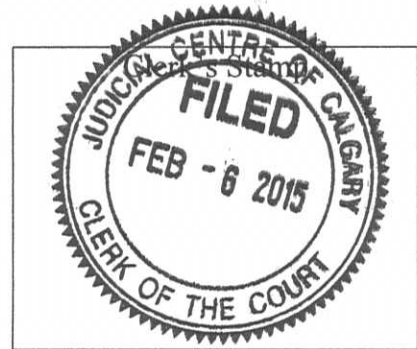


COURT FILE NO. 1101-12490
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary
APPLICANT Sprott Resource Lending Corp.
RESPONDENTS MCL Development Corp., Regional Water
Services Ltd., Medallion Development
Corporation and Jeffrey Colvin



IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985 c. B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF MCL
DEVELOPMENT CORP., REGIONAL WATER SERVICES LTD.,
MEDALLION DEVELOPMENT CORPORATION and JEFFREY
COLVIN

DOCUMENT: AMENDED SALE APPROVAL AND VESTING ORDER

Lawson Lundell LLP
Barristers & Solicitors
2700, 205 – 5 Avenue SW
Calgary, AB T2P 2V7

Attention: Christopher D.C. Ruttkay /
Kimberley A. Robertson

Tel: 403 218-7519
Fax: 403-269-9494

File Reference 30333-12717

I hereby certify this to be a true copy of
the original Order
dated this 6 day of Feb 20 15
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: August 6, 2014
NAME OF JUDGE WHO MADE THIS ORDER: Madam Justice K. Horner
LOCATION OF HEARING: Calgary

UPON the application of **Sprott Resource Lending Corp.** in respect of **Regional Water Services Ltd.** (the “**Debtor**”); **AND UPON** having read the Application, the Affidavit of Narinder Nagra, sworn June 23, 2014; **AND UPON** reading the Receiver’s First Report and consent of Ernst & Young Ltd. to act as receiver and manager (“**Receiver**”) of the Debtor, as filed; **AND UPON** hearing counsel for the Lender, counsel for the Receiver, counsel for the Co-Lenders to Certified Financial Savings & Mortgage Corp., counsel for the Alberta Utilities Commission, counsel for Rocky View County, and upon counsel for Jeff Colvin appearing, and no one else appearing on behalf of the Respondents although duly served, **IT IS HEREBY ORDERED AND DECLARED THAT:**

DEFINED TERMS

1. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the form of agreement of purchase and sale between the Receiver as Vendor, and 1812234 Alberta Ltd. (the “**Purchaser**”), as Purchaser, and attached, unexecuted, as Appendix “A” to the Receiver’s First Report (the “**APA**”).

SERVICE

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

APPROVAL OF THE APA AND THE TRANSACTIONS

3. The Receiver, for and on behalf of the Vendor, is authorized and directed, *nunc pro tunc*, to execute and deliver the APA to the Purchaser, conclude the transactions contemplated by the APA (the “**Transactions**”) and to take all such steps and execute all such deeds, documents and instruments as may reasonably be necessary to consummate the Transactions contemplated therein substantially in accordance with its terms. Following execution and delivery of the APA the Parties may agree to any amendments to the APA which do not materially and adversely alter the Transactions or the APA.
4. The Transactions are hereby approved and ratified and it is hereby declared that the Transactions are commercially reasonable.

VESTING OF PROPERTY

5. Upon the Receiver filing a certificate (the “**Receiver’s Certificate**”), substantially in the form attached as **Schedule “A”**, certifying that the Transactions have closed substantially in accordance with the terms of the APA and the Purchase Price due and owing in respect of such have been tendered to the Receiver then:

- (a) Subject only to the transfer of applicable licences, permits and approvals by the Province of Alberta, the purchased assets, as defined as "Assets" in the APA (the "Assets"), shall be vested in **1812234 Alberta Ltd. of 1003, 200 La Caille Place Sw Calgary Alberta AB T2P 5E2** (the "**Purchaser**"), free of all estate, right, title, interest, royalty, rental, and equity of redemption of the Debtor and all Persons who claim by, through or under the Debtor and subject only to the permitted encumbrances as set out in **Schedule "B"** hereto (the "**Permitted Encumbrances**").
 - (b) the Debtor and all Persons who claim by, through or under the Debtor in respect of the Assets, save and except the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Assets and, to the extent that any such Person remains in possession or control of any of the Assets, they shall forthwith deliver possession of same to the Purchaser or its nominee;
 - (c) the Purchaser or its nominee shall be entitled to enter into, hold and enjoy the Assets for its own use and benefit without any interference of or by the Debtor, or any Person claiming by, through or under the Debtor.
6. Upon closing of the Transactions, subject only to the Permitted Encumbrances, all of the Debtor's right, title and interest in the Assets shall vest in the Purchaser free and clear from all security interests, claim, estate, security, 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, encumbrances or other rights, limitations or restrictions of any nature whatsoever, against the Debtor including without limitation any rights or interests of any of the stakeholders or creditors of the Debtor, 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**"), whether such claims against the Debtor came into existence prior to, subsequent to or as a result of any previous Order of this Court, by or of all Persons or entitles of a 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 neutral persons or corporations, whether acting in their capacity as principals or agents, trustees, executives, administrators or other legal representatives (collectively, the "**Claimants**"), including for greater certainty and without limiting the generality of the foregoing: (i) any Claims held by or in favour of the Persons served (either directly or through their solicitors) with the Application; and (ii)

the beneficiary of any Claims created or provided for pursuant to any previous Order in these proceedings.

7. For greater certainty, subject only to the Permitted Encumbrances, the Purchaser shall, by virtue of the completion of the Transactions, have no liability of any kind whatsoever to any Claimants, however, for greater certainty, the Purchaser has agreed to assume all liability for any property taxes, lien or recovery rights of Rocky View County, in respect of Tax Recovery Notification #131 089 599, Roll Number 06827140 ("**Property Taxes - Sewage**"), with such assumed obligation being secured pursuant to paragraph 3.1 of the APA.
8. The Vendor shall hold the net amounts paid to it from the sale of the Assets (the "**Net Proceeds**"), and the Claims, including the Property Taxes- Sewage, shall attach to the Net Proceeds with the same priority they had to the Assets and immediately prior to the closing of the APA and as if the APA had not been completed, with liberty to pay its own accounts and disbursements, including in respect of its legal fees, from the Net Proceeds from time to time, any amounts secured by the Receiver's Charge.
9. The Transactions shall not be void or voidable at the instance of the Claimants and shall not constitute nor shall be deemed to be a settlement, 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 or any other applicable federal or provincial legislation, and the Transactions or any actions taken therewith, shall not constitute conduct meriting an oppression remedy.
10. Upon the filing of a certified copy of this Order, together with any applicable registration fees, the appropriate government authorities, including the registrar of the Land Title Registry, are hereby requested and directed to register such transfers, discharges, discharge statements or conveyances, as may be required to register title to the Assets, including the following lands, easements and rights of way:

Part 1 – Fee Simple:

CONDOMINIUM PLAN 0513169

UNIT 55

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

CONDOMINIUM PLAN 0513169

UNIT 56

AND 1 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

Part 2 – Easements and Rights of Way:

UTILITY RIGHT OF WAY DATED FEBRUARY 7, 2005 REGISTERED ON
SEPTEMBER 16, 2005 AS 051344310 WHICH IS REGISTERED AGAINST:

A:

THAT PORTION OF THE ROADWAY IN
(5;4;26;27;SW)
AS SHOWN ON PLAN ATTACHED TO TRANSFER 42231
WHICH LIES TO THE NORTH WEST OF THE CENTRE
LINE IF THE SAID ROADWAY
CONTAINING 1.0 HECTARES (2.63 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS

B:

CONDOMINIUM PLAN 0513169
UNIT 52
AND 1 APPLICABLE UNDIVIDED ONE TEN THOUSANDTH
SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

C:

CONDOMINIUM PLAN 0513169
UNITS 115
AND 1 APPLICABLE UNDIVIDED ONE TEN THOUSANDTH
SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS


D:

CONDOMINIUM PLAN 0513169
UNITS 125
AND 1 APPLICABLE UNDIVIDED ONE TEN THOUSANDTH
SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

UTILITY RIGHT OF WAY DATED December 15, 2004 between The Town of Cochrane and Regional Water Services Ltd. (formerly Cochrane Lake Water Company Ltd.) affecting Statutory Road Allowance immediately west of NW ¼ Section 4, Township 26, Range 4, W5M and west of W ½ Section 9, Township 26, Range 4 W5M from the North bank of the Bow River to the South side of the right of way of Highway 1A

to the Purchaser, free and clear of all charges, notations or financial encumbrances, other than the Permitted Encumbrances.

11. This Order shall be registered by the Registrar of Land Titles for the South Alberta Land Registration District notwithstanding the requirements of section 191(1) of the *Land Titles Act*, R.S.A., 2000, c.L-7.
12. This Court hereby requests the aid and recognition of any court or administrative body in any province of Canada, the Federal Court of Canada, any administrative tribunal or other court constituted pursuant to the Parliament of Canada or any of its provinces or territories and any federal or state court or administrative body or any other foreign courts to act in aid of and to be complementary to this Court in carrying out the terms of this Order.
13. Service of this Order on the Service List by email, facsimile, registered mail, courier or personal delivery shall constitute good and sufficient service of this Order, and no Persons other than those on the Service List are entitled to be served with a copy of this Order.
14. This order may be approved as to form in counterpart, and electronically.


Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO FORM AND CONTENT

Lawson Lundell LLP

Per: _____
Kimberley A. Robertson
counsel to Sprott Resource Lending Corp.

Norton Rose Fulbright Canada LLP

Per: _____
Howard Gorman, Q.C.
Counsel for Ernst & Young Ltd.

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14. This order may be approved as to form in counterpart, and electronically.

Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO FORM AND CONTENT

Lawson Lundell LLP

Per: 

Kimberley A. Robertson

counsel to Sprott Resource Lending Corp.

Norton Rose Fulbright Canada LLP

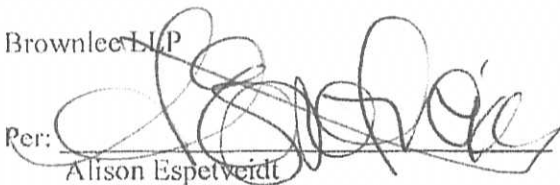
Per: _____

Howard Gorman, Q.C.

Counsel for Ernst & Young Ltd.


Brownlee LLP

Per:


Alison Espetvedt
Counsel to Rocky View County


Alberta Utilities Commission

Per:


John Petch

Shea Nerland Calnan LLP


Per:


Monique Morin
Counsel for the Co-Lenders to Certified

Brownlee LLP

Per: _____
Alison Espetveidt
Counsel to Rocky View County

Alberta Utilities Commission

Per:  _____
John Petch

Shea Nerland Calnan LLP

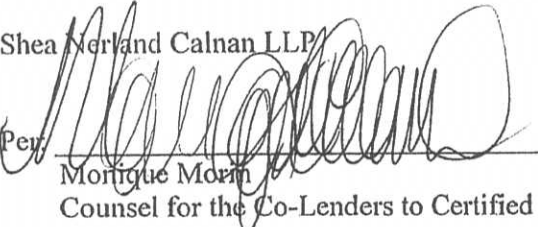
Per: _____
Monique Morin
Counsel for the Co-Lenders to Certified

Brownlee LLP

Alberta Utilities Commission

Per: _____
Alison Espetveidt
Counsel to Rocky View County

Per: _____
John Petch

Shea Herland Calnan LLP
Per: 
Monique Morin
Counsel for the Co-Lenders to Certified

SCHEDULE "A"

COURT FILE NO. 1101-12490

COURT **Court of Queen's Bench of Alberta**

JUDICIAL CENTRE **Calgary**

APPLICANT **Sprott Resource Lending Corp.**

RESPONDENTS **MCL Development Corp., Regional Water
Services Ltd., Medallion Development
Corporation and Jeffrey Colvin**

Clerk's Stamp

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985 c. B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF MCL
DEVELOPMENT CORP., REGIONAL WATER SERVICES LTD.,
MEDALLION DEVELOPMENT CORPORATION and JEFFREY
COLVIN

DOCUMENT: **RECEIVER'S CLOSING CERTIFICATE**

Lawson Lundell LLP
Barristers & Solicitors
2700, 205 – 5 Avenue SW
Calgary, AB T2P 2V7

Attention: Christopher D.C. Ruttkay /
Kimberley A. Robertson
Tel: 403 218-7519
Fax: 403-269-9494

File Reference 30333-12717

RECEIVER'S CLOSING CERTIFICATE

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Approval and Vesting Order of the Honourable Madam Justice K. Horner made in these proceedings on the 6th day of August, 2014 (the "**Order**").

Pursuant to Paragraph 5 of the Order, Ernst & Young Ltd in its capacity as Receiver and Manager of Regional Water Services Ltd. (the "**Receiver**"), delivers and files with the Court this certificate and hereby certifies that Closing (as defined in the APA) has occurred.

DATED the _____ day of _____, _____.

Ernst & Young Ltd in its capacity as Receiver and Manager of Regional Water Services Ltd. (the "**Receiver**"), and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"
PERMITTED ENCUMBRANCES

1. The permitted encumbrances identified in the APA, as defined in this Order;
2. Any property taxes, lien or recovery rights of Rocky View County, in respect of Tax Recovery Notification #131 089 599, Roll Number 06827140 ("**Property Taxes – Sewage**")
3. In respect of the following lands, the charges set out herein:

CONDOMINIUM PLAN 0513169

UNIT 55

AND 1 APPLICABLE UNDIVIDED ONE TEN THOUSANDTH SHARES IN
THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

Permitted Encumbrances:

051 337 809	<u>Caveat Re: Development Agreement Pursuant to Government Act</u>
051 344 301	<u>Utility Right of Way</u>
051 344 303	Caveat Re: Easement
051 439 665	<u>Utility Right of Way</u>
131 089 599	<u>Tax Notification</u>

CONDOMINIUM PLAN 0513169

UNIT 56

AND 1 APPLICABLE UNDIVIDED ONE TEN THOUSANDTH SHARES IN
THE COMMON PROPERTY

EXCEPTING THEREOUT ALL MINES AND MINERALS

Permitted Encumbrances:

<u>051 337 809</u>	<u>Caveat Re: Development Agreement Pursuant to Government Act</u>
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<u>051 344 301</u>	<u>Utility Right of Way</u>