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COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

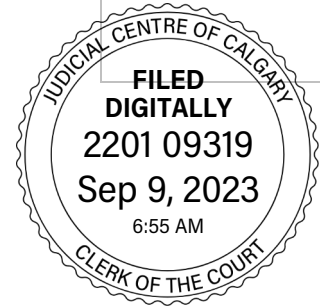
ARNAKI LTD.

DEFENDANT

SOLVAQUA INC.

DOCUMENT

**APPROVAL AND VESTING ORDER  
(Sale by Receiver)**



ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT

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**Attention: Jeffrey Oliver / Danielle Marechal**

File No. 49076-20

**DATE ON WHICH ORDER WAS PRONOUNCED:** September 6, 2023

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta (via Webex)

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Madam Justice J. Sidnell

**UPON THE APPLICATION** by MNP Ltd. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertakings, property and assets of SolVAQUA Inc. (the "**Debtor**") for an order, *inter alia*: (i) approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**APA**") between the Receiver and 2464525 Alberta Ltd. (the "**Purchaser**") dated October 17, 2022 and amended by the amending agreement between the Receiver and the Purchaser dated August 28, 2023 (the "**Amending Agreement**" and together with the APA the "**Sale Agreement**"), each as appended to the Third Report of the Receiver dated August 30, 2023 (the "**Report**"); and (ii) vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

**AND UPON HAVING READ** the Receivership Order dated August 19, 2022 (the "**Receivership Order**"), the First Report of the Receiver dated October 11, 2022, the Second Report of the Receiver dated June 20, 2023, the Report and the Affidavit of Service, sworn September 6, 2023;

**AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and any other interested parties in attendance;

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

**GENERAL**

1. All capitalized terms not otherwise defined in this Order shall have the meaning given to them in the Report.
2. 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 time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

3. Pursuant to the Sales Process approved by this Honourable Court on October 20, 2022, the Purchaser is hereby declared to be the Successful Bidder and the Sale Agreement is hereby declared to be the Successful Bid, and all other Qualified Bids (if any) are hereby rejected.
4. The Transaction is hereby approved and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

5. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
  - (a) any encumbrances or charges created by the Receivership Order;

- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- (c) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"));

and for greater certainty, this Court orders that all Claims including Encumbrances, other than the Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

6. Notwithstanding any other provision of this Order or the Sale Agreement:
  - (a) the assignment of the Solvaqua Claims shall be without prejudice to any and all valid rights of set off (if any) of any counterparty to such claim(s); and
  - (b) the Purchaser (or its nominee) shall be required to comply with all applicable provisions of any insurance policy issued in favour of the Debtor relating to any Solvaqua Claim as against Export Development Corporation that is assigned to the Purchaser.
7. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to the Permitted Encumbrances.
8. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding the Permitted Encumbrances.
9. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.

10. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in a non-interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding the Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
11. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
12. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
14. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
15. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
16. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current

employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

### **MISCELLANEOUS MATTERS**

17. Notwithstanding:
- (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute:


the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

18. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
19. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
20. Service of this Order shall be deemed good and sufficient by:

- (a) Serving the same on:
  - (i) the persons listed on the service list created in these proceedings;
  - (ii) any other person served with notice of the application for this Order;
  - (iii) any other parties attending or represented at the application for this Order;
  - (iv) the Purchaser or the Purchaser's solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at:  
<https://mnpdebt.ca/en/corporate/corporate-engagements/solvaqua-inc>.

and service on any other person is hereby dispensed with.

- 21. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

  
\_\_\_\_\_  
Justice of the Court of King's Bench of Alberta

**Schedule "A"**

**Form of Receiver's Certificate**

COURT FILE NUMBER	2201-09319
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ARNAKI LTD.
DEFENDANT	SOLVAQUA INC.
DOCUMENT	<b>RECEIVER'S CERTIFICATE</b>

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels Brock & Blackwell LLP Bankers Hall West 3810, 888 3rd St SW Calgary, AB T2P 5C5
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**Attention: Jeffrey Oliver / Danielle Marechal**

File No. 49076-20

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice Neufeld of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated August 19, 2022, MNP Ltd. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of SolVAQUA Inc. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated September 6, 2023, the Court approved the agreement of purchase and sale made as of October 17, 2022 (the "APA") and the amending agreement dated August 28, 2023 (the "**Amending APA**" and together with the APA, the "**Sale Agreement**"), each as between the Receiver and 2464525 Alberta Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

**MNP Ltd., in its capacity as Receiver of the undertakings, property and assets of SolvAQUA Inc., and not in its personal capacity.**

**Per;** \_\_\_\_\_

**Name:**

**Title:**



**Schedule "B"****Purchased Assets**

Terms not otherwise defined herein shall have the meaning ascribed to them in the Sale Agreement. The Purchased Assets consist of all of the Debtor's right, title and interest in, to and under all of the tangible and intangible assets, properties and rights of every kind and nature and wherever located, other than the Excluded Assets, which relate to or are used or held for use in connection with the Business, including the following:

- a) the SolvAQUA Claims;
- b) all accounts receivable, notes receivable and negotiable instruments of the Business;
- c) all prepaid charges and expenses of the Business;
- d) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts and other inventories of the Business;
- e) all tangible assets of the Debtor, other than the Excluded Equipment, including all vehicles, tools, parts and supplies, fuel, machinery, furniture, furnishing, appliances, fixtures, office equipment and supplies, owned and licensed computer hardware and related documentation, stored data, communication equipment, trade fixtures and leasehold improvement, in each case, with any transferable warranty and service rights of the Debtor related thereto;
- f) all Contracts;
- g) all Intellectual Property;
- h) all goodwill and intangibles;
- i) all books and records;
- j) all rights under insurance contracts and policies;
- k) all telephone numbers, fax numbers and email addresses;
- l) all non-disclosure agreements entered into by the Receiver on behalf of the Debtor in connection with the Sales Process;
- m) all other additional assets, properties, privileges, rights and interest of the Debtor relating to the Business or the assets of the Debtor of every kind and description and wherever located, whether

known or unknown, fixed or unfixed, accrued, absolute, contingent or otherwise, and whether or not specifically referred to in this Agreement; and

n) the Assumed Liabilities.

**Schedule "C"**  
**Encumbrances**

**Alberta Personal Property Registry**

Registration No.	Registration Date	Registration Type	Debtor	Secured Party
20091025542	2020-Sep-10	SECURITY AGREEMENT	SOLVAQUA INC.	ARNAKI LTD.
20091025589	2020-Sep-10	LAND CHARGE	SOLVAQUA INC.	ARNAKI LTD.
22082421655	2022-Aug-24	SECURITY AGREEMENT	SOLVAQUA INC.	EXPORT DEVELOPMENT CANADA

**Schedule "D"**  
**Permitted Encumbrances**

None.