

I hereby certify this to be a true copy of  
the original Order

Dated this 8 day of Oct. 2019

[Signature]  
for Clerk of the Court  
COURT FILE NUMBER

1901-08251



COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

NATIONS FUND I, LLC

DEFENDANT

BEARSTONE ENVIRONMENTAL SOLUTIONS INC.

DOCUMENT

ORDER – INTERIM DISTRIBUTION, ACTIVITIES AND FEES

ADDRESS FOR SERVICE AND  
CONTRACT INFORMATION OF  
PARTY FILING THIS DOCUMENT:

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Attention: Jeffrey L. Oliver / Danielle Marechal

DATE ON WHICH ORDER WAS  
PRONOUNCED

October 7, 2019

LOCATION WHERE ORDER WAS  
PRONOUNCED:

Calgary, Alberta

NAME OF JUDGE WHO MADE THIS  
ORDER:

The Honourable Madam Justice C. Dario

**UPON THE APPLICATION** by **KPMG Inc.** in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Bearstone Environmental Solutions Inc. (the "**Debtor**") for an order, among other things (i) authorizing and empowering the Receiver to make certain interim distributions; (ii) approving the activities of the Receiver; and (iii) approving the fees and disbursements of the Receiver and its legal counsel; **AND UPON HAVING READ** the Receivership Order granted by the Honourable Madam Justice B. Romaine on August 6, 2019 (the "**Date of Receivership**"), the First Report of the Proposed Receiver dated July 17, 2019 (the "**Proposed Receiver's First Report**"), the Second Report of the Proposed Receiver dated July

29, 2019 (the "**Proposed Receiver's Second Report**"), the First Report of the Receiver dated October 2, 2019 (the "**Receiver's First Report**"), the Confidential Supplement to the First Report October 2, 2019 (the "**First Supplemental Confidential Report**"), and the Affidavit of Service of Richard Comstock, sworn October 7, 2019; **AND UPON HEARING** from counsel for the Receiver and such other counsel as are present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

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.

**INTERIM DISTRIBUTION**

2. The Receiver is hereby authorized and empowered to make ongoing interim distributions (the "**Interim Distributions**") to Nations Fund I, LLC ("**Nations**"), subject only to holdbacks for:
  - (a) amounts owing that may rank in priority to Nations' amounts outstanding;
  - (b) amounts owing to certain other lenders in respect of their security;
  - (c) funds in the amount of \$9,668.40, which funds shall be held back in order to secure the alleged lien claims of Bradvin Trailer Sales Ltd.; and
  - (d) professional fees and disbursements of the Receiver and its counsel required to complete the administration of the receivership.

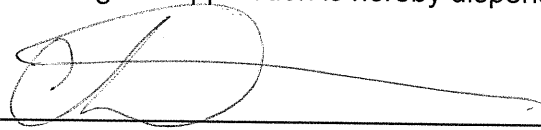
provided however that in no event shall the Interim Distributions to Nations exceed the outstanding value of Nations' secured debt.

**APPROVAL OF ACTIONS OF RECEIVER**

3. The activities of the Receiver, as described in the Proposed Receiver's First Report, the Proposed Receiver's Second Report and the Receiver's First Report, are hereby ratified and approved provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize such approval.

## FEE APPROVAL

4. The Receiver's accounts for fees and disbursements for the period commencing July 1, 2019 and ending September 20, 2019, as set out in the Receiver's First Report, which fees and disbursements including amounts incurred before the Date of the Receivership, are hereby approved without the necessity of a formal passing of its accounts.
5. The accounts of the Receiver's legal counsel, Cassels Brock & Blackwell LLP, for its fees and disbursements for the period commencing June 10, 2019 and ending August 31, 2019, as set out in the Receiver's First Report, which fees and disbursements including amounts incurred before the Date of the Receivership, are hereby approved with the necessity of a formal assessment of its accounts.
6. 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.
7. Service of this Order on any party not attending this application is hereby dispensed with.



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Justice of the Court of Queen's Bench of Alberta