

COURT FILE NUMBER 130306092

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

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



DOCUMENT SUPPLEMENTAL TO THE FIFTH REPORT OF ALVAREZ
& MARSAL CANADA INC., IN ITS CAPACITY AS COURT
APPOINTED RECEIVER OVER THE PROPERTY

March 13, 2014

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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1.0 INTRODUCTION

- 1.1 Effective May 21, 2013, pursuant to the order of the Honourable Justice J.D. Rooke (the "Receivership Order"), Alvarez & Marsal Canada Inc. was appointed Receiver and Manager (the "Receiver") without security of all the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof of Dowland Contracting Ltd., 0849809 B.C. Ltd. (formerly, Dowland Industrial Works Ltd.) and 6070 N.W.T. Limited pursuant to section 13(2) of the *Judicature Act*, R.S.A. 2002, c. J-2 and section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 in the within action (the "Receivership Proceeding").
- 1.2 The Receiver filed with this Honourable Court a fifth report in the Receivership Proceeding dated March 10, 2014 (the "Fifth Report") which included among other things, information and the Receiver's recommendation in respect of an order sought to approve an offer of settlement dated February 14, 2014 (the "Settlement") from the Diocese of the Arctic - Anglican Church of Canada (the "Diocese").

2.0 CLARIFICATION OF THE TERMS OF THE SETTLEMENT


- 2.1 At paragraph 2.11 of the Fifth Report, the Receiver has inadvertently characterized a term of the Settlement as a condition precedent to the Settlement. Specifically, the Receiver noted that "... *the Settlement is subject court approval and to the Diocese securing financing within 90 days of the date of court approval.*"
- 2.2 The actual term of the Settlement relating to the terms of payment thereunder states:
- "2. Funds would be provided not more than 90 days following acceptance of this offer and either court approval or waiver of court approval by the Receiver."*
- 2.3 The Receiver has confirmed with legal counsel to the Diocese that the term referenced above is not a condition precedent to the Settlement and that payment thereunder will occur not more than 90 days after the offer of settlement was accepted (February 28, 2014) or court approval or waiver of court approval by the Receiver. A copy of an email dated March 13, 2014 from legal counsel to the Diocese confirming the position of the Diocese is attached hereto as Appendix "A".

3.0 OTHER MATTER

- 3.1 At paragraph 2.4 of the Fifth Report, the Receiver states that "*RBC took an assignment of the Promissory Note with effect from April 15, 2015 and . . .*". The Receiver confirms that the correct date reference is April 15, 2013.

All of which is respectfully submitted to this Honourable Court this 13th day of March, 2014.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Receiver of Dowland Contracting Ltd.,
0849809 B.C. Ltd. and 6070 N.W.T. Limited**



Per: Todd M. Martin
Senior Vice President

APPENDIX A



Diocese of the Arctic

Glenn Tait to Rick Reeson

cc: david.outreach, "Darren McCartney", "Debra Gill"

03/13/2014 01:54 PM

From: Glenn Tait <gtait@mross.com>
To: "Rick Reeson" <rreeson@millerthomson.com>
Cc: <david.outreach@gmail.com>, "Darren McCartney" <darren@arcticnet.org>, "Debra Gill" <debra@arcticnet.org>

History: This message has been forwarded.

Mr. Reeson this follows up our conversation of this afternoon. As you know, we act for the Diocese of the Arctic.

I can confirm that the offer which the Diocese extended on February 14, 2014 does not include a condition precedent for financing.

The only conditions to the offer are those which are set out in the Diocese letter of February 14, 2014.

I trust this is satisfactory.

NOTE: Effective Feb 21, 2014 the Yellowknife Office of McLennan Ross has moved. Please refer to the changes below. All phone numbers remain the same.



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