

COURT FILE NUMBER 2401-04879

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT DURISOL LTD.

RESPONDENT CANDESTO ENTERPRISES CORP.,  
D-3 INFRASTRUCTURE SERVICES INC.,  
AND SAFE ROADS ALBERTA LTD.



DOCUMENT **ORDER FOR FINAL DISTRIBUTION, APPROVAL  
OF ASSIGNMENT, APPROVAL OF RECEIVER'S  
FEES AND DISBURSEMENTS, APPROVAL OF  
RECEIVER'S ACTIVITIES, DISCHARGE OF  
RECEIVER AND OTHER RELIEF**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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File No. A172830

**Attention: Sam Gabor**

**DATE ON WHICH ORDER WAS PRONOUNCED:** November 13, 2024

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Justice C.J. Feasby

**UPON THE APPLICATION** of Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Candesto Enterprises Corp., D-3 Infrastructure Services Inc. and Safe Roads Alberta Ltd. (the "**Debtors**") for an Order for the final distribution of proceeds, approval of the assignment of certain accounts receivables of the Debtors to Durisol Ltd. as interim lender of the Debtors ("**Durisol**"), approval of the Receiver's fees and disbursements, approval of the Receiver's receipts and disbursements, approval of the Receiver's activities and discharge of the Receiver;

AND UPON reading the Receiver's Second Report dated November 4, 2024 (the "**Receiver's 2<sup>ND</sup> Report**") and the Affidavit of Sherry Langley sworn November 8, 2024; AND UPON hearing from counsel for the Receiver, counsel for the Debtors, counsel for Durisol and counsel for any other parties in attendance; AND UPON being satisfied that it is appropriate to do so;

**IT IS ORDERED AND DECLARED THAT:**

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.

**ASSIGNMENT OF RECEIVABLES**

2. The Assignment of Receivables Agreement appended as **Schedule "A"** to this Order (the "**Assignment Agreement**") is hereby approved, and all account debtors of the Debtors which are subject to the Assignment Agreement are hereby directed to pay all amounts owing on account of the Receivables (as defined in the Assignment Agreement) to Durisol subject to any rights of set-off such account debtors may have at law, and payment by such account debtors to Durisol pursuant to the Assignment Agreement discharges the obligations of the account debtors to the extent of the payment.
3. Any surplus amounts recovered by Durisol arising from the Receivables (as defined in the Assignment Agreement) which causes Durisol to recover an amount greater than the DIP Indebtedness (as defined in the Assignment Agreement, the "**DIP Indebtedness**") provided by Durisol to the Debtors pursuant to the Commitment Letter defined in the Amended and Restated Initial Order of Justice Johnston under Court of King's Bench of Alberta File No. 2301-16982 (the "**Surplus**") shall be paid into Court by Durisol to the credit of this action on notice to the Service List maintained in the receivership herein.
4. Until the filing of the Receiver's Certificate attached hereto as **Schedule "B"** (the "**Receiver's Certificate**"), the Receiver is hereby authorized and permitted to deliver to Durisol at its own expense copies of any records in the possession and control of the Receiver relating to the Receivables.

## **APPROVAL OF RECEIPTS, DISBURSEMENTS, ACCOUNTS AND ACTIVITIES**

5. The Receiver's accounts for fees and disbursements, as set out in the Receiver's 2<sup>ND</sup> Report, are hereby ratified and approved without the necessity of a formal passing of its accounts.
6. The accounts of the Receiver's legal counsel Gowling WLG (Canada) LLP (“**Gowling**”) for its fees and disbursements, as set out in the Receiver's 2<sup>ND</sup> Report, are hereby ratified and approved without the necessity of a formal assessment of its accounts.
7. The Forecast Fees & Costs, including the Receiver’s and Gowling’s estimated fees and disbursements, as set out in the Receiver's 2<sup>nd</sup> Report, for incidental duties as may be required to complete the administration of the receivership herein are hereby approved without the necessity of a formal assessment of accounts.
8. The Receiver's and Gowling’s actions, activities and conduct as set out in the Receiver's Report and in all of the Receiver’s other reports filed herein, and the Final Statement of Receipts and Disbursements as attached to the Receiver's Report, are hereby ratified and approved.

## **APPROVAL OF DISTRIBUTIONS**

9. The Receiver is authorized and directed to make the following distributions:
  - To Durisol - \$1,186,000, plus all remaining amounts in the Receiver’s account after payment of the Receiver’s and Gowling’s final fees and disbursements after the completion by the Receiver and Gowling of any incidental duties as may be required to complete the administration of the receivership herein, up to the amount sufficient to repay the DIP Indebtedness owing by the Debtors to Durisol pursuant to the Commitment Letter defined in the Amended and Restated Initial Order of Justice Johnston under Court of King’s Bench of Alberta File No. 2301-16982.

## **DISCHARGE OF RECEIVER**

10. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the

part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.

11. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
12. The Receiver is hereby authorized and directed to deliver to the current or former directors of the Debtors, prior to the filing of the Receiver's Certificate, all records of the Debtors in the possession and control of the Receiver relating to the Debtors. In the event corporate records of the Debtors' remain in the possession and control of the Receiver 30 days following the filing of the Receiver's Certificate, the Receiver is hereby authorized and permitted to destroy or dispose of such records in whatever manner the Receiver deems appropriate.
13. Upon the filing of the Receiver's Certificate confirming, among other things, that the Receiver has made all distributions set out in the Receiver's 2<sup>nd</sup> Report in accordance with paragraphs 9 and 12 of this Order, the Receiver shall be absolutely and unconditionally discharged as Receiver of the Property and shall have no further duty, liability or obligation with respect to the Property, provided however, that notwithstanding its discharge, the Receiver shall: (a) remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and (b) shall continue to have the benefit of the provisions of this Order and all Orders granted in these proceedings, including all approvals, protections and stays of proceedings in favor or the Receiver in its capacity as Receiver.

#### **MISCELLANEOUS**

14. The Receiver has leave to reapply to this Honourable Court for such further advice and directions as may be necessary.
15. 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.

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

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Justice of the Court of King's Bench of  
Alberta

**SCHEDULE “A”**

**ASSIGNMENT OF RECEIVABLES AGREEMENT**

## ASSIGNMENT OF RECEIVABLES AGREEMENT

**THIS ASSIGNMENT** effective as of November 4, 2024 made by Alvarez & Marsal Canada Inc. (the "**Receiver**") as receiver of Candesto Enterprises Corp., D3 Infrastructure Services Inc., and Safe Roads Alberta Ltd. (collectively the "**Companies**") under Court of King's Bench of Alberta ("**Court**") File No. 2401-04879 (the "**Receivership Proceeding**") and not in its personal or corporate capacity in favour of Durisol Ltd. (the "**Interim Lender**").

**WHEREAS** the Receiver was appointed as receiver without security of all of the assets, undertaking and property of the Companies within the Receivership Proceeding.

**AND WHEREAS** the Interim Lender previously granted the Companies, interim financing (the "**Interim Financing**") up \$1,400,000 pursuant to a commitment letter between the Companies and the Interim Lender dated as of December 19, 2023 (the "**Commitment Letter**") within insolvency proceedings pursuant to the *Companies Creditors Arrangement Act* proceeding under Court of King's Bench of Alberta File No. 2301-16982 (the "**CCAA Proceeding**") and was granted an interim financing charge in the amount of \$1,400,000 within the CCAA Proceeding (the "**Interim Lender's Charge**") securing all amounts provided by the Interim Lender pursuant to the Commitment Letter.

**AND WHEREAS** the Interim Lender's Charge continued on within the Receivership Proceeding, and the Interim Lender is the fulcrum creditor of the Companies and is owed \$1,400,000, plus ongoing interest, fees and other costs, pursuant to the Commitment Letter.

**AND WHEREAS** the Receiver has agreed, *inter alia*, to assign to the Interim Lender, the Receivables (as defined below) in accordance with the provisions of this Agreement.

**NOW THEREFORE**, in consideration of \$1.00 and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Receiver, the Receiver covenants and agrees with the Interim Lender as follows:

1. **Assignment.** Subject to approval by the Court, the Receiver hereby assigns, conveys and transfers to the Interim Lender all right, title and interest of the Companies in and to all book debts and all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to the Companies or the Receiver (collectively, the "**Receivables**"), including but not limited to the Receivables set out in **Schedule "A"** of this Agreement. The Receiver and the Interim Lender intend that: (a) such assignment constitutes a true and absolute sale and conveyance of the Receivables that conveys all ownership rights in such Receivables to the Interim Lender; (b) the Receiver shall have no right of redemption or right to purchase back any of the Receivables; and (c) the Interim Lender shall have no recourse to the Receiver in respect of the risk of non-payment of the Receivables.
2. **Separate Assignments.** Each of the rights, privileges, benefits, contracts, permits, policies or other documents or interests comprised in the Receivables shall be deemed to be the subject of a separate and individual assignment by the provisions hereof. The Interim Lender may exercise all rights hereunder in respect of each Receivable separately and whether or not the Interim Lender in its discretion exercises its rights in respect of all or any of the other Receivables.

3. **Collections.** The Interim Lender shall apply all amounts recovered on account of the Receivables to repay all amounts outstanding under the Interim Financing and the Commitment Letter, including but not limited to all principal, all accrued and unpaid interest at the rates set out in the Commitment Letter, and all costs, charges, and expenses (including, without limitation, lawyers' fees as between solicitor and his own client, on a full indemnity basis, as well as accounting, appraisal, environmental and consulting fees) incurred by the Interim Lender in connection with the restructuring proceedings, the Interim Financing, the DIP Loan Documentation, the DIP Lender Security, the DIP Order, the DIP Charge (each as defined in the Commitment Letter) the enforcement of any rights and remedies regarding the Interim Financing, the collection and recovery of the Receivables and the restructuring of the Companies (collectively, the "**DIP Indebtedness**"), provided that if there are any proceeds of the Receivables remaining after the indefeasible repayment of the DIP Indebtedness in full (the "**Surplus**"), the Interim Lender is authorized and directed to pay such Surplus into Court to the credit of the Receivership Proceeding on notice to the Service List maintained in such Receivership Proceeding.
4. **Account Debtors.** All persons being a debtor on an intangible or chattel paper, an obligor on an instrument or any other person being obligated to pay any account receivable or other debt due, owing or accruing due to the Companies (each an "**Account Debtor**" and collectively, "**Account Debtors**"), are entitled at all times to treat and regard the Interim Lender as the assignee and transferee from the Receiver, entitled in the place and stead of the Receiver and the Companies to receive such accounts and other debts. The Interim Lender may give notice to all or any of such Account Debtors to remit all such accounts and other debts directly to the Interim Lender whether or not the Receiver was making collections on the Receivables prior to notification by the Interim Lender.
5. **Books and Records.** Prior to its final discharge as Receiver of the Companies, the Receiver will provide to the Interim Lender copies of all books and records related to the Receivables listed in Schedule "A" of this Agreement in the Receiver's possession including but not limited to: (a) all communications between the Receiver and each of the Account Debtors; and (b) any communications between the Receiver and any third party in relation to the Receivables. Any professional fees incurred by the Receiver to provide the books and records related to the Receivables shall be paid for by the estates of the Companies secured by the Receivership Charge in the Receivership Proceeding. Following its discharge as receiver, the Receiver shall have no further obligations to provide any other information, books or records to Durisol relating to the Receivables.
6. **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Receiver, and will enure to the benefit of, and be binding on, the Interim Lender and its respective successors and assigns.
7. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof and supersedes all prior written and verbal discussions or communications between the parties and their agents and may not be amended or modified except by written consent executed by all parties.
8. **Recourse.** Any claim that the Interim Lender may have against the Receiver arising from this Agreement shall be against the Receiver solely in its capacity as receiver within the Receivership Proceeding and not in its personal or corporate capacity.



9. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and will be treated, in all respects, as an Alberta contract.

**IN WITNESS WHEREOF** the Receiver has caused this Assignment to be executed as of the day first written above.

Alvarez & Marsal as Receiver of Candesto Enterprises Corp., D3 Infrastructure Services Inc., and Safe Roads Alberta Ltd. and not in its personal or corporate capacity



Per:

\_\_\_\_\_  
Name: Orest Konowalchuk, CPA-CA, CIRP, LIT  
Title: Senior Vice-President

Durisol Ltd.

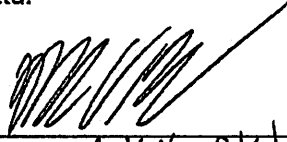
Per:

\_\_\_\_\_  
Name:  
Title:

Alvarez & Marsal as Receiver of Candesto Enterprises Corp., D3 Infrastructure Services Inc., and Safe Roads Alberta Ltd. and not in its personal or corporate capacity

Per: \_\_\_\_\_  
Name:  
Title:

Durisol Ltd.

Per:  \_\_\_\_\_  
Name: Mark Van Bavel  
Title: CEO

# SCHEDULE "A"

## RECEIVABLES

1 Candesto Enterprises Corporation A/R Listing Detail							
Company	Customer	Project No.	Invoice No.	Invoice Total	A/R Outstanding	Current Holdback Outstanding	A/R and Current Holdback Outstanding
CEC	Ledcor Highways Ltd.	468N	PS-INV100569	121,334.40	121,334.40	26,258.80	147,593.20
			Sub-Total	121,334.40	121,334.40	26,258.80	147,593.20
CEC	E-Construction	444N	N/A	-	-	44,927.51	44,927.51
			Sub-Total	-	-	44,927.51	44,927.51
CEC	Volker Stevin Contracting	434S	PS-INV100373	13,614.79	13,614.79	-	13,614.79
CEC	Volker Stevin Contracting	434S	PS-INV100375	12,026.53	12,026.53	-	12,026.53
CEC	Volker Stevin Contracting	439S	PS-INV100534	20,648.70	20,648.70	-	20,648.70
CEC	Volker Stevin Contracting	434S	PS-INV100537	23,156.06	23,156.06	-	23,156.06
CEC	Volker Stevin Contracting	439S	PS-INV100538	27,289.03	27,289.03	-	27,289.03
			Sub-Total	96,735.11	96,735.11	-	96,735.11
CEC	Aecon Transportation West	423S	N/A	-	-	45,766.00	45,766.00
CEC	Aecon Transportation West	497S	PS-INV100462	978.08	978.08	-	978.08
CEC	Aecon Transportation West	497S	PS-INV100519	9,349.83	9,349.83	7,609.00	16,958.83
CEC	Aecon Transportation West	465S	PS-INV100536	7,531.32	7,531.32	-	7,531.32
CEC	Aecon Transportation West	481S	PS-INV100546	42,847.30	42,847.30	-	42,847.30
CEC	Aecon Transportation West	481S	PS-INV100561	5,021.22	5,021.22	-	5,021.22
			Sub-Total	65,727.75	65,727.75	53,375.00	119,102.75
CEC	PCL Constructors	452S	PS-INV100455	98,824.83	33,724.98	28,235.49	61,960.47
			Sub-Total	98,824.83	33,724.98	28,235.49	61,960.47
CEC	Carmacks Enterprises Ltd	424N	PS-INV100535	14,316.75	14,316.75	273,379.60	287,696.35
			Sub-Total	14,316.75	14,316.75	273,379.60	287,696.35
CEC	Border Paving Ltd.	493S	N/A	-	-	15,204.57	15,204.57
			Sub-Total	-	-	15,204.57	15,204.57
CEC	Central City Asphalt Ltd.	479S	N/A	-	-	10,415.57	10,415.57
			Sub-Total	-	-	10,415.57	10,415.57
			Grand Total	396,938.84	331,838.99	451,796.52	783,635.51

**SCHEDULE “B”**  
**RECEIVER’S CERTIFICATE**

COURT FILE NUMBER 2401-04879

COURT COURT OF KING’S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT DURISOL LTD.

RESPONDENT CANDESTO ENTERPRISES CORP.,  
D-3 INFRASTRUCTURE SERVICES INC.,  
AND SAFE ROADS ALBERTA LTD.

DOCUMENT **RECEIVER’S CERTIFICATE**

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Email [sam.gabor@gowlingwlg.com](mailto:sam.gabor@gowlingwlg.com)

File No. A172830

**Attention: Sam Gabor**

## RECITALS

- A. Pursuant to the receivership order dated April 17, 2024 of the Honourable Justice Sidnell (“**Receivership Order**”) of the Court of King’s Bench of Alberta, Judicial District of Calgary (the “**Court**”), Alvarez & Marsal Canada Inc., LIT was appointed as the receiver and manager (the “**Receiver**”) of the assets, undertaking and property of Candesto Enterprises Corp., D-3 Infrastructure Services Inc. and Safe Roads Alberta Ltd. (the “**Debtors**”).
- B. Pursuant to an Order of the Court dated November 13, 2024 in the receivership proceedings (“**Discharge Order**”), the Court ordered that the Receiver be fully discharged from any further obligations in its administration of an estate of the Debtors.

**THE RECEIVER CERTIFIES the following:**

- a) All applicable matters set out in paragraph 9 of the Discharge Order and all incidental duties as may be required to complete the administration of the receivership have been completed with respect to the estates of the Debtors under the administration of the Receivership Order.

**ALVAREZ & MARSAL CANADA INC.**, in its capacity as receiver and manager of Candesto Enterprises Corp. D3 Infrastructure Services Inc. and Safe Roads Alberta Ltd. and not in its personal or corporate capacity

Name: \_\_\_\_\_

Title: \_\_\_\_\_