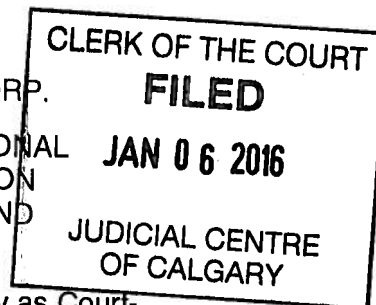


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|---|---|---------------|
| Court File Number | 1101-12490 | Clerk's stamp |
| Court | COURT OF QUEEN'S BENCH OF ALBERTA | |
| Judicial Centre | CALGARY | |
| Plaintiff | SPROTT RESOURCE LENDING CORP. | |
| Defendant | MCL DEVELOPMENT CORP. REGIONAL WATER SERVICES LTD., MEDALLION DEVELOPMENT CORPORATION AND JEFFERY COLVIN | |
| Applicant | ERNST & YOUNG INC. in its capacity as Court-appointed Receiver and Manager of the assets, undertakings and property of REGIONAL WATER SERVICES LTD. | |
| Document | ORDER FOR FINAL DISTRIBUTION, APPROVAL OF RECEIVER'S FEES AND DISBURSEMENTS, APPROVAL OF RECEIVER'S ACTIVITIES AND DISCHARGE OF RECEIVER | |
| Address for Service and Contact Information of Party Filing this Document | Norton Rose Fulbright Canada LLP 400 3 rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 Tel: +1 403.267.8222 Fax: +1 403.264.5973 Email: Howard.Gorman@nortonrosefulbright.com | |
| | Attention: Howard A. Gorman, Q.C. File no.: 01128610-0046 | |



DATE ON WHICH ORDER WAS PRONOUNCED: **January 5, 2016**
NAME OF JUDGE WHO MADE THIS ORDER: **The Honourable Madam Justice K.M. Horner**
LOCATION OF HEARING: **Calgary, Alberta**

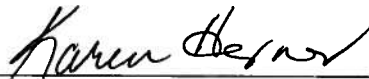
UPON THE APPLICATION of Ernst & Young Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and property (collectively the "**Property**") of Regional Water Services Ltd. ("**RWS**") for an Order for the final distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities and discharge of the Receiver; AND UPON having read the pleadings, proceedings, order, affidavits, reports and other materials filed in this action, including the Final Report of the Receiver, filed on December 17, 2015 ("**Final Report**"); AND UPON hearing counsel for the Receiver, counsel for RWS and from any other interested parties who may be present; AND UPON it appearing that all interested and affected parties have been

served with notice of this Application; AND UPON being satisfied that it is appropriate to do so,

IT IS HEREBY ORDERED THAT:

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, 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 Report are hereby approved without the necessity of a formal passing of its accounts.
3. The Receiver is hereby authorized to have all of RWS's remaining books and records destroyed on or after February 1, 2016, unless a former director or officer of RWS, or a representative of RWS, makes arrangements with the Receiver to physically take possession of the books and records, at their sole cost and expense, by January 29, 2016.
4. The accounts of the Receiver's legal counsel Norton Rose Fulbright Canada LLP for its fees and disbursements, as set out in the Receiver's Final Report are hereby approved without the necessity of a final assessment of its accounts.
5. The Receiver is hereby authorized to pay any remaining professional fees up to the discharge of the Receiver, particulars of which are set out in the Final Report.
6. The Receiver's actions and those of its legal counsel in respect of administering the receivership as set out in the Final Report and in all of the other Receiver's Reports filed herein are hereby ratified and approved.
7. The Receiver is authorized and directed to make a final distribution of funds in accordance with **Appendix "A"** hereto, which is the distribution proposed in the Final Report.
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 willful 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. The Receiver is at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to, and in carrying out the terms of this Order.

11. Upon the Receiver filing with the Clerk of the Court a sworn Affidavit of a licensed Trustee confirming that all matters set out in paragraph 7 of this Order have been completed; then the Receiver shall be discharged as Receiver of RWS, provided however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.
12. 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.
13. 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

Appendix "A"

Final Statement of Receipts and Disbursements
IN THE MATTER OF THE RECEIVERSHIP OF
REGIONAL WATER SERVICES LTD.
Ernst & Young Inc.

Estate Number: 1101-12490
C\$, unaudited

| | | |
|---|---------------|---------------------------|
| Sales proceeds | \$ 240,000.00 | |
| Interest Income | 112.11 | |
| Total Receipts | | 240,112.11 |
| Advance to secured creditor to MCL Development Corp. Receivership | \$ 108,899.53 | |
| Payment to secured creditor | 16,993.70 | |
| Legal fees | 81,412.11 | |
| Receiver's fees and costs | 21,393.50 | |
| GST paid on disbursements | 5,140.28 | |
| Filing fees paid to Official Receiver | 70.00 | |
| Bank charges | 15.48 | |
| Total Disbursements | | 233,924.61 |
| Balance in the Estate (to be used to pay Receiver's fees and costs and Legal fees with any remaining balance to be paid to the secured creditor) | | <u>\$ 6,187.50</u> |