

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (the "Release") is effective as of the 29th day of September 2017.

BETWEEN:

EPCOR WHITE ROCK WATER INC.

AND:

CITY OF WHITE ROCK

RECITALS

WHEREAS:

- A. EPCOR White Rock Water Inc. ("EPCOR") and the City of White Rock (the "City") entered into an Asset Purchase Agreement made the 28th day of August, 2015 (the "Agreement") pursuant to which the Purchased Assets were sold by EPCOR to the City. The purchase and sale of the Purchased Assets was completed on October 30, 2015, however, at that time the final Purchase Price had not been agreed;
- B. EPCOR and the City commenced arbitration proceedings to determine the Purchase Price for the Assets under the Agreement. (the "Arbitration");
- C. EPCOR and the City (collectively, the "Parties") wish to fully and finally settle all disputes and any and all claims which are the subject of the Arbitration and any other related claims or proceedings related to the Arbitration and the Purchase Price for the Assets under the Agreement.
- D. All capitalized terms not defined herein have the meaning given to such terms in the Agreement.

IN CONSIDERATION for the payment by EPCOR to the City of \$600,000 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the covenants contained herein, the Parties hereby agree as follows:

Confidentiality

1. Except for the final agreed total amount payable for the Purchased Assets under the Asset Purchase Agreement, the Parties will hold the facts and terms to this Release and the settlement underlying in confidence and will not publish the facts and terms to this Release and the settlement underlying it to any other person either orally or in writing, directly or indirectly, except for the parties' legal and financial advisors, unless it is deemed required for financial statement, regulatory compliance, or income tax purposes by the Parties' legal advisors, financial advisors, auditors or accountants or as may

otherwise be required by law, including, but not limited to, the *Freedom of Information and Protection of Privacy Act*.

Release

2. EPCOR, for itself and its directors, officers, employees, agents, predecessors, successors, insurers, assigns, liquidators, receivers, receiver-managers, trustees, owners and shareholders, and each of them and any one or any other entity, that may claim through them, and each of them (collectively the "EPCOR Releasers") **DOES HEREBY REMISE, RELEASE AND FOREVER DISCHARGE** the City for itself, its officers, employees, agents, predecessors, successors, insurers, assigns, liquidators, receivers, receiver-managers, trustees, and each of them of and from any and all actions, causes of action, liens, charges, claims, suits, debts, contracts, demands, bonds, damages, interest, costs, expenses, compensation of whatsoever kind and however arising whether known or unknown which the EPCOR Releasers now or at any time hereafter can, shall or may have by reason of any events, acts or omissions prior to the execution of the Release resulting from any cause, matter or thing arising out of or in any way connected with the Arbitration, the Purchase Price under the Agreement, or the Agreement save and except the covenant of the City under clause 6.03 of the Agreement.
3. The City for itself, its, officers, employees, agents, predecessors, successors, insurers, assigns, liquidators, receivers, receiver-managers, trustees, and each of them and any one or any other entity, that may claim through them, and each of them (collectively the "City Releasers") **DOES HEREBY REMISE, RELEASE AND FOREVER DISCHARGE** EPCOR for itself and its employees, agents, predecessors, successors, insurers, assigns, liquidators, receivers, receiver-managers and trustees and each of them of and from any and all actions, causes of action, charges, liens, claims, suits, debts, contracts, demands, bonds, damages, interest, costs, expenses, compensation of whatsoever kind and however arising whether known or unknown which the City Releasers now or at any time hereafter can, shall or may have by reason of any events, acts or omissions prior to the execution of the Release resulting from any cause, matter or thing arising out of or in any way connected with the Arbitration, the Purchase Price under the Agreement, or the Agreement, save and except the covenant of EPCOR to provide documents and information as set out in clause 5.08, and the covenant of EPCOR under clause 6.02, of the Agreement.
4. This Release is a compromise of disputed claims and the settlement herein is not an admission of liability on the part of any of the Parties and the Parties agree that such liability is expressly denied.
5. This Agreement may be pleaded or relied upon by the Releasees as a full and complete defence and may be used as a basis for an injunction against any claim or proceeding or other act or omission that may be made, commenced or continued in breach of the terms of this Agreement.
6. Each of the Parties represents and warrants to the other that it has not assigned any of the claims or proceedings that are the subject of this Agreement.

7. EPCOR will not commence, maintain, continue or assign any claim or proceedings against any person or entity in respect of anything hereby released by the EPCOR which may result in a claim or proceeding against the City.
8. The City Parties will not commence, maintain, continue or assign any claim or proceedings against any person or entity in respect of anything hereby released by the City which may result in a claim or proceeding against EPCOR.
9. For the covenants and consideration expressed herein, the Parties and each of them agree that they will not to make any further claims or take any further proceedings in respect of any matters which are the subject of, or in any way related to, this Release, the Agreement, and/or the Arbitration against any person, company, corporation or other legal entity who can, shall or may claim contribution, indemnity or other relief from any of the Parties either in the Province of British Columbia, or elsewhere.

Entire Agreement

10. This Release contains the entire agreement between the Parties hereto in regard to the settlement of the Arbitration and that the covenants of this Release are contractual and not mere recital.

Governing Law

11. This Release is governed by the laws of British Columbia.
12. The Parties hereby irrevocably and unconditionally attorn, consent to and submit to the exclusive jurisdiction of the courts of the Province of British Columbia for any actions, suits or proceedings arising out of or relating to this Release or the matters contemplated hereby.

Independent Legal Advice

13. The Parties represent and warrant that they:
 - (a) have read the entire Release carefully and understand the contents;
 - (b) have sought and received independent legal advice with respect to the Release and the settlement underlying it;
 - (c) fully understand the effect, purpose and intent of the Release and the settlement underlying it; and
 - (d) have not signed this Release under any form of undue influence or duress, be it financial or otherwise.

Counterpart

14. This Settlement Agreement and Release may be executed in counterpart and may be delivered by fax or email. Notwithstanding the date of the execution of and delivery of

any such counterparts, their date of execution shall be deemed to be the effective date of this Release as set out above.

EXECUTED this 29th day of September 2017.

EPCOR WHITE ROCK WATER INC.)
by:)



Authorized Signatory)

Jennifer Addison
Senior Vice President, General Counsel
and Corporate Secretary)

Print Name)

SIGNED in the presence of:

Dana Bussoondatt

Witness)

2000-10423 101 Street NW

Address)

Edmonton, AB T5H 0E8

Barrister and Solicitor

Occupation)

CITY OF WHITE ROCK by:)

Authorized Signatory)

Print Name)

SIGNED in the presence of:

Witness)

Address)

Occupation)