

COURT FILE NUMBER 1901-08251

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT NATIONS FUND I, LLC

RESPONDENT BEARSTONE ENVIRONMENTAL SOLUTIONS INC.

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
Cassels Brock & Blackwell LLP
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Calgary, AB T2P 5C5
Tel: 403-351-2921
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I hereby certify this to be a true copy of the original ORDER

Dated this 23 day of JANUARY, 2020


for Clerk of the Court

File No. 43436-12

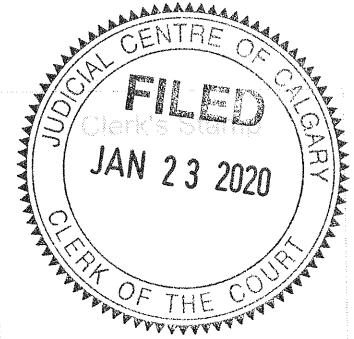
Attention: Jeffrey Oliver/Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: January 23, 2020

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice C.M. Jones

UPON THE APPLICATION of KPMG Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Bearstone Environmental Solutions Inc. (the "Debtor") for an Order for (among other things) 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 Receiver's Second Report dated January 13, 2020 (the "Receiver's Report"); AND UPON hearing counsel for the Receiver, counsel for the Debtor and counsel for various creditors; AND UPON being satisfied that it is appropriate to do so, 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 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 accounts of the Receiver's legal counsel Cassels Brock & Blackwell LLP, for its fees and disbursements, as set out in the Receiver's Report are hereby approved without the necessity of a formal assessment of its accounts.
4. The Receiver's activities are set out in the Receiver's Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as attached to the Receiver's Report, are hereby ratified and approved.
5. The Receiver is authorized and directed to make the following distributions and holdbacks:
 - (a) a second interim distribution in the amount of \$494,000 to Nations;
 - (b) a holdback in the amount of \$282,000 (the "**Holdback**") to be retained by the Receiver on account of certain GST and PST assessments and any claims that may have priority over the claims of Nations; and
 - (c) a final distribution to Nations consisting of any residual funds that may remain from the Holdback upon the completion of the receivership proceedings and the assignment of Bearstone into bankruptcy (if any).
6. The Bradvin Lien is hereby declared to be invalid, extinguished, and of no force and effect.
7. The Receiver is authorized and directed to release and distribute funds in the amount of \$9,668.40 (the "**Lien Funds**"), which Lien Funds were being held by the Receiver to secure the alleged lien claim of Bradvin Trailer Sales Ltd. (the "**Bradvin Lien**"), in accordance with paragraph 5 above.
8. The Receiver is hereby authorized to assign the Debtor into bankruptcy.
9. 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, including, *inter alia*, the Order of this Honourable Court on August 6, 2019 appointing the Receiver as receiver over the assets, undertaking, and properties of the Debtor, 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 in connection with the performance of its duties are hereby stayed, extinguished and forever barred.

10. 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.
11. Upon the Receiver filing with the Clerk of the Court a sworn Affidavit of a licensed Trustee employed by the Receiver confirming that all matters set out in paragraph 5 of this Order have been completed, then the Receiver shall be discharged as Receiver of the Debtor, 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.

" C. Jones "

Justice of the Court of Queen's Bench of
Alberta