

COURT FILE NO. 2403 03944

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYNAT INC.

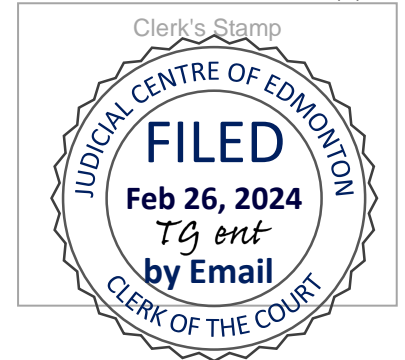
DEFENDANTS JANMAR INVESTMENTS (ALBERTA) LTD., 1406676 ALBERTA LTD.,
MARJORIE CARR and WARD FLEMING

DOCUMENT **APPLICATION by Roynat Inc.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

DUNCAN CRAIG LLP
Lawyers Mediators
2800 Rice Howard Place
10060 Jasper Avenue
Edmonton, Alberta T5J 3V9

Lawyer: DARREN R. BIEGANEK, KC
Telephone: (780) 441-4386
Fax: (780) 428-9683
Email: dbieganeke@dcllp.com
File Number: 212586



NOTICE TO RESPONDENTS

This application is made against you. You are a respondent. You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: March 4, 2024
Time: 3:00 p.m.
Where: Edmonton Law Courts
1A Sir Winston Churchill Square
Edmonton, AB T5J 0R2
Before Whom: The Honourable Justice Little sitting on the Commercial List

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An Order substantially in the form attached as **Schedule "A"**:
 - a. declaring that the time for service of this application be abridged, that this application is properly returnable, and that further service of this application be dispensed with;
 - b. appointing MNP Ltd. ("**MNP**") as receiver and manager (the "**Receiver**") of the Janmar Lands (as defined below) and any assets, undertakings and property of Janmar

Investments (Alberta) Ltd. ("**Janmar**") related to (including any leases), located on, attached to, or affixed on the Janmar Lands, including all proceeds thereof, pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (the "**BIA**"), section 13(2) of the *Judicature Act*, RSA 2000 c J-2, section 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7, and section 49 of the *Law of Property Act*, RSA 2000, c L-7; and

- c. costs of this application on a solicitor and his own client, full indemnity basis.
2. An Order substantially in the form attached as **Schedule "B"**:
 - a. granting judgment in favour of Roynat Inc. ("**Roynat**"):
 - i. As against Janmar and 1406676 Alberta Ltd. ("**140**") in the amount of \$5,516,385.13 plus interest pursuant to the terms of the Loan Agreements;
 - ii. As against Ward Fleming ("**Fleming**") and Marjorie Carr ("**Marjorie**") in the amount of \$1,000,000.00 plus interest thereon after the Demand at the rate pursuant to the Loan Agreements;
 - b. costs against each Defendant on a solicitor and his own client full indemnity basis; and
 - c. granting such further and other relief as this Honourable Court may deem just and appropriate.
 3. Such further and other relief as this Honourable Court may deem just and appropriate.

Grounds for making this application:

Loan Agreements and Janmar Security

4. By an Offer of Finance dated January 25, 2017, Roynat agreed to provide Janmar with financing in the total principal sum of \$8,050,000.00 (the "**Loan Agreement #1**"), together with interest thereon and costs on a solicitor and own client full indemnity basis.
5. By an Offer of Finance dated August 31, 2017, Roynat agreed to provide Janmar with financing in the total principal sum of \$1,000,000.00 (the "**Loan Agreement #2**", with Loan Agreement #1 and Loan Agreement #2 being the "**Loan Agreements**"), together with interest thereon and costs on a solicitor and own client full indemnity basis.
6. By a Demand Debenture made by Janmar on February 7, 2017, and registered in the Land Titles Office for the Alberta Land Registration District on March 6, 2017 as instrument number 172 060 051, Janmar agreed to pay on demand to Roynat all amounts owing under the Loan Agreements up to the principal sum of \$11,00,000.00 plus interest at the rate of 25% per annum payable monthly (the "**Janmar Debenture**"). Under the Janmar Debenture, as continuing security for the payment and performance of all present and future indebtedness by Janmar to Roynat, Janmar granted a mortgage and charge to and in favour of Roynat in, among other property, the following:
 - a. PLAN 1520043
BLOCK 2
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.596 HECTARES (1.47 ACRES) MORE OR LESS
("**Janmar Lands**");
 - b. All of its freehold and leasehold real and immovable property;

- c. All of its present and after acquired personal property;
 - d. All accounts, instruments, debts which are then due, owing or accruing due or which may thereafter become due, owing or accruing due to Janmar together with all records (whether in writing or not) and all other documents of every kind in which in any way evidence or relate to any or all accounts, instruments and debts; and
 - e. All of its present and after acquired inventory.
7. By the Janmar Debenture, Janmar agreed that upon default, Roynat could, among other remedies, appoint a person to be a Receiver of any or all of Janmar's present or after acquired personal or real property.
 8. By the Loan Agreements and Janmar Debenture, Janmar agreed to pay Roynat when due, all amounts (whether principal, interest calculated at the rate specified therein, or other sums) owing to Roynat and further agreed to pay, on demand, all legal and other costs incurred by Roynat in respect of the credit facilities, including, without restriction, for the preparation, registration or realization on the security and collection of the indebtedness, with legal costs on a solicitor and his own client full indemnity basis.
 9. The Demand Debenture provided mortgage security in favour of Roynat over three lands. Through refinancing by Janmar, Roynat agreed to discharge its Demand Debenture only as against the lands legally described as Plan 98545666, Block 29, Lots 16 and 17 and expressly reserved all rights and remedies related to the Janmar Lands. To Roynat's knowledge, other than the lands mentioned in this paragraph, the main, material asset of Janmar is the Janmar Lands.

Guarantees

10. In consideration for the Loan Agreements and Roynat extending credit from time to time to Janmar 140, Fleming and Marjorie, and each of them, delivered a written guarantee by which 140, Fleming and Marjorie unconditionally promised to pay to Roynat all debts and liabilities of Janmar to Roynat, present or future, plus interest thereon and any and all costs, charges and expenses which may be incurred by Roynat in recovering any indebtedness of Janmar thereby guaranteed or in enforcing the guarantee, including, without limitation, lawyer fees on a solicitor and his own client full indemnity basis (the "**Guarantees**").

Default, Forbearance and Amounts Owing

11. Janmar defaulted under the terms and conditions of the Loan Agreements and Janmar Debenture and on or about September 29, 2022, Roynat did demand payment of the indebtedness from the Defendants (the "**Demand**") and further issued, to the corporate Defendants, a Notice of Intention to Enforce Security pursuant to section 244 of the BIA.
12. By a Forbearance Agreement dated effective November 2022 (the "**Forbearance Agreement**") the Defendants and Roynat acknowledged, among other things, that:
 - a. Janmar was in default of its obligations to Roynat;
 - b. The Indebtedness and loans made by Roynat to Janmar were due and owing;
 - c. The Guarantees were validly executed;
 - d. There was no defence or set-off available to either Janmar or 140, Marjorie or Fleming to the claims of Roynat for repayment of the loans or for payment under the Guarantees; and

- e. All legal fees on a solicitor and own client full indemnity basis in connected with preparation and enforcement of the Forbearance Agreement or any of the Loan Agreements, Janmar Debenture or related security shall form part of the indebtedness.
13. By the Forbearance Agreement, the Defendants irrevocably executed and delivered to Roynat, among other items, a Consent Receivership Order over the assets, undertakings and property of Janmar and a Consent Judgment in favour of Roynat, as against all Defendants.
14. By a Forbearance Amending and Extension Agreement dated June 8, 2023 between the Defendants and Roynat, the parties agreed, among other things, to extend the forbearance period, and the deadline for Janmar to pay the indebtedness owing to Roynat, to October 31, 2023.
15. The forbearance period under the Forbearance Agreement, as amended, has expired and the indebtedness is fully due and owing to Roynat.
16. As of February 23, 2024, there is due and owing to Roynat by Janmar the amount of \$5,516,385.13, plus interest which continues to accrue pursuant to the terms of the Loan Agreements together with costs on a solicitor and his own client full indemnity basis.
17. As of February 23, 2024, 140, Fleming and Marjorie are indebted to Roynat, pursuant to the Guarantees, in the following amounts, jointly and severally, all plus costs on a solicitor and his own client full indemnity basis:
 - a. 140, in the amount of \$5,516,385.13 plus interest pursuant to the terms of the Loan Agreements; and
 - b. Marjorie and Fleming, each in the amount of \$1,000,000.00 plus interest thereon after the Demand at the rate pursuant to the Loan Agreements.
18. Over 16 months have elapsed since Roynat first issued demand to Janmar and the other Defendants to permit the Defendants time to reorganize their business and financial affairs, including time to solicit a sale of the Janmar Lands, both informally and formally through the Forbearance Agreement. Despite those efforts, the indebtedness has not been repaid, nor has a sale of Janmar Lands been completed.
19. As a result, and due to the passage of time without repayment in full of the indebtedness and the expiry of any forbearance period and without any sale of the Janmar Lands, Roynat has lost confidence in the ability of Janmar and its management to manage its financial affairs.
20. Further, the Janmar Debenture permits Roynat to appoint a Receiver in the event of default and pursuant to the Forbearance Agreement, Janmar irrevocably consented to the appointment of a Receiver.
21. The appointment of a Receiver over the Janmar Lands and any assets, undertakings and property of Janmar located on, attached to, or affixed to the Janmar Lands is necessary, just and convenient in order to protect the interest of Roynat, and to preserve and realize upon the said assets of Janmar in order to most effectively recover the amounts owing to Roynat and other creditors.
22. MNP has consented to act as Receiver of Janmar.
23. The Defendants, in the Forbearance Agreement, consented to the appointment of a Receiver and to judgment.
24. There is no defence to the claim of Roynat.

25. Such further and other reasons as counsel may advise and this Honourable Court may accept.

Material or evidence to be relied on:

26. The pleadings and proceedings in this Action.

27. Affidavit of Cian McDonnell sworn February 26, 2024.

28. Bench Brief of Roynat Inc.

29. Consent of MNP to act as Receiver.

30. Such further and other materials as counsel may advise and this Honourable Court permits.

Applicable rules:

31. *Alberta Rules of Court* AR 124/2010, including Rules 1.1 – 1.4, 6.3, 6.25, 7.2 and 7.3.

32. *Bankruptcy and Insolvency General Rules*, CRC, c 368.

33. Such further and other Rules as counsel may advise.

Applicable Acts and regulations:

34. *Judicature Act*, RSA 2000, c. J-2, and in particular section 13(2) thereof.

35. *Personal Property Security Act*, RSA 2000, c. P-7, and in particular section 65 thereof.

36. *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, and in particular section 243 thereof.

37. *Law of Property Act*, RSA 2000, c J-2 and in particular section 49 thereof.

38. Such further other provisions and statutes as counsel may advise.

Any irregularity complained of or objection relied on:

39. Abridgement of time for service to the time actually given, if necessary.

How the application is proposed to be heard or considered:

40. Before the Honourable Justice Little sitting on the Commercial List.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

ROYNAT INC.

DEFENDANTS

JANMAR INVESTMENTS (ALBERTA) LTD.,
1406676 ALBERTA LTD., MARJORIE CARR
and WARD FLEMING

DOCUMENT

RECEIVERSHIP ORDER

Clerk's Stamp

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

DUNCAN CRAIG LLP
Lawyers Mediators
2800, 10060 Jasper Avenue
Edmonton, Alberta T5J 3V9

Lawyer: DARREN R. BIEGANEK, KC
Telephone: (780) 441-4386
Fax: (780) 428-9683
Email: dbieganeke@dcllp.com
File Number: 212586

DATE ON WHICH ORDER WAS PRONOUNCED:

MARCH 4, 2024

LOCATION WHERE ORDER WAS PRONOUNCED:

EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER:

J.S. LITTLE

UPON the application of Roynat Inc. in respect of Janmar Investments (Alberta) Ltd. (the "**Debtor**"); AND UPON having read the Application, the Affidavit of Cian McDonnell sworn February 26, 2024 and the Affidavit of Service, filed; AND UPON reading the consent of MNP Ltd. to act as receiver and manager (the "**Receiver**") of the Debtor, filed; AND UPON noting the consent endorsed hereon of the Debtor; AND UPON hearing counsel for Roynat Inc., counsel for the proposed Receiver and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), and section 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, section 65(7) of the *Personal Property*

Security Act, R.S.A. 2000, c.P-7 and section 49 of the *Law of Property Act*, R.S.A. 2000, c I-7
MNP Ltd. is hereby appointed Receiver, without security, of the following lands:

PLAN 1520043
BLOCK 2
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.596 HECTARES (1.47 ACRES) MORE OR LESS
("Janmar Lands")

and all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, related to (including any leases), located on, attached to, or affixed on the Janmar Lands, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
 - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
 - (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
 - (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
 - (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
 - (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding **\$50,000.00**, provided that the aggregate consideration for all such transactions does not exceed **\$150,000.00**; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,
- and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.
- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the

Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and

all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, and further provided that nothing in this Order shall:
- (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 (“**WEPPA**”).

15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

- A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
- A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of **\$200,000.00** as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
19. The Receiver and its legal counsel shall pass their accounts from time to time.

20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed **\$200,000.00** (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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 and 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, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

34. The Receiver shall establish and maintain a website in respect of these proceedings (the "**Receiver's Website**") and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publically available; and
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

35. 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 or otherwise served with notice of 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; and
- (b) posting a copy of this Order on the Receiver's Website

and service on any other person is hereby dispensed with.

36. 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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that _____, the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of **Janmar Investments (Alberta) Ltd.** appointed by Order of the Court of King's Bench of Alberta (the "Court") dated the _____ day of _____, _____ (the "**Order**") made in action _____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **monthly not in advance on the _____ day of each month** after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20_____.

_____, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name: _____
Title: _____

Schedule "B"

COURT FILE NUMBER

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYNAT INC.

DEFENDANTS JANMAR INVESTMENTS (ALBERTA) LTD.,
1406676 ALBERTA LTD., MARJORIE CARR
and WARD FLEMING

DOCUMENT **ORDER - JUDGMENT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
DUNCAN CRAIG LLP
Lawyers Mediators
2800, 10060 Jasper Avenue
Edmonton, Alberta T5J 3V9

Lawyer: DARREN R. BIEGANEK, KC
Telephone: (780) 441-4386
Fax: (780) 428-9683
Email: dbieganeke@dcllp.com
File Number: 212586

DATE ON WHICH ORDER WAS PRONOUNCED: MARCH 4, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: J.S. LITTLE

UPON THE APPLICATION of the Plaintiff; AND UPON HEARING READ the Statement of Claim in this Action; AND UPON HEARING from counsel for the Plaintiff; AND UPON noting the consent of the Defendants to Judgment within the Forbearance Agreement (attached to the Affidavit of Cian McDonnell sworn February 26, 2024);

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Plaintiff is granted judgment against the Defendants, in the following amounts:
 - a) As against JANMAR INVESTMENTS (ALBERTA) LTD. in the amount of \$5,531,238.23;
 - b) As against 1406676 ALBERTA LTD. in the amount of \$5,531,238.23;
 - c) As against MARJORIE CARR in the amount of \$1,000,000.00 plus interest of \$_____;
 - d) As against WARD FLEMING in the amount of \$1,000,000.00 plus interest of \$_____.
2. The Plaintiff is granted costs of this Action on a solicitor and own client full indemnity basis, which costs shall be assessed without further notice to the Defendants.

Justice of the Court of King's Bench