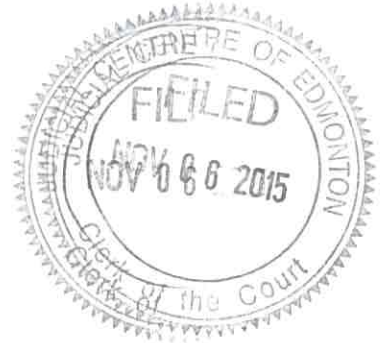


I hereby certify this to be a true copy of the original.  
for Clerk of the Court

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

ORDER FOR INTERIM DISTRIBUTION OF  
PROCEEDS, APPROVAL OF A SETTLEMENT  
BETWEEN SECURED CREDITORS,  
DECLARATION OF PRIORITIES, APPROVAL OF  
RECEIVER'S FEES AND DISBURSEMENTS,  
APPROVAL OF FEES AND DISBURSEMENTS  
FOR RECEIVER'S LEGAL COUNSEL, AND  
APPROVAL OF RECEIVER'S ACTIVITIES

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

MILLER THOMSON LLP  
Barristers and Solicitors  
2700, Commerce Place  
10155-102 Street  
Edmonton, AB, Canada T5J 4G8  
Phone: 780.429.1751 Fax: 780.424.5866

Lawyer's

Name

Rick T. G. Reeson, Q.C.

Lawyer's

Email:

rreeson@millerthomson.com

File No.:

182818.1 RTGR

DATE ON WHICH ORDER WAS PRONOUNCED:

October 20, 2015

LOCATION WHERE ORDER WAS PRONOUNCED:

Edmonton

NAME OF MASTER/JUDGE WHO MADE THIS ORDER:

Madam Justice J. Ross

UPON THE APPLICATION of Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Dowland Contracting Ltd., 0849809 B.C. Ltd. (previously called Dowland Industrial Works Ltd.) and 6070 N.W.T. Limited (collectively called the "Debtor") for an Order for an interim distribution of proceeds, approval of a settlement between secured creditors, a declaration of priorities, approval of the Receiver's fees and disbursements to date, approval of the fees and

disbursements of legal counsel for the Receiver, and approval of the Receiver's activities to date; AND UPON noting the contents of the Receiver's Reports as follows:

- First Report dated June 25, 2013 and filed on June 26, 2013
- Second Report dated and filed on August 7, 2013
- Third Report dated and filed on August 9, 2013
- Fourth Report dated and filed on September 27, 2013
- Fifth Report dated and filed on March 10, 2014
- Supplemental to the Fifth Report dated March 13, 2014 and filed on March 14, 2014;
- Sixth Report dated November 20, 2014 and filed on November 21, 2014; and
- Seventh Report dated October 12<sup>th</sup>, 2015 and filed on October 13<sup>th</sup>, 2015

(collectively called the "Receiver's Reports").

AND UPON hearing counsel for the Receiver, counsel for the Debtor and counsel for various creditors, including Continental Casualty Company, National Fire Insurance Company of Newark, New Jersey, Western Surety of America, and Surety Lending Company of American (collectively "CNA"), Intact Insurance Company (formerly known as both AXA Pacific Insurance Company and Jevco insurance Company) (collectively "Intact"), and Royal Bank of Canada ("RBC"), AND UPON being satisfied that it is appropriate to do so, AND UPON noting the consents to this Order of legal counsel for each of CNA, Intact, RBC, and the Receiver IT IS ORDERED THAT:

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and the time for service of this application is abridged to that actually given.
2. The Receiver's accounts for fees and disbursements, as set out in the Receiver's Seventh Report are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver's legal counsel, for its fees and disbursements, as set out in the Receiver's Seventh Report are hereby approved without the necessity of a formal assessment of their accounts.
4. The Receiver's activities as set out in the Receiver's Reports filed herein, and the Statement of Receipts and Disbursements as attached to the Receiver's Seventh Report, are hereby ratified and approved.
5.
  - (a) The terms and conditions of the Secured Party Settlement Agreement, as set out in the Receiver's Seventh Report are hereby approved;
  - (b) Subject to subparagraph 5(c)(ii), it is declared that CNA, Intact and RBC are entitled to be paid the amounts set out in paragraph 6 hereof, in priority to the Debtor, any creditor of the Debtor and any interested person claiming by or through the Debtor;
  - (c) It is further declared that subject to payment of:
    - (i) All remaining Receiver's fees and disbursements (together with the fees and disbursements of its legal counsel) in amounts approved by the Court; and

- (II) Any indebtedness owing under the *Wage Earner Protection Program Act* which have priority over RBC, to the extent the Receiver has in his possession property (or proceeds thereof) that are secured, in priority to any claim of RBC, for such indebtedness by section 81.4 of the BIA and any indebtedness owing to Canada Revenue Agency ("CRA") by the Debtor for claims which have priority over RBC, to the extent the Receiver has in his possession property (or proceeds thereof), subject to a deemed trust in favour of CRA, which deemed trust gives CRA the right to such property or proceeds in priority to any claim of RBC pursuant to RBC's security,

that RBC has priority over the Debtor, any creditor of the Debtor and any interested party claiming by or through the Debtor, to the net balance of the funds realized in the Receivership estate, and which are subsequently available for distribution after distribution of the amounts set out in paragraph 6 hereof (the "Balance of Funds"). The Balance of Funds shall be paid by the Receiver to RBC by way of ongoing distributions, until the Balance of Funds has been paid in full, all without further Order of this Court.

6. The Receiver is authorized and directed to make the following distributions:
- (a) The sum of \$3,300,000.00 to Intact, as a final and all inclusive distribution to Intact;
  - (b) The sum of \$174,865.00 to CNA, as a final and all inclusive distribution to CNA; and
  - (c) The sum of \$7,000,000.00, as an interim, partial distribution to RBC.
7. Subsequent to payment of the funds referenced in paragraph 6 of this Order, RBC is authorized to discharge any and all registrations against all or any of the Debtor and/or companies related to the Debtor (and their respective property or proceeds) in Personal Property Registries or Land Titles Offices including, without limitation, specific serial number registrations. Notwithstanding any such discharge, all rights, claims, security and priority of RBC will continue to attach to and charge and secure all proceeds from the realization of property of Dowland for which a discharge has been registered to the same extent and in the same manner and in the same priority as was the case immediately prior to registration of such discharge.
8. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or wilful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
9. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
10. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

11. Service of this Order on any party not attending this application is hereby dispensed with.

" J. Ross "

Justice of the Court of Queen's Bench of  
Alberta

CONSENTED BY:

DENTONS CANADA LLP

Per:

Ray C. Rutman  
Solicitor for the Plaintiff, RBC

BORDEN LADNER GERVAIS LLP

Per:

Christopher J. O'Connor  
Solicitor for CNA

ROSE LLP

Per:

Jane Sidnell  
Solicitor for Intact

MILLER THOMSON LLP

Per:

Rick T. G. Reeson, Q.C.  
Solicitor for the Receiver

12. This Order shall be filed by Miller Thomson LLP in court and shall not be filed or used in any manner whatsoever unless, by November 10, 2015, each of legal counsel for CNA, Intact and RBC shall have provided to Miller Thomson LLP, their written consent to file and use the Order, in which case Miller Thomson may do so. If such written consent has not been provided by November 10, 2015, then this Order shall be null and void and of no force and effect.

11. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of  
Alberta

CONSENTED BY:

DENTONS CANADA LLP

Per: \_\_\_\_\_  
Ray C. Rutman  
Solicitor for the Plaintiff, RBC

BORDEN LADNER GERVAIS LLP

Per: C J O'Connor  
Christopher J. O'Connor  
Solicitor for CNA

ROSE LLP

Per: Jane Sidnell  
Jane Sidnell  
Solicitor for Intact

MILLER THOMSON LLP

Per: Rick T. G. Reeson  
Rick T. G. Reeson, Q.C.  
Solicitor for the Receiver