COURT FILE NUMBER

2201-09319

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT MNP LTD. in its capacity as courtappointed Receiver of SOLVAQUA Inc.

DOCUMENT

BRIEF OF ROTATING RIGHT (2016) INC.

ADDRESS FOR SERVICE JU AND CONTACT M INFORMATION OF PARTY 18 FILING THIS DOCUMENT 10

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INTRODUCTION

1. This brief is submitted on behalf of Rotating Right (2016) Inc. ("**Rotating**") in respect of the Receivership application submitted by MNP Ltd. ("**MNP**") to approve the Stalking Horse Agreement outlined in the MNP's Second Report and the form of order which is submitted by MNP.

SUBMISSIONS

- In August of 2020, SolvAqua Inc. ("SolvAqua"), entered into an agreement with Rotating for manufacturing and construction ("Agreement") for Water Treatment Units ("Vivakor Equipment").
- 3. Rotating concluded the necessary construction and manufacturing work to the Vivakor Equipment. As a result of SolvAqua's monetary concerns an insurance claim was issued and the Vivakor Equipment was eventually paid for by or on behalf of SolvAqua. Following payment, the Vivakor Equipment was not retrieved despite multiple demands and continues to remain on Rotating premises since February 21st, 2021.
- 4. In accordance with the terms of the Agreement, if the Vivakor Equipment is not taken delivery of within 7 days from the date the parties agreed to retrieve the units, they are subject to storage fees and 1.5% interest on a monthly basis. Storage fees incurred for the Vivakor Equipment to the date totals \$115,195.84 (the "**Storage Fees**").
- 5. The second report of MNP addresses the Storage Fees and further suggests that they be addressed at a later date between Rotating and Arnaki Ltd., the prospective purchaser. Rotating is concerned that in doing so the proposal from MNP is facilitating further dispute between Arnaki Ltd. and Rotating as opposed to dealing with the Storage Fees at the date of transferring ownership of the Vivakor Equipment.
- 6. Rotating takes the position that a lien on the Vivakor Equipment exists under section 9 of the *Possessory Lien Act,* RSA, 2000, c P-19 and as such the units cannot be removed until the Storage Fees are paid.
- 7. Section 39 of the *Sales of Good Act*, RSA, 2000, c S-2, which further states that there is a lien on the units and that Rotating has the right to retain them until Storage Fees are paid.

CONCLUSION

8. For the reasons set out above, Rotating is seeking to have the Storage Fees paid prior to any transfer of ownership of the Vivakor Equipment.

ALL OF WHICH IS RESPECTIVELY SUBMITTED THIS 6th DAY OF JULY, 2023.

MCCUAIG DESROCHERS LLP

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Justin E. Kingston Counsel for Rotating Right (2016) Inc.