

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

DURISOL LTD.

RESPONDENTS

CANDESTO ENTERPRISES CORP., D3
INFRASTRUCTURE SERVICES INC., and
SAFE ROADS ALBERTA LTD.

DOCUMENT

ORIGINATING APPLICATION

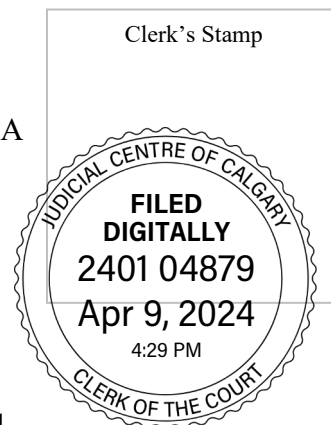
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McMillan LLP
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Calgary, AB T2P 4K9

INFORMATION OF
PARTY FILING THIS
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File No. 306297



**NOTICE TO RESPONDENTS: CANDESTO ENTERPRISES CORP., D3
INFRASTRUCTURE SERVICES INC., and SAFE ROADS ALBERTA LTD.**

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

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

Date: **April 17, 2024**
Time: **11:00 AM**
Where: **Calgary Courts Centre via Webex (See Appendix "A")**
Before Whom: **The Honourable Justice E.J. Sidnell**

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

Relief claimed or sought:

1. The Applicant, Durisol Ltd. (“**Durisol**”), seeks:
 - (a) An order substantially in the form attached as Schedule “A”:
 - (i) Abridging the time for service of this application and deeming service good and sufficient;
 - (ii) appointing Alvarez & Marsal Canada Inc. as receiver, over the assets, undertakings and property (the “**Property**”) of the respondents, Candesto Enterprises Corp. (“**CEC**”), D3 Infrastructure Services Inc. (“**D3**”) and Safe Roads Alberta Ltd. (“**Safe Roads**” and together with Candesto and D3, the “**Borrowers**”) by way of an order substantially in the form of the Receivership Order attached as Schedule “A” hereto (the “**Receivership Order**”);
2. awarding costs of this application to the Applicant, Durisol, on an appropriate scale; and
3. such further and other relief as counsel may advise and this Honourable Court deems just.

Grounds for making this application:

I. Parties and Background CCAA Proceeding

4. Durisol carries on the business of providing various infrastructure materials including noise barriers and retaining walls in the province of Ontario. Durisol provided debtor-in-possession financing through an interim lending facility to the Borrowers in the CCAA proceedings as further described below.
5. The Borrowers are corporations duly incorporated and governed under the laws of the Province of Alberta.
6. The Borrowers operate a construction business installing traffic control, roadside safety, and barrier systems and employ approximately 14 people (the “**Construction Business**”).
7. The Borrowers faced financial difficulties due to the COVID-19 pandemic and the rise of inflation. As a result, the Borrowers were unable to complete several of their construction projects on a profitable basis because of increased costs for materials and labour.
8. On December 20, 2023, upon the application of the Borrowers for relief under to the *Companies’ Creditors Arrangement Act*, RSC 1985. C C-36 as amended (the “**CCAA**”), the Court of King’s Bench granted an amended and restated initial order (the “**Amended Initial Order**”) appointing Alvarez & Marsal Canada Inc. as Monitor under Court Action No. 2301-16982.

9. Since the granting of the Amended Initial Order, the Borrowers have advanced the completion, where possible, of the remaining construction projects (the “**Remaining Projects**”). The Borrowers, in consultation with the Monitor, have now determined that any further work on the Remaining Projects is uneconomical and would not provide a benefit to the Borrowers or any of their stakeholders.
10. Durisol was advised that the Borrowers do not intend to seek an extension of the stay of proceedings and that the Monitor intends to bring an application to terminate the CCAA proceeding.

II. Term Sheet and Interim Lending Facility

11. Pursuant to the Amended Initial Order, the Court approved an interim lending facility from Durisol to the Borrowers in the amount of up to \$1,400,000 (the “**Interim Lending Facility**”). The Borrowers entered into a term sheet dated December 19, 2023, with Durisol for the Interim Lending Facility (the “**Term Sheet**”).
12. On January 12, 2024, the Alberta Court of King’s Bench granted a further order which, among other things, increased the authorized borrowings under the Interim Lending Facility, and increased the corresponding Interim Lender’s Charge (as defined in the Amended Initial Order) from \$450,000.00 to \$1,400,000.00.
13. Pursuant to the Term Sheet:
 - (a) the term of the Interim Lending Facility shall commence on the date of issuance of the Amended Initial Order, being December 20, 2023, and ending on the earliest of (such ending date, the “**Maturity Date**”):
 - (i) June 30, 2024;
 - (ii) the termination of the CCAA proceedings; or
 - (iii) the occurrence of an Event of Default (hereinafter defined).
 - (b) Interest is payable monthly at a rate of 8.5% per annum.
 - (c) The following each constitute an Event of Default under the Interim Lending Facility:
 - (i) the stay of proceedings granted to the Borrowers pursuant to the restructuring proceedings under the CCAA, as the case may be, is terminated or lifted; or
 - (ii) Durisol determines that a material change has occurred in the Borrowers’ business, affairs or financial condition (each an “**Event of Default**”).

- (d) Upon the Maturity Date, the Borrowers are required to repay the entire outstanding principal amount of the Interim Lending Facility in full, together with any accrued interest, fees and expenses without deduction or set-off.
- (e) Upon the Maturity Date, Durisol may immediately terminate the Interim Lending Facility and enforce, upon five (5) Business Days written notice to the Borrowers and Alvarez Marsal Canada Inc. and Alvarez Marsal Canada Inc.'s legal counsel, all of its rights and remedies against the Borrowers and its property, assets and undertaking including, without limitation the ability to apply to the Court for the appointment of a receiver.

III. Security for Interim Lending Facility

- 14. As security for the Borrowers' obligations to Durisol, Durisol was granted the following security:
 - (a) a first-ranking, valid, enforceable interim financing charge with priority over all creditors of the Borrowers, in an amount to match the anticipated draws required by the Borrowers from Durisol from time to time as prescribed by the Case Flow Projection (as defined in the Term Sheet) in the amount no greater than \$1,400,000, charging all property, assets and undertakings of the Borrowers granted pursuant to the Amended Initial Order that includes standard debtor-in-possession terms and conditions satisfactory to Durisol acting reasonably, pursuant to section 11.2 of the CCAA, as the case may be, subject only to an administration charge not to exceed \$500,000; and
 - (b) a guarantee from Barricades & Signs Ltd., which is secured by a general security agreement.

IV. Events of Default

- 15. The Interim Lending Facility matures and becomes fully repayable on the date of the termination of the CCAA proceedings. In addition:
 - (a) the expiry of the stay of proceedings constitutes an Event of Default under the Interim Lending Facility; and
 - (b) Durisol has reasonably determined that there has been a material adverse change in the Borrowers' business and financial condition on account of the determination that completion of the Remaining Projects would not result in any economic benefit for the Borrowers on their stakeholders.
- 16. Under the terms of the Term Sheet, upon the occurrence of any Event of Default, Durisol is entitled to exercise various remedies, one of which is the appointment of a receiver or a receiver manager.

17. The Borrowers have defaulted under the terms of the Term Sheet on account of the occurrence of Events of Default including the termination of the CCAA proceedings and material adverse change in the Borrowers' Construction Business.

VI. The Appointment of a Receiver of the Borrowers

18. Pursuant to the Term Sheet, Durisol is entitled to appoint a receiver upon the occurrence of and during the continuance of any Event of Default by the Borrowers.
19. The appointment of a receiver of the Borrowers is necessary to:
 - (a) continue the Borrowers' plan to wind down the business in an orderly manner;
 - (b) disclaim any remaining contracts and to transition the Remaining Projects for completion by the appropriate parties;
 - (c) sell any remaining assets of the Borrowers; and
 - (d) to provide for an orderly disposition of the property, undertakings and assets of the Borrowers.
20. Written notice of Durisol's intention to appoint of receiver over the Borrowers has been provided to the Borrowers, Alvarez Marsal Canada Inc. and counsel for Alvarez Marsal Canada Inc.
21. The indebtedness owing to Durisol pursuant to the terms of the Term Sheet remains unpaid and the Borrowers are insolvent and incapable of repaying Durisol.
22. The appointment of a receiver over the Property of the Borrowers is just, equitable, convenient and necessary to preserve Durisol's Security.
23. Alvarez & Marsal Canada Inc. has consented to act as receiver over the Property.
24. The Borrowers have consented to the appointment of Alvarez & Marsal Canada Inc. as receiver over the Property.

Affidavit or other evidence to be used in support of this application:

25. The Affidavit of Mark VanBakel, sworn April 8, 2024; and
26. Materials filed in the CCAA proceedings with Court Action No. 2301-16982.
27. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

28. Rules 1.2, 1.3, 1.4, 3.72, 6.3, 6.4, 6.9 11.27 and 13.5(2) of the *Alberta Rules of Court*; and
29. Such further and other rules as counsel may advise.

Applicable Acts and regulations:

30. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and particularly s. 243 thereof;
31. *Business Corporations Act*, RSA 2000, c B-9;
32. *Judicature Act*, RSA 2000, c J-2, as amended, and particularly s. 13(2) thereof;
33. *Personal Property Security Act*, RSA 2000, c P-7, as amended, and particularly s. 65(7) thereof;
34. All of the foregoing legislation stated without limitation and such other rules, acts, and regulations as counsel may advise and that this Honourable Court may permit; and
35. The inherent jurisdiction of this Honourable Court.

Any irregularity complained of or objection relied on:

36. None are anticipated.

How the application is proposed to be heard or considered:

37. Orally via Webex on the Commercial List in front of the Honourable Justice E.J. Sidnell.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this 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.

Appendix “A”

Virtual Courtroom 60 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

Schedule “A”

Receivership Order

COURT FILE NUMBER

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT(S) DURISOL LTD.

RESPONDENT(S) CANDESTO ENTERPRISES CORP., D3
INFRASTRUCTURE SERVICES INC., and
SAFE ROADS ALBERTA LTD.

DOCUMENT RECEIVERSHIP ORDER

ADDRESS FOR
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Fax: (403) 531.4720
Email: adam.maerov@mcmillan.ca /
kourtney.rylands@mcmillan.ca

DATE ON WHICH ORDER WAS PRONOUNCED: April 17, 2024

LOCATION OF HEARING: Calgary Courts Centre, Calgary, Alberta

NAME OF JUSTICE WHO GRANTED THIS ORDER: Justice E.J. Sidnell

UPON the application of Durisol Ltd. (“**Durisol**”) in respect of Candesto Enterprises Corp. (“**CEC**”), D3 Infrastructure Services Inc. (“**D3**”) and Safe Roads Alberta Ltd. (“**Safe Roads**” and together with Candesto and D3, the “**Debtors**”); AND UPON having read the Application, the Affidavit of Mark VanBakel; and the Affidavit of Service of Irma Alvarado, filed; AND UPON reading the consent of Alvarez & Marsal Canada Inc. (“**A&M**”) to act as receiver (the “**Receiver**”) of the Debtors, filed; AND UPON hearing counsel for Durisol, counsel for the proposed Receiver and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service and Lifting of Stay

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today. To the extent necessary, the stay of proceedings provided for in Alberta Court of King’s Bench Action No. 2301-16982 regarding the Debtors’ (“**CCAA Proceedings**”) is lifted *nunc pro tunc* solely to allow Durisol to apply for this Order appointing A&M as Receiver over all current and future assets, undertakings and properties of the Debtors.

Appointment

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”), and section 13(2) of the *Judicature Act*, RSA 2000, c.J-2, A&M is hereby appointed Receiver, without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, 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, which shall include the Receiver’s ability to abandon, dispose of, or otherwise release any interest in any of the Debtors’ real or personal property, or any right in any immovable;
 - (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 Debtors;
- (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 Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (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 Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (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 Debtors, 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 \$150,000 provided that the aggregate consideration for all such transactions does not exceed \$500,000; 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*, RSA 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 or any other Orders in respect of the Property against title to the Property;
- (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 Debtors;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors 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 Debtors, and without interference from any other Person (as defined below).

Duty to Provide Access and Co-operations to the Receiver

4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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 Debtors, 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 Debtors or the Property

8. No Proceeding against or in respect of the Debtors 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 Debtors 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 Debtors or an action, suit or proceeding that is taken in respect of the Debtors 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 Debtors 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, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtors is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtors, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtors be replaced as operator pursuant to any such agreements without further order of this Court provided, however, that this stay and suspension does not apply in respect of any “eligible financial contract” (as defined in the BIA), and further provided that nothing in this Order shall:
 - (a) empower the Debtors to carry on any business that the Debtors are 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 Debtors 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 Debtors 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 Receiver 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 Debtors, except with the written consent of the Debtors and the Receiver, or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

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 Debtors, 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 Debtors,

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 Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of their 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 Debtors in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors 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 or alternatively in any existing accounts maintained by A&M in its capacity as Monitor of the Debtors, as the Receiver deems appropriate in the

circumstances (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 Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' 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*, SC 2005, c.47 (“**WEPPA**”).
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 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 Debtors and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations 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 \$250,000, 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 \$500,000 (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 authorized 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.

Continuation of CCAA Stay of Proceedings, Charges and Priorities of Charges

26. For clarity, the stay of proceedings established pursuant to the Amended and Restated Initial Order granted by the Honourable Justice Johnston on December 20, 2023 (the “ARIO”) shall continue to remain in effect and uninterrupted until such time as this Receivership Order is granted and becomes effective, provided that immediately upon this Receivership Order being granted and becoming effective the stays of proceedings under paragraphs 20, 24 and 25 of the ARIO shall terminate.

27. Each of the Administration Charge, Interim Lenders Charge, and Directors' Charge (all as defined in the ARIO) shall continue to constitute valid and enforceable charges on the Property.
28. The priority of the charges created pursuant to the ARIO (and continued by this Order) in relation to the Receiver's Charge and the Receiver's Borrowing Charge created hereunder, shall be as follows:
 - First – the Receiver's Charge;
 - Second – the Receiver's Borrowings Charge;
 - Third – the Administration Charge;
 - Fourth – the Interim Lender's Charge; and
 - Fifth– the Directors' Charge.

Allocation

29. 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, Receiver's Borrowings Charge, the Administration Charge, the Interim Lender's Charge and the Directors' Charge amongst the various assets comprising the Property

General

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. 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.
32. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
33. 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.

34. 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.
35. The Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant'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 Debtors' estates with such priority and at such time as this Court may determine.
36. 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.
37. The granting of this Receivership Order shall be "without prejudice" to the rights of Chris Bokenfohr and Vor Allem Consulting Ltd. to bring forward for hearing in these Receivership proceedings, their application filed on February 26, 2024, in the CCAA Proceedings.

Filing

38. The Receiver shall establish and maintain a website in respect of these proceedings at https://www.alvarezandmarsal.com/____ (the "**Receiver's Website**") and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publicly 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.

39. 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.

40. 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 of Alberta

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the receiver (the "**Receiver**") of all of the assets, undertakings and properties of Candesto Enterprises Corp., D3 Infrastructure Services Inc., and Safe Roads Alberta Ltd. appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the _____ day of April, 2024 (the "**Order**") made in action number _____, 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 _____ 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 _____, 2024

Alvarez & Marsal Canada Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

Name:

Title: