

I hereby certify this to be a
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for Clerk of the Court

Clerk's stamp:



COURT FILE NUMBER

1303 06092

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

Edmonton

PLAINTIFF

ROYAL BANK OF CANADA

DEFENDANTS

DOWLAND CONTRACTING LTD., 0849809
B.C. LTD., DOWLAND CONSTRUCTION INC.
AND 6070 N.W.T. LIMITED

DOCUMENT

**SALE APPROVAL AND VESTING ORDER
(Real Property)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers and Solicitors
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Lawyer's

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Lawyer's

Email: rreeson@millerthomson.com

File No.: 182818.0001 RTGR

DATE ON WHICH ORDER WAS PRONOUNCED:

Friday, November 28, 2014

NAME OF JUSTICE WHO MADE THIS ORDER:

The Honourable Mr. Justice K.G. Nielsen

LOCATION:

Edmonton

UPON the application of Alvarez & Marsal Canada Inc. (the "Receiver") in its capacity as Receiver of Dowland Contracting Ltd., 0849809 B.C. Ltd. and 6070 N.W.T. Limited pursuant to, among other things, the Receivership Order of Associate Chief Justice J. Rooke dated May 6, 2013 with effect May 21, 2013 (the "Receivership Order"); AND UPON reviewing the Third Report of the Receiver dated August 9, 2013 (the "Third Report") and Sixth Report of the Receiver dated November 21, 2014 (the "Sixth Report"), together with the unfiled Confidential Offer Summary (the "Offer Summary"); AND UPON noting that Dowland Contracting Ltd. ("Dowland") is the registered owner of fee simple title and leasehold interests in relation to various lands; AND UPON hearing counsel for the Receiver and counsel for various secured creditors; AND UPON it appearing that the sale of the lands and leases described in Schedule "A" hereto (collectively called the "Lands") is in the best interests of the creditors of Dowland;

IT IS HEREBY ORDERED THAT:

SERVICE

1. Service of the notice of this application and supporting materials on the Defendants, and the Royal Bank of Canada, Intact Insurance Company and Continental Casualty Company (the "Secured Creditors"), is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service is abridged to that actually given.

MARKETING ACTIVITIES OF THE RECEIVER

2. The marketing activities of the Receiver in relation to the sale of the Lands as set out in the Third Report and the Sixth Report are hereby approved.

APPROVAL OF TRANSACTION

3. The Receiver's acceptance of the various offers to purchase the Lands (including all buildings and improvements thereon) as set out in Schedule "A" hereto (the "Offers"), which Offers are summarized in the Offer Summary, is hereby approved and ratified.
4.
 - (a) The Receiver is hereby authorized to conclude each of the transactions contemplated by the Offers with respect to Parcels A to D as set out in Schedule "A" hereto (the "Parcel A to D Transactions") on the terms as set out in the Offers and to take all such steps and execute all such documents as may reasonably be necessary to complete the Parcel A to D Transactions contemplated therein;
 - (b) With respect to the transaction contemplated by the Offer with respect to Parcel E as set out in Schedule "A" hereto (the "Parcel E Transaction"), subject to
 - (i) all lease payments required to be paid as of the date of this Order being paid in full with respect to the terms and conditions contained in Lease L-311366T as between Dowland and The Commissioner of the Northwest Territories (the "Commissioner of NWT"), dated April 16, 2002 (the "Lease"); and
 - (ii) the Receiver obtaining the consent of The Commissioner of NWT (or any necessary and required governing authority) to transfer to the Purchaser of Parcel E of all of the right, title and interest held by Dowland in the Lease,

the Receiver is hereby authorized to conclude the Parcel E Transaction on the terms as set out in the Offer and to take all such steps and execute all such documents as may reasonably be necessary to complete the Parcel E Transaction contemplated therein.

(the Parcel A to D Transaction and the Parcel E Transaction are collectively referred to as the "Transaction")

VESTING OF LANDS

5. Upon the closing of each Transaction, all of Dowland's right, title and interest, in and to the Lands subject to that Transaction shall, without further instrument of transfer or assignment, vest in the respective purchaser thereof as contemplated by the Offers (the "Purchasers"), absolutely and forever, free and clear of and from any and all claims by, through, or under Dowland, and any and all estate, right, title, interest, and liens, including but not limited to, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, easements, covenants, caveats, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of Dowland whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (all of the foregoing being collectively referred to hereinafter as "the Claims"), excepting only the permitted encumbrances (as set out in Schedule "A" hereto (the "Permitted Encumbrances")), and whether such Claims came into existence prior to, subsequent to, or as a result of any previous order of this Court, by or of all persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or other legal representatives (collectively, the "Claimants"), including for greater certainty and without limiting the generality of the foregoing: (i) the Claims held by or in favour of the individuals and entities served (either directly or through their solicitors) with notice of this Application; and (ii) the beneficiary of any Claims created or provided for pursuant to any previous Order of this Court in these proceedings.
6. From and after the closing of the Transactions (including the payment of the purchase price by the Purchasers to the Receiver), any and all Claims of any Claimants in any or all of the Lands shall vest in the place and in the stead thereof in and to the net sale proceeds of the sale of the Lands, in the same priorities as existed immediately prior to the granting of this Order, after payment in full of all reasonable costs, charges and expenses, including without limitation, all professional fees and disbursements incurred by the Receiver on a solicitor and his own client full indemnity basis, in connection with the Receivership Order or the Transactions, and subject to the priority of the Court ordered charges provided in the Receivership Order.
7. The Purchasers shall, by virtue of the completion of the Transactions, have no liability of any kind whatsoever to any Claimants in respect of any Claims they may have against Dowland or the Lands.
8. The Transactions shall not be void or voidable at the instance of Claimants and shall not constitute nor shall be deemed to be a transfer under value, fraudulent preference, assignment, fraudulent conveyance or other challengeable or reviewable transaction under the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA") or any other applicable federal or provincial legislation, and the Transactions, or any actions taken in connection therewith, shall not constitute conduct meriting an oppression remedy.
9. Nothing in this Order shall prejudice any person's *in personam* claim against Dowland.
10. The Receiver is hereby authorized and directed to:
 - (a) Perform the respective covenants in the Offers substantially in accordance with their terms and conditions, subject to such amendments as the Receiver and the

Purchasers may approve which do not materially and adversely alter the Transactions, including without limitation, reasonable extensions of the closing date; and

- (b) Execute all transfers, deeds, assignments and documents, and to take all such steps as may be necessary or advisable in the sole discretion of the Receiver to consummate each of the Transactions.
11. The Closing Solicitors, namely Miller Thomson LLP of Edmonton, Alberta, (the "Closing Solicitors"), shall deliver to the Purchasers' Solicitors, as advised by the Purchaser (the "Purchasers' Solicitors"), the Closing Documents as required by the Offer (the "Closing Documents"), on reasonable trust conditions to facilitate the Closing.
 12. The Purchasers shall cause the Purchasers' Solicitors to deliver the full balance of the Purchase Price, plus interest, if any, (the total of all such amounts herein called the "Closing Funds") to the Closing Solicitors on or before the Closing Date (as set out in the Offers and any extensions thereof agreed to by the Vendor and the Purchaser), by way of the Purchaser's Solicitors' certified cheque or by bank draft delivered to the Closing Solicitors or the Closing Funds being electronically deposited in the trust account of the Closing Solicitors, to be held by the Receiver in trust pending further Order of the Court.
 13. In the event a Purchaser fails to pay the Closing Funds to the Closing Solicitors by on or before the Closing Date as ordered in paragraph 12 hereof, other than as a result of the default of the Receiver, or in the event a Purchaser fails to comply with any one or more of its other covenants and obligations to be observed or performed under the Offer, it is hereby ordered and declared that:
 - (a) The Deposit paid by the Purchaser shall be forfeited by the Purchaser as set forth in the Offer, and shall be paid and applied as directed by the Court;
 - (b) All Closing Documents delivered to the Purchaser's Solicitors, shall be null and void, and of no force and effect whatsoever, and such Closing Documents shall be promptly returned by the Purchaser's Solicitors to the Closing Solicitors; and
 - (c) The Purchaser shall have no further interest in the Lands, and the Receiver shall be at liberty to market the Lands and to consider other offers for the purchase of the Lands subject to Court approval, either with or without notice to the Purchaser.
 14. Each Purchaser shall be entitled to present a certified copy of this Order, together with written advice from Miller Thomson LLP that the Purchaser is entitled to register this Order, to the Registrar of Land Titles for the Northwest Territories (the "Registrar"), and upon being presented with the same, the Registrar is hereby authorized, requested, and directed to cancel the existing Certificate(s) of Title to the Lands and to issue a new Certificate(s) of Title for the Lands in the name of the Purchaser as set out in Schedule "A" hereto (or their nominee), at the mailing address as set out in Schedule "A" hereto, which Certificate(s) of Title shall be subject only to those Permitted Encumbrances listed on Schedule "A" hereto.
 15. The Receiver is at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.
 16. (a) This Court requests the aid and recognition of the Court of the Northwest Territories to give effect to this Order and to assist the Receiver and its agent in carrying out the terms of this Order. The Court of the Northwest Territories is

respectfully requested to make such Orders and to provide to the Receiver, as an officer of this Court, such assistance 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.

- (b) The Receiver is at liberty and is hereby authorized and empowered to apply to any Court in the Northwest Territories for recognition of this Order and for assistance in carrying out the terms of this Order.
17. Service of this Order may be effected upon (directly or through legal counsel) the Secured Creditors by facsimile or electronic mail, and such service shall constitute good and sufficient service. Service on any person other than the Secured Creditors is hereby dispensed with.

“  ”

J.C.C.Q.B.A.

SCHEDULE A

TO THE ORDER OF THE ALBERTA COURT OF QUEEN'S BENCH
IN ACTION NO. 1303 06092, GRANTED NOVEMBER 28, 2014

LANDS AND PERMITTED ENCUMBRANCES

Lands located at or near Inuvik, Northwest Territories

PARCEL	LEGAL DESCRIPTION	PERMITTED ENCUMBRANCES	PURCHASER
PARCEL A	Fee Simple Lot 18 Block 49 Plan 633 Inuvik	Caveat Number 167,503 Caveat Number 186,430 (Lease with Acklands-Grainger Inc. & Lease Extension Agreement with Acklands-Grainger Inc., respectively)	Inuvialuit Development Corporation P.O. Bag 7, 107 Mackenzie Road Inuvik, NT X0E 0T0
PARCEL B	Fee Simple Lot 19 Block 49 Plan 633 Inuvik	Caveat Number 167,503 Caveat Number 186,430	Inuvialuit Development Corporation P.O. Bag 7, 107 Mackenzie Road Inuvik, NT X0E 0T0
PARCEL C	Fee Simple Lot 20 Block 49 Plan 633 Inuvik	Caveat Number 167,503 Caveat Number 186,430	Inuvialuit Development Corporation P.O. Bag 7, 107 Mackenzie Road Inuvik, NT X0E 0T0
PARCEL D	Fee Simple Plan 3422 Block 21 Lot 19 Tuktoyaktuk Plan 1652 Block 34 Lot 19 Tuktoyaktuk	Nil	Tundra Drilling Services Ltd. P.O. Box 2816 Inuvik, NT X0E 0T0

PARCEL E	Lease Interest Plan of Survey 3529 Lot 46 Paulatuk	Nil	6222 NWT Limited o/a KDN Contracting PO Box 82 Paulatuk, NT X0E 1N0
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