COURT FILE NUMBER	1501-09111
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HALLMARK RESOURCES LTD.
DEFENDANT	AQUA-PURE VENTURES INC.
DOCUMENT	**APPROVAL AND VESTING ORDER (Sale by Receiver)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500, 855 – 2nd Street S.W. Calgary, Alberta T2P 4K7 Attention: Chris Simard Telephone No.: (403) 298-4485 Facsimile No.: (403) 265-7219 Our File: 29736.27

Clerk's Stamp

JUDICIAL CENTRE OF CALGARY
FILED
NOV 17 2015
CLERK OF THE COURT

I hereby certify this to be a true copy of the original Order.
Dated this 17 day of Nov /15
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: November 17, 2015

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice A.D. Macleod

UPON THE APPLICATION by Grant Thornton Limited in its capacity as the Court-appointed Receiver and Manager (the "**Receiver**") of the undertaking, property and assets of Aqua-Pure Ventures Inc. (the "**Debtor**") for an Order:

(a) approving the Membership Interest and Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Fountain Quail Holdings, LLC (the "**Purchaser**") dated as of November 19, 2015, attached to the Second Report of the Receiver dated November 10, 2015 (the "**Report**") as Confidential Appendix "1" to the Report;

(b) approving the First Amendment to the Aqua-Pure USA Operating Agreement (the "**First Amendment**") between the Receiver, Aqua-Pure USA and the Purchaser dated as of November 19, 2015, attached as Appendix "4" to the Report;

(c) approving the shareholder approval (the "**Shareholder Approval**") dated November 19, 2015 attached as Appendix "5" to the Report, made by the Receiver, on behalf of the Debtor, consenting to and approving the membership interest purchase agreement (the "**US Sale Agreement**") between Aqua-Pure Ventures (USA) Inc. ("**Aqua-Pure USA**") and the Purchaser dated November 19, 2015 attached as Confidential Appendix "2" to the Report, and approving the transactions contemplated in such US Sale Agreement;

(d) approving the Escrow Agreement between, *inter alia*, the Receiver, the Purchaser and Bennett Jones LLP dated as of November 19, 2015, attached as Appendix "3" to the Report (the "**Escrow Agreement**" and, together with the Sale Agreement, the First Amendment and the Shareholder Approval, collectively the "**Transaction Documents**");

(e) approving the transaction contemplated by, collectively, the Transaction Documents (the "**Transaction**");

(f) approving the release and discharge by the Receiver, on behalf of the Debtor, of the receivable owed by Fountain Quail Water Management LLC ("**Fountain Quail**") in the amount of $40,884,763.26 that is described in para. 11(e) of the Report (the "**FQ Receivable**");

(g) vesting in the Purchaser (or its nominee) all of the Debtor's right, title and interest in and to the assets described in the Sale Agreement and the IP Agreement (the "**Acquired Assets**");

(i) approving the distribution, after the closing of the Transaction, of the proceeds of the Transaction to repay Receiver's Borrowings and repay in full the first-priority secured creditor of the Debtor, Agriculture Financial Services Corporation ("**AFSC**"); and

(j) granting to the Receiver leave to apply to the Court for an Order authorizing subsequent distributions of the proceeds of the Transaction.

AND UPON HAVING READ the Receivership Order dated August 18, 2015 (the "**Receivership Order**"), the Report and the Affidavit of Service of Donna Kathler, sworn on November 17, 2015, all filed; **AND UPON HEARING** the submissions of counsel for the Receiver, counsel for the Purchaser and counsel for certain other interested parties;

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.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the execution of the Transaction Documents by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Acquired Assets to the Purchaser (or its nominee), including without limitation the Bill of Sale, Assignment and Assumption Agreement dated as of November 19, 2015 and the Intellectual Property Assignment dated as of November 19, 2015.

VESTING OF PROPERTY

3. Upon the 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 Certificate**"), all of the Debtor's right, title and interest in and to the Acquired Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured

or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

(a) any encumbrances or charges created by the Receivership Order;

(b) all 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 on **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**"); and,

for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Acquired Assets are hereby terminated, expunged and discharged in full as against the Acquired Assets.

4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Acquired Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Acquired Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Acquired Assets with the same priority as they had with respect to the Acquired Assets immediately prior to the sale, as if the Acquired 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.

5. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.

6. The Debtor and all persons who claim by, through or under the Debtor in respect of the Acquired Assets, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Acquired Assets and, to the extent that any such persons remains in possession or control of any of the Acquired Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

7. The Purchaser (or its nominee) shall be entitled to hold and enjoy the Acquired Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.

8. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).

9. Notwithstanding:

   (a) the pendency of these proceedings;

   (b) Any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

   (c) any assignment in bankruptcy made in respect of the Debtor

the vesting of the Acquired 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 settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

10. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions 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.

TERMINATION OF FQ RECEIVABLE

11. The Receiver is hereby authorized and directed to permanently release and discharge the FQ Receivable, such release and discharge to be effective at such time as the Receiver

and the Purchaser may agree and otherwise in accordance with the terms of the Escrow Agreement.

DISTRIBUTION

12. The Receiver is hereby authorized to, after the closing of the Transaction, repay from the net proceeds of the sale of the Acquired Assets any Receiver's Borrowings and repay AFSC in full. The Receiver is also hereby granted leave to apply to the Court for an Order authorizing subsequent distributions of the net proceeds of the sale of the Acquired Assets.

MISCELLANEOUS MATTERS

13. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 orders as to provide such assistance to the Receiver, as an officer of this 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.

14. 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.

15. Service of this Order on any party not attending this application is hereby dispensed with.

"A.D. MACLEOD"

J.C. C.Q.B.A.

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER	1501-09111	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	HALLMARK RESOURCES LTD.	
DEFENDANT	AQUA-PURE VENTURES INC.	
DOCUMENT	**RECEIVER'S CERTIFICATE**	

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500, 855 – 2nd Street S.W. Calgary, Alberta T2P 4K7 Attention: Chris Simard Telephone No.: (403) 298-4485 Facsimile No.: (403) 265-7219 Our File: 29736.27

RECITALS

A. Pursuant to an Order of the Honourable Justice K. D. Yamauchi of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated August 18, 2015, Grant Thornton Limited was appointed as the Receiver and Manager (the "**Receiver**") of the undertaking, property and assets of Aqua-Pure Ventures Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated November 17, 2015 (the "**Approval and Vesting Order**"), the Court approved the Transaction (as defined in the Approval and Vesting Order), including the Membership Interest and Asset Purchase Agreement (the "**Sale Agreement**") between the Receiver and Fountain Quail Holdings, LLC (the "**Purchaser**") dated as of November 19, 2015, and provided for the vesting in the

Purchaser of the Debtor's right, title and interest in and to the Acquired Assets (as defined in the Approval and Vesting Order), which vesting is to be effective with respect to the Acquired Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the Sale Agreement) for the Acquired 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, terms with initial capitals 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 (as defined in the Sale Agreement) for the Acquired 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 to the Purchaser at **[TIME]** on **[DATE]**.

GRANT THORNTON LIMITED, in its capacity as Receiver of the undertaking, property and assets of Aqua-Pure Ventures Inc., and not in its personal capacity.

Per:______________________________

Name:
Title:

Schedule "B"

Encumbrances

The following registrations filed against the Debtor in the Alberta Personal Property Registry:

Secured Party: HALLMARK RESOURCES LTD. and HALLMARK EDUCATION FOUNDATION

Registration Type: LAND CHARGE

Registration No.: 99083118614

Registration Date: 1999-Aug-31

Expiry Date: Infinity

Additional Information: Hallmark Resources Ltd. and Hallmark Education Foundation have confirmed to the Debtor and to Agriculture Financial Services Corporation ("AFSC") by a Postponement and Subordination of Security Interest dated on or around December 18, 2013 that it subordinates, postpones and defers all rights, claims and security interests that it now has or may hereinafter have in the collateral of the Debtor referred to in this registration, as thereafter or hereafter amended and as renewed from time to time, to the rights, claims and security interests that AFSC now has or may in the future have in any and all real or personal property of the Debtor, including without limitation as set out in registration number 13122405254.

Secured Party: CSC TRUST COMPANY OF DELAWARE

Registration Type: SECURITY AGREEMENT

Registration No.: 13030629667

Registration Date: 2013-Mar-06

Expiry Date: 2017-Mar-06

Collateral: 1 All As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, the Company hereby grants, collaterally assigns, hypothecates and transfers to the Agent on behalf of the Purchasers as hereinafter provided, a security interest in and Lien upon all of the Company's right, title and interest in, to and under all personal property and other assets of the Company, presently owned by the Company, regardless of where located, except for the Excluded Assets (all being collectively referred to herein as "Collateral"), including:

a. all accounts and general intangibles (each as defined in the Uniform Commercial Code) of the Company constituting any right to the payment of money, including (but not limited to) all moneys due and to become due to the Company in respect of any loans or advances for the purchase price of Inventory or Equipment or other goods sold or leased or for services rendered, all moneys due and to become due to the Company under any guarantee (including a letter of credit) of the purchase price of Inventory or Equipment sold by the Company and all tax refunds (such accounts, general intangibles and moneys due and to become due being herein called collectively "Accounts");

b. all instruments, chattel paper or letters of credit (each as defined in the Uniform Commercial Code) of the Company evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes, drafts, bills of exchange, stock certificates, unit certificates or other instruments representing equity ownership in any Person, and trade acceptances (herein collectively called "Instruments")

2 c. all inventory (as defined in the Uniform Commercial Code) of the Company and all goods obtained by the Company in exchange for such inventory (herein collectively called "Inventory");

d. all other accounts or general intangibles of the Company not constituting Intellectual Property or Accounts;

e. all equipment (as defined in the Uniform Commercial Code) of the Company including, without limitation, the six (6) Nomad Units which are currently being built by the Company (herein collectively called "Equipment");

f. each contract and other agreement of the Company relating to the sale or other disposition of Inventory or Equipment;

g. all deposit accounts (as defined in the Uniform Commercial Code) of the Company;

h. all documents of title (as defined in the Uniform Commercial Code) or other receipts of the Company covering, evidencing or representing Inventory or Equipment;

i. all rights, claims and benefits of the Company against any Person arising out of, relating to or in connection with Inventory or Equipment purchased by the Company, including, without limitation, any such rights, claims or benefits against any Person storing or transporting such Inventory or Equipment;

j. all estates in land together with all improvements and other structures now or hereafter situated or hereafter situated thereon, together with all rights, privileges, tenements, hereditaments, appurtenances, easements, including, but not limited to, rights and easements for access and egress and utility connections, and other rights now or hereafter appurtenant thereto ("Real Estate");

3 k. all other tangible or intangible property of the Company, including, without limitation, all proceeds, products and accessions of and to any of the property of the Company described in clauses (a) through (j) above in this Section 3 (including, without limitation, any proceeds of insurance thereon), and, to the extent related to any property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Company or any computer bureau or service company from time to time acting for the Company; and

l. all Intellectual Property

Additional Information: CSC Trust Company of Delaware, has confirmed to the Debtor and to Agriculture Financial Services Corporation ("AFSC") by a Postponement and Subordination of Security Interest dated on or around December 17, 2013 that it subordinates, postpones and defers all rights, claims and security interests that it now has or may hereinafter have in the collateral of the Debtor referred to in this registration, as thereafter or hereafter amended and as renewed from time to time, to the rights, claims and security interests that AFSC now has or may in the future have in any and all real or personal property of the Debtor, including without limitation as set out in registration number 13122405254.

Secured Party: AGRICULTURE FINANCIAL SERVICES CORPORATION

Registration Type: SECURITY AGREEMENT

Registration No.: 13122405254

Registration Date: 2013-Dec-24

Expiry Date: 2020-Dec-24

Collateral: ALL THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Secured Party: HALLMARK RESOURCES LTD.

Registration Type: SECURITY AGREEMENT

Registration No.: 15052613868

Registration Date: 2015-May-26

Expiry Date: 2020-May-26

Collateral: All of the debtor's present and after-acquired personal property.