if a Card is not honoured by a merchant at any time and, subject to Section 20., for any other problem or dispute a Cardholder may have with a merchant. As well, you reserve the right to deny authorization of any Purchase at any time.

20. Account Statements, Verification and Disputes: You will send Account Statements to each Cardholder, directed to the Cardholder's address last provided to you by the Authorized Person. We will ensure that each Cardholder promptly examines all of their Account Statements and each entry and balance recorded in them.

We will notify you in writing of any errors, omissions, or objections to an Account Statement, or an entry or balance recorded in it, within sixty (60) days from the Statement Date recorded on that Account Statement.

If we do not notify you as required, you are entitled to treat the above Account Statements, entries and balances as complete, correct and binding on us and you will be released from all claims by us in respect of those Account Statements, entries and balances.

You may use a microfilm, electronic or other reproduction of any Purchase or Cash Advance draft or other document evidencing Debt to establish our liability for that Debt. Upon request, you will provide a microfilm, electronic or other reproduction within a reasonable time frame of any Purchase or Cash Advance draft or other document evidencing the Debt. If the item is a legitimate charge to the Cardholder's Account and the dispute is between the Cardholder or us and the merchant, we must still pay the Debt owing to you and settle the problem or dispute directly with the merchant. If the item is not a legitimate charge, you will return the item to the merchant and credit the Cardholder's Account.

21. Authorized Person: Upon signing this Agreement, we will designate one or more individuals as an Authorized Person to assist us in the administration of this Agreement. The Authorized Person will be responsible for performing, on our behalf, such administrative duties as you may request and we have agreed to from time to time.

22. Exchange of Information Between You and Us: Information about a Cardholder's use of their Account and Card, and pertinent information about any reimbursement of Debt received by the Cardholder from us, Cardholder employment status and location, and any other related Cardholder tracking information may be exchanged between you and us.

23. Collection and Use of Information: From time to time,

- (a) You may collect credit and other financially-related information (including information related to our transactions) about us ("Information") from us, from service arrangements we have made with or through you, from credit bureaux and other financial institutions, and from references we have provided to you;
- (b) You may use Information as follows:
 - (i) give it to credit bureaux, to other financial institutions, to persons with whom we have or may have financial or other business dealings and, with our consent, to other parties,
 - (ii) to determine our financial situation,
 - (iii) to provide us with the services we request from you, and
 - (iv) give it to anyone who works with or for you, but only as needed for providing the services we request from you.

You may use our social insurance number, if applicable, for

income tax reporting purposes if we have given that number to you; and

(c) You may also use Information for the following purposes:

- (i) to promote your services to us and add it to client lists you prepare and use for this purpose, and
- (ii) share it with other members of RBC Financial Group (where the law does not prohibit) so that they may promote their services to us.

You may use our social insurance number, if applicable, as an aid to identify us with credit bureaux and other financial institutions for credit history file matching purposes.

We may tell you to stop using Information in the ways described in sub-Section 23.(c) at any time by contacting our RBC Financial Group branch or by calling you toll-free at 1-800-Royal 9-9.

You acknowledge that the use of Information in the ways described in sub-Section 23.(c) is at our option and that we will not be refused credit or other services just because we have told you to stop using it in those ways.

For the purposes of sub-Section 23.(c)(ii), other members of RBC Financial Group include your affiliates which are engaged in the business of providing any one or more of the following services to the public in Canada: deposits, loans and other personal financial services; credit, charge and payment card services; trust and custodial services; securities and brokerage services; insurance services.

If we are no longer your client or this Agreement terminates, you may keep Information in your records so long as it is needed for the purposes described in

sub-Section 23.(b) above. We consent to, and accept this as prior written notice of, your obtaining a credit report or other information about us from time to time.

(You publish a brochure about client privacy - "Straight Talk About Client Privacy" - which outlines some matters relating to information (e.g., where it is stored, how to verify or have it corrected, etc.). We may obtain a copy of this brochure at any of your branches in Canada or by calling you at the toll-free number shown above.)

- 24. **Liability Waiver Program:** The Liability Waiver Program applies to this Agreement and is made available at no cost to us. We may request you to waive, in accordance with the Liability Waiver Program, our liability under Section 9. for certain unauthorized charges posted to a Cardholder's Account. We agree to abide by the provisions of the Liability Waiver Program as in effect from time to time.
- 25. **Counterparts:** This Agreement may be executed in any number of counterparts, each of which when executed and delivered will be deemed to be an original, and those counterparts together will constitute one and the same agreement.
- 26. **Complete Agreement, etc.:** This Agreement constitutes the complete agreement between you and us with respect to the subject matter hereof. No failure on your part to exercise, and no delay by you in exercising, any right under this Agreement will operate as a waiver thereof; nor will any single or partial exercise by you of any right under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, by you under this Agreement.

Signed as of the 25 day of Aug, 2003, by you and us
Month Year

DOWLAND CONTRACTING LTD.

Customer Legal Name

Per: [Signature]
Name: President
Title:

Per: [Signature], CFO
Name:
Title:

ROYAL BANK OF CANADA

Per: [Signature]
Name: J. MOSIER
Title:

Per:
Name:
Title:

(*I am an authorized signing officer of the Customer with authority to bind the Customer.)

VISA* DISCLOSURE STATEMENT

1. **General:** This Disclosure Statement applies to the Account and each Card you have issued on the Account.
2. **Interest Rates:** The Interest Rates are set out on each Account Statement. They are expressed as annual percentage rates.
3. **Service Fees and Other Charges:** The following schedule of service fees and other charges applies to the Account**:
 - (a) **Annual Service Fee:**
 - VISA Business: \$12.00 for each VISA Business Card.
 - VISA Business Gold: \$40.00 for each VISA Business Gold Card.
 - VISA Business Platinum Avion: \$120.00 for each VISA Business Platinum Avion Card.
 - ** Annual service fees are not refundable
 - (b) **Cash Advance Fee:** (When we get a cash advance in Canada at any bank machine, at one of your branches in Canada, or by using RBC Royal Bank Online or Telephone Banking) - \$2.00; \$5.00 for any cash advance outside Canada.
 - (c) **Dishonoured Cheque Charge:** \$25.00 for each cheque or other instrument used to pay Debt that is dishonoured by the financial institution on which it is drawn. (This charge is in addition to any NSF service fee charged by that financial institution on the NSF cheque or other instrument.)
 - (d) **Foreign Currency Fee:** You will charge a currency conversion fee equal to 2.5% of the amount of any Debt or other transaction not incurred in Canadian dollars. You will convert this Debt or other transaction and fee to Canadian dollars at your conversion cost in effect on the day you post the converted Debt or other transaction and fee to the Account.
 - (e) **Statement Update Fee:** No charge for a copy of Account Statement for current statement period; \$2.00 for a copy of Account Statement for any other statement period. \$0.75 for each Account Statement update obtained from an Account Updater™ machine; \$0.75 for each in-branch Account Statement update.
 - (f) **Sales/Cash Advance Draft Copy Fee:** No charge for a copy of a sales or Cash Advance draft referred to in the Account Statement for the current statement period; \$2.00 for each copy of a sales or Cash Advance draft referred to in the Account Statement for any other statement period. (No charge for any draft copy to which an Account posting error applies.)
 - (g) **Over Limit Fee:** \$10.00 if the Debt exceeds the Credit Limit at any time during the period covered by an Account Statement.

Registered trademark of Royal Bank of Canada.

Trademark of Royal Bank of Canada.

Registered trademark of Visa International Service Association. Used under licence.

Registered trademark of ChargeX Limited. Used under licence.



Royal Bank VISA* Business Card LIABILITY WAIVER INSURANCE CERTIFICATE OF INSURANCE

*This certificate is a valuable source of information. Please keep it in a safe place.
This insurance is provided by Royal and Sun Alliance Insurance.*

What is Royal Bank VISA Liability Waiver Insurance?

The Royal Bank VISA Liability Waiver program allows Companies that have established one or more Royal Bank VISA Business Card accounts (the "Company") to request Royal Bank of Canada ("Royal Bank") to waive the Company's liability for certain unauthorized charges made by Cardholders.

The Royal Bank VISA Liability Waiver program will waive the Company's liability for Unauthorized Charges up to \$50,000 per Royal Bank VISA Business Card provided that the Company complies with the terms outlined below.

Who Provides this Insurance?

This program is insured by Royal and Sun Alliance Insurance. The policy number is VC500500.

Definitions

"Affidavit of Waiver" shall mean a written request sent to Royal Bank by mail, telegram, fax or telex from the Company requesting Royal Bank to waive the Company's Unauthorized Charges in accordance with the terms and conditions of this program.

"Cardholder" is an employee over age 18 of the Company authorized to use the Royal Bank VISA Business Card for company business purposes only.

"Charges" are amounts, billed or unbilled including purchases and cash advances, charged to the Cardholder's Royal Bank VISA Business Card.

"Company" shall mean a corporation, partnership, sole proprietorship or any other entity which has signed a Royal Bank VISA Business Card Agreement with Royal Bank and for which Royal Bank subsequently issues Royal Bank VISA Business Cards and accounts for use by those Cardholders designated by the Company.

"Date of Notification of Termination" of a Cardholder's employment shall mean the date the Company gives or receives a written notice of immediate or pending termination or the date the Cardholder leaves the Company's service whichever is earlier, or if the Cardholder is a member of a Bargaining unit of a union and the employer contract includes grievance procedures, the date the Company files a grievance with the labour arbitrator recommending the Cardholder's employment be terminated.

"Royal Bank VISA Business Card" shall mean a Royal Bank VISA Business Card issued by the Royal Bank to a Cardholder.

"Waiver Date" is the date on the Request for Waiver Letter sent from the Company to Royal Bank.

What are Unauthorized Charges?

A. "Unauthorized Charges" are charges to a Cardholder's Royal Bank VISA Business Card incurred by a Cardholder:

- (a) which do not benefit the Company directly or

indirectly in whole or in part; or

- (b) for which the Company has reimbursed the Cardholder but the Cardholder has not paid Royal Bank.

Provided that such charges:

- (i) are billed within the seventyfive (75) days preceding the Notification of Termination of the Cardholder, or preceding the date Royal Bank receives the request from the Company to cancel the Royal Bank VISA Business Card account on which Unauthorized Charges were incurred;

- (ii) are incurred but unbilled up to fourteen (14) days after Royal Bank has received a request to cancel the Cardholder's Royal Bank VISA Business Card however the Company must have notified Royal Bank within two (2) business days of the Notice of Termination, if any;

- (iii) are discovered not later than 75 days after the termination of

- (a) the insurance policy; or

- (b) the insurance in respect of the Company whichever occurs first.

- B. Auditors fees incurred with the insurer's consent solely to substantiate the amount of the claim.

What are Not Walvable Charges?

The following charges whether Unauthorized Charges or authorized Charges are not covered by this policy:

1. Charges made by partners, owners, or principal shareholders who own more than five percent (5%) of the Company's outstanding shares, or persons who are not employees of the Company at the time charges were incurred.
2. Interest or fees imposed by Royal Bank on outstanding unpaid Charges.
3. In cases where Royal Bank invoices the Cardholder, any amount on a cheque submitted by a Cardholder which is not paid by the Cardholder's financial institution, if the Cardholder has, within the last twelve (12) months, submitted any other cheque to Royal Bank which was not paid by the Cardholder's financial institution.
4. Charges to purchase goods or services for the Company or bought for someone else if instructed by the Company will not be covered. However, these charges would be covered if Royal Bank bills the Cardholder directly, and the Company has reimbursed the Cardholder and the Cardholder has not paid Royal Bank.
5. Charges incurred by the Cardholder more than fourteen (14) days after Notification of Termination or more than fourteen (14) days after Royal Bank receives the request by the Company to cancel the Royal Bank VISA Business Card, or immediately on the Date of Notification of Termination if the Notification of Termination was not sent to Royal Bank within two (2) business days of the Date of Notification of Termination.

6. Charges resulting from either a lost or stolen Royal Bank VISA Business Card or charges to a Royal Bank VISA Business Card account which is closed, frozen or ninety (90) or more days delinquent.

Cash advances, after the Date of Notification of Termination or immediately after Royal Bank receives the request by the Company to cancel the Royal Bank VISA Business Card, in excess of \$300.00 per day per Cardholder, or a maximum of \$1,000.00 per Cardholder, whichever is less.

8. Any interest on money owing.

What are the Responsibilities of the Company?

The Company may request Royal Bank to waive the Company's liability for Unauthorized Charges only if the Company meets all of the following requirements:

1. The Company must use its best efforts to retrieve the Cardholder's Royal Bank VISA Business Card from the employee and must notify Royal Bank in writing to cancel the Royal Bank VISA Business Card within two (2) business days of the Date of Notification of Termination or its intention to cancel the Cardholder's Royal Bank VISA Business Card.
2. The Company must notify Royal Bank in writing to cancel the Royal Bank VISA Business Card within two (2) business days of the Date of Notification of Termination or immediately of its intention to cancel the Cardholder's Royal Bank VISA Business Card. The letter must state:
 - (a) That the Company requests the waiver of Unauthorized Charges;
 - (b) The Cardholder's name, Royal Bank VISA Business Card number, and last known business and home address
 - (c) If applicable, that the Cardholder's employment has terminated and the Date of Notification of Termination;
 - (d) In cases where Royal Bank sends its statements to the Cardholder directly, that the Company has contacted the Cardholder in writing and directed the Cardholder to immediately pay all outstanding Charges to Royal Bank;
 - (e) Whether the Royal Bank VISA Business Card was retrieved from the Cardholder and, if so, confirmation that such card is in its possession or is enclosed therein.

Failure to notify Royal Bank in writing within two (2) business days of the Date of Notification of Termination or immediately of its intention to cancel the Cardholder's Royal Bank VISA Business Card will exclude coverage for any Charges incurred after the request to cancel the Royal Bank VISA Business Card.

3. The Company must deliver to the Cardholder or send by firstclass mail, fax or telegram, a written notice stating that the Cardholder's Royal Bank VISA Business Card has been cancelled, that the Cardholder should immediately discontinue all use of that Royal Bank VISA Business Card, that the Cardholder must immediately pay any outstanding amounts owed to Royal Bank, and that the Cardholder must immediately return the Royal Bank VISA Business Card to the Company.
4. An officer, or other authorized official of the Company must send an Affidavit of Waiver to Royal Bank by mail, fax or telegram within thirty (30) days of a Cardholder's

Notification of Termination date or the date of the Company's intention to cancel the Cardholder's Royal Bank VISA Business Card and all claim documents must be filed with the insurance underwriter within six (6) months from the Cardholder's Date of Notification of Termination.

5. The Company must promptly give written notice to Royal Bank in cases where Royal Bank invoices the Cardholder, if the Company knows or should know that a Cardholder is receiving reimbursement for Charges but is not paying Royal Bank for those Charges.
6. If the Company recovers any amounts for Unauthorized Charges from any source after the Company has filed an Affidavit of Waiver with Royal Bank, the Company will remit all such amounts to Royal Bank. The Company agrees to assign any rights it may have to collect such amounts from the Cardholder to Royal Bank. The Company agrees to assign any rights it may have to collect such amounts from the Cardholder to the Insurer.
7. The Company will not name any person to receive a Royal Bank VISA Business Card on any of its present or future accounts if that person has been named at any time by the Company in an Affidavit of Waiver or has been found guilty by a court of competent jurisdiction.

Other Insurance

This program does not cover losses that are covered by other insurance, and/or, losses that would have been paid if this program did not exist. Losses that are above those covered by other insurance as noted, but less than the limit of this coverage are eligible for payment. This certificate is not a contract of insurance. It contains only a summary of the principal provisions of the policy. In the event of any conflict between the description of coverage in this certificate and the policy, the policy will govern.

Termination

Coverage under this policy will automatically terminate on the earliest of the following:

- 1) the date the Company's Royal Bank VISA Business Card Agreement with Royal Bank is cancelled; or
- 2) the date the Policy terminates, or;
- 3) thirty (30) days after Notice of Termination by Royal Bank.

Misstatement

Any fraud, misstatement or concealment by the Company either in regard to any matter affecting this insurance or in connection with the making of a claim shall render this insurance null and void.

Currency

All claims will be paid in Canadian dollars.

Inquiries

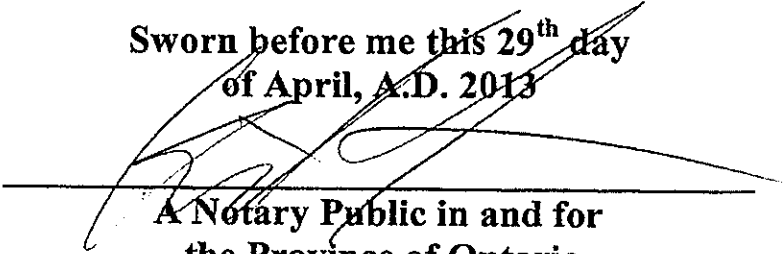
Please direct any claim inquiries to:

Royal and Sun Alliance Insurance Company of Canada
Attention: Claims Management Services
Sheridan Insurance Center
2225 Erin Mills Parkway, Suite 1000
Mississauga, Ontario
L5K 2S9

Within the Toronto Region telephone (905) 403-2283
Outside the Toronto Region telephone 1-800-544-2971
Please refer to the program and the policy number: VC500500.

**This is Exhibit "K" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler

DOWLAND CONTRACTING LTD

Payout as of close of April 24-2013

Date	Facility	Currency	Principal	Interest	Per Diem Interest	TOTAL : PRINCIPAL + INTEREST
Apr 24-2013	RE LN 28016731-001	Cdn	\$15,000,000.00	\$53,189.38	1,541.10	\$15,053,189.38
Apr 24-2013	RT LN 28016731-012 renewed from 007	Cdn	\$566,730.00	\$2,401.48	\$62.11	\$569,131.48
Apr 24-2013	RT LN 28016731-013 renewed from 008	Cdn	\$543,559.00	\$2,649.59	\$61.80	\$546,208.59
Apr 24-2013	RT LN 28016731-009	Cdn	\$408,337.00	\$2,444.54	\$46.43	\$410,781.54
Apr 24-2013	RT LN 28016731-011	Cdn	\$667,476.00	\$2,395.67	\$75.89	\$669,871.67
Apr 24-2013	RT LN 28016731-006 renewed from 004	Cdn	\$433,340.36	\$2,098.84	\$50.46	\$435,439.20
Apr 24-2013	TE LN 28016731-010	Cdn	\$2,664,912.77	\$14,060.06	\$292.05	\$2,678,972.83
Apr 24-2013	VISA	Cdn	\$209,727.76	\$0.00		\$209,727.76
Apr 24-2013	OV 03749-1070473	Cdn	\$348,344.10	\$0.00		\$348,344.10
TOTALS		Cdn	\$20,842,426.99			\$20,921,666.55

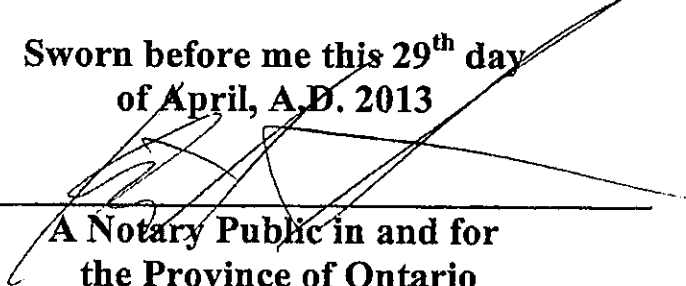
DOWLAND INDUSTRIAL WORKS LTD

Payout as of April 24-2013

Date	Facility	Currency	Principal	Interest	Per Diem Interest	TOTAL : PRINCIPAL + INTEREST
Apr 24-2013	VISA	Cdn	\$41,299.34			\$41,299.34
TOTALS		Cdn	41,299.34			41,299.34
	COMBINED TOTALS		\$20,883,726.33			\$20,962,965.89

**This is Exhibit "L" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

IN THE MATTER OF THE INDEBTEDNESS OF
DOWLAND CONTRACTING LTD., DOWLAND INDUSTRIAL
WORKS LTD. AND 6070 N.W.T. LIMITED
TO ROYAL BANK OF CANADA

AFFIDAVIT OF SERVICE

I, Corinne Daniels, of the City of Edmonton, in the Province of Alberta, Legal Secretary,
MAKE OATH AND SAY THAT:

1. I did serve Dowland Contracting Ltd. on April 4, 2013 with a demand letter and Notice of Intention to Enforce Security, copies of which are attached hereto and marked as Exhibits "A" and "B" by registered mail to its registered office at Dowland Contracting Ltd., 29 Industrial Road, Box 1660, Inuvik, NT X0E 0T0 Attention: President and Dowland Contracting Ltd., 9820 – 44 Avenue, Edmonton, Alberta T6E 5E5 Attention: President.
2. I did serve Dowland Industrial Works Ltd. on April 4, 2013 with a demand letter and Notice of Intention to Enforce Security, copies of which are attached hereto and marked respectively as Exhibits "C" and "D" by registered mail to its registered office at Dowland Industrial Works Ltd. c/o Registered Office, PO Box 818, Suite 200, 4915 – 48 Street, Yellowknife, NT X1A 2N6 Attention: President and Dowland Industrial Works Ltd., 9820 – 44 Avenue, Edmonton, Alberta T6E 5E5 Attention: President.
3. I did serve 6070 N.W.T. Limited on April 4, 2013 with a demand letter and Notice of Intention to Enforce Security, copies of which are attached hereto and marked respectively as Exhibits "E" and "F" by registered mail to its registered office at 6070 N.W.T. Limited, 29 Industrial Road, PO Box 1660, Inuvik, NT X0E 0T0 Attention: President and 6070 N.W.T. Limited, 9820 – 44 Avenue, Edmonton, Alberta, T6E 5E5 Attention: President.

4. Attached hereto and marked collectively as Exhibit "G" are the receipts of the postmaster at Edmonton, Alberta.

BEFORE ME at the City)
of Edmonton, in the Province of Alberta)
this 5 day of April,)
2013)

Michelle Keller)
A Commissioner for Oaths in and for)
the Province of Alberta)

Corinne Daniels
CORINNE DANIELS

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 4, 2013

File No.: 125665-8417

Personal and Confidential**Registered Mail**Dowland Contracting Ltd.
c/o Registered Office
29 Industrial Road
Box 1660
Inuvik NT X0E 0T0
Attention: PresidentDowland Contracting Ltd.
9820 - 44 Avenue
Edmonton, AB T6E 5E5
Attention: PresidentThis is Exhibit A
of the Affidavit of

Corinne Daniels

5 May 2013

Michelle Keller

Michelle Keller, FRC / A Commissioner
for Claims in and for the Province
of Alberta**MICHELLE KELLER**
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

Dear Sirs:

Re: Royal Bank of Canada ("RBC") - Dowland Contracting Ltd. ("Contracting")

Please be advised that we are the solicitors for RBC with respect to its dealings with Contracting. RBC advises that Contracting is indebted to it pursuant to numerous loan facilities, including, without limitation:

1. Operating Loan 28016731-001 in the amount of \$14,595,477.65 plus interest thereon from and after the 1st day of April, 2013 at RBC's prime interest rate per annum in effect from time to time plus 1.75%;
2. VISA - \$152,514.05 plus interest thereon from and after the 1st day of April, 2013 at the rate of 19.9 per cent per annum;
3. Legal and financial advisory costs on a solicitor and his own client full indemnity basis.

On behalf of RBC we hereby demand payment of the above noted indebtedness. Payment is to be made to RBC care of this office within 10 days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

Please note that nothing in this letter is intended to obligate RBC to revoke any loan account or to otherwise extend further credit. Should RBC in its absolute discretion revoke any loan account or otherwise extend further credit to Contracting, then, this demand shall extend to any amount advanced by reason of the revolving of an account and any additional credit extended and interest shall accrue on any additional advance or credit as set out above.

On or about April 24, 2003, Contracting granted to RBC a land mortgage in the principal sum of \$1,500,000 encumbering Lots 19 and 20, Block 49, Plan 633 Inuvik. Such mortgage is payable upon

demand. On behalf of RBC we hereby demand payment of the sum of \$1,500,000 plus interest and costs in accordance with the terms of the mortgage. Payment is to be made to RBC care of this office within ten days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

On or about January 18, 2012, Contracting granted to RBC a land mortgage in the principal sum of \$2,800,000 encumbering Lots 16, 17, 18, 19, 20, 21 and 22, Block 49, Plan 633 Inuvik. Such mortgage is payable upon demand. On behalf of RBC we hereby demand payment of the sum of \$2,800,000 plus interest and costs in accordance with the terms of the mortgage. Payment is to be made to RBC care of this office within ten days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

Please find attached a Notice of Intention to Enforce for Security for the purpose of service upon Contracting.

Please note that RBC reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

The loan and costs which are the subject of this demand do not constitute all of the indebtedness outstanding from Contracting to RBC. RBC reserves the right to issue a supplemental demand for any additional loan or other indebtedness that may be outstanding from time to time from Contracting to RBC. In such event, RBC reserves the right to issue a Supplemental Notice of Intention to Enforce Security with respect to any such additional indebtedness.

RBC understands that Contracting is represented by Duncan Craig LLP. Please consult with your solicitor with respect to this letter. A copy of this letter is being forwarded concurrently to your solicitor.

Yours truly,

Dentons Canada LLP



Ray Rutman

RCR/cd

cc Duncan & Craig LLP/Att: Darren Bieganek
Royal Bank of Canada/Att: Gary Ivany

FORM 115
NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: Dowland Contracting Ltd. (an insolvent person)

TAKE NOTICE THAT:

1. Royal Bank of Canada ("RBC"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) All present and after acquired personal property;
 - (b) Land including, without limitation, Lots 19 and 20, Block 49, Plan 633, Inuvik;
 - (c) Land including, without limitation, Lots 16, 17, 18, 19, 20, 21 and 22, Block 49, Plan 633 Inuvik.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement;
 - (b) Land Mortgage;
 - (c) Land Mortgage.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$20,110,960.02 plus interest plus costs on a solicitor and his own client full indemnity basis with respect to legal and financial advisory costs including, without limitation monitoring costs incurred from time to time plus any and all additional credit extended to the Insolvent Person or sums advanced by reason of the secured creditor permitting an account to revolve (each of which being in the absolute discretion of the secured creditor) plus interest on any such credit extended or sums advanced.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent person consents to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 4th day of April, 2013.

ROYAL BANK OF CANADA,
by its solicitors and agents, Dentons Canada LLP

Per: _____

Ray C. Rutman

1953178_1|NATDOCS

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 4, 2013

File No.: 125665-8417

Personal and Confidential**Registered Mail**Dowland Industrial Works Ltd.
c/o Registered Office
PO Box 818
Suite 200, 4915 - 48 Street
Yellowknife, NT X1A 2N6
Attention: PresidentDowland Industrial Works
9820 - 44 Avenue
Edmonton, AB T6E 5E5
Attention: PresidentThis is Exhibit C
to the Affidavit ofConnie Daniels
Solicitor for the StateSworn April
2013Michelle Keller
A Notary Public / A Commissioner
of the Court in and for the Province
of Alberta**MICHELLE KELLER**
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

Dear Sirs:

**Re: Royal Bank of Canada ("RBC") - Dowland Contracting Ltd. ("Contracting")
- Dowland Industrial Works Ltd. ("Industrial")**

Please be advised that we are the solicitors for RBC with respect to the indebtedness of Contracting and Industrial. RBC advises that Contracting is indebted to RBC in the amount of \$20,110,960.02 plus interest thereon from and after the 1st day of April, 2013 plus costs (legal and financial advisory costs) on a solicitor and his own client full indemnity basis.

On or about November 18, 2011 Industrial granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$10,000,000 with interest at demand at RBC's prime interest rate per annum in effect from time to time ("Prime") plus 5% plus costs on a solicitor and his own client full indemnity basis.

On or about July 19, 2012 Industrial granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$24,345,000 with interest at demand at Prime plus 5% plus costs on a solicitor and his own client full indemnity basis.

On behalf of RBC we hereby demand payment from Industrial of the sum of \$20,110,960.02 plus interest thereon from and after April 1, 2013 at the rate of Prime plus 5% plus costs as set out above pursuant to the above referenced guarantees. Payment is to be made to RBC care of this office within 10 days of the date of this letter failing which legal action and/or legal proceedings may be commenced to recover same.

RBC advises as well that in addition to the above referenced guaranteed indebtedness, Industrial is indebted to RBC on account of VISA indebtedness in the amount of \$33,370.14 plus interest thereon from and after the 1st day of April, 2013 at the rate of 19.9% per annum. On behalf of RBC we hereby demand payment of the above noted VISA indebtedness. Payment is to be made to RBC care of this office within ten days of the date of this letter failing which legal action and/or realization of security may be commenced to recover same.

Please note that nothing in this letter is intended to obligate RBC to extend further credit to Contracting or Industrial or to revolve any loan account. Should RBC in its absolute discretion extend further credit to Contracting or Industrial or permit any loan account to revolve, then the demand set out in this letter shall extend to any additional credit extended or amount advanced and interest shall accrue on any additional sums as set out above.

Please find attached a Notice of Intention to Enforce for Security for the purpose of service upon Industrial.

Please note that RBC reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

RBC understands that Industrial is represented by Duncan Craig LLP. Please consult with your solicitor with respect to this letter. A copy of this letter is being forwarded concurrently to your solicitor.

Yours truly,

Dentons Canada LLP



Ray Rutman

RCR/cd

cc Duncan & Craig LLP/Att: Darren Bieganek
Royal Bank of Canada/Att: Gary Ivany

FORM 115
NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: Dowland Industrial Works Ltd. (an Insolvent Person)

TAKE NOTICE THAT:

1. Royal Bank of Canada ("RBC"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) All present and after acquired personal property.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$20,144,330.16 plus interest plus costs on a solicitor and his own client full indemnity basis plus any and all additional credit extended to Dowland Contracting Ltd. or to the Insolvent Person or sums advanced by reason of the secured creditor permitting an account with Dowland Contracting Ltd. to revolve (each of which being in the absolute discretion of the secured creditor) plus interest on any such credit extended or sums advanced.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent person consents to an earlier enforcement.


Dated at the City of Edmonton, in the Province of Alberta, this 4th day of April, 2013.

ROYAL BANK OF CANADA,
by its solicitors and agents, Dentons Canada LLP

Per: 

Ray C. Rutman

1954608_1|NATDOCS


Corinne Daniels
S. Amil
2013
Michelle K

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5T +1 780 423 7100
F +1 780 423 7276

April 4, 2013

File No.: 125665-8417

Personal and Confidential6070 N.W.T. Limited
c/o Registered Office
29 Industrial Road
PO Box 1660
Inuvik, NT X0E 0T0
Attention: President6070 N.W.T. Limited
9820 - 44 Avenue
Edmonton, AB T6E 5E5
Attention: PresidentThis is Exhibit - 1-E
to the Affidavit ofCorinne Daniels
Sworn before me this5 day of AprilA.D. 2013Michelle K
A Notary Public / A Commissioner
for Oaths in and for the Province
of Alberta**MICHELLE KELLER**
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2015

Dear Sirs:

**Re: Royal Bank of Canada ("RBC") - Dowland Contracting Ltd. ("Contracting")
- 6070 N.W.T. Limited ("6070")**

Please be advised that we are the solicitors for RBC with respect to the indebtedness of Contracting and 6070. RBC advises that Contracting is indebted to RBC in the amount of \$20,110,960.02 plus interest thereon from and after the 1st day of April, 2013 plus costs (legal and financial advisory costs) on a solicitor and his own client full indemnity basis.

On or about November 24, 2009 6070 granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$1,500,000 with interest from demand at RBC's prime interest rate per annum in effect from time to time ("Prime") plus 5% plus costs on a solicitor and his own client full indemnity basis.

On or about November 18, 2011 6070 granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$10,500 with interest from demand at Prime plus 5% plus costs on a solicitor and his own client full indemnity basis.

On or about July 19, 2012 6070 granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$24,345,000 with interest at demand at Prime plus 5% plus costs on a solicitor and his own client full indemnity basis.

On behalf of RBC we hereby demand payment from 6070 of the sum of \$20,110,960.02 plus interest thereon from and after April 1, 2013 plus costs as set out above pursuant to the above referenced guarantees. Payment is to be made to RBC care of this office within 10 days of the date of this letter failing which legal action and/or legal proceedings may be commenced to recover same.

Please note that nothing in this letter is intended to obligate RBC to extend further credit to Contracting or to revolve any loan account. Should RBC in its absolute discretion extend further credit to Contracting or permit any loan account to revolve, then the demand set out in this letter shall extend to any additional credit extended or amount advanced and interest shall accrue on any additional sums as set out above.

Please find attached a Notice of Intention to Enforce for Security for the purpose of service upon 6070.

Please note that RBC reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

RBC understands that 6070 is represented by Duncan Craig LLP. Please consult with your solicitor with respect to this letter. A copy of this letter is being forwarded concurrently to your solicitor.

Yours truly,

Dentons Canada LLP



Ray Rutman

RCR/cd

cc Duncan & Craig LLP/Att: Darren Bieganeck
Royal Bank of Canada/Att: Gary Ivany

FORM 115
NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: 6070 N.W.T. Limited (an insolvent person)

TAKE NOTICE THAT:

1. Royal Bank of Canada ("RBC"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) All debts and liabilities, present and future of Dowland Contracting Ltd. in favor of the Insolvent Person;
 - (b) All debts and liabilities, present and future of Dowland Contracting Ltd. in favor of the Insolvent Person.
2. The security that is to be enforced is in the form of:
 - (a) Postponement and Assignment of Claim dated May 2, 2009;
 - (b) Postponement and Assignment of Claim dated November 18, 2011.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$20,110,960.02 plus interest plus costs on a solicitor and his own client full indemnity basis plus any and all additional credit extended to Dowland Contracting Ltd. or sums advanced by reason of the secured creditor permitting an account with Dowland Contracting Ltd. to revolve (each of which being in the absolute discretion of the secured creditor) plus interest on any such credit extended or sums advanced.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent person consents to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 4th day of April, 2013.

ROYAL BANK OF CANADA,
by its solicitors and agents, Dentons Canada LLP

Per: _____

Ray C. Rutman

1956024_1|NATDOCS

Michelle Keller
MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

G
Corinne Daniels
5 April
2013

Michelle
MICHELLE
MY CONFIRMATION
NOVEMBER 24th, 2013

(6)

CANADA POST / POSTES CANADA		REGISTERED DOMESTIC CUSTOMER RECEIPT		RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT		R
				9.13		
To / Destinataire		Name / Nom		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON		
Dowland Contracting Ltd.		Dowland Contracting Ltd.		www.canadapost.ca / www.postescanada.ca		
Address / Adresse		Address / Adresse		or/ou		
21 Industrial Rd. Box 1660		21 Industrial Rd. Box 1660		1 888 550-6333		
City / Prov. / Postal Code		City / Prov. / Postal Code		CPC Tracking Number / Numéro de repérage de la SCP		
MILLIK NT XDE 0T0		MILLIK NT XDE 0T0		RW 744 915 616 CA		
Declared Value / Valeur déclarée		Declared Value / Valeur déclarée		e au verso		
\$ 50.00		\$ 50.00				

(1)

CANADA POST / POSTES CANADA		REGISTERED DOMESTIC CUSTOMER RECEIPT		RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT		R
				9.13		
To / Destinataire		Name / Nom		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON		
Dowland Industrial Works Ltd.		Dowland Industrial Works Ltd.		www.canadapost.ca / www.postescanada.ca		
Address / Adresse		Address / Adresse		or/ou		
4820-44 Ave		4820-44 Ave		1 888 550-6333		
City / Prov. / Postal Code		City / Prov. / Postal Code		CPC Tracking Number / Numéro de repérage de la SCP		
Edmonton AB T6E 5E5		Edmonton AB T6E 5E5		RW 744 915 664 CA		
Declared Value / Valeur déclarée		Declared Value / Valeur déclarée				
\$ 50.00		\$ 50.00				

(2)

CANADA POST / POSTES CANADA		REGISTERED DOMESTIC CUSTOMER RECEIPT		RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT		R
				9.13		
To / Destinataire		Name / Nom		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON		
6070 N.W.T. Limited		6070 N.W.T. Limited		www.canadapost.ca / www.postescanada.ca		
Address / Adresse		Address / Adresse		or/ou		
4820-44 Ave		4820-44 Ave		1 888 550-6333		
City / Prov. / Postal Code		City / Prov. / Postal Code		CPC Tracking Number / Numéro de repérage de la SCP		
Edmonton AB T6E 5E5		Edmonton AB T6E 5E5		RW 744 915 633 CA		
Declared Value / Valeur déclarée		Declared Value / Valeur déclarée				
\$ 50.00		\$ 50.00				

(2)

CANADA POST / POSTES CANADA		REGISTERED DOMESTIC	RECOMMANDÉ RÉGIME INTÉRIEUR	R
		CUSTOMER RECEIPT	REÇU DU CLIENT	9.13
To / Destinataire	Name / Nom			
	Dowland Contracting Ltd.			
Address / Adresse	9820-44 Ave			
City / Prov. / Postal Code	Edmonton AB T6E 5E5			
Declared Value / Valeur déclarée	\$			
33-086-584 (11-04)		125665-847 RCR	RW 744 915 695 CA	

(4)

CANADA POST / POSTES CANADA		REGISTERED DOMESTIC	RECOMMANDÉ RÉGIME INTÉRIEUR	R
		CUSTOMER RECEIPT	REÇU DU CLIENT	9.13
To / Destinataire	Name / Nom			
	Dowland Industrial Works Ltd.			
Address / Adresse	Suite 200, 4915-48 St.			
City / Prov. / Postal Code	Yellowknife NT X1A 2N6			
Declared Value / Valeur déclarée	\$			
33-086-584 (11-04)		125665-847 RCR	RW 744 915 681 CA	

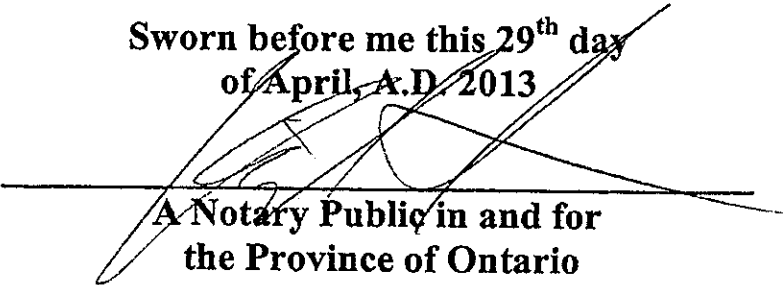
(6)

CANADA POST / POSTES CANADA		REGISTERED DOMESTIC	RECOMMANDÉ RÉGIME INTÉRIEUR	R
		CUSTOMER RECEIPT	REÇU DU CLIENT	9.13
To / Destinataire	Name / Nom			
	6070 N.W.T. Limited			
Address / Adresse	29 Industrial Rd. PO Box 1660			
City / Prov. / Postal Code	Inuvik NT X0E 0T0			
Declared Value / Valeur déclarée	\$			
33-086-584 (11-04)		125665-847 RCR	RW 744 915 678 CA	

au verso

**This is Exhibit "M" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

IN THE MATTER OF THE INDEBTEDNESS OF
DOWLAND CONTRACTING LTD., DOWLAND INDUSTRIAL
WORKS LTD., DOWLAND CONSTRUCTION, INC.
AND 6070 N.W.T. LIMITED
TO ROYAL BANK OF CANADA

AFFIDAVIT OF SERVICE

I, Corinne Daniels, of the City of Edmonton, in the Province of Alberta, Legal Secretary,
MAKE OATH AND SAY THAT:

1. I did serve Dowland Contracting Ltd. on April 22, 2013 with a supplemental demand letter and Supplemental Notice of Intention to Enforce Security, copies of which are attached hereto and marked as Exhibits "A" and "B" by registered mail to its registered office at Dowland Contracting Ltd., 29 Industrial Road, Box 1660, Inuvik, NT X0E 0T0 Attention: President and Dowland Contracting Ltd., 9820 – 44 Avenue, Edmonton, Alberta T6E 5E5 Attention: President and Dowland Contracting Ltd., 7028 – 56 Avenue, Edmonton, Alberta, T6B 1E4.
2. I did serve Dowland Industrial Works Ltd. on April 22, 2013 with a supplemental demand letter and Supplemental Notice of Intention to Enforce Security, copies of which are attached hereto and marked respectively as Exhibits "C" and "D" by registered mail to its registered office at Dowland Industrial Works Ltd. c/o Registered Office, 1600, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 Attention: President and Dowland Industrial Works Ltd., 9820 – 44 Avenue, Edmonton, Alberta T6E 5E5 Attention: President and Dowland Industrial Works Ltd., 7028 – 56 Avenue, Edmonton, Alberta, T6B 1E4 Attention: President and Dowland Industrial Works Ltd., 202 – 166 Oriole Road, Kamloops, British Columbia, V2C 4N7, Attention: President.
3. I did serve 6070 N.W.T. Limited on April 22, 2013 with a supplemental demand letter and Supplemental Notice of Intention to Enforce Security, copies of which are attached hereto and marked respectively as Exhibits "E" and "F" by registered mail to its registered office at 6070 N.W.T. Limited, 29 Industrial Road, PO Box 1660, Inuvik, NT X0E 0T0 Attention: President and 6070 N.W.T. Limited, 9820 – 44 Avenue, Edmonton, Alberta, T6E 5E5 Attention: President and 6070 N.W.T. Limited, 7028 – 56 Avenue, Edmonton, Alberta, T6B 1E4 Attention: President.

4. I did serve Dowland Construction, Inc. on April 22, 2013 with a demand letter and Notice of Intention to Enforce Security, copies of which are attached hereto and marked respectively as Exhibits "G" and "H" by registered mail to its registered office at Fowland Construction, Inc., 4134 Ingra Street, Suite 201B, Anchorage, Alaska, 99503 Attention: President and Dowland Construction, Inc., 9820 - 44 Avenue, Edmonton, Alberta, T6E 5E5 Attention: President and Dowland Construction, Inc., 7028 - 56 Avenue, Edmonton, Alberta, T6B 1E4 Attention: President and Dowland Construction, Inc., 601 West 50th Avenue, Suite 900, Anchorage Alaska, 99501 Attention: President.
5. Attached hereto and marked collectively as Exhibit "I" are the receipts of the postmaster at Edmonton, Alberta.

BEFORE ME at the City
of Edmonton, in the Province of Alberta
this 25th day of April,
2013.

Michelle Keller
A Commissioner for Oaths in and for
the Province of Alberta

)
)
) Corinne Daniels
) CORINNE DANIELS
)

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2015.

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 22, 2013

File No.: 125665-8417

DELIVERED VIA REGISTERED MAIL**Personal and Confidential**Dowland Contracting Ltd.
c/o Registered Office
29 Industrial Road
Box 1660
Inuvik NT X0E 0T0
Attention: PresidentDowland Contracting Ltd.
7028 - 56 Avenue
Edmonton, AB T6B 1E4
Attention: President

Dear Sirs:

Re: Royal Bank of Canada ("RBC") - Dowland Contracting Ltd. ("Contracting")

As you are aware, we are the solicitors for RBC with respect to its dealings with Contracting. Reference is made to a letter from me to Contracting dated April 4, 2013 (the "April 4th Letter"). This letter is in supplement to and not in substitution for the April 4th Letter. Nothing in this letter constitutes an amendment, waiver or revocation of any of the terms of the April 4th Letter.

RBC advises that Contracting is indebted to it pursuant to numerous loan facilities not referenced in the April 4th Letter, including, without limitation:

1. Term Loan 28016731-012 in the amount of \$581,292.11 plus interest thereon from and after the 17th day of April, 2013 in accordance with the terms of credit facility, which equates to \$63.49 per day as at April 17, 2013;
2. Term Loan 28016731-008 in the amount of \$557,333.09 plus interest thereon from and after the 17th day of April, 2013 in accordance with the terms of credit facility, which equates to \$63.12 per day as at April 17, 2013;
3. Term Loan 28016731-009 in the amount of \$408,940.56 plus interest thereon from and after the 17th day of April, 2013 in accordance with the terms of credit facility, which equates to \$46.43 per day as at April 17, 2013;
4. Term Loan 28016731-011 in the amount of \$682,386.01 plus interest thereon from and after the 17th day of April, 2013 in accordance with the terms of credit facility, which equates to \$77.38 per day as at April 17, 2013;

Dowland Contracting Ltd.
9820 - 44 Avenue
Edmonton, AB T6E 5E5
Attention: PresidentThis is Exhibit - A
to the Affidavit ofCoanne Daniels
Sworn before me this25 day of AprilA.D. 2013Michelle Keller
A Notary Public / A Commissioner
for Oaths in and for the Province
of Alberta**MICHELLE KELLER**
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

5. Term Loan 28016731-006 in the amount of \$443,442.37 plus interest thereon from and after the 17th day of April, 2013 in accordance with the terms of credit facility, which equates to \$51.43 per day as at April 17, 2013;
6. Term Loan 28016731-010 in the amount of \$2,667,833.22 plus interest thereon from and after the 17th day of April, 2013 in accordance with the terms of credit facility, which equates to \$292.05 per day as at April 17, 2013; and
7. Legal and financial advisory costs on a solicitor and his own client full indemnity basis.

Please note that the above interest calculations are premised on the assumption that Contracting will earn the benefit of a 3% interest reduction in accordance with the terms of a forbearance agreement between RBC, Contracting and others. If that assumption proves incorrect, interest payable will be at a rate 3% greater than that set out above.

Further, the above interest per diems are calculated as a function of prime. If RBC's prime interest rate changes, there will be a corresponding change to the interest calculations.

On behalf of RBC we hereby demand payment of the above noted indebtedness. Payment is to be made to RBC care of this office within 10 days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

Please note that nothing in this letter is intended to obligate RBC to revolve any loan account or to otherwise extend further credit. Should RBC in its absolute discretion revolve any loan account or otherwise extend further credit to Contracting, then, this demand shall extend to any amount advanced by reason of the revolving of an account and any additional credit extended and interest shall accrue on any additional advance or credit as set out above.

Contracting granted to RBC a number of mortgages, in addition to those referenced in the April 4th Letter, including, without limitation, the mortgages noted below.

On or about November 27, 2012, Contracting granted to RBC a collateral land mortgage in the principal sum of \$1,000,000 encumbering Lot 7, Block 228, Plan 3586, Iqaluit. Such mortgage is payable upon demand. On behalf of RBC we hereby demand payment of the sum of \$1,000,000 plus interest and costs in accordance with the terms of the mortgage. Payment is to be made to RBC care of this office within ten days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

On or about April 15, 2013, Contracting granted to RBC a collateral land mortgage in the principal sum of \$3,000,000 encumbering Lots 16, 17, 18, 19, 20, 21 and 22, Block 49, Plan 633 Inuvik. Such mortgage is payable upon demand. On behalf of RBC we hereby demand payment of the sum of \$3,000,000 plus interest and costs in accordance with the terms of the mortgage. Payment is to be made to RBC care of this office within ten days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

On or about April 15, 2013, Contracting granted to RBC a collateral land mortgage in the principal sum of \$400,000 encumbering Lot 7, Block 228, Plan 3586, Iqaluit. Such mortgage is payable upon demand. On behalf of RBC we hereby demand payment of the sum of \$400,000 plus interest and costs in accordance

with the terms of the mortgage. Payment is to be made to RBC care of this office within ten days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

Contracting granted to RBC a collateral land mortgage in the principal sum of \$1,000,000 encumbering Lots 5 and 6, Block 47, Plan 564, Inuvik, subject to sections 13 to 16 and 19 of the Territorial Lands Act, as set forth in Instrument of Grant registered under daybook number 116,240; Lot 19, Block 34, Plan 1652, Tuktoyaktuk; Lot 21, Block 87, Plan 2182 Inuvik; Lot 19, Block 21, Plan 3432, Tuktoyaktuk; and Lots 1, 2, 3, 4, 5, 6, 11, 12, 13, 14, 15 and 16, Block 97, Plan 3820, Inuvik. Such mortgage is payable upon demand. On behalf of RBC we hereby demand payment of the sum of \$1,000,000 plus interest and costs in accordance with the terms of the mortgage. Payment is to be made to RBC care of this office within ten days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

Contracting granted to RBC a collateral land mortgage in the principal sum of \$1,000,000 encumbering the leasehold interest of Contracting in Lot SK-004 Sachs Harbour and Lot 46, Plan 3529 Paulatuk. Such mortgage is payable upon demand. On behalf of RBC we hereby demand payment of the sum of \$1,000,000 plus interest and costs in accordance with the terms of the mortgage. Payment is to be made to RBC care of this office within ten days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

Attached to or enclosed with the April 4th Letter was a Notice of Intention to Enforce Security dated April 4, 2013 (the "April 4 NOI"). Please find attached a Supplemental Notice of Intention to Enforce Security for the purpose of service upon Contracting. Service of the Supplemental Notice of Intention to Enforce Security is supplemental to and not in substitution for the April 4 NOI. Nothing in this Supplemental Notice of Intention to Enforce Security is intended to amend, disclaim or revoke any term of the April 4 NOI. The April 4 NOI remains in full force and effect.

Please note that RBC reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Again, the loan and costs which are the subject of this demand do not constitute all of the indebtedness outstanding from Contracting to RBC. This letter is supplemental to and not in substitution for any previous letter demanding payment of the indebtedness outstanding from Contracting to RBC previously served upon Contracting. RBC further reserves the right to issue a supplemental demand for any additional loan or other indebtedness that may be outstanding from time to time from Contracting to RBC. In such event, RBC reserves the right to issue a further Supplemental Notice of Intention to Enforce Security with respect to any such additional indebtedness.

RBC understands that Contracting is represented by Duncan Craig LLP. Please consult with your solicitor with respect to this letter. A copy of this letter is being forwarded concurrently to your solicitor.

Yours truly,
Dentons Canada LLP



Ray Rutman

RCR/cd/tj

cc Duncan & Craig LLP/Att: Darren Bieganek
Royal Bank of Canada/Att: Gary Ivany

FORM 115
SUPPLEMENTAL NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: Dowland Contracting Ltd. (an insolvent person)

TAKE NOTICE THAT:

1. Royal Bank of Canada ("RBC"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) All present and after acquired personal property;
 - (b) All present and after acquired property;
 - (c) Land including, without limitation, Lots 19 and 20, Block 49, Plan 633, Inuvik;
 - (d) Land including, without limitation, Lots 16, 17, 18, 19, 20, 21 and 22, Block 49, Plan 633 Inuvik;
 - (e) Land, including, without limitation, Lot 7, Block 228, Plan 3586, Iqaluit.
 - (f) Land including, without limitation, Lots 16, 17, 18, 19, 20, 21 and 22, Block 49, Plan 633 Inuvik;
 - (g) Land, including, without limitation, Lot 7, Block 228, Plan 3586, Iqaluit;
 - (h) Land including, without limitation, Lots 5 and 6, Block 47, Plan 564, Inuvik, subject to sections 13 to 16 and 19 of the Territorial Lands Act, as set forth in Instrument of Grant registered under daybook number 116,240; Lot 6, Block 47, Plan 564, Inuvik; Lot 19, Block 34, Plan 1652, Tuktoyaktuk; Lot 21, Block 87, Plan 2182 Inuvik; Lot 19, Block 21, Plan 3432, Tuktoyaktuk; and Lots 1, 2, 3, 4, 5, 6, 11, 12, 13, 14, 15 and 16, Block 97, Plan 3820, Inuvik;
 - (i) All shares held by the Insolvent Person in Dowland Construction, Inc.;
 - (j) All shares held by the Insolvent Person in Dowland Industrial Works Ltd.;
 - (k) Lot SK-004 Sachs Harbour and Lot 46, Plan 3529 Paulatuk;
 - (l) Promissory Note and underlying indebtedness owed by the Diocese of the Arctic-Anglican Church of Canada; and
 - (m) Lien.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement;
 - (b) General Security Agreement;
 - (c) Land Mortgage;
 - (d) Land Mortgage;
 - (e) Land Mortgage;
 - (f) Land Mortgage;
 - (g) Land Mortgage;
 - (h) Land Mortgage;
 - (i) Share Pledge Agreement;
 - (j) Share Pledge Agreement;
 - (k) Land Mortgage;
 - (l) Assignment; and
 - (m) Assignment of Claim of Lien.

B

Corinne Daniels

25 April

2013

Michelle K

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$20,458,975.77 plus interest plus costs on a solicitor and his own client full indemnity basis with respect to legal and financial advisory costs including, without limitation monitoring costs incurred from time to time plus any and all additional credit extended to the Insolvent Person or sums advanced by reason of the secured creditor permitting an account to revolve (each of which being in the absolute discretion of the secured creditor) plus interest on any such credit extended or sums advanced.

4. Subject to the remaining provisions of this paragraph, the secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent person consents to an earlier enforcement. Nothing in this Supplemental Notice of Intention to Enforce Security is intended to amend, disclaim or revoke the Notice of Intention to Enforce Security dated April 4, 2013, previously served upon Dowland Contracting Ltd. by or on behalf of RBC. Notwithstanding anything in this paragraph or in the Supplemental Notice of Intention to Enforce Security, the secured creditor does have the right to enforce the security referenced in the Notice of Intention to Enforce Security dated April 4, 2013 in respect of the indebtedness referenced in that Notice by reason of the elapsement of 10 days from the service of that Notice.

Dated at the City of Edmonton, in the Province of Alberta, this 22nd day of April, 2013.

ROYAL BANK OF CANADA,
by its solicitors and agents, Dentons Canada LLP

Per: 

Ray C. Rütman

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 22, 2013

File No.: 125665-8417

DELIVERED VIA REGISTERED MAIL**Personal and Confidential**Dowland Industrial Works Ltd.
c/o Registered Office
1600, 925 West Georgia Street
Vancouver, BC V6C 3L2
Attention: PresidentDowland Industrial Works Ltd.
9820 - 44 Avenue
Edmonton, AB T6E 5E5
Attention: PresidentDowland Industrial Works Ltd.
7028 - 56 Avenue
Edmonton, AB T6B 1E4
Attention: PresidentDowland Industrial Works Ltd.
202 - 166 Oriole Road
Kamloops, BC V2C 4N7
Attention: President

Dear Sirs:

**Re: Royal Bank of Canada ("RBC") - Dowland Contracting Ltd. ("Contracting")
- Dowland Industrial Works Ltd. ("Industrial")**

As you are aware, we are the solicitors for RBC with respect to its dealings with Contracting and Industrial.

Reference is made to a letter from myself to Industrial dated April 4, 2013 (the "April 4th Letter"). This letter is in supplement to and not in substitution for the April 4th Letter. Nothing in this letter constitutes an amendment, waiver or revocation of the demands of any of the terms of the April 4th Letter.

In addition to the Guarantee and Visa indebtedness referenced in the April 4th Letter, RBC advises that Industrial is indebted to it pursuant to overdraft facilities as at April 17, 2013 as follows:

1. OV 03749-1010115 in the amount of \$15,234.43; and
2. OV 03749-1009687 in the amount of \$750,829.26.

On behalf of RBC we hereby demand payment of the above noted indebtedness plus interest at the overdraft rates established by RBC from time to time. Payment is to be made to RBC care of this office within 10 days of the date of this letter failing which legal action and/or realization proceedings may be commenced to recover same.

Please note that nothing in this letter is intended to obligate RBC to extend further credit to Industrial (by way of overdraft or otherwise). Should RBC in its absolute discretion extend further credit to Industrial (by

This is Exhibit - C
to the Affidavit of
Carinne Daniels
Sworn before me this
25th day of April
A.D. 2013
Michelle K
Notary Public / A Commissioner
for Oaths in and for the Province
of Alberta
MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

way of overdraft or otherwise) then the demand set out in this letter shall extend to any additional credit extended and interest shall accrue on any additional sums at the overdraft rates as established by RBC from time to time.

The April 4th Letter had attached or enclosed a Notice of Intention to Enforce Security (the "April 4 NOI"). Industrial granted to RBC additional security beyond that set out in the April 4 NOI. Please find attached a Supplemental Notice of Intention to Enforce Security for the purpose of service upon Industrial. Service of such Notice of Intention to Enforce Security is supplemental to and not in substitution for the April 4 NOI. Nothing in this letter or in the Supplemental Notice of Intention to Enforce Security is intended to amend, disclaim or revoke any term of the April 4 NOI. The April 4 NOI remains in full force and effect.

Please note that RBC reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Again, the overdrafts which are the subject of this demand do not constitute all of the indebtedness outstanding from Industrial to RBC. This letter is supplemental to and not in substitution for any previous letter demanding payment of the indebtedness outstanding from Industrial to RBC previously served upon Industrial. RBC further reserves the right to issue a supplemental demand for any additional loan or other indebtedness that may be outstanding from time to time from Industrial to RBC. In such event, RBC reserves the right to issue a further Supplemental Notice of Intention to Enforce Security with respect to any such additional indebtedness.

RBC understands that Industrial is represented by Duncan Craig LLP. Please consult with your solicitor with respect to this letter. A copy of this letter is being forwarded concurrently to your solicitor.

Yours truly,
Dentons Canada LLP


Ray Rutman

RCR/cd/tj

cc Duncan & Craig LLP/Att: Darren Bieganeck
Royal Bank of Canada/Att: Gary Ivany

FORM 115
SUPPLEMENTAL NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: Dowland Industrial Works Ltd. (an insolvent person)

TAKE NOTICE THAT:

1. Royal Bank of Canada ("RBC"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) All present and after acquired personal property; and
 - (b) All present and after acquired property.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement; and
 - (b) General Security Agreement.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$21,225,039.46 plus interest plus costs on a solicitor and his own client full indemnity basis with respect to legal and financial advisory costs including, without limitation monitoring costs incurred from time to time plus any and all additional credit extended to the Insolvent Person or sums advanced by reason of the secured creditor permitting an account to revolve (each of which being in the absolute discretion of the secured creditor) plus interest on any such credit extended or sums advanced.
4. Subject to the remaining provisions of this paragraph, the secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent person consents to an earlier enforcement. Nothing in this Supplemental Notice of Intention to Enforce Security is intended to amend, disclaim or revoke the Notice of Intention to Enforce Security dated April 4, 2013, previously served upon Dowland Industrial Works Ltd. by or on behalf of RBC. Notwithstanding anything in this paragraph or in the Supplemental Notice of Intention to Enforce Security, the secured creditor does have the right to enforce the security referenced in the Notice of Intention to Enforce Security dated April 4, 2013 in respect of the indebtedness referenced in that Notice by reason of the elapsement of 10 days from the service of that Notice.

Dated at the City of Edmonton, in the Province of Alberta, this 22nd day of April, 2013.

ROYAL BANK OF CANADA,
by its solicitors and agents, Dentons Canada LLP

Per: _____

Ray C. Rutman

D
Corinne Daniels

25 April
2013

Michelle Keller

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 22, 2013

File No.: 125665-8417

Personal and Confidential6070 N.W.T. Limited
c/o Registered Office
29 Industrial Road
PO Box 1660
Inuvik, NT X0E 0T0
Attention: President6070 N.W.T. Limited
9820 - 44 Avenue
Edmonton, AB T6E 5E5
Attention: President6070 N.W.T. Limited
7028 - 56 Avenue
Edmonton, AB T6B 1E4
Attention: President

Dear Sirs:

**Re: Royal Bank of Canada ("RBC") - Dowland Contracting Ltd. ("Contracting")
- 6070 N.W.T. Limited ("6070")**

As you are aware, we are the solicitors for RBC with respect to its dealings with Contracting and 6070. Reference is made to a letter from myself to 6070 dated April 4, 2013 (the "April 4th Letter"). This letter is in supplement to and not in substitution for the April 4th Letter. Nothing in this letter is intended to amend, disclaim or revoke any term of the April 4th Letter.

RBC advises that Contracting is indebted to RBC in the amount of \$20,458,975.77, plus interest thereon from and after April 17, 2013 plus costs (legal and financial advisory costs) on a solicitor and his own client full indemnity basis.

On or about April 15, 2013, 6070 granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$10,500,000 with interest from demand at RBC's prime interest rate per annum in effect from time to time plus 5% plus costs on a solicitor and his own client full indemnity basis.

As is stated above, the indebtedness of Contracting exceeds the sum owed pursuant to the guarantee and postponement of claim dated April 15, 2013 granted by 6070. On behalf of RBC we hereby demand payment from 6070 of the sum of \$10,500,000 plus interest thereon from and after April 17, 2013 plus costs as set out above pursuant to the above referenced guarantee. Payment is to be made to RBC care of this office within 10 days of the date of this letter failing which legal action and/or legal proceedings may be commenced to recover same.

E
Corinne Daniels
25 May or April
10, 2013
Michelle K
Michelle Keller
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

Please note that nothing in this letter is intended to obligate RBC to extend further credit to Contracting or to revolve any loan account. Should RBC in its absolute discretion extend further credit to Contracting or permit any loan account to revolve, then the demand set out in this letter shall extend to any additional credit extended or amount advanced and interest shall accrue on any additional sums as set out above.

Attached to or enclosed with the April 4th Letter was a Notice of Intention to Enforce Security dated April 4, 2013 (the "April 4 NOI"). Nothing in this letter or in any Supplemental Notice of Intention to Enforce Security provided in conjunction with this letter is intended to constitute an amendment, disclaimer or revocation of the April 4 NOI.

Please find attached a Supplemental Notice of Intention to Enforce for Security for the purpose of service upon 6070.


Please note that RBC reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

The guarantee which is the subject of this demand does not constitute all of the indebtedness outstanding from 6070 to RBC. This letter is supplemental to and not in substitution for any previous letter demanding payment of the indebtedness outstanding from 6070 to RBC previously served upon 6070. RBC further reserves the right to issue a supplemental demand for any additional loan or other indebtedness that may be outstanding from time to time from 6070 to RBC. In such event, RBC reserves the right to issue a further Supplemental Notice of Intention to Enforce Security with respect to any such additional indebtedness.

RBC understands that 6070 is represented by Duncan Craig LLP. Please consult with your solicitor with respect to this letter. A copy of this letter is being forwarded concurrently to your solicitor.

Yours truly,

Dentons Canada LLP



Ray Rutman

RCR/cd/tj

cc Duncan & Craig LLP/Att: Darren Bieganeck
Royal Bank of Canada/Att: Gary Ivany

FORM 115
SUPPLEMENTAL NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: 6070 N.W.T. Limited (an insolvent person)

TAKE NOTICE THAT:

1. Royal Bank of Canada ("RBC"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) All debts and liabilities, present and future of Dowland Contracting Ltd. in favour of the Insolvent Person;
 - (b) All debts and liabilities, present and future of Dowland Contracting Ltd. in favour of the Insolvent Person;
 - (c) All present and after acquired property; and
 - (d) All shares held by the Insolvent Person in Dowland Contracting Ltd.
2. The security that is to be enforced is in the form of:
 - (a) Postponement and Assignment of Claim dated May 2, 2009;
 - (b) Postponement and Assignment of Claim dated May 2, 2009;
 - (c) General Security Agreement; and
 - (d) Share Pledge Agreement dated April 15, 2013
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$20,458,875.77 plus interest plus costs on a solicitor and his own client full indemnity basis with respect to legal and financial advisory costs including, without limitation monitoring costs incurred from time to time plus any and all additional credit extended to the Insolvent Person or sums advanced by reason of the secured creditor permitting an account to revolve (each of which being in the absolute discretion of the secured creditor) plus interest on any such credit extended or sums advanced.
4. Subject to the remaining provisions of this paragraph, the secured creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent person consents to an earlier enforcement. Nothing in this Supplemental Notice of Intention to Enforce Security is intended to amend, disclaim or revoke the Notice of Intention to Enforce Security dated April 4, 2013, previously served upon 6070 N.W.T Limited by or on behalf of RBC. Notwithstanding anything in this paragraph or in the Supplemental Notice of Intention to Enforce Security, the secured creditor does have the right to enforce the security referenced in the Notice of Intention to Enforce Security dated April 4, 2013 in respect of the indebtedness referenced in that Notice by reason of the elapsement of 10 days from the service of that Notice.

Dated at the City of Edmonton, in the Province of Alberta, this 22nd day of April, 2013.

F
Connie Daniels
25 April
2013
Michelle Keller

ROYAL BANK OF CANADA,
by its solicitors and agents, Dentons Canada LLP

Per: _____

Ray C. Rutman

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

Dentons Canada LLP
2900 Manulife Place
10180 - 101 Street
Edmonton, AB, Canada T5J 3V5
T +1 780 423 7100
F +1 780 423 7276

April 22, 2013

File No.: 125665-8417

Personal and ConfidentialDowland Construction, Inc.
c/o Registered Office
4134 Ingra Street
Suite 201B
Anchorage, Alaska
99503
Attention: PresidentDowland Construction, Ltd
9820 - 44 Avenue
Edmonton, AB T6E 5E5
Attention: PresidentThis is Exhibit "G"
to the Affidavit ofCarinne Daniels
Sworn before me this

25 day of April

A.D. 2013

Michelle K
Notary Public / A Commissioner
for Oaths in and for the Province
of AlbertaMICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013Dowland Construction, Inc.
601 West 50th Avenue
Suite 900
Anchorage, Alaska
99501
Attention: PresidentDowland Contracting Ltd.
7028 - 56 Avenue
Edmonton, AB T6B 1E4
Attention: President

Dear Sirs:

**Re: Royal Bank of Canada ("RBC") - Dowland Contracting Ltd. ("Contracting")
- Dowland Construction, Ltd ("Construction")**

Please be advised that we are the solicitors for RBC with respect to the indebtedness of Contracting and Industrial. RBC advises that Contracting is indebted to RBC in the amount of \$20,458,975.77 plus interest thereon from and after the 17th day of April, 2013 plus costs (legal and financial advisory) on a solicitor and his own client full indemnity basis.

On or about April 15, 2013, Construction granted to RBC a guarantee and postponement of claim guaranteeing to RBC the indebtedness of Contracting to RBC for up to the sum of \$20,000,000 with interest from demand at RBC's prime interest rate per annum in effect from time to time ("Prime") plus 5% plus costs on a solicitor and his own client full indemnity basis.

On behalf of RBC we hereby demand payment from Construction of the sum of \$20,000,000, plus interest thereon from and after April 22, 2013 at the rate of Prime plus 5% plus costs as set out above pursuant to the above referenced guarantee. Payment is to be made to RBC care of this office within 10 days of the date of this letter failing which legal action and/or legal proceedings may be commenced to recover same.

Please note that nothing in this letter is intended to obligate RBC to extend further credit to Contracting or to revolve any loan account. Should RBC in its absolute discretion extend further credit to Contracting or permit any loan account to revolve, then the demand set out in this letter shall extend to any additional credit extended or amount advanced and interest shall accrue on any additional sums as set out above.

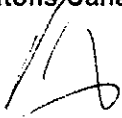
Please find attached a Notice of Intention to Enforce for Security for the purpose of service upon Construction.

Please note that RBC reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

RBC understands that Contracting is represented by Duncan Craig LLP. Please consult with your solicitor with respect to this letter. A copy of this letter is being forwarded concurrently to your solicitor.

Yours truly,

Dentons Canada LLP



Ray Rutman

RCR/cd/tj

cc Duncan & Craig LLP/Att: Darren Bieganek
Royal Bank of Canada/Att: Gary Ivany

FORM 115
NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: Dowland Construction Inc. (an insolvent person)

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) All present and after acquired property.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$20,000,000.00 plus interest plus costs on a solicitor and his own client full indemnity basis with respect to legal and financial advisory costs including, without limitation monitoring costs incurred from time to time.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent person consents to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 22nd day of April, 2013.

ROYAL BANK OF CANADA,
by its solicitors and agents, Dentons Canada LLP

Per: _____

Ray C. Rutman

This is signed H.
on behalf of _____

Corinne Daniels

25 April

2013

Michelle

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

I
Corinne Daniels

25 April

2013

Michelle

MICHELLE KELLER
MY COMMISSION EXPIRES ON
NOVEMBER 24th, 2013

(2)



REGISTERED
DOMESTIC
CUSTOMER RECEIPT

RECOMMANDE
RÉGIME INTÉRIEUR
REÇU DU CLIENT



To Destinataire

Name Nom
Dowland Contracting Ltd.

Address Adresse
41820-44 Ave

City / Prov. / Postal Code

Ville / Prov. / Code postal

Declared Value
Valeur déclarée

FOR DELIVERY
CONFIRMATION

CONFIRMATION
DE LA LIVRAISON

www.canadapost.ca

www.postescanada.ca

or/ou

1 888 550-6333

CPC Tracking Number

Numéro de repérage de la SCP

RW 744 915 253 CA

33-086-584 (11-04)

125665-8417 RCR

(4)



REGISTERED
DOMESTIC
CUSTOMER RECEIPT

RECOMMANDE
RÉGIME INTÉRIEUR
REÇU DU CLIENT



To Destinataire

Name Nom
Dowland Contracting Ltd.

Address Adresse
29 Industrial Road

Box 16600

City / Prov. / Postal Code

Ville / Prov. / Code postal

Declared Value

Valeur déclarée

FOR DELIVERY
CONFIRMATION

CONFIRMATION
DE LA LIVRAISON

www.canadapost.ca

www.postescanada.ca

or/ou

1 888 550-6333

CPC Tracking Number

Numéro de repérage de la SCP

RW 744 915 001 CA

33-086-584 (11-04)

REGISTERED
DOMESTIC
CUSTOMER RECEIPT

RECOMMANDE
RÉGIME INTÉRIEUR
REÇU DU CLIENT



To Destinataire

Name Nom
Dowland Contracting Ltd.

Address Adresse
1028-56 Avenue NW

City / Prov. / Postal Code

Ville / Prov. / Code postal

Declared Value

Valeur déclarée

FOR DELIVERY
CONFIRMATION

CONFIRMATION
DE LA LIVRAISON

www.canadapost.ca

www.postescanada.ca

or/ou

1 888 550-6333

CPC Tracking Number


Numéro de repérage de la SCP

RW 744 914 964 CA

33-086-584 (11-04)

Continued on reverse

Suite au verso


REGISTERED DOMESTIC **RECOMMANDÉ RÉGIME INTÉRIEUR** **R**

CUSTOMER RECEIPT **REÇU DU CLIENT** 9-00


To: **Attn: President**
 Name: **Dawson Contracting Ltd.**
 Address: **7028-56 Ave**
 City / Prov. / Postal Code: **Edmonton, AB, T6B 1E4**

Declared Value: \$
 33-086-584 (11-04)

FOR DELIVERY CONFIRMATION **CONFIRMATION DE LA LIVRAISON**
 www.canadapost.ca or/ou www.postescanada.ca
 1 888 550-6333

CPC Tracking Number **RW 744 914 933 CA**
 Numéro de repérage de la SCP

125665-8417 RCR


REGISTERED DOMESTIC **RECOMMANDÉ RÉGIME INTÉRIEUR** **R**

CUSTOMER RECEIPT **REÇU DU CLIENT** 89.13


To: **6070 N.W.T Limited**
 Name: **6070 N.W.T Limited**
 Address: **9820 44 Avenue**
 City / Prov. / Postal Code: **Edmonton, AB, T6E 5E5**

Declared Value: \$
 33-086-584 (11-04)

FOR DELIVERY CONFIRMATION **CONFIRMATION DE LA LIVRAISON**
 www.canadapost.ca or/ou www.postescanada.ca
 1 888 550-6333

CPC Tracking Number **RW 744 915 236 CA**
 Numéro de repérage de la SCP

125665-8417 RCR


REGISTERED DOMESTIC **RECOMMANDÉ RÉGIME INTÉRIEUR** **R**

CUSTOMER RECEIPT **REÇU DU CLIENT** 7.13


To: **Attn: President**
 Name: **Dawson Industrial Works Ltd**
 Address: **202-1166 Oriole Rd**
 City / Prov. / Postal Code: **Kamloops, BC, V2C 4N7**

Declared Value: \$
 33-086-584 (11-04)

FOR DELIVERY CONFIRMATION **CONFIRMATION DE LA LIVRAISON**
 www.canadapost.ca or/ou www.postescanada.ca
 1 888 550-6333

CPC Tracking Number **RW 744 914 920 CA**
 Numéro de repérage de la SCP

125665-8417 RCR


REGISTERED DOMESTIC **RECOMMANDÉ RÉGIME INTÉRIEUR** **R**

CUSTOMER RECEIPT **REÇU DU CLIENT** 9.13

To: **Dawson Industrial Works Ltd**
 Name: **Dawson Industrial Works Ltd**
 Address: **9820-44 Ave**
 City / Prov. / Postal Code: **Edmonton, AB, T6E 5E5**

Declared Value: \$
 33-086-584 (11-04)

FOR DELIVERY CONFIRMATION **CONFIRMATION DE LA LIVRAISON**
 www.canadapost.ca or/ou www.postescanada.ca
 1 888 550-6333

CPC Tracking Number **RW 744 915 267 CA**
 Numéro de repérage de la SCP

125665-8417 RCR



125665-8417/RCP
**REGISTERED
DOMESTIC**

**RECOMMANDE
RÉGIME INTÉRIEUR**



CUSTOMER RECEIPT

REÇU DU CLIENT

Attn: President

Name: Dowland Industrial
Address: Work Htd.
City: Vancouver, BC
Postal Code: V6C-3L2

FOR DELIVERY
CONFIRMATION

CONFIRMATION
DE LA LIVRAISON

www.canadapost.ca

www.postescanada.ca

or/ou

1 888 550-6333

CPC Tracking Number

Numéro de repérage de la SCP

Declared Value
Valeur déclarée \$

33-085-584 (11-04)

RW 744 914 947 CA

(1)



Registered
International/USA

Recommandé
International/É. U.



To: Dowland Construction Inc.

Name: 601 West 5th Ave
Address: Suite 400
City: Anchorage, Alaska

Country: USA
Postal Code: 99501

For enquiry
call: 1 888 550-6333

Advice of Avis de
Receipt réception

Declared Value
Valeur déclarée \$

Item No. N° de l'article

CUSTOMER RECEIPT

REÇU DU CLIENT

33-086-582 (98-10)

125665-8417/RCP

RW 918 100 281 CA

(3)



Registered
International/USA

Recommandé
International/É. U.



Attn: President

Name: Dowland Construction Inc.

Address: 4134 Ingra Street
Suite 201B

City: Anchorage, Alaska

Country: USA
Postal Code: 99503

For enquiry
call: 1 888 550-6333

Advice of Avis de
Receipt réception

Declared Value
Valeur déclarée \$

Item No. N° de l'article

CUSTOMER RECEIPT

REÇU DU CLIENT

33-086-582 (98-10)

RW 918 100 278 CA

(5)



REGISTERED
DOMESTIC

RECOMMANDE
RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

Download Contracting Ltd.

Name: 7028-56 Ave

Address: Edmonton, AB T6B 1E4

City: Edmonton, AB T6B 1E4

FOR DELIVERY
CONFIRMATION

CONFIRMATION
DE LA LIVRAISON

www.canadapost.ca

www.postescanada.ca

or/ou

1 888 550-6333

CPC Tracking Number

Numéro de repérage de la SCP

33-085-584 (11-04)

40-076-609 (98-12)

125665-8417/RCP

RW 744 915 240 CA

(2)



REGISTERED
DOMESTIC

RECOMMANDÉ
RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

9-13

To: Destinaire
Name: Nom
6070 NW 1st Limited
Address: Adresse
29 Industrial Road
City / Prov. / Postal Code: Ville / Prov. / Code postal
P.O. Box 1060
INUVIK / NT / X0E 0T0

FOR DELIVERY
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CPC Tracking Number Numéro de repérage de la SCP

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Declared Value
Valeur déclarée \$

33-086-584 (11-04)

125665-8417 RCR

(4)



REGISTERED
DOMESTIC

RECOMMANDÉ
RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

9-13

To: Destinaire
Name: Nom
Dowland Contracting Ltd.
Address: Adresse
7028-56 Ave
City / Prov. / Postal Code: Ville / Prov. / Code postal
Edmonton AB T6B 1E4

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CPC Tracking Number Numéro de repérage de la SCP

RW 744 914 023 CA

Declared Value
Valeur déclarée \$

33-086-584 (11-04)

125665-8417 RCR

(6)



REGISTERED
DOMESTIC

RECOMMANDÉ
RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

9-13

To: Destinaire
Name: Nom
Dowland Construction Ltd.
Address: Adresse
4320-44 Ave
City / Prov. / Postal Code: Ville / Prov. / Code postal
Edmonton AB T6E 5E5

FOR DELIVERY
CONFIRMATION
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1 888 550-6333

CPC Tracking Number Numéro de repérage de la SCP

RW 744 914 010 CA

Declared Value
Valeur déclarée \$

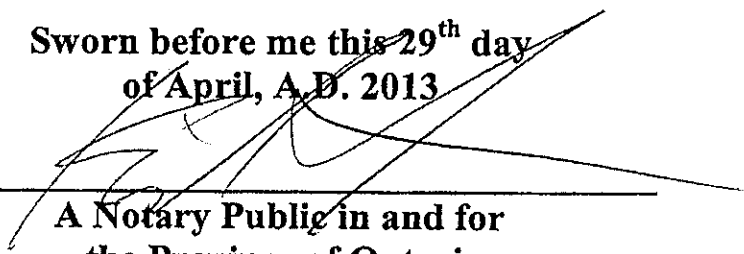
33-086-584 (11-04)

125665-8417 RCR

au verso

**This is Exhibit "N" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



COLLATERAL MORTGAGE

17WE, DOWLAND CONTRACTING LTD.

(hereinafter referred to as the "Mortgagor") having an address at P.O. Box 2128 1660, Inuvik,
(Street Address) (City)
NT XOE 0T0, being registered owner (or for the purposes of land located
(Province) (Postal Code)

in Northwest Territories or Nunavut Territory, being or being entitled to become registered owner) of an estate in fee simple (and for the purposes of land located in Alberta only, subject to registered encumbrances, liens and interests, if any) (and for the purposes of land located in Northwest Territories or Nunavut Territory only, subject to the encumbrances and interests listed below or which apply under the applicable Land Titles Act) in all that piece of land described as follows:

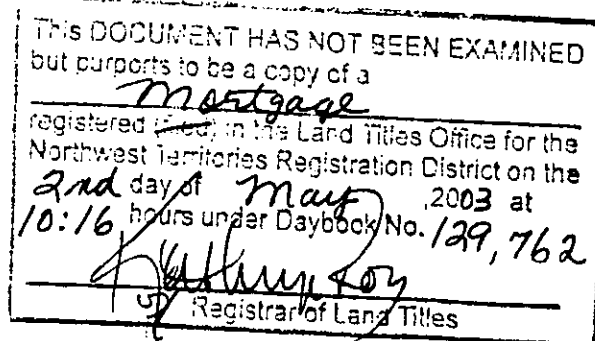
LOTS NINETEEN (19) AND TWENTY (20)
BLOCK FORTY NINE (49)
PLAN 633
INUVIK

(hereinafter referred to as "the land"), IN CONSIDERATION OF the premises herein and other valuable consideration, the receipt and sufficiency of which is acknowledged, hereby covenant with ROYAL BANK OF CANADA, a chartered bank having its Head Office in the City of Montreal, in the Province of Quebec (hereinafter referred to as the

"Mortgagee") and having an office at #301, 10117 Jasper Avenue,
Edmonton AB T5J 1W8, as follows:
(City) (Province) (Postal Code)

- (1) **Charging Clause:** The Mortgagor hereby encumbers, mortgages and charges the land and each and every building and improvement on the land (the "premises") which now or hereafter may be erected thereon (the land and the premises being hereinafter referred to as the "mortgaged property") with payment of:
- (a) the Liabilities (as hereinafter defined), excluding any portion thereof constituting interest or constituting Enforcement Obligations (as hereinafter defined), up to the amount of ONE MILLION FIVE HUNDRED THOUSAND and 00/100 DOLLARS (\$1,500,000.00);
 - (b) the Enforcement Obligations (as hereinafter defined); and
 - (c) interest payable on the Liabilities calculated at the rate and in the manner specified herein or in the instrument or other agreement creating or evidencing the obligation to pay such interest.

"Enforcement Obligations" means all amounts payable hereunder which are stated to constitute Enforcement Obligations.



"Liabilities" means all amounts owing to the Mortgagee from time to time in respect of any current or running account or revolving line of credit and all indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee (which includes for greater certainty all Enforcement Obligations) whether present or future, direct or indirect, absolute or contingent, matured or not, and whether incurred or arising before, during or after the time that the Mortgagor is the owner of the mortgaged property, and whether arising within or outside Canada, and whether incurred by or arising from any agreement or dealing between the Mortgagee and the Mortgagor or by or from any agreement or dealing with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor, or however otherwise incurred or arising, and whether the Mortgagor be bound alone or with another or others, and whether as principal, guarantor or surety.

"Prime Rate" means the annual rate of interest established and announced from time to time by the Mortgagee as being a reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada.

- (2) **Liabilities:** These presents are given and taken as general and continuing collateral security to secure payment of the Liabilities and this mortgage shall obtain priority for all Liabilities notwithstanding that at any time or from time to time there may not be any Liabilities then outstanding. The Mortgagor agrees to pay to the Mortgagee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation. Any future or contingent Liability that does not constitute a debt or loan shall accrue and be payable upon the satisfaction of any applicable condition or contingency which is specified in the agreement or dealing creating such Liability or upon the satisfaction of any other condition or contingency which may be applicable to making a determination of whether such Liability is accrued and payable. The accounts and records of the Mortgagee shall, in the absence of manifest error, constitute prima facie evidence of the amount of Liabilities outstanding and owing from time to time by the Mortgagor to the Mortgagee. Unless otherwise specified herein or in an instrument or other agreement creating or evidencing an obligation to pay interest on the Liabilities, the Mortgagor shall pay to the Mortgagee interest on the amount of the Liabilities outstanding from time to time for the period commencing on the date of demand for payment thereof until paid, such interest to be calculated at a rate equal to the Prime Rate plus two percent (2%) per annum, calculated and payable monthly not in advance, both before and after default and judgment, with interest on overdue interest at the rate aforesaid.
- (3) **Enforcement Obligations:** All Enforcement Obligations shall be payable by the Mortgagor to the Mortgagee upon demand therefor by the Mortgagee to the Mortgagor together with interest thereon from the date such Enforcement Obligations become due and payable until paid, calculated at a rate equal to the Prime Rate plus two percent (2%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid.
- (4) **No Merger:** Neither the granting of this mortgage nor any proceeding taken hereunder or with respect hereto or under any securities or evidences of securities taken by the Mortgagee, nor any judgment obtained in such proceeding, shall operate as a merger of the Liabilities or of any simple contract debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Liabilities and any securities which may be taken by the Mortgagee in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Liabilities or a part thereof, or be deemed a payment or satisfaction of the Liabilities or any part thereof or merger therein and any right reserved to the Mortgagee under any document may be exercised by the Mortgagee concurrently or consecutively with or to any other rights reserved to it.

(5) **Further Covenants:** The Mortgagor further covenants with the Mortgagee that the Mortgagor:

- (a) has a good title to the land and premises;
- (b) has the right to mortgage the land and premises and that on default the Mortgagee shall have quiet possession of the land and premises free from all encumbrances;
- (c) will execute such further assurances of the land and premises as may be requisite; and
- (d) has done no act to encumber the land and premises.

(6) **Covenants:** The Mortgagor further covenants with the Mortgagee that:

- (a) **Insurance:** The Mortgagor will forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of fire and such other perils as the Mortgagee may require, the premises, both during erection and thereafter, for a total amount not less than the lesser of the replacement cost of the premises and the amount of the Mortgagee's interest therein, with an insurance company and under policies satisfactory to the Mortgagee; and each policy of insurance shall provide that every loss shall be payable to the Mortgagee as its interest may appear in accordance herewith, subject to a standard form of mortgage clause approved by the Mortgagee; and each policy of insurance shall provide that the Mortgagee shall receive at least thirty (30) days prior notice of any cancellation or material alteration thereof; and the Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policies of insurance and all renewal receipts pertaining thereto; and no insurance will be carried on the premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause anything to be done, omitted or caused whereby the policies of insurance may become void; and the Mortgagor will pay all premiums necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least seven (7) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and forthwith on the happening of any loss or damage, the Mortgagor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and the production of this mortgage shall be sufficient authority for the insurance company to pay every such loss to the Mortgagee, and the insurance company is hereby directed thereupon to pay the same to the Mortgagee; and any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the premises or be paid to the Mortgagor or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Liabilities or any part thereof whether due or not then due; and the Mortgagor hereby releases to the Mortgagee all its claims upon the mortgaged property subject to the said provisos;
- (b) **Taxes and Encumbrances:** The Mortgagor will pay when and as the same fall due all taxes, rates, levies, assessments, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged property or on this mortgage or on the Mortgagee in respect of this mortgage; and in default of payment, the Mortgagee may pay the amount of such taxes, rates, levies, assessments, liens, charges, encumbrances and claims, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;

- (c) **Assignment of Rents and Leases:** For the better securing to the Mortgagee the payment of the Liabilities, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all leases, agreements, tenancies, quotas and licenses which affect the mortgaged property whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rents and other monies payable thereunder and all rights, benefits and advantages to be derived therefrom; ~~provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making~~ the Mortgagee responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the mortgaged property, or for the performance or observance of any provision of such leases and agreements;
- (d) **Fixtures:** Without restricting the generality of the term "fixtures", fences, plumbing, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all appliances and appurtenances relating thereto which now are or may hereafter be placed upon the mortgaged property by the Mortgagor or which now are or may hereafter be attached to the mortgaged property by the Mortgagor, and all farm machinery, improvements and irrigation systems, fixed or otherwise, and even though not attached to the land otherwise than by their own weight, shall be deemed to be fixtures and all fixtures shall form a part of the mortgaged property and are charged by and subject to this mortgage;
- (e) **Good Repair:** The Mortgagor will not remove any fixtures of any kind from the mortgaged property, and will keep the premises and all fixtures, gates, fences, drains and improvements for the time being subject to this mortgage in good and substantial repair, and will at all times make such repairs to, and if incomplete, will complete such buildings and improvements as may be required by the Mortgagee in writing; and will not without the consent in writing of the Mortgagee, commit or permit any kind of waste on the mortgaged property; and in default of any of the foregoing the Mortgagee may at its option enter upon the mortgaged property from time to time in order to inspect; and may at its option complete, repair and keep in repair the said premises, fixtures, gates, fences, drains and improvements without thereby becoming liable as mortgagee in possession and the amount expended by the Mortgagee in doing all or any of the foregoing things shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
- (f) **Erection of Improvements:** The Mortgagor will not, without the consent of the Mortgagee in writing, erect or permit to be erected on the mortgaged property any improvement, or enter into any contract that may cause the mortgaged property to be encumbered by a lien for work done, labor provided, services performed or material supplied and will keep the mortgaged property free from same;
- (g) **Inspection:** The Mortgagee, its agents, employees, and independent contractors may at any time enter upon the mortgaged property to inspect the mortgaged property, and where deemed necessary and/or advisable by the Mortgagee, to conduct investigations thereon, including, without limiting the generality of the foregoing, intrusive testing and sampling on the mortgaged property for the purpose of determining the presence of or the potential for environmental pollution, and the reasonable cost of such inspection and investigations paid for by the Mortgagee including any intrusive testing and sampling shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
- (h) **No Other Encumbrances:** The Mortgagor will not, without the consent of the Mortgagee in writing, grant, create, assume or suffer to exist any mortgage, charge, lien or other encumbrance against the mortgaged property, whether ranking in priority to or subsequent to this mortgage, and the Mortgagee may pay the amount of any mortgage, charge, lien or other encumbrance, now or hereafter existing upon the mortgaged property having or claiming priority over this mortgage. All monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and

- (i) **Compliance with Laws:** The Mortgagor covenants with the Mortgagee to at all times promptly observe, perform, execute and comply with all applicable laws, including without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, building construction, builders' liens, or public health and safety, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and will at its own expense make any and all improvements thereon or alterations to the mortgaged property, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, and the Mortgagor will cause its tenants, agents and invitees to comply with all the foregoing at their own expense.
- (7) **Environmental Provisions:** The Mortgagor represents and warrants to the Mortgagee that there is no product or substance on the mortgaged property or on any property adjacent thereto which contravenes any environmental law or which is not being dealt with according to best recognized environmental practices, and that the mortgaged property is being used in compliance with all environmental laws. The Mortgagor will give the Mortgagee immediate notice of any material change in circumstances which would cause any of the foregoing representations and warranties to become untrue. The Mortgagor will indemnify the Mortgagee and each of its directors, officers, employees, agents and independent contractors, from all loss or expense (including, without limitation, legal fees on a solicitor and his own client basis) due to the Mortgagor's failure to comply with any environmental law or due to the presence of any product or substance referred to in this paragraph, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of this mortgage or the release from this mortgage of part or all of the mortgaged property. All amounts payable to the Mortgagee in respect of such indemnity shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation.
- (8) **Remedies for Breach of Covenants:** In the event of non-payment when due of the Liabilities or a part thereof, or upon breach of or default under any provision of any agreement evidencing or relating to the Liabilities or a part thereof, or upon breach of or default in any provision of this mortgage:
- (a) **Liabilities Due:** The Liabilities shall immediately become due and payable at the option of the Mortgagee unless such non-payment, breach or default is waived or postponed by the Mortgagee;
- (b) **May Enter on to Mortgaged Property to Lease or Sell:** The Mortgagee may on giving the minimum notice, if any, according to applicable law, enter on and lease or sell the mortgaged property; and the Mortgagee may collect the rents and profits and lease or sell as aforesaid without entering into possession of the mortgaged property; and the Mortgagee is hereby irrevocably appointed the attorney of the Mortgagor for the purpose of making such lease or sale, and for recovering all rents and sums of money that may become or are due or owing to the Mortgagor in respect of the mortgaged property, and for enforcing all agreements binding on any lessee or occupier of the mortgaged property or on any other person in respect of it, and for taking and maintaining possession of the mortgaged property, and for protecting it from waste, damage or trespass, and for making arrangements for completing the construction of, repairing or putting into order any buildings or other improvements on the mortgaged property, and for harvesting, threshing and marketing any crops on the land, keeping down and destroying any noxious weeds, summer fallowing, and working, breaking and otherwise farming any farm land, and for conducting remediation to bring the mortgaged property in compliance with recognized environmental standards, statutory or otherwise, and for executing all instruments, deeds and documents pertaining thereto, and for doing all acts, matters and things that may be necessary for carrying out the powers hereby given; and any such sale may be either for cash or on credit, or part cash and part credit, and by private sale or public auction, and at such sale the whole or any part of the mortgaged property may be sold; and the Mortgagee may vary or rescind any contract of sale made by virtue of these presents, and may buy in and resell the mortgaged property or any part thereof, without being responsible for any loss or deficiency on resale or expense occasioned thereby, and may sell on such terms as to credit or otherwise as to it shall seem appropriate, and for such prices as can reasonably be obtained therefor, and may make any stipulation as to title or evidence or commencement of title or otherwise as to it may seem proper, and no purchaser or lessee under such power shall be bound to inquire into the legality or regularity of any sale or lease under the said power, or to see to the application of the proceeds thereof, nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease; and out of the money arising from such sale

or lease the Mortgagee shall be entitled to retain an amount equal to the Liabilities together with all expenses incurred in or about taking, recovering or keeping possession of the mortgaged property, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including solicitor's fees and disbursements as between a solicitor and his own client, and any balance of monies remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any monies except those actually received by the Mortgagee;

- (c) **Foreclosure:** The Mortgagee may take foreclosure or foreclosure and sale proceedings in respect of the mortgaged property in accordance with the provisions of the laws of the jurisdiction in which the mortgaged property is situate; and in the event of any deficiency on account of the Liabilities remaining due to the Mortgagee after realizing all the mortgaged property, then the Mortgagor will pay to the Mortgagee on demand the amount of such deficiency together with interest thereon until paid, calculated at a rate equal to the Prime Rate plus two percent (2%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. In the event foreclosure proceedings are commenced in respect of the mortgaged property, then from the time of the application for an order nisi in such proceedings, the rate of interest payable under this mortgage shall, at the option of the Mortgagee, be fixed at the rate applicable under this mortgage at that time and shall thereafter remain at such fixed rate unless and until such proceedings have been settled or discontinued;
- (d) **Distrain:** The Mortgagee may distrain for arrears of the Liabilities, and as part of the consideration for any advance or creation of the Liabilities, the Mortgagor agrees to waive, and hereby waives, on the exercise of any such right of distress all rights to exemptions from seizure and distress under any law applicable in the jurisdiction in which the mortgaged property is situate;
- (e) **Receivership:** The Mortgagee may appoint a receiver of the mortgaged property and of the income of the mortgaged property, or any part thereof, and every such receiver shall be the agent of the Mortgagor and the Mortgagee shall be solely responsible for the receiver's acts or defaults; and such receiver shall have power to demand, recover and receive all the income of the mortgaged property, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee, and to give effectual receipts for the same; and the receiver may lease the mortgaged property and execute contracts in the name of the Mortgagor; provided that such receiver may be removed and a new receiver appointed from time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor; and it is further agreed that such receiver shall be entitled to retain out of the monies received by it a commission of five percent (5%) of the gross receipts, or such higher rate as any judge of any court having jurisdiction may allow upon application by it for that purpose, and also its disbursements in the collection of such income, and thereafter shall apply all monies received by it as such receiver as follows: namely, in discharge of all taxes, rates and accounts payable whatsoever affecting the mortgaged property and all liens, charges (including, without limitation, those imposed under environmental laws), annual sums or other payments and interest thereon, if any, having priority to this mortgage; in payment of the premiums on insurance payable under this mortgage; in payment of the cost of all necessary or proper repairs to the mortgaged property; and the balance, if any, thereafter upon the Liabilities; provided further that neither the existence of the foregoing relating to attornment, to distraint for arrears, to entry upon the mortgaged property, to foreclosure and to the said receivership, nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession so as to be accountable for any monies except those actually received; and
- (f) **Performance of Obligations:** The Mortgagee, at its option, may by and on behalf of the Mortgagor and at the sole cost and expense of the Mortgagor, and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed, any provision with respect to which default has occurred hereunder or under any provision of any agreement or dealing evidencing the Liabilities and for such purpose make such payments as are contemplated herein, and all monies expended by the Mortgagee for any such purpose shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation; provided however that nothing herein contained shall be deemed to hold the Mortgagee responsible for and the Mortgagee shall not be responsible for any loss arising out of its or its agents' or employees' observance or performance of any such provision. No remedy herein conferred is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any security collateral hereto or now or hereafter existing at law or in equity.

- (9) **Bankruptcy:** If the Mortgagor shall commit an act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act, become bankrupt or insolvent or shall be subject to the provisions of the Bankruptcy and Insolvency Act, the Companies Creditors Arrangement Act, the Winding Up Act or any other Act for the benefit of creditors or relating to bankrupt or insolvent debtors or go into liquidation either voluntarily or under an order of a court of competent jurisdiction or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency, the same shall constitute a breach of covenant pursuant to this mortgage.
- (10) **Costs to Protect Security:** All fees, charges, costs (including solicitor's fees and disbursements as between a solicitor and his own client) or expenses levied or charged by any solicitors or inspectors retained by or on behalf of the Mortgagee for the preparation, taking, registration, maintenance, protection or enforcement of this mortgage and any other securities which may be taken by the Mortgagee in connection with the Liabilities or any part thereof, together with the costs of any sale or abortive sale and of taking, recovering and keeping possession of the mortgaged property, the costs of inspecting or managing the same and generally any costs in any other proceeding, matter or thing taken or done in connection with or for completing the construction of, repairing or putting in order any buildings or other improvements on the mortgaged property, or for remediation to bring the mortgaged property into compliance with recognized environmental standards, statutory or otherwise, or to protect or realize upon this mortgage or any other security taken in connection with the Liabilities, or to perfect the title of the mortgaged property, or relating to expropriation of part or all of the mortgaged property, shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation. If the Mortgagor shall default in payment of any Enforcement Obligation on demand, the Liabilities shall at the option of the Mortgagee forthwith become due and payable unless such default is waived or postponed by the Mortgagee.
- (11) **Extension or Replacement of Covenants:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, in respect of the Liabilities or any part thereof give an extension of time, take the covenant of any purchaser of the equity of redemption of the mortgaged property or any part thereof, or any security whatsoever from them or from any other person, for the assumption and payment of the whole or any part of the Liabilities or for the due performance of any of the provisions hereof and any such action on the part of the Mortgagee shall not release the Mortgagor or any guarantor or surety from payment of the Liabilities or any part thereof or the performance of the said provisions or any of them; and the Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under it, or any other person liable for payment of the Liabilities, or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may pay all monies received from the Mortgagor or others, or from securities upon such part of the Liabilities as the Mortgagee may think best without prejudice to or in any way limiting or lessening the liability of the mortgaged property or of any surety or obligor or any other person liable for payment of the Liabilities; and the Mortgagee shall incur no liability to any person by reason of anything aforesaid; any provision or liability aforesaid shall continue in full force as long as any of the Liabilities remain unpaid, but the Mortgagee shall not be bound to exhaust its recourse or remedies against the mortgaged property or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any guarantor or surety of the Liabilities.
- (12) **Release of Lands:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, release any part of the mortgaged property or any other security for the Liabilities either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by it and without thereby releasing any other part of the mortgaged property, or any provision hereof, including any covenants or agreements on the part of any guarantor or surety for the payment of the Liabilities and the performance of the provisions hereof.
- (13) **No Waiver:** The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the provisions of this mortgage shall not be or constitute any waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion and no waiver shall be inferred from or implied by anything done or omitted by the Mortgagee, except by express agreement.

- (14) **No Apportionment:** Every part, lot or unit into which the mortgaged property is or may hereafter be divided stands charged with the whole of the Liabilities and no person shall have any right to require the Liabilities to be apportioned on or in respect of any such part, lot or unit, or to require the charge of this mortgage to be released or discharged in respect of any such part, lot or unit, and the Mortgagor hereby waives any provision of any legislation which provides for such right.
- (15) **All Taxes Paid:** The Mortgagor represents and warrants that it has paid all taxes, interest and penalties payable by it under the provisions of federal, provincial and municipal statutes or by-laws relating thereto, and which may create a charge or lien upon the mortgaged property.
- (16) **Expropriation:** In the event that the whole or any material portion of the mortgaged property is expropriated by any entity empowered to do so, then at the option of the Mortgagee all Liabilities shall forthwith become due and payable. The Mortgagor hereby waives the provisions of any law applicable in the jurisdiction in which the mortgaged property is situate which would restrict recovery under this mortgage to recovering the market value of this mortgage at the date of any expropriation if the market value is then less than the amount of the Liabilities. In the event such market value is less than the amount of the Liabilities and the Mortgagee receives from the expropriating authority the market value of this mortgage, the Mortgagor shall, notwithstanding the provisions of any such law, forthwith upon demand pay to the Mortgagee the remaining portion as a separate debt together with interest thereon until paid at a rate equal to the Prime Rate plus two percent (2%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. The proceeds from any expropriation affecting the whole or any part of the mortgaged property shall be paid to the Mortgagee in priority to the claims of any other person.
- (17) **Discharge:** The Mortgagor shall not be entitled to a discharge of this mortgage unless and until the Liabilities have been paid in full or are no longer in existence, the Mortgagee has no further obligations to the Mortgagor in respect of any Liabilities and the Mortgagor has kept and performed all of the provisions hereunder and under any provision of any agreement evidencing the Liabilities; and the Mortgagee shall have a reasonable time after payment or termination of the Liabilities within which to prepare or have prepared an executed discharge of this mortgage, and interest shall continue to run and accrue until all Liabilities have been paid and actual payment in full has been received by the Mortgagee and all legal and other expenses for the preparation and execution of such discharge and any administration fee of the mortgagee in connection therewith shall be borne by the Mortgagor.
- (18) **Condominium Units:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property constitutes a condominium or a unit in a condominium:
- (a) The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform each and every provision required to be observed and performed under or pursuant to the terms of this mortgage, each and every provision of any law applicable in the jurisdiction in which the mortgaged property is situate which affects such condominium or unit in a condominium and the by-laws and any amendments thereto of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium being charged by this mortgage (hereafter referred to as the "Condominium Corporation");
 - (b) Without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all unpaid assessments, instalments or payments due to the Condominium Corporation;
 - (c) In addition to the Mortgagor's obligations hereunder to insure the mortgaged property, the Mortgagor covenants and agrees to provide the Mortgagee, from time to time upon the Mortgagee's request, with evidence satisfactory to the Mortgagee that the Condominium Corporation keeps the condominium insured in favour of the Mortgagee against all risks of direct physical loss or damage on a replacement cost basis for an amount equal to the full replacement value of the condominium; provided that, if the Condominium Corporation neglects to keep the condominium insured as aforesaid, the Mortgagee shall be entitled but shall not be obligated to insure the condominium to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable on demand and shall constitute an Enforcement Obligation;

- (d) As a member of the Condominium Corporation, the Mortgagor covenants and agrees to seek the full compliance by the Condominium Corporation with the requirement that the Condominium Corporation insure the condominium; and the Mortgagor hereby releases to the Mortgagee all of the Mortgagor's claim upon the Condominium Corporation, subject to the terms of the said insurance policy;
- (e) The Mortgagee authorizes the Mortgagor to vote respecting all matters relating to the affairs of the Condominium Corporation, provided that the Mortgagee may at any time upon written notice to the Mortgagor and the Condominium Corporation, revoke this authorization, in which case all power to vote shall rest in the Mortgagee, although the Mortgagee shall be under no obligation to vote to protect the interests of the Mortgagor or to vote in any particular manner;
- (f) The Mortgagor further covenants that, where the Mortgagor defaults in the Mortgagor's obligations to pay any assessment, instalment or payment due to the Condominium Corporation, or upon breach of any provision contained in this paragraph, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of this mortgage and proceed to exercise its rights herein;
- (g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, instalment or payment due to the Condominium Corporation or arising under this paragraph; and
- (h) The Mortgagor covenants to request the Condominium Corporation to send to the Mortgagee copies of all notices sent to the Mortgagor, and the Mortgagor covenants to notify the Mortgagee of any breaches by the Condominium Corporation that come to the attention of the Mortgagor.
- (19) **Farm Lands:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property is or includes farm lands:
- (a) In addition to the Mortgagor's obligations herein to insure the mortgaged property, the Mortgagor covenants and agrees to forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by hail and such other perils as the Mortgagee may require, all crops now or hereafter to be grown on the land;
- (b) The Mortgagor will in each year during the currency of this mortgage either put into crop or summer fallow in good, proper and husbandlike manner every portion of the land which has been or may hereafter be brought under cultivation, and will keep the land clean and free from all noxious weeds and generally see that the mortgaged property does not depreciate in any way; and
- (c) The Mortgagor will pay when and as the same fall due any charges for keeping down and destroying noxious weeds on the land and in default of payment the Mortgagee may pay the same, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation.
- (20) **Due on Sale or on Change in Ownership:** In the event that the Mortgagor shall sell, convey, transfer or otherwise dispose of the mortgaged property, or enter into any agreement to sell, convey, transfer or otherwise dispose of or lose title thereto, the Liabilities shall forthwith become due and payable at the option of the Mortgagee. In the event that the Mortgagor is a corporation, and in the event that there is a sale or sales which result in a transfer of the legal or beneficial interest of a majority of the shares in the capital of the Mortgagor or there is a change in the effective control of a majority of the voting shares in the capital of the Mortgagor, then the Liabilities shall forthwith become due and payable at the option of the Mortgagee.
- (21) **Cross Default:** In the event that the Mortgagor makes default under any mortgage, charge, lien or other encumbrance against the mortgaged property ranking or claiming priority over this mortgage, the same shall constitute default under this mortgage and the Liabilities shall at the option of the Mortgagee forthwith become due and payable, and the Mortgagee shall be at liberty to exercise its rights under this mortgage.

- (22) **No Obligation to Advance:** Neither the execution nor registration of this mortgage nor the advancing or creation of any part of the Liabilities shall bind the Mortgagee to advance or create any further Liabilities; and notwithstanding anything herein contained, all payments to be made on or by virtue of this mortgage shall be made in lawful money of Canada to the Mortgagee at its Head Office or at such other place as the Mortgagee may, from time to time, in writing designate.
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- (23) **Proving of Prime Rate:** In the event that it may be necessary at any time for the Mortgagee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Manager for the time being of the branch of the Mortgagee responsible for the collection of the Liabilities setting forth the Prime Rate as at any time or times shall be and shall be deemed to be conclusive evidence as to the Prime Rate.
- (24) **Lawful Interest Rate:** In the event interest chargeable or payable on principal or interest or on arrears of principal or interest as provided for in this mortgage is in excess of that permitted by the Interest Act (Canada) or any other applicable law, then in such event, interest payable and chargeable on such principal or interest or on arrears of principal or interest under this mortgage shall be chargeable and payable at the highest lawful rate permitted by the Interest Act (Canada) or such other applicable law and no other interest on principal or interest or on arrears of principal or interest shall be chargeable or payable hereunder.
- (25) **Special Provisions:** The Mortgagor covenants with the Mortgagee that in the event the mortgaged property is situate in the Province of Saskatchewan and the Mortgagor is a body corporate, the Mortgagor agrees that:
- (a) The Land Contracts (Actions) Act of the Province of Saskatchewan shall have no application to an action, as defined in the said Act, with respect to this mortgage; and
 - (b) The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof shall have no application to this mortgage or any agreement or instrument renewing or extending or collateral to this mortgage, or the rights, powers or remedies of any other person under this mortgage, or any such agreement or instrument renewing or extending or collateral to this mortgage.
- (26) **Severability:** If any provision of this mortgage or the application thereof to any person is to any extent held invalid or unenforceable, the remainder of this mortgage or the application of such provision to persons other than those with respect to which it is held invalid or unenforceable shall not be affected thereby and shall continue to be enforceable to the fullest extent permitted by law.
- (27) **Joint and Several:** In the event there is more than one Mortgagor hereunder, the terms, conditions and other obligations of each Mortgagor hereunder shall be joint and several.
- (28) **Interpretation:** The words used herein which import the singular number and neuter shall be read and construed as plural and feminine or masculine, as the case may be, and the terms of this mortgage shall be binding upon and apply to the party's heirs, executors, administrators, successors or assigns, as applicable.
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- (29) **Statutory Mortgage Clause:** And for better securing to the Mortgagee the repayment in the manner aforesaid of the Liabilities, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the mortgaged property.
- (30) **Land Titles Act:** It is understood and intended that this mortgage is made with reference to and under the Land Titles Act of the jurisdiction in which the mortgaged property is situate.

IN WITNESS WHEREOF THIS MORTGAGE IS SIGNED, SEALED AND DELIVERED THIS 24th day of April, 2003.

in the presence of

(Witness)

(Witness)

(Witness)

(seal)
(Mortgagor)
(seal)
(Mortgagor)

DOWLAND CONTRACTING LTD.

Name of Mortgagor (if Corporation)

By: Donnie Lennie

Title: Secretary c/s

By: Guy Pemberton

Title: President

AFFIDAVIT OF EXECUTION

(To be completed where the mortgage is signed by an individual or by a corporation without seal)

I, _____, of _____, in the Province/Territory of _____,

MAKE OATH AND SAY:

1. That I was personally present and did see _____ and _____ named in the within instrument who is (are) known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
2. That the same was executed at _____, in the Province/Territory of _____, and that I am the subscribing witness thereto.
3. That I know the said person(s) named in paragraph 1 and he (she) (they) is (are) in my belief of the full age of eighteen years (or nineteen years if the lands are situate in the Northwest Territories or Nunavut Territory).

SWORN BEFORE ME at _____,
in the Province/Territory of _____,
this _____ day of _____,

(A Commissioner for Oaths in and for the
Province/Territory of _____)
My Commission expires _____,

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY
(To be completed where the mortgage is signed by a corporation without seal)

I, _____, of _____, in the
Province/Territory of _____,

MAKE OATH AND SAY THAT:

1. I am an officer or a director of _____ named
in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at _____,)
in the Province/Territory of _____,)
this _____ day of _____, _____,)
_____,)
_____)

(A Commissioner for Oaths in and
for the Province/Territory of _____)
My Commission expires _____, _____

Address of Mortgagee:

Royal Bank of Canada
301, 10117 Jasper Avenue
EDMONTON, AB T5J 1W8

Prior Encumbrances:

Mortgage 87652
Caveat 87653
Mortgage 128865

**This is Exhibit "O" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**

**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler

Collateral Mortgage - General
Saskatchewan/Alberta/NWT/Nunavut

COLLATERAL MORTGAGE

~~KOE~~, DOWLAND CONTRACTING LTD.(hereinafter referred to as the "Mortgagor") having an address at P.O. Box 1660, Inuvik,
NT XOE 0T0, being registered owner (or for the purposes of land located
(Province) (Postal Code) (Street Address) (City)in Northwest Territories ~~or Nunavut Territory~~, being or being entitled to become registered owner) of an estate in fee simple/ ~~fee simple~~ fee simple (and for the purposes of land located in Alberta only, subject to registered encumbrances, liens and interests, if any) (and for the purposes of land located in Northwest Territories or Nunavut Territory only, subject to the encumbrances and interests listed below or which apply under the applicable Land Titles Act) in all that piece of land described as follows:

AS SHOWN ON SCHEDULE "A" ATTACHED HERETO

(hereinafter referred to as "the land"), IN CONSIDERATION OF the premises herein and other valuable consideration, the receipt and sufficiency of which is acknowledged, hereby covenant with ROYAL BANK OF CANADA, a chartered bank having its Head Office in the City of Montreal, in the Province of Quebec (hereinafter referred to as the

"Mortgagee") and having an office at 180 Wellington Street W., 3rd Floor
Toronto, Ontario M5G 2C2, as follows:
(City) (Province) (Street Address) (Postal Code)

- (1) **Charging Clause:** The Mortgagor hereby encumbers, mortgages and charges the land and each and every building and improvement on the land (the "premises") which now or hereafter may be erected thereon (the land and the premises being hereinafter referred to as the "mortgaged property") with payment of:
- (a) the Liabilities (as hereinafter defined), excluding any portion thereof constituting interest or constituting Enforcement Obligations (as hereinafter defined), up to the amount of TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$ 2,800,000);
- (b) the Enforcement Obligations (as hereinafter defined); and
- (c) interest payable on the Liabilities calculated at the rate and in the manner specified herein or in the instrument or other agreement creating or evidencing the obligation to pay such interest.

"Enforcement Obligations" means all amounts payable hereunder which are stated to constitute Enforcement Obligations.

I certify that this instrument was registered
(filed) in the Land Titles Office for the
Northwest Territories Registration District
at _____ hours
per Daybook No. _____

Registrar of Land Titles

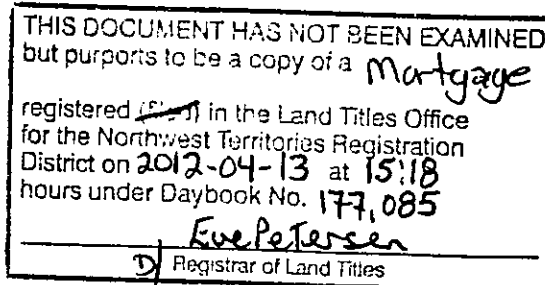
THIS DOCUMENT HAS NOT BEEN EXAMINED
but purports to be a copy of a
MORTGAGE
registered (filed) in the Land Titles Office
for the Northwest Territories Registration
District on 2012-03-16 at 14:41
hours under Daybook No. 176,794

Registrar of Land Titles

"Liabilities" means all amounts owing to the Mortgagee from time to time in respect of any current or running account or revolving line of credit and all indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee (which includes for greater certainty all Enforcement Obligations) whether present or future, direct or indirect, absolute or contingent, matured or not, and whether incurred or arising before, during or after the time that the Mortgagor is the owner of the mortgaged property, and whether arising within or outside Canada, and whether incurred by or arising from any agreement or dealing between the Mortgagee and the Mortgagor or by or from any agreement or dealing with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor, or however otherwise incurred or arising, and whether the Mortgagor be bound alone or with another or others, and whether as principal, guarantor or surety.

"Prime Rate" means the annual rate of interest established and announced from time to time by the Mortgagee as being a reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada.

- (2) **Liabilities:** These presents are given and taken as general and continuing collateral security to secure payment of the Liabilities and this mortgage shall obtain priority for all Liabilities notwithstanding that at any time or from time to time there may not be any Liabilities then outstanding. The Mortgagor agrees to pay to the Mortgagee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation. Any future or contingent Liability that does not constitute a debt or loan shall accrue and be payable upon the satisfaction of any applicable condition or contingency which is specified in the agreement or dealing creating such Liability or upon the satisfaction of any other condition or contingency which may be applicable to making a determination of whether such Liability is accrued and payable. The accounts and records of the Mortgagee shall, in the absence of manifest error, constitute prima facie evidence of the amount of Liabilities outstanding and owing from time to time by the Mortgagor to the Mortgagee. Unless otherwise specified herein or in an instrument or other agreement creating or evidencing an obligation to pay interest on the Liabilities, the Mortgagor shall pay to the Mortgagee interest on the amount of the Liabilities outstanding from time to time for the period commencing on the date of demand for payment thereof until paid, such interest to be calculated at a rate equal to the Prime Rate plus five (5.0 %) per annum, calculated and payable monthly not in advance, both before and after default and judgment, with interest on overdue interest at the rate aforesaid.
- (3) **Enforcement Obligations:** All Enforcement Obligations shall be payable by the Mortgagor to the Mortgagee upon demand therefor by the Mortgagee to the Mortgagor together with interest thereon from the date such Enforcement Obligations become due and payable until paid, calculated at a rate equal to the Prime Rate plus two percent (2%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid.
- (4) **No Merger:** Neither the granting of this mortgage nor any proceeding taken hereunder or with respect hereto or under any securities or evidences of securities taken by the Mortgagee, nor any judgment obtained in such proceeding, shall operate as a merger of the Liabilities or of any simple contract debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Liabilities and any securities which may be taken by the Mortgagee in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Liabilities or a part thereof, or be deemed a payment or satisfaction of the Liabilities or any part thereof or merger therein and any right reserved to the Mortgagee under any document may be exercised by the Mortgagee concurrently or consecutively with or to any other rights reserved to it.



- (5) **Further Covenants:** The Mortgagor further covenants with the Mortgagee that the Mortgagor:
- (a) has a good title to the land and premises;
 - (b) has the right to mortgage the land and premises and that on default the Mortgagee shall have quiet possession of the land and premises free from all encumbrances;
 - (c) will execute such further assurances of the land and premises as may be requisite; and
 - (d) has done no act to encumber the land and premises.

- (6) **Covenants:** The Mortgagor further covenants with the Mortgagee that:

- (a) **Insurance:** The Mortgagor will forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of fire and such other perils as the Mortgagee may require, the premises, both during erection and thereafter, for a total amount not less than the lesser of the replacement cost of the premises and the amount of the Mortgagee's interest therein, with an insurance company and under policies satisfactory to the Mortgagee; and each policy of insurance shall provide that every loss shall be payable to the Mortgagee as its interest may appear in accordance herewith, subject to a standard form of mortgage clause approved by the Mortgagee; and each policy of insurance shall provide that the Mortgagee shall receive at least thirty (30) days prior notice of any cancellation or material alteration thereof; and the Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policies of insurance and all renewal receipts pertaining thereto; and no insurance will be carried on the premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause anything to be done, omitted or caused whereby the policies of insurance may become void; and the Mortgagor will pay all premiums necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least seven (7) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and forthwith on the happening of any loss or damage, the Mortgagor will furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and the production of this mortgage shall be sufficient authority for the insurance company to pay every such loss to the Mortgagee, and the insurance company is hereby directed thereupon to pay the same to the Mortgagee; and any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the premises or be paid to the Mortgagor or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Liabilities or any part thereof whether due or not then due; and the Mortgagor hereby releases to the Mortgagee all its claims upon the mortgaged property subject to the said provisos;
- (b) **Taxes and Encumbrances:** The Mortgagor will pay when and as the same fall due all taxes, rates, levies, assessments, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged property or on this mortgage or on the Mortgagee in respect of this mortgage; and in default of payment, the Mortgagee may pay the amount of such taxes, rates, levies, assessments, liens, charges, encumbrances and claims, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;

- (c) **Assignment of Rents and Leases:** For the better securing to the Mortgagee the payment of the Liabilities, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all leases, agreements, tenancies, quotas and licenses which affect the mortgaged property whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rents and other monies payable thereunder and all rights, benefits and advantages to be derived therefrom; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the mortgaged property, or for the performance or observance of any provision of such leases and agreements;
- (d) **Fixtures:** Without restricting the generality of the term "fixtures", fences, plumbing, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all appliances and appurtenances relating thereto which now are or may hereafter be placed upon the mortgaged property by the Mortgagor or which now are or may hereafter be attached to the mortgaged property by the Mortgagor, and all farm machinery, improvements and irrigation systems, fixed or otherwise, and even though not attached to the land otherwise than by their own weight, shall be deemed to be fixtures and all fixtures shall form a part of the mortgaged property and are charged by and subject to this mortgage;
- (e) **Good Repair:** The Mortgagor will not remove any fixtures of any kind from the mortgaged property, and will keep the premises and all fixtures, gates, fences, drains and improvements for the time being subject to this mortgage in good and substantial repair, and will at all times make such repairs to, and if incomplete, will complete such buildings and improvements as may be required by the Mortgagee in writing; and will not without the consent in writing of the Mortgagee, commit or permit any kind of waste on the mortgaged property; and in default of any of the foregoing the Mortgagee may at its option enter upon the mortgaged property from time to time in order to inspect, and may at its option complete, repair and keep in repair the said premises, fixtures, gates, fences, drains and improvements without thereby becoming liable as mortgagee in possession and the amount expended by the Mortgagee in doing all or any of the foregoing things shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
- (f) **Erection of Improvements:** The Mortgagor will not, without the consent of the Mortgagee in writing, erect or permit to be erected on the mortgaged property any improvement, or enter into any contract that may cause the mortgaged property to be encumbered by a lien for work done, labor provided, services performed or material supplied and will keep the mortgaged property free from same;
- (g) **Inspection:** The Mortgagee, its agents, employees, and independent contractors may at any time enter upon the mortgaged property to inspect the mortgaged property, and where deemed necessary and/or advisable by the Mortgagee, to conduct investigations thereon, including, without limiting the generality of the foregoing, intrusive testing and sampling on the mortgaged property for the purpose of determining the presence of or the potential for environmental pollution, and the reasonable cost of such inspection and investigations paid for by the Mortgagee including any intrusive testing and sampling shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
- (h) **No Other Encumbrances:** The Mortgagor will not, without the consent of the Mortgagee in writing, grant, create, assume or suffer to exist any mortgage, charge, lien or other encumbrance against the mortgaged property, whether ranking in priority to or subsequent to this mortgage, and the Mortgagee may pay the amount of any mortgage, charge, lien or other encumbrance, now or hereafter existing upon the mortgaged property having or claiming priority over this mortgage. All monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and

- (i) **Compliance with Laws:** The Mortgagor covenants with the Mortgagee to at all times promptly observe, perform, execute and comply with all applicable laws, including without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, building construction, builders' liens, or public health and safety, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and will at its own expense make any and all improvements thereon or alterations to the mortgaged property, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, and the Mortgagee will cause its tenants, agents and invitees to comply with all the foregoing at their own expense.
- (7) **Environmental Provisions:** The Mortgagor represents and warrants to the Mortgagee that there is no product or substance on the mortgaged property or on any property adjacent thereto which contravenes any environmental law or which is not being dealt with according to best recognized environmental practices, and that the mortgaged property is being used in compliance with all environmental laws. The Mortgagor will give the Mortgagee immediate notice of any material change in circumstances which would cause any of the foregoing representations and warranties to become untrue. The Mortgagor will indemnify the Mortgagee and each of its directors, officers, employees, agents and independent contractors, from all loss or expense (including, without limitation, legal fees on a solicitor and his own client basis) due to the Mortgagor's failure to comply with any environmental law or due to the presence of any product or substance referred to in this paragraph, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of this mortgage or the release from this mortgage of part or all of the mortgaged property. All amounts payable to the Mortgagee in respect of such indemnity shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation.
- (8) **Remedies for Breach of Covenants:** In the event of non-payment when due of the Liabilities or a part thereof, or upon breach of or default under any provision of any agreement evidencing or relating to the Liabilities or a part thereof, or upon breach of or default in any provision of this mortgage:
- (a) **Liabilities Due:** The Liabilities shall immediately become due and payable at the option of the Mortgagee unless such non-payment, breach or default is waived or postponed by the Mortgagee;
- (b) **May Enter on to Mortgaged Property to Lease or Sell:** The Mortgagee may on giving the minimum notice, if any, according to applicable law, enter on and lease or sell the mortgaged property; and the Mortgagee may collect the rents and profits and lease or sell as aforesaid without entering into possession of the mortgaged property; and the Mortgagee is hereby irrevocably appointed the ~~attorney~~ agent of the Mortgagor for the purpose of making such lease or sale, and for recovering all rents and sums of money that may become or are due or owing to the Mortgagor in respect of the mortgaged property, and for enforcing all agreements binding on any lessee or occupier of the mortgaged property or on any other person in respect of it, and for taking and maintaining possession of the mortgaged property, and for protecting it from waste, damage or trespass, and for making arrangements for completing the construction of, repairing or putting into order any buildings or other improvements on the mortgaged property, and for harvesting, threshing and marketing any crops on the land, keeping down and destroying any noxious weeds, summer fallowing, and working, breaking and otherwise farming any farm land, and for conducting remediation to bring the mortgaged property in compliance with recognized environmental standards, statutory or otherwise, ~~and for recovering all such sums, costs and disbursements pertaining thereto~~, and for doing all acts, matters and things that may be necessary for carrying out the powers hereby given; and any such sale may be either for cash or on credit, or part cash and part credit, and by private sale or public auction, and at such sale the whole or any part of the mortgaged property may be sold; and the Mortgagee may vary or rescind any contract of sale made by virtue of these presents, and may buy in and resell the mortgaged property or any part thereof, without being responsible for any loss or deficiency on resale or expense occasioned thereby, and may sell on such terms as to credit or otherwise as to it shall seem appropriate, and for such prices as can reasonably be obtained therefor, and may make any stipulation as to title or evidence or commencement of title or otherwise as to it may seem proper, and no purchaser or lessee under such power shall be bound to inquire into the legality or regularity of any sale or lease under the said power, or to see to the application of the proceeds thereof, nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease; and out of the money arising from such sale

- or lease the Mortgagee shall be entitled to retain an amount equal to the Liabilities together with all expenses incurred in or about taking, recovering or keeping possession of the mortgaged property, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including solicitor's fees and disbursements as between a solicitor and his own client, and any balance of monies remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any monies except those actually received by the Mortgagee;
- (c) **Foreclosure:** The Mortgagee may take foreclosure or foreclosure and sale proceedings in respect of the mortgaged property in accordance with the provisions of the laws of the jurisdiction in which the mortgaged property is situate; and in the event of any deficiency on account of the Liabilities remaining due to the Mortgagee after realizing all the mortgaged property, then the Mortgagor will pay to the Mortgagee on demand the amount of such deficiency together with interest thereon until paid, calculated at a rate equal to the Prime Rate plus five (5.0 %) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. In the event foreclosure proceedings are commenced in respect of the mortgaged property, then from the time of the application for an order nisi in such proceedings, the rate of interest payable under this mortgage shall, at the option of the Mortgagee, be fixed at the rate applicable under this mortgage at that time and shall thereafter remain at such fixed rate unless and until such proceedings have been settled or discontinued;
- (d) **Distrain:** The Mortgagee may distrain for arrears of the Liabilities, and as part of the consideration for any advance or creation of the Liabilities, the Mortgagor agrees to waive, and hereby waives, on the exercise of any such right of distress all rights to exemptions from seizure and distress under any law applicable in the jurisdiction in which the mortgaged property is situate;
- (e) **Receivership:** The Mortgagee may appoint a receiver of the mortgaged property and of the income of the mortgaged property, or any part thereof, and every such receiver shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the receiver's acts or defaults; and such receiver shall have power to demand, recover and receive all the income of the mortgaged property, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee, and to give effectual receipts for the same; and the receiver may lease the mortgaged property and execute contracts in the name of the Mortgagor; provided that such receiver may be removed and a new receiver appointed from time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor; and it is further agreed that such receiver shall be entitled to retain out of the monies received by it a commission of five percent (5%) of the gross receipts, or such higher rate as any judge of any court having jurisdiction may allow upon application by it for that purpose, and also its disbursements in the collection of such income, and thereafter shall apply all monies received by it as such receiver as follows: namely, in discharge of all taxes, rates and accounts payable whatsoever affecting the mortgaged property and all liens, charges (including, without limitation, those imposed under environmental laws), annual sums or other payments and interest thereon, if any, having priority to this mortgage; ~~in payment of the premiums on insurance payable under this mortgage; in payment of the cost of all necessary or proper repairs to the mortgaged property; and the balance, if any, thereafter upon the Liabilities; provided further that neither the existence of the foregoing relating to attornment, to distraint for arrears, to entry upon the mortgaged property, to foreclosure and to the said receivership, nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession so as to be accountable for any monies except those actually received; and~~
- (f) **Performance of Obligations:** The Mortgagee, at its option, may by and on behalf of the Mortgagor and at the sole cost and expense of the Mortgagor, and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed, any provision with respect to which default has occurred hereunder or under any provision of any agreement or dealing evidencing the Liabilities and for such purpose make such payments as are contemplated herein, and all monies expended by the Mortgagee for any such purpose shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation; provided however that nothing herein contained shall be deemed to hold the Mortgagee responsible for and the Mortgagee shall not be responsible for any loss arising out of its or its agents' or employees' observance or performance of any such provision. No remedy herein conferred is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any security collateral hereto or now or hereafter existing at law or in equity.

- (9) **Bankruptcy:** If the Mortgagor shall commit an act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act, become bankrupt or insolvent or shall be subject to the provisions of the Bankruptcy and Insolvency Act, the Companies Creditors Arrangement Act, the Winding Up Act or any other Act for the benefit of creditors or relating to bankrupt or insolvent debtors or go into liquidation either voluntarily or under an order of a court of competent jurisdiction or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency, the same shall constitute a breach of covenant pursuant to this mortgage.
- (10) **Costs to Protect Security:** All fees, charges, costs (including solicitor's fees and disbursements as between a solicitor and his own client) or expenses levied or charged by any solicitors or inspectors retained by or on behalf of the Mortgagee for the preparation, taking, registration, maintenance, protection or enforcement of this mortgage and any other securities which may be taken by the Mortgagee in connection with the Liabilities or any part thereof, together with the costs of any sale or abortive sale and of taking, recovering and keeping possession of the mortgaged property, the costs of inspecting or managing the same and generally any costs in any other proceeding, matter or thing taken or done in connection with or for completing the construction of, repairing or putting in order any buildings or other improvements on the mortgaged property, or for remediation to bring the mortgaged property into compliance with recognized environmental standards, statutory or otherwise, or to protect or realize upon this mortgage or any other security taken in connection with the Liabilities, or to perfect the title of the mortgaged property, or relating to expropriation of part or all of the mortgaged property, shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation. If the Mortgagor shall default in payment of any Enforcement Obligation on demand, the Liabilities shall at the option of the Mortgagee forthwith become due and payable unless such default is waived or postponed by the Mortgagee.
- (11) **Extension or Replacement of Covenants:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, in respect of the Liabilities or any part thereof give an extension of time, take the covenant of any purchaser of the equity of redemption of the mortgaged property or any part thereof, or any security whatsoever from them or from any other person, for the assumption and payment of the whole or any part of the Liabilities or for the due performance of any of the provisions hereof and any such action on the part of the Mortgagee shall not release the Mortgagor or any guarantor or surety from payment of the Liabilities or any part thereof or the performance of the said provisions or any of them; and the Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under it, or any other person liable for payment of the Liabilities, or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may pay all monies received from the Mortgagor or others, or from securities upon such part of the Liabilities as the Mortgagee may think best without prejudice to or in any way limiting or lessening the liability of the mortgaged property or of any surety or obligor or any other person liable for payment of the Liabilities; and the Mortgagee shall incur no liability to any person by reason of anything aforesaid; any provision or liability aforesaid shall continue in full force as long as any of the Liabilities remain unpaid, but the Mortgagee shall not be bound to exhaust its recourse or remedies against the mortgaged property or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any guarantor or surety of the Liabilities.
- (12) **Release of Lands:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, release any part of the mortgaged property or any other security for the Liabilities either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by it and without thereby releasing any other part of the mortgaged property, or any provision hereof, including any covenants or agreements on the part of any guarantor or surety for the payment of the Liabilities and the performance of the provisions hereof.
- (13) **No Waiver:** The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the provisions of this mortgage shall not be or constitute any waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion and no waiver shall be inferred from or implied by anything done or omitted by the Mortgagee, except by express agreement.

- +) **No Apportionment:** Every part, lot or unit into which the mortgaged property is or may hereafter be divided stands charged with the whole of the Liabilities and no person shall have any right to require the Liabilities to be apportioned on or in respect of any such part, lot or unit, or to require the charge of this mortgage to be released or discharged in respect of any such part, lot or unit, and the Mortgagor hereby waives any provision of any legislation which provides for such right.
- (15) **All Taxes Paid:** The Mortgagor represents and warrants that it has paid all taxes, interest and penalties payable by it under the provisions of federal, provincial and municipal statutes or by-laws relating thereto, and which may create a charge or lien upon the mortgaged property.
- (16) **Expropriation:** In the event that the whole or any material portion of the mortgaged property is expropriated by any entity empowered to do so, then at the option of the Mortgagee all Liabilities shall forthwith become due and payable. The Mortgagor hereby waives the provisions of any law applicable in the jurisdiction in which the mortgaged property is situate which would restrict recovery under this mortgage to recovering the market value of this mortgage at the date of any expropriation if the market value is then less than the amount of the Liabilities. In the event such market value is less than the amount of the Liabilities and the Mortgagee receives from the expropriating authority the market value of this mortgage, the Mortgagor shall, notwithstanding the provisions of any such law, forthwith upon demand pay to the Mortgagee the remaining portion as a separate debt together with interest thereon until paid at a rate equal to the Prime Rate plus five (5.0 %) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. The proceeds from any expropriation affecting the whole or any part of the mortgaged property shall be paid to the Mortgagee in priority to the claims of any other person.
- (17) **Discharge:** The Mortgagor shall not be entitled to a discharge of this mortgage unless and until the Liabilities have been paid in full or are no longer in existence, the Mortgagee has no further obligations to the Mortgagor in respect of any Liabilities and the Mortgagor has kept and performed all of the provisions hereunder and under any provision of any agreement evidencing the Liabilities; and the Mortgagee shall have a reasonable time after payment or termination of the Liabilities within which to prepare or have prepared an executed discharge of this mortgage, and interest shall continue to run and accrue until all Liabilities have been paid and actual payment in full has been received by the Mortgagee and all legal and other expenses for the preparation and execution of such discharge and any administration fee of the mortgagee in connection therewith shall be borne by the Mortgagee.
- (18) **Condominium Units:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property constitutes a condominium or a unit in a condominium:
- (a) The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform each and every provision required to be observed and performed under or pursuant to the terms of this mortgage, each and every provision of any law applicable in the jurisdiction in which the mortgaged property is situate which affects such condominium or unit in a condominium and the by-laws and any amendments thereto of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium being charged by this mortgage (hereafter referred to as the "Condominium Corporation");
 - (b) Without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all unpaid assessments, instalments or payments due to the Condominium Corporation;
 - (c) In addition to the Mortgagor's obligations hereunder to insure the mortgaged property, the Mortgagor covenants and agrees to provide the Mortgagee, from time to time upon the Mortgagee's request, with evidence satisfactory to the Mortgagee that the Condominium Corporation keeps the condominium insured in favour of the Mortgagee against all risks of direct physical loss or damage on a replacement cost basis for an amount equal to the full replacement value of the condominium; provided that, if the Condominium Corporation neglects to keep the condominium insured as aforesaid, the Mortgagee shall be entitled but shall not be obligated to insure the condominium to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable on demand and shall constitute an Enforcement Obligation;

- (d) As a member of the Condominium Corporation, the Mortgagor covenants and agrees to seek the full compliance by the Condominium Corporation with the requirement that the Condominium Corporation insure the condominium; and the Mortgagor hereby releases to the Mortgagee all of the Mortgagor's claim upon the Condominium Corporation, subject to the terms of the said insurance policy;
 - (e) The Mortgagee authorizes the Mortgagor to vote respecting all matters relating to the affairs of the Condominium Corporation, provided that the Mortgagee may at any time upon written notice to the Mortgagor and the Condominium Corporation, revoke this authorization, in which case all power to vote shall rest in the Mortgagee, although the Mortgagee shall be under no obligation to vote to protect the interests of the Mortgagor or to vote in any particular manner;
 - (f) The Mortgagor further covenants that, where the Mortgagor defaults in the Mortgagor's obligations to pay any assessment, instalment or payment due to the Condominium Corporation, or upon breach of any provision contained in this paragraph, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of this mortgage and proceed to exercise its rights herein;
 - (g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, instalment or payment due to the Condominium Corporation or arising under this paragraph; and
 - (h) The Mortgagor covenants to request the Condominium Corporation to send to the Mortgagee copies of all notices sent to the Mortgagor, and the Mortgagor covenants to notify the Mortgagee of any breaches by the Condominium Corporation that come to the attention of the Mortgagor.
- (19) **Farm Lands:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property is or includes farm lands:
- (a) In addition to the Mortgagor's obligations herein to insure the mortgaged property, the Mortgagor covenants and agrees to forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by hail and such other perils as the Mortgagee may require, all crops now or hereafter to be grown on the land;
 - (b) The Mortgagor will in each year during the currency of this mortgage either put into crop or summer fallow in good, proper and husbandlike manner every portion of the land which has been or may hereafter be brought under cultivation, and will keep the land clean and free from all noxious weeds and generally see that the mortgaged property does not depreciate in any way; and
 - ~~(c) The Mortgagor will pay when and as the same fall due any charges for keeping down and destroying noxious weeds on the land and in default of payment the Mortgagee may pay the same, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation.~~
- (20) **Due on Sale or on Change in Ownership:** In the event that the Mortgagor shall sell, convey, transfer or otherwise dispose of the mortgaged property, or enter into any agreement to sell, convey, transfer or otherwise dispose of or lose title thereto, the Liabilities shall forthwith become due and payable at the option of the Mortgagee. In the event that the Mortgagor is a corporation, and in the event that there is a sale or sales which result in a transfer of the legal or beneficial interest of a majority of the shares in the capital of the Mortgagor or there is a change in the effective control of a majority of the voting shares in the capital of the Mortgagor, then the Liabilities shall forthwith become due and payable at the option of the Mortgagee.
- (21) **Cross Default:** In the event that the Mortgagor makes default under any mortgage, charge, lien or other encumbrance against the mortgaged property ranking or claiming priority over this mortgage, the same shall constitute default under this mortgage and the Liabilities shall at the option of the Mortgagee forthwith become due and payable, and the Mortgagee shall be at liberty to exercise its rights under this mortgage.

- (22) **No Obligation to Advance:** Neither the execution nor registration of this mortgage nor the advancing or creation of any part of the Liabilities shall bind the Mortgagee to advance or create any further Liabilities; and notwithstanding anything herein contained, all payments to be made on or by virtue of this mortgage shall be made in lawful money of Canada to the Mortgagee at its Head Office or at such other place as the Mortgagee may, from time to time, in writing designate.
- (23) **Proving of Prime Rate:** In the event that it may be necessary at any time for the Mortgagee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Manager for the time being of the branch of the Mortgagee responsible for the collection of the Liabilities setting forth the Prime Rate as at any time or times shall be and shall be deemed to be conclusive evidence as to the Prime Rate.
- (24) **Lawful Interest Rate:** In the event interest chargeable or payable on principal or interest or on arrears of principal or interest as provided for in this mortgage is in excess of that permitted by the Interest Act (Canada) or any other applicable law, then in such event, interest payable and chargeable on such principal or interest or on arrears of principal or interest under this mortgage shall be chargeable and payable at the highest lawful rate permitted by the Interest Act (Canada) or such other applicable law and no other interest on principal or interest or on arrears of principal or interest shall be chargeable or payable hereunder.
- (25) **Type of Land Ownership:**
- (a) **Freehold:** If this mortgage is a mortgage of a fee simple interest, the Mortgagor represents and warrants to the Mortgagee that it has a fee simple interest in possession in the mortgaged property and that it has full power to mortgage the mortgaged property.
 - (b) **Leasehold:** If the interest of the Mortgagor in the mortgaged property derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license of the mortgaged property (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:
 - (i) all references in this mortgage to "mortgaged property" shall include all right, title and interest of the Mortgagor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of this mortgage;
 - (ii) the Mortgagor grants, mortgages, demises, sub-leases and charges to the Mortgagee all estate, term, right, title and interest of the Mortgagor in and to the Lease and the mortgaged property, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Mortgagor in or to the lands and premises demised by the Lease during the term of the mortgage, and all benefit and advantage therefrom for the Mortgagee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof, as security for the payment to the Mortgagee of the Liabilities, plus the interest on the Liabilities, Enforcement Obligations and all other amounts secured by this mortgage and for the performance of all liabilities and obligations secured by this mortgage upon the terms set out in this mortgage;
- (26) **Representations and Warranties regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold title, the Mortgagor represents and warrants to the Mortgagee that:
- (a) the leasehold estate which is the subject of this mortgage arises under the Lease, which has not been further modified or amended;
 - (b) the Lease is a valid, effective and subsisting lease which has not been surrendered or forfeited, and the Lease is not presently subject to any assignment, mortgage or other encumbrance;
 - (c) the Mortgagor has taken possession of the mortgaged property and all sums due under the Lease have been paid in full to the date hereof;

(d) the Mortgagor has full power to mortgage the Lease (subject to the consent, if necessary, of the lessor), and if the consent of the lessor is required, such consent has either been obtained or will be obtained prior to any advance of monies secured by this mortgage; and

(e) "Lease" means the lease from _____ to _____ dated _____ commencing on _____ and expiring on _____, subject only to the following amending agreements, if any:

(27) **Covenants regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold estate, the Mortgagor covenants with the Mortgagee that:

- (a) it will not modify or amend or consent to any modification or amendment to the Lease without the prior written consent of the Mortgagee;
- (b) it will not surrender or forfeit or consent to any surrender or forfeiture of the Lease, and it will not without the prior written consent of the Mortgagee further assign, mortgage or otherwise encumber the Lease;
- (c) it will not postpone or subordinate its interest in Lease to any other mortgage or encumbrance without the prior written consent of the Mortgagee;
- (d) it will faithfully comply with each provision of the Lease and will do all things necessary to preserve the Lease and the lessee's rights thereunder;
- (e) it will promptly notify the Mortgagee of any default under the Lease by the Mortgagor, or the giving or receipt of any notice of default in respect thereof, and it agrees to request that the lessor provide the Mortgagee with the opportunity (but not the obligation) to cure any default under the Lease and any amount which may be required to be paid by the Mortgagee to cure such default and the costs thereof (including any legal costs as between solicitor and client) shall constitute an Enforcement Obligation;
- (f) the Mortgagor will notify the Mortgagee of each and every notice of default, demand or claim forwarded to or served upon the Mortgagor by the lessor under the Lease;
- (g) it will notify the Mortgagee promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or the termination of the Lease;
- (h) if the Mortgagor becomes the owner of the freehold title to the mortgaged property, then

if the mortgaged property is located in Alberta or Saskatchewan, it hereby mortgages to the Mortgagee all of its estate and interest in the mortgaged property, freehold and otherwise, such mortgage to take effect on the Mortgagor acquiring the freehold title thereof, and this mortgage will thereupon be deemed to be a mortgage of the freehold title as if the Mortgagor had been the owner in fee simple at the date of execution of this mortgage and the Mortgagor agrees, if so requested by the Mortgagee, to execute in favour of the Mortgagee a mortgage covering the freehold estate on the same terms and conditions as are contained in this mortgage; and

if the mortgaged property is located in the Northwest Territories or Nunavut Territory, it agrees to provide to the Mortgagee, on request, a mortgage of all of its estate and interest in the mortgaged property, freehold and otherwise;

- (i) it will indemnify the Mortgagee against any claims and demands in respect of the Lease, including any legal costs incurred by the Mortgagee in connection therewith, on a solicitor and client basis;
- (j) the Mortgagor will at all times promptly observe and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal, or otherwise, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor

will from time to time, upon request of the Mortgagee, provide to the mortgagee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the mortgaged property structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

- (k) if this mortgage is outstanding at the end of the term of the Lease, it will at the appropriate time seek a renewal of the Lease or the issuance of a new lease in substitution and will promptly notify the Mortgagee if it becomes aware that such a renewed or substituted lease may not be forthcoming. The Mortgagor will provide a copy of any such renewed or substituted lease to the Mortgagee upon issuance and such a renewed or substituted lease will be included within the definition of the Lease hereunder and for greater certainty, will be subject to this mortgage.
- (l) The Mortgagor agrees that it will from the date of execution of this mortgage stand possessed of the last day of the term of the Lease (whether it is the last date of the present term or of any extended term) and all rights, privileges and options of the Mortgagor under the Lease, in trust for the Mortgagee. The Mortgagor further agrees it will assign and dispose of said last day, consistent with the terms of the Lease, as the Mortgagee may direct, but subject to the Mortgagor's right of redemption. The Mortgagor irrevocably appoints the Mortgagee as its attorney for on on behalf of the Mortgagor and in its name or otherwise to assign the said last day and privileges as the Mortgagee shall at any time direct, consistent with the terms of the Lease. The Mortgagor further agrees that upon a sale or other disposition made by the Mortgagee, and if requested by the Mortgagee, to assign the last day and privileges and options relating thereto to the purchaser or assignee and to exercise any and all assignments and transfers for that purpose; and the Mortgagee may at any time, by deed or other instrument, remove the Mortgagor or any other person as trustee for the last day and appoint a new trustee or trustees in its place.
- (m) **Information:** The Mortgagor authorizes the Mortgagee to contact the lessor from time to time to obtain information regarding the rent or other sums payable under the Lease, the status of payment thereof and any other information relating to the Lease or default thereunder.
- (n) **Breach:** The Mortgagor agrees that it will be deemed to constitute a breach of the provisions of this mortgage if the leasehold estate which is the subject of this mortgage ceases to exist.
- (28) **Special Provisions:** The Mortgagor covenants with the Mortgagee that in the event the mortgaged property is situate in the Province of Saskatchewan and the Mortgagor is a body corporate, the Mortgagor agrees that:
 - (a) The Land Contracts (Actions) Act of the Province of Saskatchewan shall have no application to an action, as defined in the said Act, with respect to this mortgage; and
 - (b) ~~The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof shall~~ have no application to this mortgage or any agreement or instrument renewing or extending or collateral to this mortgage, or the rights, powers or remedies of any other person under this mortgage, or any such agreement or instrument renewing or extending or collateral to this mortgage.
- (29) **Severability:** If any provision of this mortgage or the application thereof to any person is to any extent held invalid or unenforceable, the remainder of this mortgage or the application of such provision to persons other than those with respect to which it is held invalid or unenforceable shall not be affected thereby and shall continue to be enforceable to the fullest extent permitted by law.
- (30) **Joint and Several:** In the event there is more than one Mortgagor hereunder, the terms, conditions and other obligations of each Mortgagor hereunder shall be joint and several.
- (31) **Interpretation:** The words used herein which import the singular number and neuter shall be read and construed as plural and feminine or masculine, as the case may be, and the terms of this mortgage shall be binding upon and apply to the party's heirs, executors, administrators, successors or assigns, as applicable.

(32) **Statutory Mortgage Clause:** And for better securing to the Mortgagee the repayment in the manner aforesaid of the Liabilities, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the mortgaged property.

(33) **Land Titles Act:** It is understood and intended that this mortgage is made with reference to and under the Land Titles Act of the jurisdiction in which the mortgaged property is situate.

IN WITNESS WHEREOF THIS MORTGAGE IS SIGNED, SEALED AND DELIVERED THIS 18 day of January, 2012.

in the presence of

[Signature]
(Witness)

[Signature]
(Witness)

[Signature]
(Witness)

[Signature]
(Mortgagor) (seal)

[Signature]
(Mortgagor) (seal)

DOWLAND CONTRACTING LTD.

Name of Mortgagor (if Corporation)

By: Patrick McGinness

Title: President c/s

By: Morgan Elliot


Title: CFO

(To be completed where the mortgage is signed by an individual or by a corporation without seal)


MAKE OATH AND SAY:

1. That I was personally present and did see Patrick McGuinness
and Morgan Elliot named in the within instrument who is (are)
known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named
therein.
2. That the same was executed at 9825-44th Avenue, Edmonton, in
the Province/Territory of Alberta, and that I am the subscribing witness thereto.
3. That I know the said person(s) named in paragraph 1 and he (she) (they) is (are) in my belief of the full age of
eighteen years (or nineteen years if the lands are situate in the Northwest Territories or Nunavut Territory).

SWORN BEFORE ME at the city of Edmonton, AB,
in the Province/Territory of Alberta
this 12 day of January, 2012

 **ANDREW S. RICE**
Barrister & Solicitor

(A Commissioner for Oaths in and for the
Province/Territory of _____
My Commission expires N/A



WE,

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY
(To be completed where the mortgage is signed by a corporation without seal)

I, _____ of _____ in the
Province/Territory of _____,

MAKE OATH AND SAY THAT:

1. I am an officer or a director of _____ named
in the within instrument.
2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at _____)
in the Province/Territory of _____)
this _____ day of _____)

(A Commissioner for Oaths in and
for the Province/Territory of _____)
My Commission expires _____

SCHEDULE "A"

**LOT SIXTEEN (16)
BLOCK FORTY NINE (49)
PLAN 633
INUVIK**

Prior Encumbrances: none

**LOT SEVENTEEN (17)
BLOCK FORTY NINE (49)
PLAN 633
INUVIK**

Prior Encumbrances: None

**LOT EIGHTEEN (18)
BLOCK FORTY NINE (49)
PLAN 633
INUVIK**

Prior Encumbrances: None

**LOT NINETEEN (19)
BLOCK FORTY NINE (49)
PLAN 633
INUVIK**

Prior Encumbrances: Mortgage #129,762, Notice of Security Interest #129,763, Caveat #167,503

**LOT TWENTY (20)
BLOCK FORTY NINE (49)
PLAN 633
INUVIK**

Prior Encumbrances: Mortgage #129,762, Notice of Security Interest #129,763

**LOT 21
BLOCK 49
PLAN 633
INUVIK**

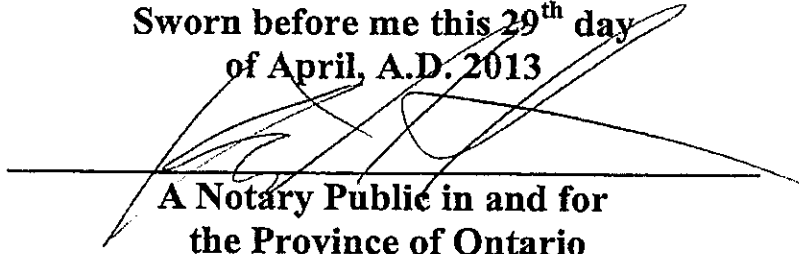
Prior Encumbrances: None

**LOT 22
BLOCK 49
PLAN 633
INUVIK**

Prior Encumbrances: None

**This is Exhibit "P" referred to in the
Affidavit of GARY IVANY**

**Sworn before me this 29th day
of April, A.D. 2013**



**A Notary Public in and for
the Province of Ontario**

Kate Haviland Stigler



Implied Reservations The title to the land mentioned in this certificate of title is, unless otherwise indicated on the certificate of title, subject to the following reservations, which are more particularly set out in section 69 of the Land Titles Act: <ul style="list-style-type: none"> - subsisting reservations or exceptions in the original grant of the land; - unpaid taxes, unregistered tax sale transfers and claims of lien for property tax arrears; - public highways, rights-of-way and other public easements; - certain leases or agreements to lease for a term not exceeding three years; - decrees, orders or writs filed and in force; - rights of expropriation. 	Conditions implicites Le titre de bien-fonds mentionné dans le présent certificat de titre est, à moins d'indications contraires prévues au certificat, assujéti aux conditions suivantes, lesquelles sont précisées à l'article 69 de la Loi sur les titres de biens-fonds: <ul style="list-style-type: none"> - toutes réserves ou exceptions existantes contenues dans la concession primitive du bien-fonds; - toutes taxes non payées, tout acte de vente pour défaut de paiement de l'impôt foncier non enregistré et toutes revendications de privilège quant au paiement d'arriérés d'impôt foncier; - tout chemin public, droit de passage ou servitude publique; - certains baux ou conventions de bail pour une période maximale de trois ans; - tous décrets, ordonnances ou brevets déposés et maintenus en vigueur; - tous droits d'expropriation. 	Crown Grant 11,371 Concession de la Couronne Pursuant To 117,337 En vertu de Previous Title 50533 Titre précédent Value (optional) \$20,000.00 Valeur (optionnel) CERTIFICATE No. - CERTIFICAT N° 51516
--	--	---

Land Titles Act
Certificate of Title
(General)
 NORTHWEST TERRITORIES
 REGISTRATION DISTRICT



Loi sur les titres de biens-fonds
Certificat de titre
(Général)
 CIRCONSCRIPTION D'ENREGISTREMENT DES
 TERRITOIRES DU NORD-OUEST

This is to Certify that

Les présentes attestent que

DOWLAND CONTRACTING LTD., a body corporate, incorporated under the *Business Corporations Act* of the Northwest Territories, having a registered office in the City of Yellowknife in the said Territories,

is (are) now the owner(s) of an estate in fee simple of and in

est (sont) actuellement le(s) propriétaire(s) d'un domaine en fief simple sur le(s) bien(s)-fonds suivant(s)

LOT Sixteen (16)
 BLOCK Forty Nine (49)
 PLAN 633
 INUVIK



51516

DOWLAND CONTRACTING LTD.
 LOT 16, BLOCK 49, PLAN 633, INUVIK

A STATUTORY DECLARATION FOR LOSS OF DUPLICATE CERTIFICATE OF TITLE (DCT) NO. 51516 WAS REGISTERED IN THE LAND TITLES OFFICE ON 2012-04-13 AT 15:15 HOURS UNDER DAYBOOK NUMBER 177,082. NO DCT ISSUED

Eve Petersen
 D/REGISTRAR OF LAND TITLES

I CERTIFY THAT THIS IS A TRUE PHOTOSTATIC COPY OF THE WITHIN CERTIFICATE OF TITLE ON RECORD IN THE LAND TITLES OFFICE, YELLOWKNIFE, N.W.T. AT 14:04 HOURS ON 2013-04-23

Corib Cadieux
 D/REGISTRAR OF LAND TITLES

subject to the provisions of the **Land Titles Act**, and the encumbrances and interests notified by memorandum underwritten or endorsed on this certificate.

sous réserve de la **Loi sur les titres de biens-fonds**, et des charges et intérêts signifiés par le mémoire souscrit ou endossé au présent certificat.

Signed and sealed
 Signé et scellé

2000-09-19

Postal address of owner
 Adresse postale du propriétaire

P.O. Box 1660
 Inuvik NT X0E 0T0

Keith R. Roy
 REGISTRAR
 REGISTREUR
 NORTHWEST TERRITORIES REGISTRATION DISTRICT
 CIRCONSCRIPTION D'ENREGISTREMENT DES TERRITOIRES DU NORD-OUEST

(List details of registration and brief particulars of encumbrances and interests on reverse - Énoncer brièvement au verso les détails de chaque enregistrement, charge et intérêt.)

<p>The title to the land mentioned in any certificate of title is, by implication, and without any special mention in the certificate, unless the contrary is expressly declared, subject to</p> <p>(a) any subsisting reservations or exceptions contained in the original grant of the land from the Crown;</p> <p>(b) all unpaid taxes;</p> <p>(c) any public highway or right-of-way or other public easement, however created, upon, over or in respect of the land;</p> <p>(d) any subsisting lease or agreement for a lease for a period not exceeding three years, where there is actual occupation of the land under such lease or agreement;</p> <p>(e) any decrees, orders or executions against or affecting the interest of the owner in the land, that have been registered and maintained in force against the owner;</p> <p>(f) any right of expropriation that may, by statute or ordinance, be vested in the Crown or in any person or body corporate; and</p> <p>(g) any right-of-way or other easement granted or acquired under the Irrigation Act, chapter 104 of the Revised Statutes of Canada, 1927.</p>	<p>Le titre de bien-fonds mentionné dans un certificat de titre est, implicitement et sans mention spéciale dans ce certificat, à moins de déclaration contraire en termes formels, assujéti à</p> <p>a) toutes réserves ou exceptions existantes contenues dans la concession primitive du bien-fonds faite par la Couronne;</p> <p>b) toutes taxes non payées;</p> <p>c) tout chemin public, droit de passage ou servitude publique, existant sur le bien-fonds ou le concernant, quelle qu'en soit l'origine;</p> <p>d) tout bail ou toute convention de bail en existence pour une période n'excédant pas trois ans, lorsqu'il y a occupation réelle du bien-fonds en vertu de ce bail ou de cette convention;</p> <p>e) sous décrets, ordonnances ou exécutions contre ou concernant l'intérêt du propriétaire dans le bien-fonds, qui ont été enregistrés et maintenus en vigueur contre ce propriétaire;</p> <p>f) tout droit d'expropriation qui peut être attribué, par statut ou par ordonnance, à la Couronne, à une personne ou à une corporation; et</p> <p>g) tout droit de passage ou autre servitude concédée ou acquise, en vertu de la Loi de l'irrigation, chapitre 104 des Statuts révisés du Canada de 1927.</p>	<p>Patent or notification Lettre patente ou notification # 11,372</p> <p>Transfer Transport # 58,149</p> <p>From De 26317</p> <p>Value Valeur \$66,500.00</p> <p>Certificate Certificat # 26318</p>
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Certificate of Title, Northwest Territories, Canada
Certificat de titre, Territoires du Nord-Ouest du Canada

Northwest Territories Land Registration District
 Circonscription d'enregistrement des terres des Territoires du Nord-Ouest

Certificate of Amalgamation registered
 on 2000-10-04 under daybook number
 117,543

[Signature]
 D/Registrar of Land Titles

This is to Certify that
Les présentes attestent que

DOWLAND CONTRACTING LTD.,
~~KIRKLAND HOLDINGS LTD.~~, a body corporate incorporated under
 the Companies Act of the Northwest Territories, having a
 registered office in the City of Yellowknife in the said
 Territories

is/are now the owner(s) of an estate (in fee simple)
 est (sont) actuellement le(s) propriétaire(s) d'un droit en propriété libre
 of and in



LOT Seventeen (17)
 BLOCK Forty-Nine (49)
 PLAN 633
 INUVIK

A STATUTORY DECLARATION FOR LOSS
 OF DUPLICATE CERTIFICATE OF TITLE
 (DCT) NO. 26318 WAS REGISTERED IN
 THE LAND TITLES OFFICE ON 2012-04-13
 AT 15:16 HOURS UNDER DAYBOOK
 NUMBER 177,083. NO DCT ISSUED

[Signature: Eue Petersen]
 D/Registrar of Land Titles

I CERTIFY THAT THIS IS A TRUE PHOTOSTATIC COPY
 OF THE WITHIN CERTIFICATE OF TITLE ON RECORD
 IN THE LAND TITLES OFFICE, YELLOWKNIFE, N.W.T.
 AT 14:03 HOURS ON 2013-04-23

[Signature: Percé Cadieux]
 D/REGISTRAR OF LAND TITLES

subject to the encumbrances, liens and interests notified by memorandum underwritten or endorsed hereon, or which may hereafter be made in the Register.
 sous réserve des charges, privilèges et intérêts signifiés par le mémoire souscrit ou endossé ici ou qui pourraient être notés subséquemment au Registre.

In witness whereof, I have hereunto subscribed my name and affixed my official seal
 En foi de quoi, j'ai apposé aux présentes ma signature et mon sceau officiel

this
ce 2nd day of August
jour de

A.D. 19 90

Box 185
 Tuktoyaktuk, N.W.T.
 P.O. Address
 Adresse postale XOE 1C0

[Signature]
 Registrar
 Régistrateur
 Northwest Territories Land Registration District
 Circonscription d'enregistrement des terres des
 Territoires du Nord-Ouest

Certificate of Title

Show Other Abbreviations Here

E - Easement
C - Caveat
Tr - Transmission
Tfr - Transfer
Mtg - Mortgage
D - Declaration
URW - Utility Right of Way
CL - Claim of Lien
PA - Power of Attorney
WE - Writ of Execution
LP - Certificate of Lis Pendens
B - Bivaws

DOWLAND CONTRACTING LTD.

NAME

LAND
LOT 17, BLOCK 49, PLAN 633, INUVIK

TITLE	26318
NO.	

CHARGES, LIENS AND INTERESTS

[illegible]

<p>The title to the land mentioned in any certificate of title is, by implication, and without any special mention in the certificate, unless the contrary is expressly declared, subject to</p> <p>(a) any subsisting reservations or exceptions contained in the original grant of the land from the Crown;</p> <p>(b) all unpaid taxes;</p> <p>(c) any public highway or right-of-way or other public easement, however created, upon, over or in respect of the land;</p> <p>(d) any subsisting lease or agreement for a lease for a period not exceeding three years, where there is actual occupation of the land under such lease or agreement;</p> <p>(e) any decrees, orders or executions against or affecting the interest of the owner in the land, that have been registered and maintained in force against the owner;</p> <p>(f) any right of expropriation that may, by statute or ordinance, be vested in the Crown or in any person or body corporate; and</p> <p>(g) any right-of-way or other easement granted or acquired under the Irrigation Act, chapter 104 of the Revised Statutes of Canada, 1927.</p>	<p>Le titre de bien-fonds mentionné dans un certificat de titre est, implicitement et sans mention spéciale dans ce certificat, à moins de déclaration contraire en termes formels, assujéti à</p> <p>a) toutes réserves ou exceptions existantes contenues dans la concession primitive du bien-fonds faite par la Couronne;</p> <p>b) toutes taxes non payées;</p> <p>c) tout chemin public, droit de passage ou servitude publique, existant sur le bien-fonds ou le concernant, quelle qu'en soit l'origine;</p> <p>d) tout bail ou toute convention de bail en existence pour une période n'excédant pas trois ans, lorsque il y a occupation réelle du bien-fonds en vertu de ce bail ou de cette convention;</p> <p>e) tous décrets, ordonnances ou exécutions contre ou concernant l'intérêt du propriétaire dans le bien-fonds, qui ont été enregistrés et maintenus en vigueur contre ce propriétaire;</p> <p>f) tout droit d'expropriation qui peut être attribué, par statut ou par ordonnance, à la Couronne, à une personne ou à une corporation; et</p> <p>g) tout droit de passage ou autre servitude concédée ou acquise, en vertu de la Loi de l'Irrigation, chapitre 104 des Statuts révisés du Canada de 1927.</p>	<p>Patent or notification Lettre patente ou notification # 11,372</p> <p>Transfer # 71,294</p> <p>From 29752</p> <p>De</p> <p>Value \$24,500.00</p> <p>Valeur</p> <p>Certificate # 31192</p> <p>Certificat</p>
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Certificate of Title, Northwest Territories, Canada
Certificat de titre, Territoires du Nord-Ouest du Canada

Northwest Territories Land Registration District
 Circonscription d'enregistrement des terres des Territoires du Nord-Ouest

This is to Certify that
Les présentes attestent que

DOWLAND CONTRACTING LTD.,
KIRKLAND HOLDINGS LTD., a body corporate incorporated under the Companies Act of the Northwest Territories, having a registered office in the City of Yellowknife in the said Territories

Certificate of Amalgamation registered on 2000-10-04 under daybook number 117,543

Kathryn Roy
 D/Registrar of Land Titles

is/are now the owner(s) of an estate (in fee simple)
 est (sont) actuellement le(s) propriétaire(s) d'un droit en propriété libre
 of and in

LOT Eighteen (18)

BLOCK Forty Nine (49)

PLAN 633

INUVIK

AN AFFIDAVIT OF LOSS OF DUPLICATE CERTIFICATE OF TITLE NO. 31192 WAS REGISTERED IN THE LAND TITLES OFFICE ON 2003-04-23 AT 11:55 AM UNDER NUMBER 120,848 DCT ISSUED

Kathryn Roy
 D/REGISTRAR OF LAND TITLES



31192

A STATUTORY DECLARATION FOR LOSS OF DUPLICATE CERTIFICATE OF TITLE (DCT) NO. 31192 WAS REGISTERED IN THE LAND TITLES OFFICE ON 2012-04-13 AT 15:17 HOURS UNDER DAYBOOK NUMBER 177,084. NO DCT ISSUED

Eve Poterchen
 D/Registrar of Land Titles

I CERTIFY THAT THIS IS A TRUE PHOTOSTATIC COPY OF THE WITHIN CERTIFICATE OF TITLE ON RECORD IN THE LAND TITLES OFFICE, YELLOWKNIFE, N.W.T. AT 14:02 HOURS ON 2013-04-23

Carib Carliene
 D/REGISTRAR OF LAND TITLES

subject to the encumbrances, liens and interests notified by memorandum underwritten or endorsed hereon, or which may hereafter be made in the Register.
 sous réserve des charges, privilèges et intérêts signifiés par le mémoire souscrit ou endossé ici ou qui pourraient être notés subséquemment au Registre.

In witness whereof, I have hereunto subscribed my name and affixed my official seal
 En foi de quoi, j'ai apposé aux présentes ma signature et mon sceau officiel

this
ce

9th

day of
jour de

June

A.D. 19 93

P.O. Address
Adresse postale

Box 1660
Inuvik NT X0E 0T0

Kathryn Roy
 D/Registrar
 Registrateur
 Northwest Territories Land Registration District
 Circonscription d'enregistrement des terres des Territoires du Nord-Ouest

Show Other Abbreviations Here

E - Easement	URW - Utility Right of Way
C - Caveat	CL - Claim of Lien
Tr - Transmission	PA - Power of Attorney
Tfr - Transfer	WE - Writ of Execution
Mtge - Mortgage	LP - Certificate of Lis Pendens
D - Declaration	B - Bylaws

TITLE	31192
NO.	

[illegible]

Land Titles Act:

The title of the land mentioned in a certificate of title is, by implication, and without any special mention in the certificate, unless the contrary is expressly declared, subject to:

- (a) any subsisting reservations or exceptions contained in the original grant of the land;
- (b) all unpaid taxes;
- (c) any public highway or right-of-way or other public easement, however created on, over or in respect of the land;
- (d) any subsisting lease or agreement for a lease for a period not exceeding three years, where there is actual occupation of the land under the lease or agreement;
- (e) any decrees, orders or writs against or affecting the interest of the owner in the land, that have been filed and maintained in force against the owner and
- (f) any right of expropriation that is authorized by statute.

Loi sur les titres de biens-fonds:

Le titre du biens-fonds mentionné dans un certificat de titre est, implicitement et sans mention spéciale dans ce certificat, à moins d'indication expresse contraire, assujéti à :

- a) toutes réserves ou concessions existantes de la concession primitive du biens-fonds;
- b) toutes taxes non payées;
- c) tout chemin public, droit de passage ou servitude publique, existant sur le biens-fonds ou le concernant, quelle qu'en soit l'origine;
- d) tout bail ou toute convention de bail en existence pour une période maximale de trois ans, lorsqu'il y a occupation réelle du biens-fonds en vertu de ce bail ou de cette convention;
- e) tous décrets, ordonnances ou brevets contre ou concernant l'intérêt du propriétaire dans le biens-fonds, qui ont été déposés et maintenus en vigueur contre ce propriétaire;
- f) tout droit d'expropriation autorisé par une loi.

Patent or Notification
Lettre patente ou notification 11,372

Pursuant To
En vertu de 87,651

From
De 37111

Value
Valeur \$50,000.00

CERTIFICATE No. CERTIFICAT N°

37515

Land Titles Act
**Certificate of Title
(General)**
NORTHWEST TERRITORIES
REGISTRATION DISTRICT



Loi sur les titres de biens-fonds
**Certificat de titre
(Général)**
CIRCONSCRIPTION D'ENREGISTREMENT DES
TERRITOIRES DU NORD-OUEST

This is to Certify that

Les présentes attestent que

DOWLAND CONTRACTING LTD., a body corporate incorporated under the Companies Act of the Northwest Territories, having a registered office in the City of Yellowknife in the said Territories,

is (are) now the owner(s) of an estate in fee simple of and in

est (sont) actuellement le(s) propriétaire(s) d'un domaine en fief simple sur le(s) bien(s)-fonds suivant(s)



LOT Nineteen (19)

BLOCK Forty Nine (49)

PLAN 633

INUVIK

The Duplicate Certificate of Title is
CANCELLED wholly pursuant to
s.45(3) on ~~2012-03-16~~ 2012-04-13

Eve Petersen
D/ REGISTRAR OF LAND TITLES

I CERTIFY THAT THIS IS A TRUE PHOTOSTATIC COPY
OF THE WITHIN CERTIFICATE OF TITLE ON RECORD
IN THE LAND TITLES OFFICE, YELLOWKNIFE, N.W.T.
AT 14:02 HOURS ON 2013-04-23

Cecil Cordier
D/ REGISTRAR OF LAND TITLES

subject to the provisions of the Land Titles Act, the encumbrances and interests notified by memorandum underwritten or endorsed on this certificate.

sous réserve de la Loi sur les titres de biens-fonds, des charges et intérêts signifiés par le mémoire souscrit ou endossés au présent certificat

Signed and sealed
Signé et scellé

1996-05-28

Postal address of owner
Adresse postale du propriétaire

P.O. Box 2186
Inuvik NT X0E 0T0

[Signature]
REGISTRAR
REGISTRATEUR
NORTHWEST TERRITORIES REGISTRATION DISTRICT
CIRCONSCRIPTION D'ENREGISTREMENT DES TERRITOIRES DU NORD-OUEST

(List details of registration and brief particulars of encumbrances and interests on reverse - Énoncer brièvement au verso les détails de chaque enregistrement, charge et intérêt.

ABBREVIATIONS - ABRÉVIATIONS

E - EASEMENT	MORTGAGE	POWER OF ATTORNEY
C - CAVEAT	D - DECLARATION	URW - UTILITY RIGHT OF WAY
Tr - TRANSMISSION	CL - CLAIM OF LIEN	WE - WRIT OF EXECUTION
Tr - TRANSFER	CL - REVENDIC. DE PRIVILÈGE	LP - CERTIFIC. D'AFFAIRE EN INSTANCE

CERTIFICATE OF TITLE - CERTIFICAT DE TITRE

NAME
NOM
DOWLAND CONTRACTING LTD.

LAND
BIENS-FONDS
LOT 19, BLOCK 49, PLAN 633, INUVIK

NSI: Notice of Security Interest

ENCUMBRANCES AND INTERESTS - CHARGES ET INTÉRÊTS

TITLE NO.:
TITRE N°: 37515

NATURE - GENRE OF DOCUMENT	REGISTRATION - ENREGISTREMENT			AMOUNT - MONTANT \$	PARTICULARS - PRÉCISIONS	SIGNATURE OF REGISTRAR DU REGISTRATEUR	DISCHARGES & WITHDRAWALS - MAINTIEN & RETRAITS			SIGNATURE OF REGISTRAR DU REGISTRATEUR
	NO. - N°	DATE Y-A M-M D-J	DATE Y-A M-M D-J				REGISTRATION - ENREGISTREMENT NO. - N°	DATE Y-A M-M D-J	DATE Y-A M-M D-J	
MTGE	87,652	96 05 28		\$850,000.00	to BANK OF MONTREAL	<i>Kathryn Roy</i>	131,582	2003 08 12		<i>Kathryn Roy</i>
C	87,653	96 05 28		-	by BANK OF MONTREAL	<i>Kathryn Roy</i>	131,583	2003 08 12		<i>Kathryn Roy</i>
MTGE	128,865	2003 02 26		\$1,250,000.00	to NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION	<i>Kathryn Roy</i>	155,186	2007 09 05		<i>Kathryn Roy</i>
MTGE	129,762	2003 05 02		\$1,500,000.00	to ROYAL BANK OF CANADA	<i>Kathryn Roy</i>				
NSI	129,763	2003 05 02		-	by ROYAL BANK OF CANADA and which expires on June 1, 2023	<i>Kathryn Roy</i>				
C	167,503	2010 01 07		-	by ACKLANDS-GRAINGER INC.	<i>Kathryn Roy</i>				
MTGE	176,794 177,085	2012 05 16 2012 04 13		\$2,800,000.00	to ROYAL BANK OF CANADA	<i>Eve Petersen</i>				
C	177,318	2012 05 04		-	by ROYAL BANK OF CANADA	<i>Eve Petersen</i>				
MTGE	181,110	2013 04 19		\$3,000,000.00	to ROYAL BANK OF CANADA	<i>Bob Cadieux</i>				

Land Titles Act:

The title of the land mentioned in a certificate of title is, by implication, and without any special mention in the certificate, unless the contrary is expressly declared, subject to:

- (a) any subsisting reservations or exceptions contained in the original grant of the land;
- (b) all unpaid taxes;
- (c) any public highway or right-of-way or other public easement, however created on, over or in respect of the land;
- (d) any subsisting lease or agreement for a lease for a period not exceeding three years, where there is actual occupation of the land under the lease or agreement;
- (e) any decrees, orders or writs against or affecting the interest of the owner in the land, that have been filed and maintained in force against the owner and
- (f) any right of expropriation that is authorized by statute.

Loi sur les titres de biens-fonds:

Le titre du biens-fonds mentionné dans un certificat de titre est, implicitement et sans mention spéciale dans ce certificat, à moins d'indication expresse contraire, assujéti à :

- a) toutes réserves ou concessions existantes de la concession primitive du biens-fonds;
- b) toutes taxes non payées;
- c) tout chemin public, droit de passage ou servitude publique, existant sur le biens-fonds ou le concernant, quelle qu'en soit l'origine;
- d) tout bail ou toute convention de bail en existence pour une période maximale de trois ans, lorsqu'il y a occupation réelle du biens-fonds en vertu de ce bail ou de cette convention;
- e) tous décrets, ordonnances ou brevets contre ou concernant l'intérêt du propriétaire dans le biens-fonds, qui ont été déposés et maintenus en vigueur contre ce propriétaire;
- f) tout droit d'expropriation autorisé par une loi.

Patent or Notification

Lettre patente ou notification 11,372

Pursuant To

En vertu de 87,648

From

De 37112

Value

Valeur \$50,000.00

CERTIFICATE No. CERTIFICAT N°

37513

Land Titles Act
**Certificate of Title
(General)**

NORTHWEST TERRITORIES
REGISTRATION DISTRICT



Loi sur les titres de biens-fonds
**Certificat de titre
(Général)**

CIRCONSCRIPTION D'ENREGISTREMENT DES
TERRITOIRES DU NORD-OUEST

This is to Certify that

Les présentes attestent que

DOWLAND CONTRACTING LTD., a body corporate incorporated under the Companies Act of the Northwest Territories, having a registered office in the City of Yellowknife in the said Territories,

is (are) now the owner(s) of an estate in fee simple
of and in

est (sont) actuellement le(s) propriétaire(s) d'un domaine en
fief simple sur le(s) bien(s)-fonds suivant(s)



LOT Twenty (20)

BLOCK Forty Nine (49)

PLAN 633

INUVIK

The Duplicate Certificate of Title is
CANCELLED wholly pursuant to
s.45(3) on ~~2012-03-16~~ 2012-04-13

Eve Petersen
D/ REGISTRAR OF LAND TITLES

I CERTIFY THAT THIS IS A TRUE PHOTOSTATIC COPY
OF THE WITHIN CERTIFICATE OF TITLE ON RECORD
IN THE LAND TITLES OFFICE, YELLOWKNIFE, N.W.T.
AT 14:01 HOURS ON 2013-04-23

Cecile Cardineau
DI REGISTRAR OF LAND TITLES

subject to the provisions of the Land Titles Act, the encumbrances and
interests notified by memorandum underwritten or endorsed on this
certificate.

sous réserve de la Loi sur les titres de biens-fonds, des charges
et intérêts signifiés par le mémoire souscrit ou endossés au
présent certificat

Signed and sealed
Signé et scellé

1996-05-28

Postal address of owner
Adresse postale du propriétaire

P.O. Box 2186
Inuvik NT X0E 0T0

[Signature]
NORTHWEST TERRITORIES REGISTRATION DISTRICT
CIRCONSCRIPTION D'ENREGISTREMENT DES TERRITOIRES DU NORD-OUEST

REGISTRAR
REGISTRATEUR

(List details of registration and brief particulars of encumbrances and interests on reverse - Énoncer brièvement au verso les détails de chaque enregistrement, charge et intérêt.)

ABBREVIATIONS - ABRÉVIATIONS

E - EASEMENT

C - CAVIAT

T - TRANSMISSION

TH - TRANSFER

M - MORTGAGE

D - DECLARATION

B - BYLAWS

CL - CLAIM OF LIEN

PA - POWER OF ATTORNEY

URW - UTILITY RIGHT OF WAY

WE - WRIT OF EXECUTION

LP - CERTIFICATE OF LIEN PENDENS

OTHER ABBREVIATIONS - AUTRES ABRÉVIATIONS

NSI: Notice of Security Interest

CERTIFICATE OF TITLE - CERTIFICAT DE TITRE

NAME

LAND


DOWLAND CONTRACTING LTD.

LOT 20, BLOCK 49, PLAN 633, INUVIK

ENCUMBRANCES AND INTERESTS - CHARGES ET INTÉRÊTS

TITLE NO.: 37513		REGISTRATION - ENREGISTREMENT			AMOUNT - MONTANT		PARTICULARS - PRÉCISIONS	SIGNATURE OF REGISTRAR DU REGISTREUR	DISCHARGES & WITHDRAWALS - MAINTIEN & RETRAITS		
NATURE - GENRE OF DOCUMENT	NO. - N°	Y-A	DATE	D-J	Y-A	\$			NO. - N°	Y-A	D-J
MTGE	87,652	96	05	28		\$850,000.00	to BANK OF MONTREAL	<i>[Signature]</i>	131,582	2003	08
C	87,653	96	05	28		-	by BANK OF MONTREAL	<i>[Signature]</i>	131,583	2003	08
MTGE	128,865	2003	02	26		\$1,250,000.00	to NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION	<i>[Signature]</i>	155,186	2007	09
MTGE	129,762	2003	05	02		\$1,500,000.00	to ROYAL BANK OF CANADA	<i>[Signature]</i>			
NSI	129,763	2003	05	02		-	by ROYAL BANK OF CANADA and which expires on June 1, 2023	<i>[Signature]</i>			
MTGE	177,085	2012	03	16		\$2,800,000.00	to ROYAL BANK OF CANADA	<i>[Signature]</i>			
MTGE	181,110	2013	04	19		\$3,000,000.00	to ROYAL BANK OF CANADA	<i>[Signature]</i>			

3/24

Implied Reservations The title to the land mentioned in this certificate is, unless otherwise indicated on the certificate of title, subject to the following reservations, which are more particularly set out in section 69 of the <i>Land Titles Act</i> : - subsisting reservations or exceptions in the original grant of the land; - unpaid taxes, unregistered tax sale transfers and claims of lien for property tax arrears; - public highways, rights-of-way and other public easements; - certain leases or agreements to lease for a term not exceeding three years; - decrees, orders or writs filed and in force; - rights of expropriation.	Conditions implicites Le titre de bien-fonds mentionné dans le présent certificat de titre est, à moins d'indications contraires prévues au certificat, assujéti aux conditions suivantes, lesquelles sont précisées à l'article 69 de la <i>Loi sur les titres de biens-fonds</i> : - toutes réserves ou exceptions existantes contenues dans la concession primitive du bien-fonds; - toutes taxes non payées, tout acte de vente pour défaut de paiement de l'impôt foncier non enregistré et toutes revendications de privilège quant au paiement d'arriérés d'impôt foncier; - tout chemin public, droit de passage ou servitude publique; - certains baux ou conventions de bail pour une période maximale de trois ans; - tous décrets, ordonnances ou brevets déposés et maintenus en vigueur; - tous droits d'expropriation.	Crown Grant Concession de la Couronne Pursuant To En vertu de 11,371 173,071 Previous Title Titre précédent 68658 Value (optional) Valeur (optionnel) \$92,250.00
		CERTIFICATE No. - CERTIFICAT N°  70920

Land Titles Act
Certificate of Title
(General)
 NORTHWEST TERRITORIES
 REGISTRATION DISTRICT



Loi sur les titres de biens-fonds
Certificat de titre
(Général)
 CIRCONSCRIPTION D'ENREGISTREMENT
 DES TERRITOIRES DU NORD-OUEST

This is to Certify that

Les présentes attestent que

DOWLAND CONTRACTING LTD., a body corporate, incorporated under the *Business Corporations Act* of the Northwest Territories, having a registered office in the Town Inuvik in the said Territories,

is (are) now the owner(s) of an estate in fee simple
 of and in

est (sont) actuellement le(s) propriétaire(s) d'un domaine
 en fief simple sur le(s) bien(s)-fonds suivant(s)

LOT 21

BLOCK 49

PLAN 633

INUVIK

I CERTIFY THAT THIS IS A TRUE PHOTOSTATIC COPY
 OF THE WITHIN CERTIFICATE OF TITLE ON RECORD
 IN THE LAND TITLES OFFICE, YELLOWKNIFE, N.W.T.
 AT 13:57 HOURS ON 2013-04-23


 D/REGISTRAR OF LAND TITLES

subject to the provisions of the *Land Titles Act*, and the encumbrances
 and interests listed on this certificate.

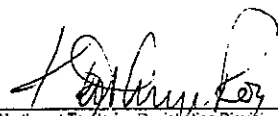
sous réserve de la *Loi sur les titres de biens-fonds*, et des charges et
 intérêts énoncés au présent certificat.

Postal Address of owner
 Adresse postale du propriétaire

Signed and sealed
 Signé et scellé

2011-05-16

Dowland Contracting Ltd.
 29 Industrial Drive
 P.O. Box 1660
 Inuvik NT X0E 0T0


 REGISTRAR
 REGISTRATEUR
 Northwest Territories Registration District
 circonscription d'enregistrement des Territoires du Nord-Ouest


70920

ABBREVIATIONS - ABRÉVIATIONS

LAND BIENS-FONDS
LOT 21, BLOCK 49, PLAN 633, INUVIK

ENCUMBRANCES AND INTERESTS - CHARGES ET INTÉRÊTS

[illegible]

Implied Reservations The title to the land mentioned in this certificate is, unless otherwise indicated on the certificate of title, subject to the following reservations, which are more particularly set out in section 69 of the <i>Land Titles Act</i> : - subsisting reservations or exceptions in the original grant of the land; - unpaid taxes, unregistered tax sale transfers and claims of lien for property tax arrears; - public highways, rights-of-way and other public easements; - certain leases or agreements to lease for a term not exceeding three years; decrees, orders or writs filed and in force; - rights of expropriation.	Conditions implicites Le titre de bien-fonds mentionné dans le présent certificat de titre est, à moins d'indications contraires prévues au certificat, assujéti aux conditions suivantes, lesquelles sont précisées à l'article 69 de la <i>Loi sur les titres de biens-fonds</i> : - toutes réserves ou exceptions existantes contenues dans la concession primitive du bien-fonds; - toutes taxes non payées, tout acte de vente pour défaut de paiement de l'impôt foncier non enregistré et toutes revendications de privilège quant au paiement d'arrérêts d'impôt foncier; - tout chemin public, droit de passage ou servitude publique; - certains baux ou conventions de bail pour une période maximale de trois ans; - tous décrets, ordonnances ou brefs déposés et maintenus en vigueur; - tous droits d'expropriation.	Crown Grant Concession de la Couronne Pursuant To En vertu de 11,371 173,071 Previous Title Titre précédent 68659 Value (optional) Valeur (optionnel) \$522,750.00
		CERTIFICATE No. - CERTIFICAT N°  70921

Land Titles Act
Certificate of Title
(General)
 NORTHWEST TERRITORIES
 REGISTRATION DISTRICT



Loi sur les titres de biens-fonds
Certificat de titre
(Général)
 CIRCONSCRIPTION D'ENREGISTREMENT
 DES TERRITOIRES DU NORD-OUEST

This is to Certify that

Les présentes attestent que

DOWLAND CONTRACTING LTD., a body corporate, incorporated under the *Business Corporations Act* of the Northwest Territories, having a registered office in the Town Inuvik in the said Territories,

is (are) now the owner(s) of an estate in fee simple
 of and in

est (sont) actuellement le(s) propriétaire(s) d'un domaine
 en fief simple sur le(s) bien(s)-fonds suivant(s)

LOT 22

BLOCK 49

PLAN 633

INUVIK

I CERTIFY THAT THIS IS A TRUE PHOTOSTATIC COPY
 OF THE WITHIN CERTIFICATE OF TITLE ON RECORD
 IN THE LAND TITLES OFFICE, YELLOWKNIFE, N.W.T.
 AT 13:57 HOURS ON 2013-04-23


 REGISTRAR OF LAND TITLES

subject to the provisions of the *Land Titles Act*, and the encumbrances
 and interests listed on this certificate.

sous réserve de la *Loi sur les titres de biens-fonds*, et des charges et
 intérêts énoncés au présent certificat.

Postal Address of owner
 Adresse postale du propriétaire

Signed and sealed
 Signé et scellé

2011-05-16

Dowland Contracting Ltd.
 29 Industrial Drive
 P.O. Box 1660
 Inuvik NT X0E 0T0


 REGISTRAR
 REGISTREUR
 Northwest Territories Registration District
 circonscription d'enregistrement des Territoires du Nord-Ouest

70921

ABBREVIATIONS - ABRÉVIATIONS

C - CAVEAT / OPPOSITION	D - DECLARATION / DÉCLARATION
Tr - TRANSMISSION / TRANSMISSION	B - BYLAWS / RÉGLEMENT ADMINISTRATIF
Tr - TRANSFER / TRANSFERT	CL - CLAIM OF LIEN / REVENDIC. DE PRIVILÈGE
Mge - MORTGAGE / HYPOTHÈQUE	E - EASEMENT / SERVITUDE
O+C - ORDER IN COUNCIL / DÉCRET DU GOUVERNEUR EN CONSEIL	URW - UTILITY RIGHT OF WAY / SERVITUDE D'UTILITÉ PUBLIQUE

LP - CERTIFICATE OF UNDEPENDENT /
CERTIF D'AFFAIRE EN INSTANCE

[illegible]