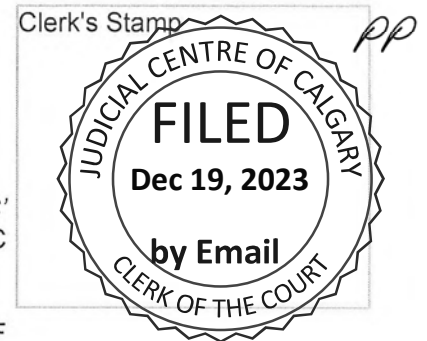


COURT FILE NUMBER 2301-16982
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC
1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
CANDESTO ENTERPRISES CORP., D3
INFRASTRUCTURE SERVICES INC. and
SAFE ROADS ALBERTA LTD.



C121446

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

DOCUMENT AFFIDAVIT NO. 1 OF JAN VAN BRUGGEN

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File No.: 58965-1

Attention: Jeffrey Oliver / Natalie Thompson

AFFIDAVIT OF: JAN VAN BRUGGEN

SWORN ON: December 18, 2023

I, JAN VAN BRUGGEN, of the City of ST. ALBERT, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a director and President of Safe Roads Alberta Ltd. ("**Safe Roads**"), D3 Infrastructure Services Inc. ("**D3**") and Candesto Enterprises Corp. ("**CEC**" and together with Safe Roads and D3, the "**Applicants**"). Additionally, I am a director and Chief Executive Officer of Barricades and Signs Ltd. ("**Barricades**"), and a 50% shareholder and director of Batavi Venture Group Inc. ("**Batavi**"), which in turn is a shareholder of CEC, D3 and Safe Roads. Barricades and Batavi are non-applicant related companies.
2. As a result of the foregoing, I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, and where so stated I do verily believe the same to be true.

3. In preparing this affidavit, I consulted with the Applicants' management teams and advisors and reviewed relevant documents and information concerning the Applicants' operations and financial affairs.
4. I have been authorized to swear this affidavit as the corporate representative of the Applicants.
5. All references to currency in this affidavit are references to Canadian dollars unless otherwise indicated.

I. NATURE OF APPLICATION AND OVERVIEW OF RELIEF SOUGHT

6. This affidavit is sworn in support of application by the Applicants for:
 - (a) an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), among other things:
 - (i) abridging the time for service and deeming service of the Originating Application and supporting materials to be good and sufficient;
 - (ii) declaring each of the Applicants to be a company to which the CCAA applies;
 - (iii) granting a stay of proceedings, for an initial period up to and including December 30, 2023 (the "**Stay Period**"), in favour of the Applicants and their officers and directors (the "**D&Os**");
 - (iv) granting a stay of proceedings for the Stay Period in favour of 1964740 Alberta Inc. ("**196 Inc.**"), Batavi and Barricades (together with the Applicants, the "**Indemnitors**") with respect to any claim that relates to any obligations of the Indemnitors under the Indemnity Agreement in favour of Trisura Guarantee Insurance Company ("**TGIC**") and/or Trisura Insurance Company ("**TIC**" and together with TGIC, "**Trisura**") dated July 22, 2022 (the "**Indemnity Agreement**");
 - (v) granting a stay of proceedings for the Stay Period in favour of Batavi with respect to a share pledge agreement dated January 31, 2022 between Batavi, Vor Allem Consulting Ltd. (formerly 411850 Alberta Ltd.) ("**VAC Ltd.**") and Chris Bokenfohr ("**Bokenfohr**") (the "**Pledge Agreement**"), including but not limited to the enforcement of any rights under the Pledge Agreement;
 - (vi) appointing Alvarez & Marsal Canada Inc. ("**A&M**" or the "**Proposed Monitor**") to act as monitor (the "**Monitor**") of the Applicants in these proceedings (the "**CCAA Proceedings**");

- (vii) approving the execution by the Applicants of an interim loan facility term sheet (the "**Term Sheet**") with an interim lender to be named (the "**Interim Lender**"), which remains under negotiation, pursuant to which the Interim Lender will advance up to \$1,300,000 (the "**Interim Lending Facility**"), to be made available to the Applicants during these CCAA Proceedings;
 - (viii) authorizing the Applicants to make payments, with the consent of the Monitor, in respect of certain pre-filing amounts owing for goods or services supplied to the Applicants, if in the opinion of the Applicants and the Monitor such supplier is critical to the business and ongoing operations of the Applicants;
 - (ix) granting the Administration Charge, the Interim Lender's Charge, and the D&O Charge (each as defined below, and together, the "**Proposed Priority Charges**"); and
- (b) an amended and restated initial order ("**ARIO**"), granting substantially the same relief as the Initial Order and extending the Stay Period until and including January 12, 2024.

II. OVERVIEW OF THE APPLICANTS AND THE NEED FOR CCAA PROTECTION

7. As discussed in further detail below, the Applicants are contractors and installers of traffic control, roadside safety and barrier systems. They have operated for more than 25 years, under the control of different shareholders and management. Over the course of that history, the Applicants have worked on some of the largest and most complex road construction projects in Alberta, including construction of the south segment of the West Calgary ring road (the "**Ring Road Project**").
8. The Applicants are typically engaged on such projects as a subcontractor to a general contractor, who in turn has contracted with a level of government for the construction of road infrastructure. Larger projects (and some smaller projects) require that one or more of the Applicants provide a labour and material bond, a performance bond, or both for the benefit of its subcontractors.
9. Several unprofitable contracts and one particularly unprofitable contract have put a considerable financial strain on the operations of the Applicants. Due to the losses associated with such contracts, as well as challenges associated with inflation (including cost increases during the lag time between tendering bids on projects and their completion), the Applicants are insolvent.
10. In light of the Applicants' insolvency, the Applicants have ceased bidding on new contracts and wish to wind down their operations under the protection offered by the CCAA. Through a CCAA proceeding, the Applicants intend to complete a restructuring that would enable the transfer or assumption of ongoing projects in order to maximize value for their stakeholders, and to pursue consensual arrangements with the Applicants' surety under their labour and material/performance

bonds in order to minimize financial exposure to the surety and to other companies in the Applicants' corporate group.

11. For the reasons set out herein, I verily believe that the Applicants are insolvent and are companies to which the CCAA applies.
12. The Applicants, with the support of their senior secured lenders, are seeking protection under the CCAA to, among other things, effect a winddown of their business in a transparent and orderly fashion.

III. THE APPLICANTS AND RELATED ENTITIES

A. Background & Corporate Structure

13. The Applicants form part of a broader group of companies (the "**Candesto Group**"), which has been a leader of installation services in western Canada for traffic control, roadside safety and barrier systems for over 25 years (the "**Business**"). A copy of the Candesto Group's organizational chart (the "**Organizational Chart**") is attached hereto as Exhibit "A".
14. The goods and services provided by the Applicants can be broken down into six primary categories: (i) guardrail and high-tension cable barrier systems; (ii) concrete and steel barriers; (iii) overhead signs and structures; (iv) overhead sign foundations and caissons; (v) non-overhead and ground mounted signage; and (vi) engineering and planning. These services extend to the installation of these items, systems and structures on roadways.
15. Each of the Applicants are direct subsidiaries of one or more of 196 Inc., Batavi and/or Barricades. As more particularly set out in the Organizational Chart:
 - (a) the common shares of CEC are held 50% by each of 196 Inc. and Batavi;
 - (b) the common shares of D3 are held 80% by 196 and 20% by Batavi; and
 - (c) the common shares of Safe Roads are held 60% by 196 Inc., 20% by Batavi and 20% by Barricades.
16. 196 Inc., Batavi and Barricades are all Alberta corporations incorporated under the *Business Corporations Act* (Alberta) ("**ABCA**"). Barricades is also extra-provincially registered in British Columbia and Manitoba.
17. CEC and D3 (together, the "**Operating Entities**") are the primary operating entities and perform similar functions within Alberta. Over time, CEC has become the primary contractual counterpart for most incoming jobs. As noted above, as at the date of this Affidavit, the Applicants have ceased bidding on any projects not currently under contract.

18. CEC (formerly 1935120 Alberta Ltd.) is an Alberta corporation incorporated under the ABCA with its registered office in Calgary, Alberta. Attached hereto and marked as **Exhibit "B"** is a copy of the Alberta corporate profile search for CEC.
19. D3 (formerly Candesto North Inc.) is an Alberta corporation incorporated under the ABCA with its registered office in Sturgeon County, Alberta. Attached hereto and marked as **Exhibit "C"** is a copy of the Alberta corporate profile search for D3.
20. Safe Roads (formerly 1957282 Alberta Ltd.) is an Alberta corporation incorporated under the ABCA with its registered office in Calgary, Alberta. Safe Roads was initially set up to source and sell to the Operating Entities certain inventory used in their respective operations, although that sourcing is now largely from other suppliers. Safe Roads is now largely dormant. Attached hereto and marked as **Exhibit "D"** is a copy of the Alberta corporate profile search for Safe Roads.
21. As at the date of swearing this Affidavit, the directors of the Applicants are as follows:

Entity	Directors
CEC	Jan van Bruggen Matthew Powell
D3	Jan van Bruggen Matthew Powell William Powell
Safe Roads	Jan van Bruggen Matthew Powell

B. Related Parties

22. As shown in the Organizational Chart, the Candesto Group is effectively jointly controlled by Batavi and 1288078 Ontario Inc. ("**128 Inc.**"). Batavi acquired its shareholdings in each of CEC, D3 and Safe Roads through a share purchase agreement dated January 31, 2022 (the "**SPA**") between Batavi, VAC Ltd. and Bokenfohr, as is discussed in greater detail in Section VII(D)(ii), below.
23. 128 Inc. is an Ontario holding company, controlled by members of the Powell family, who in Ontario operate Powell Contracting Inc. ("**Powell Contracting**"). Powell Contracting has been a leader in the Ontario road safety sector for more than 50 years. Powell Contracting indirectly expanded into Western Canada through its joint ownership in the Applicants in 2016.
24. Batavi is also a holding company, holding the shares of a number of different entities within the Candesto Group, including Barricades. Barricades was founded in 2004 by my parents Bob and Fran van Bruggen, with an initial focus on creating and distributing a select range of traffic safety goods. Barricades now offers a wide range of traffic safety expertise and services.

25. In addition to the Applicants, the Candesto Group includes Safe Roads Highway Products BC Inc. ("**SRHP BC Inc.**"), Safe Roads Highway Products Saskatchewan Inc. ("**SRHP Saskatchewan Inc.**"), Safe Roads Highway Products Manitoba Inc. ("**SRHP Manitoba Inc.**"), and together with SRHP BC Inc. and SRHP Saskatchewan Inc., the "**SRHP Entities**") and PGC Traffic Manitoba Inc. ("**PGC Manitoba Inc.**").
26. Between 2019 and 2022, the SRHP Entities and PGC Manitoba Inc. were wound down and the assets of each entity were transferred to Barricades. Prior to their wind down, the SRHP Entities were involved in material procurement, distribution and sales to the Operating Entities. Prior to its wind down, PGC Manitoba Inc. was involved in projects related to traffic control, rentals and lane closures.
27. The Candesto Group also includes Summit West Rentals Inc. (formerly Safe Roads Highway Products Alberta Inc.) ("**Summit**"), an Alberta corporation incorporated under the ABCA with its registered office in Sturgeon County, Alberta. In 2021, most of the assets of Safe Roads Highway Products Alberta Inc. were transferred or sold to Barricades, with the exception of certain steel movable barriers that it now rents to Barricades.

C. Employees

28. All of the employees that work for the Applicants are employed by CEC directly and are utilized by D3 on an as needed basis. As previously noted, over time, the business structure of the Applicants has shifted such that CEC is the primary contractual counterpart for incoming jobs. D3's use of the employees has accordingly reduced over time.
29. As of December 18, 2023, CEC employs 14 employees, nearly all of whom are employed on a full-time, permanent basis (although CEC also employs some seasonal labourers). None of CEC's employees are currently on temporary layoff or leave of absence. Four of the employees are paid a salary and are employed at the corporate office. The other 10 employees are paid on an hourly basis and are employed for field work.
30. CEC uses Payworks, a third-party payroll services provider, to manage payroll functions on behalf of CEC, including payroll processing and the collection and remittance of related source deductions. Employees are paid on a bi-weekly basis. Payroll is funded through Payworks drawing funds from CEC's primary CIBC operating account and depositing payroll funds directly into employees' accounts via EFT. As such, employee wages and source deductions are being honoured in the ordinary course of payment cycles.
31. None of the employees are unionized and CEC has never sponsored a pension plan or offered any type of retirement savings plan.

32. Upon having completed three months of continuous employment with CEC, all full-time employees of CEC working at least 30 hours per week are eligible for basic life insurance, dependent life insurance, AD&D, critical illness, long term disability, extended health care, dental care and travel insurance through Manulife. Premiums associated with the group health benefit plans are shared between the employer and employee with CEC paying approximately \$3,500.00 per month in premiums. Employees pay their portion of the premiums through payroll deductions.
33. The proposed Initial Order authorizes CEC to make all outstanding and future employee benefit payments in the ordinary course of business and consistent with existing compensation policies and arrangements.

D. Intercompany Relationships of the Applicants

i) Centralized Services

34. The operations of the Applicants and the broader Candesto Group are integrated, which enhances operational efficiency and reduces logistics costs, thus rendering the Applicants less reliant on outside suppliers for certain services. In particular, the Operating Entities share labour and employees, all of which are employed by CEC. Each of the Applicants also utilize existing services contracted by Barricades for certain operational functions, summarized as follows:
- (a) human resources ("HR") – the internal HR employees of Barricades provide all HR functions of the Applicants including, for example, employee training, recruitment, and benefits administration;
 - (b) marketing – the internal marketing team at Barricades provides services for the Applicants including website design, social media management, trade shows, events, branding, promotional and ad campaigns;
 - (c) information technology services ("IT") – the internal IT support team provides the Applicants with mobile IT security, hardware and software integration and management and on demand IT assistance;
 - (d) government relations – the government relations specialist employed at Barricades manages all matters for the Applicants relating to, among other things, government and regulatory approvals, licencing and management of government approvals;
 - (e) client relationship management – individuals at various levels throughout Barricades have been engaged in client relationship management related to the Applicants; and

- (f) finance – all internal finance matters of the Applicants are completed through Barricades. This includes, among other things, project accounting, invoicing and government remittances.

35. In light of the foregoing and as discussed in further detail below, a limited stay of proceedings in favour of the Indemnitors is necessary to ensure that the services provided by the Indemnitors (in particular Barricades) to the Applicants are not disrupted or jeopardized.

ii) Intercompany Loans and Receivables

36. The Applicants have the following intercompany loans and receivables (the "Intercompany Balances"):

Borrower	Lender	Type	Secured or Unsecured	Amount (\$)
CEC	VAC Ltd.	Loan	Unsecured	388,991.00
CEC	D3	Loan	Unsecured	840,111.00
CEC	Powell (Richmond Hill) Contracting Limited	AP	Unsecured	109,431.00
CEC	Safe Roads Engineering Inc.	AP	Unsecured	86,401.51
CEC	Safe Roads	Loan	Unsecured	658,159.00
CEC	128 Inc.	Loan	Secured	2,000,000.00
CEC	Barricades	AP	Secured	2,421,438.00
Total owing by CEC				6,504,531.51
D3	Summit	AP	Unsecured	227,352.00
D3	Safe Roads Engineering Inc.	AP	Unsecured	12,544.88
D3	Summit	AP	Unsecured	25,494.00
D3	Barricades	AP	Secured	430,393.41
Total owing by D3				695,784.29
Safe Roads	128 Inc.	Loan	Unsecured	565,129.00
Safe Roads	VAC Ltd.	Loan	Unsecured	565,129.00
Total owing by Safe Roads				1,130,258.00
Summit	Safe Roads	AR	Unsecured	42,379.00
Total owing by Summit				42,379.00
CBPG Real Estate Holdings Inc.	CEC	Loan	Unsecured	157,922.00
Total owing by CBPG Real Estate Holdings Inc.				157,922.00
Barricades	Safe Roads	AR	Unsecured	430,393.41
Total owing by Barricades				430,393.41

E. Cash Management

37. The Applicants are the holders of the following bank accounts (collectively, the "**Operating Accounts**"):
- (a) CIBC operating line in the name of CEC (the "**Operating Line**"). The Operating Line has been closed by CIBC and has been paid in full;
 - (b) CIBC account in the name of CEC;
 - (c) CIBC account in the name of D3; and
 - (d) CIBC account in the name of Safe Roads.
38. The incoming and outgoing funds of each Applicant are kept separate and distinct from each other using the Operating Accounts. Due to the centralized nature of the Applicants' operations, and in particular, the sharing of labour and employees between the Applicants, internal invoices are issued by the applicable service providing entity within the Candesto Group, and the cost of such services is reflected in the Intercompany Balances.
39. The Operating Accounts largely operate as a self-contained cash management system (the "**Cash Management System**"). This Cash Management System provides the Applicants with the ability to efficiently and accurately track and control corporate funds and to ensure cash availability.
40. In connection with the CCAA Proceedings, the Applicants are seeking the authority to continue to operate the Cash Management System to maintain the funding and banking arrangements already in place for the operations. Amounts for certain intercompany services incurred following the filing date will be paid as contemplated in the Cash Flow Statement. The Cash Management System includes the necessary accounting controls to enable the Applicants to trace funds and ensure that all transactions are adequately documented and readily ascertainable.

F. Financial Position

41. A copy of the unaudited consolidated financial statements for CEC for the 52-week period ended January 31, 2023, as well as an internally prepared balance sheet and income statement with currency to October 31, 2023 (the "**CEC Financial Statements**") are attached hereto as **Exhibit "E"**.
42. Copies of an internally prepared balance sheet and income statement for Safe Roads with currency to October 31, 2023 (the "**D3 Financial Statements**") are attached hereto as **Exhibit "F"**. I am advised that D3 has not had formal financial statements prepared since January 2022.

43. Copies of an internally prepared balance sheet and income statement for Safe Roads with currency to October 31, 2023 (the "**Safe Roads Financial Statements**" and together with the CEC Financial Statements and D3 Financial Statements, the "**Financial Statements**") are attached hereto as **Exhibit "G"**. I am advised that Safe Roads has no historic formal financial statements.

G. Critical Suppliers

44. The Applicants are requesting permission of this Honourable Court to, with the consent of the Monitor, pay certain amounts owing for goods and services supplied to the Applicants prior to the date of the Initial Order, if in the opinion of the Applicants such payment is necessary or desirable to either avoid disruption to the operations of the Business of the Applicants or to maximize recoveries during the CCAA proceedings. The payment of such amounts will be in exceptional circumstances only.

IV. ASSETS

A. Assets

45. An unaudited balance sheet summary of the assets of the Applicants is set out in the chart below:

Assets of the Applicants as of October 31, 2023			
	CEC	D3	Safe Roads
Cash	\$ (750,544.89)	\$ 25,643.46	\$ 1,604.18
Accounts Receivable and Holdbacks	\$ 3,889,381.19	\$ 435,153.51	\$ 463,374.95
Prepaid Expenses	\$ 51,569.78	\$ 21,000.00	\$ -
Inventory	\$ 171,011.24	\$ -	\$ -
Goodwill	\$ 331,828.00	\$ -	\$ -
Fixed Assets ¹	\$ 1,880,622.50	\$ 435,891.00	\$ -
Accumulated Depreciation	\$ (794,281.99)	\$ (229,579.00)	\$ -
Total Assets	\$ 4,779,585.83	\$ 688,108.97	\$ 464,979.13

46. Since October 31, 2023, the Accounts Receivable and Holdbacks figure of CEC has been reduced to approximately \$2.7 million.

¹ Fixed Assets include automotive, heavy duty automotive, equipment, computer equipment, office equipment, buildings, land, fence, storage yard and rental equipment.

B. Material Contracts

47. The Operating Entities are parties to the following types of material contracts:

- (a) contracts relating to projects that have been partially completed or have not yet started;
 - (b) contracts for completed projects with outstanding holdbacks or receivables; and
 - (c) contracts involving the correction of deficiency work,
- (collectively, the "**Material Contracts**").

i) CEC

48. By the end of December, 2023, CEC will have four ongoing projects (the "**CEC Ongoing Projects**").

452S Project

49. By a subcontract agreement dated March 1, 2021 between CEC and PCL Construction Management Inc. ("**PCL**") (the "**452S Subcontract**"), CEC is to supply all labour, material, and equipment to complete the removal and modification of construction signage on a portion of Stoney Trail in Calgary, Alberta (the "**452S Project**"). The amount payable to CEC under the 452S Subcontract is \$533,205.00.

50. As of the date of this Affidavit, approximately 40% of the 452S Project is complete.

468N Project

51. By a subcontract agreement dated June 22, 2022 between CEC and Ledcor Highways Ltd. (the "**468N Subcontract**"), CEC agreed to provide and construct signs, guardrails and overhead signs respecting construction on Highway 2 near Leduc, Alberta (the "**468N Project**"). The amount payable under the 468N Subcontract is \$1,355,871.32.

52. As of the date of this Affidavit, approximately 30% of the 468N Project is complete.

476N Project

53. By a subcontract agreement dated November 10, 2022 between CEC and Graham Infrastructure LP ("**Graham**") (the "**476N Subcontract**"), CEC is to design, supply and install overhead sign structures at the intersection of the Queen Elizabeth II Highway and 65th Avenue interchange in Leduc, Alberta (the "**476N Project**"). The amount payable under the 476N Subcontract is \$853,539.64.

54. Work on the 476N Project is expected to start in Fall 2025.

497S Project

55. By a subcontract agreement dated March 21, 2023 between CEC and Central City Asphalt Ltd. (the "**497S Subcontract**"), CEC is to, among other things, supply and install signs and concrete bases in West of Benalto to West of Range 15, Alberta (the "**497S Project**"). The amount payable under the 497S Subcontract is \$568,973.75.
56. As of the date of this Affidavit, approximately 5% of the 497S Project is complete.

ii) **D3**

57. By the end of December, 2023, D3 will have three ongoing projects (the "**D3 Ongoing Projects**", and together with the CEC Ongoing Projects, the "**Ongoing Projects**").

498N Project

58. By a purchase order agreement dated July 5, 2023 issued by Deford Contracting Inc. to D3 (the "**498N PO**"), D3 is to remove and relocate old signage, and design and install new signage at the Rundle Parking Lot in Edmonton Alberta (the "**498N Project**"). The approximate amount payable under the 498N PO is \$10,737.30.
59. Work on the 498N Project is expected to start in Fall 2025.

424N Project

60. By a subcontract agreement dated August 16, 2019 between D3 (formerly Candesto North Inc.) and Carmacks Enterprises Ltd. (the "**Carmacks**") (the "**424N Subcontract**"), D3 is to design, supply and install 'Construction Ahead' sign structures, a three metre high Sound Wall and other overhead and roadway signs on a portion of Anthony Henday Drive in Edmonton, Alberta (the "**424N Project**"). The amount payable under the 424N Subcontract is \$2,595,479.56.
61. The 424N Project is largely complete, with approximately \$8,000.00 of work to be completed in Fall 2025.

480S Project

62. By a subcontract agreement dated April 13, 2023 between D3 and City Central Asphalt Ltd. (the "**480S Subcontract**"), D3 is to design, supply and install overhead sign structures on a stretch of Highway 11 in Alberta (the "**480S Project**"). The amount payable under the 480S Subcontract, inclusive of VAT, is \$169,119.78.
63. As of the date of this Affidavit, approximately 40% of the 480S Project is complete.

V. LIABILITIES

A. Secured Indebtedness

i) 128 Inc. Promissory Note

64. CEC is indebted to 128 Inc. pursuant to a demand promissory note in the principal amount of \$2,000,000 dated January 25, 2023 (the "**Promissory Note**").
65. The Promissory Note was secured by a general security agreement dated January 25, 2023 and granted by CEC in favour of 128 Inc. (the "**128 Inc. GSA**"). Pursuant to the 128 Inc. GSA, 128 Inc. was granted a security interest in all present and after acquired personal property of CEC. 128 Inc.'s security interest granted under the 128 Inc. GSA has been perfected through the registration of a financing statement in the Alberta PPR as registration number 23040324058.
66. As at December 18, 2023 the loan balance under the Promissory Note is \$2,000,000, excluding interest and any other amounts which may continue to accrue.
67. Copies of the Promissory Note and 128 Inc. GSA are attached hereto and marked as **Exhibit "H"**.

ii) Barricades Loan

68. Each of CEC, D3 and Safe Roads are borrowers under a loan agreement dated February 22, 2023 with Barricades as lender (the "**Barricades Loan**").
69. The Barricades Loan is secured by a general security agreement dated February 22, 2023 (the "**Barricades GSA**") pursuant to which each of CEC, D3 and Safe Roads granted a security interest in and to all present and after-acquired personal and real property in favour of Barricades. Barricades' security interest in the Barricades GSA has been perfected through the registration of a financing statement in the Alberta PPR as registration number 23042131126.
70. Copies of the Barricades Loan and Barricades GSA are attached hereto and marked as **Exhibit "I"**.
71. As at December 18, 2023 the loan balance under the Barricades Loan was approximately \$2,421,327.74.

B. Other Secured Obligations – including vehicle and equipment leases

72. I am advised by Jeffrey Oliver of Cassels, Brock & Blackwell LLP ("**Cassels**"), counsel to the Applicants, that ATB Financial ("**ATB**") has a registered an "all present and after acquired property" registration ("**All PAP**") in the Alberta PPR as against CEC. To the best of my knowledge, there is no indebtedness owing to ATB and I am not aware of any prior loan or credit facility with ATB.

73. I am also advised by Mr. Oliver that CIBC has also registered an All PAP as against CEC. That registration relates to the Operating Line, which has been paid in full, and no other obligations are outstanding to CIBC.
74. Attached hereto as **Exhibit "J"** are the search results for the searches performed against each of the Applicants under the *Personal Property Security Act* ("**PPSA**") in Alberta dated December 11, 2023 (the "**PPSA Searches**").
75. As set out in the PPSA Searches, Kubota Canada Ltd. and CWB National Leasing Inc. have registrations in the Alberta PPR against CEC in relation to equipment and/or vehicle leases respecting various serial numbered goods.

C. Bond Obligations

76. Many of the larger projects on which the Operating Entities have contracts require that CEC and D3 obtain either labour and material or performance bonds. To facilitate the ongoing issuance of such bonds with Trisura (as surety), as noted above in paragraph 10, CEC, D3, Safe Roads, 196 Inc., Barricades and Batavi (as Indemnitors) are parties to an Indemnity Agreement in favour of Trisura (as surety), dated July 22, 2022. A copy of the Indemnity Agreement is attached hereto and marked as **Exhibit "K"**.
77. The Operating Entities have bond obligations in relation to the Material Contracts, summarized as follows:

Project No.	Type	Bond No.	Principal	Surety	Obligee	Bond Amount (\$)
421S	Performance	TCS0262072	CEC	TGIC	EllisDon Construction Services Inc.	3,944,852
	Labour & Material Payment					
439S	Performance	TCS0262115	CEC	TGIC	Volker Stevin Construction Ltd.	238,045
479S	Performance	TCS0262341	CEC	TGIC	Central City Asphalt Ltd.	207,259
	Labour & Material Payment					
424N	Performance	TCS0262061	D3	TGIC	Carmacks Enterprises Ltd.	4,612,552
	Labour & Material Payment					
434S	Performance	TCS0262152	CEC	TGIC	Volker Stevin Contracting Ltd.	338,487

Project No.	Type	Bond No.	Principal	Surety	Obligee	Bond Amount (\$)
436N	Performance	TCS0262116	D3	TGIC	Lafarge Canada Inc.	760,250
460S	Performance	TCS0262251	CEC	TGIC	Calgary Safelink Partners	3,679,459
	Labour & Material Payment					
476N	Fast Track Subcontract Performance	TCS0262340	CEC	TGIC	Graham Infrastructure LP	840,926
	Labour & Material Payment					

78. Copies of the bonds described above are attached hereto and marked as **Exhibit "L"**. Due to records transition issues, the Applicants are currently unable to locate executed copies of the bonds for projects 421S, 452S, 468N and 444N.

D. Leases

79. The Applicants currently operate out of two leased premises, as more particularly described below:
- (a) D3 is the lessee under a lease agreement with 1624731 Alberta Ltd. as lessor dated April 1, 2023 (the "**Edmonton Lease**") for yard, warehouse and office space in Edmonton, Alberta (the "**Edmonton Site**"). Under the Edmonton Lease, rent is payable in the amount of \$10,500 (inclusive of GST) monthly until March 31, 2024, after which such rent payable shall increase. The Edmonton Lease expires on March 31, 2026; and
 - (b) D3 is the lessee under a lease agreement with 803702 Alberta Ltd. as lessor dated October 1, 2023 in Crossfield, Alberta (the "**Crossfield Lease**"). Under the Crossfield Lease, rent is payable monthly in the amount of \$5,250, excluding utilities and other Additional Rent amount (as defined in the Crossfield Lease) that are payable under the Crossfield Lease. The leased premises include a gravelled yard with a portable office space (the "**Crossfield Premises**") and together with the Edmonton Premises, the "**Premises**"). The Crossfield Lease expires on March 31, 2024.
80. CEC's use of the Premises is recorded as an intercompany transaction. The Applicants' management team operates out of the Edmonton Premises, and equipment is stored at both of the Premises when it is not in use at a job site.

E. Potential Priority Amounts

81. The Applicants are current on all source deductions, GST, employee wages and vacation pay. The Applicants are not aware of any deemed trust claims or other priority claims that will be subordinated or prejudiced by the Proposed Priority Charges.

F. Unsecured Indebtedness

82. The unsecured indebtedness of the Applicants relates to the Intercompany Balances and accounts payable to various contractual counterparties and vendors. Excluding the Intercompany Balances, as of the date of this Affidavit, CEC owes approximately \$3,420,643.45 to 85 unsecured creditors and D3 owes approximately \$456,432.66 to seven unsecured creditors. Safe Roads does not have any unsecured indebtedness outside of the Intercompany Balances.
83. The most significant unsecured creditor is Nova Pole International Inc., with approximately \$2,341,543.18 owing by the Operating Entities.

VI. CHALLENGES AND CAUSES OF INSOLVENCY

84. The road safety and construction business is always challenging, however, certain market and operational conditions have resulted in CEC and D3 being unable to consistently perform projects on a profitable basis. In particular, in instances where there has been significant inflation during the period after which a contract is priced versus when it is performed, the cost of materials and labour ends up costing far more than was estimated. As CEC and D3 are under fixed price contracts, they are often unable to recover such amounts from their customers and are instead forced to incur a loss. These losses were a result, among others, of the substantive time between Applicants' quoting for projects and actual performance, especially in projects which spanned over several years without reflecting the rising input costs. Further, CEC and D3 have also in some instances underestimated the labour and materials required to complete certain contracts, which also resulted in significant losses. The Operating Entities' work on the contracts was also impacted by delays in procuring the required materials which were largely imported from overseas.
85. The Applicants' business is facing these unprecedented challenges as a result, among others, of the COVID-19 global pandemic and the related supply chain disruptions and lockdowns, subsequent inflationary pressures and interest rate increases. This led to significant financial pressure as well as issues with quality control for the Applicants who were faced with looming and compounding delinquent payments. These issues were exacerbated by the Applicants' poor record keeping and the previous managements' failure to disclose material issues in the entities. The Applicants, therefore, significantly fell short in meeting contract deadlines for the projects.

86. Based upon analysis performed by the Proposed Monitor, bonded projects of the Operating Entities that are either complete and awaiting payment or which are in progress are in an aggregate deficit position of approximately \$2.2 million. Unbonded contracts at a similar stage are in an aggregate deficit position of \$621,000, for a total combined bonded/unbonded project loss of approximately \$2.8 million. The contract with the Calgary Safelink Partners consortium for the Ring Road Project makes up the largest portion of such losses, totalling approximately \$1.6 million.
87. These losses have resulted in the Applicants having considerable liquidity challenges. Based on estimates of the Proposed Monitor effective December 31, 2023, on the Operating Entities' bonded projects, the Operating Entities will have accounts payable of approximately \$4.1 million, on which there are only offsetting receivables of approximately \$1.05 million and holdbacks of approximately \$875,000. On bonded and unbonded projects combined, the Operating Entities will owe payables of approximately \$5.6 million, with offsetting receivables of approximately \$1.67 million and holdbacks of \$188,000. The Applicants do not have the liquidity to pay the shortfall of approximately \$3.7 million in payables on such projects, which are now either due or coming due.
88. Certain vendors and suppliers have been expressing concern and frustration with the lack of payment of such payables, and have begun to contact the applicable general contractor to request payment from them directly. If that were to occur, the Operating Entities would then not have the benefit of such liquidity. I am concerned that without the benefit of a stay of proceedings, as news of the Applicants financial challenges spreads, other stakeholders will take similar self-help remedies.
89. In light of the foregoing, the Applicants are of the view that they are unable to continue in active business and wish to wind up their affairs in an orderly fashion.

VII. CCAA PROCEEDINGS AND RELIEF SOUGHT

A. The Applicability of the CCAA

90. The Applicants are companies to which the CCAA applies as they have liabilities in excess of \$5,000,000. The Board of Directors of each of the Applicants has resolved to authorize the within CCAA Proceedings.
91. As at December 18, 2023, the Applicants are indebted to various creditors (secured and unsecured) in the approximate amounts set out below:
- (a) CEC – \$9,308,905.90
 - (b) D3 – \$1,183,716.71
 - (c) Safe Roads – \$1,130,258.00

92. In light of the pending liquidity issues facing the Applicants and due to the fact that the Applicants' assets are less than their liabilities, the Applicants are insolvent and cannot meet their obligations generally as they become due.
93. The Applicants' current plan while under CCAA protection involves, among other things, the continuation of the measures described above as well as efforts to:
- (a) stabilize the Applicants' operations;
 - (b) determine which contracts the Applicants wish to continue to perform. For such contracts, the Applicants intend to provide comfort to the Candesto Group's stakeholders of the group's ability to continue operating in the short term as a going concern;
 - (c) manage the Applicants' short-term liquidity challenges;
 - (d) engage in discussions with Trisura with respect to Applicants' plans for the bonded projects, which may include such projects being assumed by an affiliate of the Applicants in order to minimize the financial exposure to members of the Candesto Group under the Indemnity Agreement; and
 - (e) plan and implement an orderly winddown of the Applicants' business and affairs, including the orderly sale of the Applicants' equipment and assets.

B. Cash Flow Forecast

94. I understand that a projected consolidated cash flow statement for the Applicants for the 13-week period commencing December 20, 2023 and ending March 15, 2024 (the "**Cash Flow Statement**") will be attached to the pre-filing report of the Proposed Monitor.
95. I understand that the Cash Flow Statement has been prepared with the assistance of the Proposed Monitor and is accompanied by the prescribed representations in accordance with the CCAA.
96. The Cash Flow Statement reflects that, subject to obtaining the relief sought as part of the Originating Application for the Initial Order and the ARIO, the Applicants will require interim financing to fund their ongoing operations until at least March of 2024.

C. Stay of Proceedings under the CCAA

97. The Applicants require a broad stay of proceedings to prevent enforcement actions against the Applicants by, among others, contractual counter parties, including Trisura, and to allow the Applicants to wind down their operations with a view to maximizing value for their creditors and other stakeholders.

98. The CCAA Proceedings contemplated herein are intended to be as brief as possible. The winter is the slowest time of the year for construction, and as noted above, the Applicants have now ceased bidding on new contracts, which will hopefully simplify and shorten the proceedings. However, a stay of proceedings remains necessary to ensure that creditors do not exercise self help remedies and to provide the Applicants with the opportunity to negotiate certain elements of their cessation of active business with their stakeholders. As noted above, the Applicants are particularly interested in negotiating a potential transaction in which the obligations owed by the Operating Entities associated with certain bonded projects are assumed in another Candesto Group entity. If that occurs quickly, the Applicants intend to bring an application to approve such a transaction as soon as possible in 2024.
99. The stay of proceedings is intended to stabilize and preserve the value of the Applicants and provide the Applicants with breathing room to undergo this process effectively and efficiently.

D. Additional Stay of Proceedings

100. The Applicants are also seeking to have limited stays of proceeding extended to:
- (a) the Indemnitors with respect to any claim that relates to any obligations of the Indemnitors under the Indemnity Agreement (the "**Indemnitor Stay**"); and
 - (b) Batavi with respect to any claim that relates to any obligations of Batavi under the Pledge Agreement provided in the SPA (the "**SPA Stay**").

i) The Indemnitor Stay

101. Pursuant to the Indemnity Agreement, the Indemnitors agreed to indemnify Trisura as against all losses, charges, expenses, costs and other liabilities with respect to the bond obligations owed by the Applicants. By the terms of the Indemnity Agreement, the Indemnitors agreed to perform all of the conditions of each bonded and unbonded contract.
102. As noted above, certain elements of the Applicants' operations are reliant upon services being provided by other members of the Candesto Group who are not Applicants, including Barricades (who is an Indemnitor). I am concerned that if Trisura were to commence legal proceedings or otherwise enforce upon its rights as against the Indemnitors (including Barricades), the operations of the Applicants will be negatively impacted through a potential interruption to the provision of shared services between Barricades and the Applicants. Further, with respect to 196 and Batavi, any actions undertaken by Trisura may threaten the ability of the Applicants to wind down their operations in an orderly fashion through the distraction of shared directors and management in responding to Trisura.

103. Further, pursuant to paragraph 15 of the Indemnity Agreement, upon an event of default Trisura is authorized to, among other things, "...instruct any...owners under any Unbonded Contracts, to withhold further payment to any Indemnitor or other period who is a party to the relevant Contract(s)." The Indemnity Agreement defines an "Unbonded Contract" as a "...Contract to which any Indemnitor is a party and in respect of which, as at the time in question, there is no Bond in force, whether or not any Bond(s) have previously been issued in respect thereof, and whether or not any bond has been issued in respect thereof by any other surety." I am concerned that without the benefit of a stay of proceedings, Trisura may attempt to effectively pursue recovery from any contractual counterparty of the Indemnitors (including Barricades) for its perceived exposure under the Indemnity Agreement. This would cause significant disruption and harm to the Indemnitors, and could result in a chaotic and uncontrolled winddown of the Applicants.
104. The Applicants and Indemnitors will diligently pursue negotiations with Trisura in order to ensure that their financial exposure under the Indemnity Agreement is mitigated and, subject to the outcome of successful negotiations, directly assumed by one of the other members of the Candesto Group in a more orderly and consensual fashion than would occur through Trisura directly enforcing its rights under the Indemnity Agreement.
105. I verily believe that Trisura will not be materially prejudiced through this request, as the number of Material Contracts that are subject to bonds are greatly reduced during the winter season; the Applicants are not seeking to permanently alter Trisura's rights under the Indemnity Agreement; and the Proposed Monitor will provide transparency and oversight to this Court and Trisura with respect to the Applicants' operations. Further, the Applicants are intending to return to Court on this matter in mid-January. With the benefit of further notice, Trisura will be entitled to apply to set such a stay aside, should it choose to.
106. The Applicants are accordingly seeking to stay the enforcement of Trisura's rights under the Indemnity Agreement as against the Indemnitors as a necessary element of the Applicants' plans to wind down their business.

ii) The SPA Stay

107. As previously discussed, Batavi is an indemnitor under the Indemnity Agreement and holds shares in each of CEC, D3 and Safe Roads. Batavi acquired its shareholdings in each of CEC, D3 and Safe Roads through the SPA between Batavi, VAC Ltd. and Bokenfohr. A copy of the SPA, including the Pledge Agreement, is attached hereto as **Exhibit "M"**.
108. Pursuant to the terms of the SPA, Batavi agreed to purchase all of the shares held by VAC Ltd. and Bokenfohr in each of CEC, D3 and Safe Roads for a total purchase price of \$750,000 payable as follows:

- (a) \$125,000 payable on the closing date; and
 - (b) \$125,000 payable per annum on each of the first, second, third, fourth and fifth anniversary of the closing date.
109. The Pledge Agreement was granted concurrently with the SPA and is intended to secure payment under the SPA, in the manner set out above. As at the date of this Affidavit and due to the dispute described below, Batavi has only paid a total of \$125,000 under the SPA.
110. A dispute has arisen between Batavi, VAC Ltd. and Bokenfohr arising out of the SPA. Amongst other things, I am of the view that a number of items in the SPA were either misrepresented by VAC Ltd. and Bokenfohr, or were not disclosed. As a result of that dispute, Batavi has not made the most recent payment to VAC Ltd. and Bokenfohr under the SPA, which payment was due on January 31, 2023.
111. Section 2.5 of the SPA provides that upon a payment default, VAC Ltd. and Bokenfohr (as "**Vendor**") may give notice to Batavi and the Corporations (as such term is defined in the SPA) of the default, and if such default is not fully rectified within 90 days of notice, "all amounts set out in [the SPA] and in the aforesaid consulting agreement shall be immediately due and payable and the Vendor may proceed to exercise those rights set out in [the Pledge Agreement]."
112. I am concerned that without the benefit of the SPA Stay, VAC Ltd. or Bokenfohr could enforce their rights under the Pledge as a result of this alleged default, which could result in the shares of the Applicants being controlled again by those parties. This could cause a significant disruption to the Applicants' efforts to achieve a successful outcome in this proceeding (including the Indemnitors), and cause prejudice to 196 Ltd., 128 Inc. and the Indemnitors.

E. The Monitor

113. The Applicants seek the appointment of A&M as the Monitor. A&M has consented to act as the Monitor of the Applicants in the within proceedings, subject to Court approval. Attached hereto and marked as **Exhibit "N"** is a copy of the consent from A&M to act as Monitor.
114. I am advised by Orest Konowalchuk, Managing Director with A&M that A&M is a licensed insolvency trustee within the meaning of Section 2 of the BIA and is not subject to any of the restrictions on who may be appointed as Monitor set out in Section 11.7(2) of the CCAA.
115. A&M was retained by 128 Inc. as its financial advisor in April, 2023 and has worked with the Applicants since then in the event that it became necessary to commence CCAA proceedings. Since that time, A&M has assisted in preparing the Cash Flow Statement and has participated in strategic discussions regarding the Applicants' financial and liquidity position, available options and the relief requested by the Applicants in connection with these CCAA Proceedings.

F. Administration Charge

116. The Applicants are seeking a charge on the property of the Applicants (collectively, the "**Property**"), in priority to all other charges, in the maximum amount of \$500,000.00 (the "**Administration Charge**") to secure the fees and disbursements of the Monitor, counsel to the Monitor, and counsel to the Applicants, in each case incurred in connection with services rendered to the Applicants both before and after the commencement of these CCAA Proceedings.
117. It is important to the success of the CCAA Proceedings to have the Administration Charge in place to ensure the continued involvement of these insolvency professionals and their fees and disbursements being secured.
118. The Applicants have worked with the Proposed Monitor and the other professionals to estimate the proposed quantum of the Administration Charge.

G. Directors and Officers Stay and Charge

119. As noted previously, the Applicants are seeking to stay all proceedings against the former, current or future directors and officers of the Applicants (collectively, the "**D&Os**") with respect to all claims against such D&Os that relate to any obligations of the applicable Applicant, whereby such D&Os are alleged under any law to be liable in their capacity as directors and/or officers of the applicable Applicant for the payment or performance of such obligation.
120. I understand that in certain circumstances directors can be held liable for certain obligations of a company, including those owing to employees and government entities.
121. The D&Os will be critical in providing assistance, historical knowledge and experience throughout the CCAA Proceedings, which will be essential to the efforts of the Applicants and the overall success of these CCAA Proceedings.
122. The D&Os have indicated that, due to the risk of personal exposure associated with the aforementioned liabilities, they will not continue their service with the Applicants during the post-filing period unless the Initial Order grants charges on the Property in a sufficient amount (the "**D&O Charge**").
123. The D&O Charge is required to ensure that the directors and officers of the Applicants will continue to serve in such capacity and have assurance that they are appropriately indemnified for liabilities which may be incurred by the Applicants during these proceedings and for which they may be personally liable.
124. The D&Os have significant knowledge of the Business to guide the Applicants through this proceeding that cannot be easily replaced. The continued involvement of the D&Os is integral to

minimize disruption to the Business during these proceedings. Without these individuals, the Applicants' operations may be required to be discontinued, which will impair value to the detriment of the Applicants and their stakeholders, including employees, creditors and customers.

125. The D&Os do not have the benefit of any insurance policies in respect of their potential liability. The directors and officers have expressed their need for certainty with respect to potential liability if they continue in their current capacities in the context of these CCAA proceedings.
126. The Applicants are seeking a D&O Charge in the maximum amount of \$50,000.00. The amount of the D&O Charge has been calculated in consultation with the Proposed Monitor based on the estimated exposure of the D&Os.
127. The proposed D&O Charge will rank in accordance with the priority set out in paragraph 39 of the Initial Order.
128. The D&O Charge will allow the Applicants to continue to benefit from the expertise and knowledge of the D&Os. The Applicants believe that the D&O Charge is reasonable in the circumstances. I understand the Proposed Monitor is supportive of the D&O Charge and its quantum.

H. Approval of the Interim Financing and the Interim Lender's Charge

129. As appears from the Cash Flow Forecast, the Applicants expect the need for interim financing to fund these CCAA Proceedings by the week ending January 5, 2024.
130. As a result of needing financing to fund the operations of the Applicants during these CCAA Proceedings in short order, the Applicants are in the midst of negotiations with a potential interim lender to provide debtor-in-possession financing.
131. As at the date of swearing this Affidavit, the Applicants and a potential Interim Lender are negotiating the terms of the Interim Financing. I am advised by Jeffrey Oliver, counsel to the Applicants, that a copy of the Term Sheet will be provided to this Court and interested parties once finalized.
132. The proposed Initial Order contemplates that the Interim Lender's Charge will rank subordinate to the Administration Charge, but in priority to the Director's Charge.
133. The Interim Lender's Charge will secure all of the credit advanced under the Interim Lending Facility. The Interim Lender's Charge will not secure any obligations incurred prior to these CCAA Proceedings. While I anticipate the Term Sheet will contemplate interim financing for an amount of approximately \$1,300,000, the Interim Lender's Charge being sought at the outset of this matter will only be \$450,000, and is intended to ensure that the Applicants have sufficient liquidity and cushion until the next anticipated hearing in January of 2024. I anticipate that an application to

increase the amount of the Interim Lender's Charge will then be brought at that time, on notice to all interested parties.

134. The Proposed Monitor and the Applicants' secured creditors (128 Inc. and Barricades) have advised that they are supportive of the approval of the Term Sheet and the corresponding Interim Lender's Charge.


I. Payment to Critical Suppliers

135. As discussed above, the Applicants are requesting permission of this Honourable Court to pay certain amounts owing for goods and services supplied to the Applicants prior to the date of the Initial Order, with the consent of the Monitor. The payment of such amounts will be in exceptional circumstances only.

J. Concurrent Granting of the Initial Order and ARIQ

136. I am advised by Jeffrey Oliver of Cassels that the Alberta Court of King's Bench - Commercial List is not sitting between December 23, 2023 and January 8, 2024, which is the holiday season. The Applicants are therefore seeking an extension of the Stay Period to January 12, 2024.
137. I swear this affidavit in support of the relief sought by the Applicants and for no improper purpose.

SWORN BEFORE ME at the City of Calgary, in the)
Province of Alberta, this 18th day of December, 2023)



Commissioner for Oaths/Notary Public in and for)
Alberta)




JAN VAN BRUGGEN

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

THIS IS EXHIBIT "A"
referred to in the Affidavit of

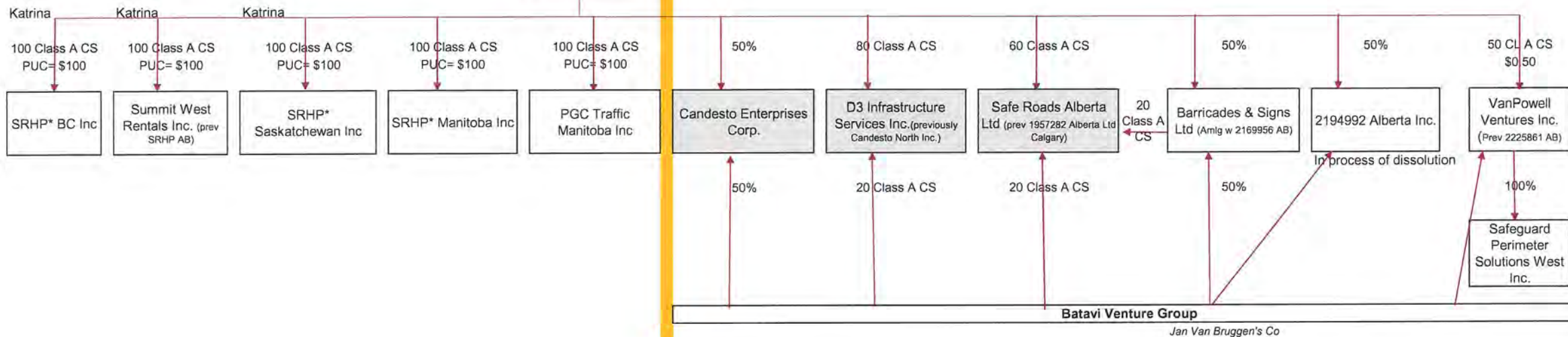
Jan van Bruggen

Sworn before me this 18th
Day of December, 2023


A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

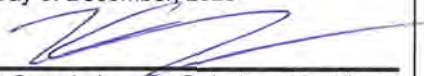
* SRHP = Safe Roads Highway Products



THIS IS EXHIBIT "B"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023


A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/01
Time of Search: 02:42 PM
Service Request Number: 40998759
Customer Reference Number: 04999936-11111267

Corporate Access Number: 2019351200
Business Number: 763779295
Legal Entity Name: CANDESTO ENTERPRISES CORP.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
1935120 ALBERTA LTD.	2016/11/22

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2015/11/26 YYYY/MM/DD

Registered Office:

Street: 2205-500 4 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2V6

Records Address:

Street: 2205-500 4 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2V6

Email Address: CORPORATESERVICES@POWELL.CA

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
TILLEMANN	RYAN		ALLISON ASSOCIATES	2205-500 4 AVE SW	CALGARY	ALBERTA	T2P2V8	JENNY@CARDESTO.CA

Directors:

Last Name: POWELL
First Name: MATTHEW
Street/Box Number: 1766 VANDORF SIDEROAD
City: AURORA
Province: ONTARIO
Postal Code: L4G7B9

Last Name: VAN BRUGGEN
First Name: JAN
Street/Box Number: 29 JACOBS CLOSE
City: ST. ALBERT
Province: ALBERTA
Postal Code: T8N7S4

Voting Shareholders:

Legal Entity Name: 1964740 ALBERTA INC.
Corporate Access Number: 2019647409
Street: 25213 HWY. 37
City: STURGEON COUNTY
Province: ALBERTA
Postal Code: T8T0G4
Percent Of Voting Shares: 50

Legal Entity Name: BATAVI VENTURE GROUP INC.
Corporate Access Number: 2015098672
Street: 29 JACOBS CLOSE
City: ST. ALBERT
Province: ALBERTA
Postal Code: T8N7S4
Percent Of Voting Shares: 50

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A"
Share Transfers Restrictions: SEE SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: N/A
Business Restricted From: N/A

Other Provisions: SEE SCHEDULE "C"

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2023/03/17

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2015/11/26	Incorporate Alberta Corporation
2016/09/27	Name/Structure Change Alberta Corporation
2016/11/22	Name Change Alberta Corporation
2020/02/22	Update BN
2022/08/05	Change Director / Shareholder
2022/08/05	Change Address
2022/08/05	Change Agent for Service
2023/03/17	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2015/11/26
Restrictions on Share Transfers	ELECTRONIC	2015/11/26
Other Rules or Provisions	ELECTRONIC	2015/11/26
Share Structure	ELECTRONIC	2016/09/27
Shares in Series	ELECTRONIC	2016/09/27
Restrictions on Share Transfers	ELECTRONIC	2016/09/27
Other Rules or Provisions	ELECTRONIC	2016/09/27

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "C"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023



A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/01
Time of Search: 02:42 PM
Service Request Number: 40998772
Customer Reference Number: 04999935-11111266

Corporate Access Number: 2020337446
Business Number: 720910520
Legal Entity Name: D3 INFRASTRUCTURE SERVICES INC.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
CANDESTO NORTH INC.	2023/03/17

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2017/03/30 YYYY/MM/DD
Date of Last Status Change: 2019/05/07 YYYY/MM/DD

Registered Office:

Street: 25213 HWY 37
City: STURGEON COUNTY
Province: ALBERTA
Postal Code: T8T0G4

Records Address:

Street: 25213 HWY 37
City: STURGEON COUNTY
Province: ALBERTA
Postal Code: T8T0G4

Email Address: CORPORATESERVICES@POWELL.CA

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
TILLEMANN	RYAN		ALLISON ASSOCIATES	2205-500 4 AVE SW	CALGARY	ALBERTA	T2P2V8	JENNY@CARDESTO.CA

Directors:

Last Name: POWELL
First Name: MATTHEW
Middle Name: DWIGHT
Street/Box Number: 1766 VANDORF SIDEROAD
City: AURORA
Province: ONTARIO
Postal Code: L4G7B9

Last Name: POWELL
First Name: WILLIAM
Middle Name: FRANCIS
Street/Box Number: 96 KENNEDY ST. WEST
City: AURORA
Province: ONTARIO
Postal Code: L4G2L7

Last Name: VAN BRUGGEN
First Name: JAN
Street/Box Number: 29 JACOBS CLOSE
City: ST. ALBERT
Province: ALBERTA
Postal Code: T8N7S4

Voting Shareholders:

Legal Entity Name: 1964740 ALBERTA INC.
Corporate Access Number: 2019647409
Street: 25213 HWY. 37
City: STURGEON COUNTY
Province: ALBERTA
Postal Code: T8T0G4
Percent Of Voting Shares: 80

Legal Entity Name: BATAVI VENTURE GROUP INC.
Corporate Access Number: 2015098672
Street: 29 JACOBS CLOSE
City: ST. ALBERT
Province: ALBERTA
Postal Code: T8N7S4
Percent Of Voting Shares: 20

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2023/03/17

Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2017/03/30	Incorporate Alberta Corporation
2019/05/02	Status Changed to Start for Failure to File Annual Returns
2020/02/22	Update BN
2022/08/05	Change Address
2022/08/05	Change Agent for Service
2022/08/05	Change Director / Shareholder
2023/03/17	Name Change Alberta Corporation
2023/03/17	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2017/03/30
Restrictions on Share Transfers	ELECTRONIC	2017/03/30
Other Rules or Provisions	ELECTRONIC	2017/03/30

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate


reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "D"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023


A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/01
Time of Search: 02:42 PM
Service Request Number: 40998753
Customer Reference Number: 04999933-11111264

Corporate Access Number: 2019572821
Business Number: 778842294
Legal Entity Name: SAFE ROADS ALBERTA LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
1957282 ALBERTA LTD.	2019/03/04

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2016/03/16 YYYY/MM/DD

Registered Office:

Street: 2205-500 4 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2V6

Records Address:

Street: 2205-500 4 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2V6

Email Address: KATHY@ALLISON-ASSOCIATES.CA

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
ALLISON	DOUGLAS		D. ALLISON PROFESSIONAL LAW CORPORATION	2205, 500 - 4 AVE SW	CALGARY	ALBERTA	T2P2V6	KATHY@ALLISON- ASSOCIATES.CA

Directors:

Last Name: POWELL
First Name: MATTHEW
Street/Box Number: 1766 VANDORF SIDEROAD
City: AURORA
Province: ONTARIO
Postal Code: L4G7B9

Last Name: VAN BRUGGEN
First Name: JAN
Street/Box Number: 29 JACOBS CLOSE
City: ST. ALBERT
Province: ALBERTA
Postal Code: T8N7S4

Voting Shareholders:

Legal Entity Name: 1964740 ALBERTA INC.
Corporate Access Number: 2019647409
Street: 25213 HWY. 37
City: STURGEON COUNTY
Province: ALBERTA
Postal Code: T8T0G4
Percent Of Voting Shares: 60

Legal Entity Name: 411850 ALBERTA LTD.
Corporate Access Number: 204118509
Street: 1500, 205-5TH AVENUE S.W. LMC LAW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2V7
Percent Of Voting Shares: 20

Legal Entity Name: BARRICADES AND SIGNS LTD.
Corporate Access Number: 2021836727
Street: 2205, 500 4TH AVENUE SW- TILLEMANN LAW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2V6
Percent Of Voting Shares: 20

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE

Share Transfers Restrictions: SHARE TRANSFERS SHALL BE SUBJECT TO THE TERMS OF ANY UNANIMOUS SHAREHOLDERS AGREEMENT AND SUBJECT TO THE APPROVAL OF THE BOARD OF DIRECTORS.

Min Number Of Directors: 1

Max Number Of Directors: 12

Business Restricted To: THERE ARE NO RESTRICTIONS ON THE BUSINESS THE CORPORATION MAY CARRY ON.

Business Restricted From: THERE ARE NO RESTRICTIONS ON THE BUSINESS THE CORPORATION MAY CARRY ON.

Other Provisions: THE LIABILITY OF THE MEMBERS IS LIMITED.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/05/25

Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2016/03/16	Incorporate Alberta Corporation
2019/01/08	Name/Structure Change Alberta Corporation
2019/03/04	Name Change Alberta Corporation
2020/02/22	Update BN
2022/05/25	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2022/08/05	Change Director / Shareholder
2022/08/05	Change Address
2022/08/05	Change Agent for Service

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
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Share Structure	ELECTRONIC	2019/01/08
---------------------------------	------------	------------


The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "E"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023


A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

Candesto Enterprises Corp
Balance Sheet at October 31, 2023

Account	Balance
Assets	
Current Assets	
Cash	(750,544.89)
Accounts Receivable	3,889,381.19
Prepaid Expenses	51,569.78
Inventory	171,011.24
Total Current Assets	3,361,417.32
Fixed Assets	
Fixed Assets	1,880,622.50
Accumulated Depreciation	(794,281.99)
Goodwill	331,828.00
Total Fixed Assets	1,418,168.51
Total Assets	4,779,585.83
Liabilities	
Current Liabilities	9,333,088.16
Payroll Liabilities	(76,178.70)
Long Term Liabilities	218,305.52
Total Liabilities	9,475,214.98
Equity	
Stock	1,750,200.00
Retained Earnings	(6,445,829.15)
Distributions to Shareholders	-
Total Equity	(4,695,629.15)
Total Liabilities & Equity	4,779,585.83

Candesto Enterprises Corp
YTD Income Statement for period Feb 1-Oct 31, 2023

Account	Balance
Income	
Income, Services	7,263,094.03
Income, Product Sales	-
Miscellaneous Revenue	51,567.00
Income, Interest	273.94
Covid and Grants	-
Gains and Losses	-
Total Income	7,314,934.97
Cost of Goods Sold	
Labour	2,005,787.79
Sub-Contractors	1,098,993.14
Materials	4,950,314.34
Equipment, Insurance and Other Costs	452,200.41
Total Cost of Goods Sold	8,507,295.68
Gross Profit	(1,192,360.71)
Expense	
Selling Expense	7,475.10
Personnel Expenses	416,525.58
Automotive Expenses	397,417.67
Administrative Expenses	103,200.00
Professional Expenses	79,559.27
Insurance Expense	62,831.18
Utilities Expense	15,137.18
Travel Expense	3,942.69
Accomodations	10,616.66
Meals and Entertainment	25,816.85
Other Operating Expenses	5,328.87
Total Expense	1,127,850.56
EBITDA	(2,320,211.27)
Other Income	4,155.00
Depreciation	246,443.00
Interest	61,915.62
Income Taxes	-
Total Interest, Income Taxes, Extraordinary Items	312,513.62
Net Income	2,632,725.00

CANDESTO ENTERPRISES CORP.

Compiled Financial Information

Year Ended January 31, 2023

CULHAM+
ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Rayin Culham & Associates, Professional Corporation



COMPILATION ENGAGEMENT REPORT

To the Management of Candesto Enterprises Corp.

On the basis of information provided by management, we have compiled the balance sheet of Candesto Enterprises Corp. as at January 31, 2023 and the statement of loss and deficit for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We have not performed an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Edmonton, Alberta
November 6, 2023

Kevin Culham & Associates
Professional Corporation.
CHARTERED PROFESSIONAL ACCOUNTANTS

CULHAM+
ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Kevin Culham & Associates Professional Corporation

CANDESTO ENTERPRISES CORP.**Balance Sheet****January 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash	\$ -	\$ 36,091
Accounts receivable	3,096,138	1,336,195
Inventory	31,560	1,247,929
Income taxes recoverable	1	2,423
Prepaid expenses	13,621	12,536
	3,141,320	2,635,174
EQUIPMENT <i>(Net of accumulated amortization)</i>	1,285,450	582,932
GOODWILL <i>(Net of accumulated amortization)</i>	331,828	331,828
ADVANCES TO RELATED PARTIES	529,957	229,312
	<u>\$ 5,288,555</u>	<u>\$ 3,779,246</u>
LIABILITIES AND SHAREHOLDER'S DEFICIENCY		
CURRENT		
Bank indebtedness	\$ 126,626	\$ -
Accounts payable and accrued liabilities	3,465,694	919,893
Current portion of obligations under capital lease	29,598	-
Short term debt	40,000	40,000
	3,661,918	959,893
OBLIGATIONS UNDER CAPITAL LEASE	170,163	-
ADVANCES FROM RELATED PARTIES	3,506,457	-
	<u>7,338,538</u>	<u>959,893</u>
SHAREHOLDER'S DEFICIENCY		
Share capital	1,750,200	1,750,200
Retained earnings (deficit)	(3,800,183)	1,069,153
	<u>(2,049,983)</u>	<u>2,819,353</u>
	<u>\$ 5,288,555</u>	<u>\$ 3,779,246</u>

APPROVED BY SOLE DIRECTOR

Director

CANDESTO ENTERPRISES CORP.**Statement of Loss and Deficit****Year Ended January 31, 2023**

	2023	2022
REVENUES	\$ 5,321,452	\$ 4,951,106
DIRECT COSTS		
Purchases	5,995,580	2,866,189
Direct wages	1,324,298	662,263
Trades and sub-contracts	892,383	438,596
Repairs and maintenance	250,437	150,675
Fuel and oil	180,693	89,618
Insurance and licenses	55,714	37,882
Corporate services	97,469	(75,984)
Rentals	1,796	-
	8,798,370	4,169,239
GROSS PROFIT	(3,476,918)	781,867
EXPENSES		
Salaries and wages	586,719	156,865
Amortization	244,862	155,738
Training	96,688	7,185
Travel	89,933	8,383
Professional fees	69,639	24,773
Insurance	60,565	66,923
Interest and bank charges	48,092	8,678
Rental	45,472	48,800
Vehicle	43,256	9,349
Computer software	20,384	9,497
Telephone	17,515	13,035
Advertising and promotion	17,367	235
Equipment rentals	16,634	-
Repairs and maintenance	14,912	695
Office	11,872	4,683
Business taxes, licenses and memberships	3,874	2,172
Bad debts	-	173,570
	1,387,784	690,581
INCOME (LOSS) FROM OPERATIONS	(4,864,702)	91,286
OTHER INCOME	(4,635)	60,262
INCOME (LOSS) BEFORE INCOME TAXES (RECOVERED)	(4,869,337)	151,548
INCOME TAXES (RECOVERED)	(1)	(2,422)
NET INCOME (LOSS)	(4,869,336)	153,970
RETAINED EARNINGS - BEGINNING OF YEAR	1,069,153	915,183
RETAINED EARNINGS (DEFICIT) - END OF YEAR	\$ (3,800,183)	\$ 1,069,153

CANDESTO ENTERPRISES CORP.

Notes to Financial Statements

Year Ended January 31, 2023

1. BASIS OF ACCOUNTING

The basis of accounting to be applied in the preparation of the financial information is on the historical cost basis, reflecting cash transactions with the additions of:

- Accounts receivable less an allowance for doubtful accounts;
 - Inventory accounted for at cost on a first in, first out basis;
 - Capital assets recorded at historical cost and amortized on a declining balance basis;
 - Accounts payable and accrued liabilities;
 - Current income taxes payable as at the reporting date.
-

THIS IS EXHIBIT "F"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023


A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

D3 Infrastructure Services Inc.
Balance Sheet at October 31, 2023

Account	Balance
Assets	
Current Assets	-
Cash	25,643.46
Accounts Receivable	435,153.51
Prepaid Expenses	21,000.00
Inventory	-
Total Current Assets	481,796.97
Fixed Assets	-
Fixed Assets	435,891.00
Accumulated Depreciation	(229,579.00)
Total Fixed Assets	206,312.00
Total Assets	688,108.97
Liabilities	
Current Liabilities	76,494.22
Payroll Liabilities	11,064.05
Long Term Liabilities	182,656.50
Total Liabilities	270,214.77
Equity	
Stock	100.00
Retained Earnings	417,793.86
Distributions to Shareholders	-
Total Equity	417,893.86
Total Liabilities & Equity	688,108.63

D3 Infrastructure Services Inc.
YTD Income Statement for period Feb 1-Oct 31, 2023

Account	Balance
Income	
Income, Services	661,642.29
Income, Product Sales	-
Income, Rental	-
Sales Discounts	-
Miscellaneous Revenue	382.99
Income, Interest	1,720.61
Gains and Losses	-
Total Income	663,745.89
Cost of Goods Sold	
Labour	212,690.19
Materials	81,176.92
Travel and Meals	-
Equipment, Insurance and Other Costs	17,701.30
Total Cost of Goods Sold	311,568.41
Gross Profit	352,177.48
Expense	
Selling Expense	-
Personnel Expenses	10,000.00
Automotive Expenses	18,777.09
Other Expenses	59,631.00
Administrative Expenses	1,212.97
Other Operating Expenses	2,789.51
Total Expense	92,410.57
EBITDA	259,766.91
Depreciation	57,545.00
Interest	12,084.24
Income Taxes	-
Extraordinary Items	-
Total Depreciation, Interest, Income Taxes, Extraordinary Items	69,629.24
Net Income	190,137.67

THIS IS EXHIBIT "G"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023



A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

Safe Roads Alberta Ltd.
Balance Sheet at Oct 31, 2023

Account	Balance
Assets	
Current Assets	
Cash	1,604.18
Accounts Receivable	463,374.95
Prepaid Expenses	-
Inventory	-
Total Current Assets	464,979.13
Fixed Assets	-
Fixed Assets	-
Accumulated Depreciation	-
Total Fixed Assets	-
Total Assets	464,979.13
Liabilities	
Current Liabilities	3,585.92
Payroll Liabilities	-
Long Term Liabilities	510,056.00
Total Liabilities	513,641.55
Equity	
Stock	100.00
Retained Earnings	(48,763.00)
Distributions to Shareholders	-
Total Equity	(48,663.00)
Total Liabilities & Equity	464,979.00

Safe Roads Alberta Ltd.

YTD Income Statement for period Feb 1-Oct 31, 2023

Account	Balance
Income	-
Income, Services	-
Income, Product Sales	-
Income, Rental	-
Sales Discounts	-
Miscellaneous Revenue	-
Income, Interest	-
Gains and Losses	-
Total Income	-
Cost of Goods Sold	-
Labour	-
Materials	-
Travel and Meals	-
Equipment, Insurance and Other Costs	-
Total Cost of Goods Sold	-
Gross Profit	-
Expense	-
Selling Expense	-
Personnel Expenses	-
Automotive Expenses	-
Other Expenses	-
Administrative Expenses	-
Other Operating Expenses	-
Total Expense	-
EBITDA	-
Depreciation	-
Interest	-
Income Taxes	-
Extraordinary Items	-
Total Depreciation, Interest, Income Taxes, Extraordinary Items	-
Net Income	-

THIS IS EXHIBIT "H"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023



A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

PROMISSORY NOTE

Principal: \$2,000,000.00

Due: on Demand

Interest Rate: CIBC Prime Rate Plus 0.5%

FOR VALUE RECEIVED the undersigned Candesto Enterprise Corp. (the "Payor"), acknowledges itself indebted to and unconditionally promises to pay on demand to the order of 1288078 Ontario Inc. (the "Payee") the principal sum of Two Million (\$2,000,000.00) Dollars in lawful money of Canada, with no interest thereon, pursuant to a General Security Agreement Executed January 25, 2023.

The payor acknowledges and agrees to execute a General Security Agreement which shall allow the payee to register a PPSA registration in Ontario against the Payor in favour of the Payee and shall be in first position.

The Payor shall have the privilege of prepaying the whole or any part of the principal sum, from time to time outstanding hereunder at any time and from time to time without notice, bonus or penalty.

The Payor hereby waives demand, protest and notice of maturity, non-payment or protest and any other requirements necessary to hold the Payor liable as maker of this promissory note.

The Interest under this note shall accrue and be paid from time to time on demand from the Payee

The Payor hereby waives and renounces all rights of set off, at law or in equity, that they may have against the Payee.

This promissory note shall enure to the benefit of the Payee and its successors and assigns and shall be binding upon the Payor and his heirs, executors, administrators, legal personal representatives and assigns.

The promissory note shall be governed by the laws of the Province of Ontario.

The Payee confirms that:

"I fully understand my obligation and liability respecting the contract and acknowledge receipt of copies of same. I further understand and agree with the manner in which the transaction will be completed and that I had full opportunity to obtain independent legal advice and have chosen to waive that right."

DATED at this 25th day of January 2023

Candesto Enterprise Corp.

Per:



Name:

I have the authority to bind the company

ACKNOWLEDGEMENT

The undersigned Payee hereby acknowledges the terms and conditions set out above

DATED this 25th day of January 2023

1288078 Ontario Inc.

Per:



Name: Matthew Powell

I have authority to bind the corporation

Candesto Enterprises Promissory Note Jan 2023

Final Audit Report

2023-03-31

Created:	2023-03-27
By:	Melanie Harold (mharold@powell.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAA_cYsxswFyPmXTsmw6gZRFfvPC_E5cERq

"Candesto Enterprises Promissory Note Jan 2023" History

-  Document created by Melanie Harold (mharold@powell.ca)
2023-03-27 - 3:57:33 PM GMT- IP address: 72.138.53.234
-  Document emailed to JAN VAN BRUGGEN (jb@barricadesandsigns.com) for signature
2023-03-27 - 3:59:45 PM GMT
-  Email viewed by JAN VAN BRUGGEN (jb@barricadesandsigns.com)
2023-03-27 - 4:42:39 PM GMT- IP address: 104.28.116.19
-  Document e-signed by JAN VAN BRUGGEN (jb@barricadesandsigns.com)
Signature Date: 2023-03-31 - 1:58:38 AM GMT - Time Source: server- IP address: 63.226.9.160
-  Agreement completed.
2023-03-31 - 1:58:38 AM GMT

Names and email addresses are entered into the Acrobat Sign service by Acrobat Sign users and are unverified unless otherwise noted.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made this 25th day January, 2023

BETWEEN:

1288078 Ontario Inc., a company incorporated under the laws of the Province of Ontario

(hereinafter called the "Secured Party")

OF THE FIRST PART,

- and -

Candesto Enterprises Corp., a company incorporated under the laws of the Province of Alberta
(hereinafter called the "Debtor")

OF THE SECOND PART.

WHEREAS the Secured Party and the Debtor entered into loan agreements by way of intercompany memos on January 25th, 2023 (attached hereto as Schedule "A")

AND WHEREAS the Secured Party loaned the sum of Two Million (\$2,000,000.00) Dollars.

1.0 CONSIDERATION

(1) For valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the Debtor enter into this security agreement (the "Agreement") with the Secured Party.

(2) Obligations Secured

The Security Interest (as hereinafter defined) is granted to the Secured Party by the Debtor as continuing security for the payment of all past, present and future indebtedness and for the payment and performance of all other present and future obligations of the Debtor to the Secured Party, whether direct or indirect, contingent or absolute (including obligations under this Agreement); and without limiting the generality of the foregoing, specifically including the obligations of the Debtor under any guarantee given by the Debtor to the Secured Party in respect of the obligations of any other party, and any bill of exchange issued, accepted or endorsed by the Debtor of which the Secured Party is the holder (collectively the "Obligations").

2.0 CREATION OF SECURITY INTEREST

(1) The Debtor grant, mortgage, charge, transfer, assign, create to and in favour of the Secured Party as and by way of a fixed and specific charge and as and by way of a floating charge, a security interest (the "Security Interest") in the present and future undertaking, property and assets of the Debtor and in all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), chattel paper, documents of title (whether negotiable or not), instruments, intangibles and securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

(i) Inventory - all goods now or hereafter comprising part of the inventory

of the Debtor including but not limited to goods now or hereafter held for sale or lease or furnished or to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;

- (ii) **Equipment** - all goods now or hereafter used or intended to be used in any business of the Debtor (and which are not inventory) including but not limited to fixtures, hardware, furniture, equipment, machinery, road maintenance machinery and vehicles, all spare parts, accessories installed in or affixed or attached to any of the foregoing, all vehicles and other tangible personal property, whether described hereto or not;
- (iii) **Accounts** - all accounts, debts, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor, and all claims of any kind which the Debtor now has or may hereafter have including but not limited to claims against the Crown and claims under insurance policies and accounts receivable, and all contracts, security interests and other rights and benefits in respect thereof;
- (iv) **Chattel Paper** - all chattel paper now or hereafter owned by the Debtor, all present and future agreements made between the Debtor as secured party and others which evidence back a monetary obligation and a security interest in or lease of specific goods;
- (v) **Documents of Title** - all warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, now or hereafter owned by the Debtor;
- (vi) **Documents** - with respect to the personal property described in subparagraphs (iii), (iv) and (v), all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (vii) **Securities** - all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitutes evidence of an obligation of the issuer; and including an uncertified security within the meaning of Part VI (investment securities) of the Business Corporations Act, (Ontario) and all substitutions therefor, and dividends and income derived therefrom;
- (viii) **Proceeds** - all personal property in any form derived directly or indirectly, from any dealers with collateral or subject to the Security Interest or the proceeds therefrom, and including any payment representing indemnity or compensation for loss or damage thereto or the proceeds therefrom;
- (ix) **Intangibles** - all goodwill, contract rights, patents, trade marks, copyrights and other industrial property and all other intangibles and other choses in action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing and now or hereafter owned by the Debtor;
- (x) with respect to the personal property described in subparagraphs (i) to

- (ix) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein;
- (xi) with respect to the personal property described in subparagraphs (i) to (x) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged;
- (xii) **Money** – all present and future monies of the Debtor (other than trust monies lawfully belonging to others) whether authorized or adopted by the Parliament of Canada or as part of its currency or any foreign government as part of its currency; and
- (xiii) all property described in any schedule now or hereafter annexed hereto.
- (xiv) **Vehicles** – all vehicles owned by the Debtor.

(2) The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but the Debtor agree to stand in possession of such last day in trust for any person acquiring such interest of the Debtor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, licence or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party and shall assign such agreement, right, licence or permit to the Secured Party forthwith upon obtaining the consent of the other party thereto.

(3) The terms "goods", "chattel paper", "documents of title", "instruments", "intangibles", "securities", "proceeds", "inventory", "monies" and "accessions" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A." Provided always that the term "goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., and the term "inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". In this Agreement "Collateral" shall include the proceeds thereof.

Without limiting the generality of the description of Collateral as set out in paragraph 2 hereof, for greater certainty the Collateral shall include all present and future personal property of the Debtor located on or about or in transit to or from the address of the Debtor set out on the first page of this Agreement and the location(s) set out in any schedule "B" attached hereto, and all present and future personal property of the Debtor including any of the nature or type described in schedule "A" attached hereto. The Debtor agrees to promptly inform the Secured Party in writing herein and the Debtor agrees to forthwith execute and deliver at its own expense from time to time, amendments to this Agreement or additional security agreements as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

3.0 **DEALINGS WITH COLLATERAL**

Until the occurrence of an Event of Default (as hereinafter defined) the Debtor may sell its inventory and collect its accounts in the ordinary course of business; provided that all accounts so collected shall be held by the Debtor as agent and in trust for the Secured Party and paid to the Secured Party immediately upon its request. The Debtor agrees to deposit all proceeds from the disposition of

Inventory into its ordinary operating general business bank account and to inform such bank of the Security Interest and the trust established herein attaching to the funds on such account in favour of the Secured Party; provided always that Secured Party shall have the right at any time and from time to time to confirm the existence and state of Collateral in any manner Secured Party may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as Secured Party may reasonably request in connection therewith and for such purpose to grant to Secured Party or its agents access during normal business hours to all places where Collateral may be located and to all premises occupied by Debtor.

4.0 RECEIPT OF INCOME FROM AND INTEREST ON COLLATERAL

(1) Until default, Debtor shall have the right to receive any monies constituting income from or interest on Collateral and if Secured Party receives any such monies prior to default, Secured Party shall either credit the same to the account of Debtor or pay the same promptly to Debtor.

(2) After default Debtor will not request or receive any monies constituting income from, or interest on, Collateral and if Debtor receives any such monies without any request by it, Debtor will receive the same in trust for, and promptly pay the same to, Secured Party.

5.0 INCREASES, PROFITS, PAYMENTS OR DISTRIBUTION REGARDING COLLATERAL

(1) Whether or not default has occurred, Debtor authorizes Secured Party:

- (i) to receive any increase in or profits on Collateral (other than money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of paragraph 4 hereof and dealt with accordingly; and
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.

(2) If Debtor receives any such increases or profits (other than money) or payments or distributions, Debtor will receive the same in trust for and deliver the same promptly to Secured Party to be held by Secured Party as herein provided.

6.0 SECURITIES FORMING PART OF COLLATERAL

If Collateral at any time includes securities, Debtor authorizes Secured Party to transfer the same or any part thereof into its own name so that Secured Party may appear on record as the sole owner thereof; provided that, until default, Secured Party shall deliver promptly to Debtor all notices or other communications received by it as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such securities. After default, Debtor waives all rights to receive any notices or communications received by Secured Party as such registered owner and agrees that no proxy issued by Secured Party to Debtor or its order as aforesaid shall thereafter be effective.

7.0 COLLECTION OF DEBTS FORMING PART OF COLLATERAL

Before or after default under this Agreement, Secured Party may notify all or any account Debtor (as hereinafter defined) of the Security Interest and may also direct such account Debtor to make all payments on Collateral to Secured Party. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from account Debtor after default under this Agreement, whether before

or after notification of the Security Interest to account Debtor, shall be received and held by Debtor in trust for Secured Party and shall be turned over to Secured Party upon request.

8.0 **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

Debtor represents, warrants and acknowledges that Secured Party is relying thereupon and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

(1) The Collateral is genuine and is beneficially owned by Debtor free of all security interests, mortgages, liens, claims, charges, taxes, assessments or other encumbrances, pledges (hereinafter collectively called "encumbrances"), except for the Security Interest;

(2) Each account, chattel paper and instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "account Debtor"), and the amount represented by Debtor to Secured Party from time to time as owing by each account Debtor or by all account Debtor will be the correct amount actually and unconditionally owing by such Debtor or account Debtor, except for normal cash discounts where applicable;

(3) The locations specified in Schedule "B" as to business operations and records of Debtor are accurate and complete and, with respect to goods (including inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for goods in transit to such locations and all fixtures or goods about to become fixtures which form part of the Collateral will be situate at one of such locations;

(4) The Debtor has, or will have when Collateral is acquired, the capacity, authority and the right to create mortgages and charges of, and grant a security interest in the Collateral in favour of the Secured Party and generally perform its obligation under this Agreement;

(5) This Agreement has been duly and properly authorized by all necessary action and constitutes a legal, valid and binding obligation of the Debtor; and

(6) The Collateral does not include any goods which are used or acquired by the Debtor for use primarily for personal, family or household purposes.

9.0 **COVENANTS OF DEBTOR**

So long as this Agreement remains in effect Debtor covenants and agrees:

(1) **Payment** - To pay or satisfy all Obligations when due;

(2) **Encumbrances** - To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral or any part thereof free from all encumbrances, except for the Security Interest; and except as otherwise provided herein, not to sell, exchange, transfer, assign, lease, or otherwise dispose of Collateral or any interest therein without the prior written consent of Secured Party;

(3) **Notice to Secured Party**: - To notify Secured Party promptly of:

(i) any significant change in the information contained herein or in the schedules hereto relating to Debtor, Debtor's business or Collateral;

- (ii) the details of any significant acquisition of Collateral;
- (iii) the details of any claims or litigation of a material nature affecting Debtor or Collateral;
- (iv) any material loss of or damage to Collateral;
- (v) any default by any account Debtor in payment or other performance of his obligations; and
- (vi) the return to or repossession by Debtor of Collateral.

(4) **Care of Collateral** - To keep the Collateral in good order, condition and repair (reasonable wear and tear excepted) and not to use Collateral in violation of the provisions of this Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

(5) **Further Assurances** - To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Secured Party of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(6) **Taxes and Charges** - To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable, except for such taxes, rates, levies, assessments and other charges which are being contested in good faith by proper legal proceedings and with respect to which adequate reserves have been established and are being maintained;

(7) **Insurance** - To carry insurance from financially responsible insurance companies and to maintain such insurance against fire, theft, water damage, public liability, property damage, business interruption losses and all other related risks, with loss payable to Secured Party, to cover the full insurable value of the Collateral as Secured Party may reasonably require or, in the absence of such requirement, to the extent insured against by comparable corporations engaged in comparable businesses and owning or operating similar properties, and to deliver to Secured Party copies of all policies, renewals and replacements within fifteen (15) days of their issue and delivery to Debtor, and to cause Secured Party to be named as loss payee on such policies;

(8) **Accession** - To prevent Collateral, except for inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Agreement or from becoming a fixture;

(9) **Business Activities** - To carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and the earnings, incomes, rents, issues and profits thereof and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral, at Secured Party's request, so as to indicate the Security Interest;

(10) **Deliveries** - To deliver to Secured Party from time to time promptly upon request:

- (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to Collateral;
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and

other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;

- (iii) all financial statements prepared by or for Debtor regarding Debtor's business, including aged lists of inventory and accounts;
- (iv) all policies and certificates of insurance relating to Collateral; and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as Secured Party may reasonably request.

(11) **Conformity** - To duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held.

(12) **Maintain Existence** - The Debtor shall maintain its existence and shall not change its name or amalgamate or sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party except that until an event of default as described in paragraph 10.0 occurs, the Debtor may sell or lease inventory in the ordinary course of its business.

(13) **Payment of Expenses** - To pay all expenses, including solicitors' and receivers' fees and disbursements incurred by the Secured Party or its agents (including any receiver, as hereinafter defined) in connection with the preparation, perfection, preservation and enforcement of this Agreement; including but not limited to all expenses incurred by the Secured Party or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest, all of which expenses shall be payable forthwith upon demand and shall form part of the Obligations.

Upon failure by the Debtor to perform any of the covenants described in this paragraph, the Secured Party is authorized and has the option to take possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner deemed proper by the Secured Party, without waiving any rights to enforce this Agreement. The reasonable expenses (including the cost of any insurance and payment of taxes or the charges and reasonable legal costs on a solicitor and client basis) incurred by the Secured Party in respect of the custody, preservation, use or operation of the Collateral shall be deemed advanced to the Debtor by the Secured Party, shall bear interest at the rate of twenty per cent (20%) per annum and shall be secured by this Agreement.

10.0 **EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default" or an "Event of Default":

- (1) The Debtor fails to satisfy or perform any of the Obligations when due;
- (2) The non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between Debtor and Secured Party and such failure has not been waived or cured within any applicable period of grace;
- (3) The bankruptcy or insolvency of Debtor or any guarantor of the indebtedness; the filing against Debtor or any guarantor of the indebtedness of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by Debtor or any guarantor of the indebtedness; the appointment of a

receiver or trustee for Debtor or any guarantor of the indebtedness or for any assets of Debtor or any guarantor of the indebtedness; or the institution by or against Debtor or any guarantor of the indebtedness of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;

(4) The institution by or against the Debtor or any guarantor of the indebtedness of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor or any guarantor of the indebtedness;

(5) If any encumbrance affecting Collateral becomes enforceable against Collateral;

(6) If Debtor or any guarantor of the indebtedness ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(7) If any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or any guarantor of the indebtedness or if a distress or analogous process is levied upon the assets of Debtor or any guarantor of the indebtedness or any part thereof;

(8) If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Secured Party to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or becomes incorrect in any respect at any time or proves to have omitted any substantial contingent or un-liquidated liability or claim against Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to Secured Party at or prior to the time of such execution; and

(9) If Secured Party, in good faith, believes and has commercially reasonable grounds to believe that the prospect of payment of any indebtedness or performance of the Obligations is or is about to be placed in jeopardy.

11.0 **ACCELERATION**

Secured Party, in its sole discretion, may declare all or any part of the indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default.

12.0 **REMEDIES**

(1) Upon default, if the Secured Party declares that the indebtedness shall become immediately due and payable in full, the Debtor and the Secured Party shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a Debtor and a secured party respectively under the P.P.S.A and this Agreement. Secured Party may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Secured Party or not, to be a receiver or receivers (hereinafter called a "receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any receiver so appointed and appoint another in his stead. Any such receiver shall, so far as concerns responsibility for his acts, be deemed the agent of Debtor and not Secured Party, and Secured Party shall not be in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any such receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any such

receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable him to carry on Debtor's business or otherwise as such receiver shall in his discretion determine. Except as may be otherwise directed by Secured Party, all monies received from time to time by such receiver in carrying out his appointment shall be received in trust for and paid over to Secured Party. Every such receiver may, in the discretion of Secured Party, be vested with all or any of the rights and powers of Secured Party.

(2) Upon default, Secured Party may, either directly or through its agents or nominees, exercise all the powers and rights given to a receiver by virtue of the foregoing subparagraph (1).

(3) Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Secured Party may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, at public auction, by public tender or by private sale, for such consideration and upon such terms and conditions as to Secured Party may seem reasonable.

(4) Secured Party shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute proceedings for such purposes. Furthermore, Secured Party shall have no obligation to take any steps to preserve rights against prior parties to any instrument or chattel paper, whether Collateral or proceeds, and whether or not in Secured Party's possession and shall not be liable or accountable for failure to do so.

(5) The Debtor acknowledges that Secured Party or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Secured Party or any such receiver to assemble and deliver possession of Collateral at such place or places as directed.

(6) Debtor agrees to pay all costs, charges and expenses reasonably incurred by Secured Party or any receiver appointed by it, whether directly or for services rendered (including legal costs on a solicitor and client basis and auditors' costs and receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by Secured Party or any receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(7) Unless the Collateral in question is perishable or unless Secured Party believes on reasonable grounds that the Collateral in question will decline speedily in value, Secured Party will give Debtor such notice of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the Personal Property Security Act.

13.0

STANDARDS OF SALE

Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor

acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (1) Collateral may be disposed of in whole or in part;
- (2) Collateral may be disposed of by public sale upon written notice to the Debtor following one advertisement in a newspaper having general circulation in the location of the Collateral to be sold at least seven (7) days prior to such sale;
- (3) Collateral may be disposed of by private sale after receipt by the Secured Party of two (2) written offers;
- (4) The purchaser or lessee of such Collateral may be a customer of the Secured Party; and
- (5) The disposition may be cash or credit or part cash or credit; and the Secured Party may establish a reserve in respect of all or any portion of the Collateral.

14.0 **DISPOSITION OF MONIES**

Any proceeds of any disposition of any of the Collateral may be applied by Secured Party to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including legal costs on a solicitor and client basis and any other reasonable expenses), and any balance of such proceeds may be applied by Secured Party towards the payment of the indebtedness in such order of application as Secured Party may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 12.0 hereof shall bear interest at twenty per cent (20%) per annum and shall be included as the indebtedness under this Agreement. If the disposition of the Collateral fails to satisfy the indebtedness and the expenses incurred by Secured Party, Debtor shall be liable to pay for any deficiency on demand.

15.0 **MISCELLANEOUS**

(1) Debtor hereby authorizes Secured Party to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Secured Party may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints Secured Party (or the president from time to time of Secured Party) the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(2) Upon Debtor's failure to perform any of its duties hereunder, Secured Party may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to Secured Party, forthwith upon written demand therefor, an amount equal to the expense incurred by Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at twenty per cent (20%) per annum.

(3) Secured Party may grant extensions of time and other indulgences, take and give security, accept compositions, compromise, settle, grant releases and discharges and otherwise deal with Debtor, Debtor of Debtor, sureties and others and with Collateral and other security as Secured Party may see fit without prejudice to the liability of Debtor or Secured Party's right to hold and realize the Security Interest. Furthermore, Secured Party may demand, collect and sue on Collateral in

either Debtor's or Secured Party's name, at Secured Party's option, and may endorse Debtor's name on any and all cheques, commercial paper and any other Instruments pertaining to or constituting Collateral.

(4) No delay or omission by Secured Party in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Secured Party may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(5) Debtor waives protest of any instrument constituting Collateral at any time held by Secured Party on which Debtor is in any way liable and, subject to subparagraph 15 (8) hereof, notice of any other action taken by Secured Party.

(6) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Secured Party.

(7) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(8) This Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province Ontario as the same may from time to time be in effect, including the Personal Property Security Act.

(9) Subject to the requirements of subparagraph 15(7), any notice to Debtor in connection with this Agreement shall be well and sufficiently given if sent by prepaid registered mail to or delivered to Debtor at the address set out on page one hereof or to such other address as Debtor may from time to time designate in writing to Secured Party. Any notice to Secured Party in connection with this Agreement shall be well and sufficiently given if sent by prepaid registered mail or delivered to Secured Party at the address set out on page one or to such other address as Secured Party may from time to time designate in writing to Debtor. Any such notice shall be deemed to have been given if delivered, when delivered, and if mailed, on the fourth business day following that on which it was mailed. In the event of a known interruption of postal services, any notice required or contemplated herein shall be deemed to have been delivered to Debtor only if delivered by hand to Debtor at the address specified herein or pursuant hereto and to Secured Party only if delivered by hand to Secured Party at the address specified herein or pursuant hereto.

(10) This Agreement and the Security Interest is in addition to and not in substitution for any other security now or hereafter held by Secured Party and is intended to be a continuing Agreement and shall remain in full force and effect until the indebtedness has been paid in full.

(11) In this Agreement the term "successors" shall include (and without limiting its meaning) any corporation resulting from the amalgamation of one corporation with another corporation.

(12) The headings used in this Agreement are for convenience only and are not to be considered a part of this Agreement and do not in any way limit or amplify

the terms and provisions of this Agreement.

(13) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(14) In the event any provisions of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

(15) The parties acknowledge that value has been given and the Security Interest created hereby is intended to attach when this Agreement is signed by Debtor and Debtor agrees that it is not the intention of Secured Party or Debtor to postpone the attachment of the Security Interest and accordingly, attachment, as defined in the P.P.S.A, will occur simultaneously upon the execution of this Agreement.

(16) Time shall be of the essence of this Agreement.

(17) If this Agreement has been executed by more than one Debtor, the obligations of each Debtor shall be joint and several.

(18) This Agreement, including any schedules attached hereto, constitutes the entire agreement between the Debtor and the Secured Party relating to the subject matter hereof, and no amendment shall be effective unless made in writing. There are no representations, warranties or collateral agreements in effect between the Debtor and Secured Party relating to the subject matter hereof; and possession of an executed copy of this Agreement by the Secured Party constitutes conclusive evidence that it was executed and delivered by the Debtor free of all conditions.

(19) This Agreement and the Obligations may be assigned in whole or in part by the Secured Party to any person, firm or corporation without notice or consent of the Debtor. This Agreement may not be assigned by the Debtor without the prior written consent of the Secured Party.

(20) Nothing contained in this Agreement, including the execution of same and/or the filing of a financing statement(s) shall obligate the Secured Party to make any loan to or accommodation to the Debtor or to extend the time for payment or satisfaction of any Obligations.

15.0 TERM

The Debtor and the Secured Party hereby acknowledge that the term of this Agreement shall be on demand by the Secured Party, in the event the Debtor is in default of any monies whatsoever owing to the Secured Party, then the General Security Agreement shall be considered in full force and effect and the Secured Party shall be entitled to enforce its security as found herein and the term shall continue until such time as such monies are received by the Secured Party to satisfy said debt.

16.0 ACKNOWLEDGMENTS OF DEBTOR

Debtor hereby acknowledges receipt of an executed copy of this Agreement and that the failure of Secured Party to receive full payment or satisfaction of the indebtedness through its rights and remedies herein provided shall not in any way release the Debtor who covenants to pay or satisfy any deficiency.

IN WITNESS WHEREOF this Security Agreement has been signed, sealed and delivered on the date set out above.

Candesto Enterprises Corp.



Name

I have the authority to bind the company

1288078 Ontario Inc.

Per:



Name Matthew Powell

I have the authority to bind the company

Candesto Enterprises GSA January 2023

Final Audit Report

2023-03-31

Created:	2023-03-27
By:	Melanie Harold (mharold@powell.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAARyqWt_CSGJWyEywGUU0rAv4x8DewPRj9

"Candesto Enterprises GSA January 2023" History

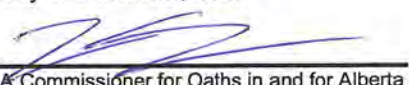
-  Document created by Melanie Harold (mharold@powell.ca)
2023-03-27 - 4:00:20 PM GMT - IP address: 72.138.53.234
-  Document emailed to JAN VAN BRUGGEN (jb@barricadesandsigns.com) for signature
2023-03-27 - 4:01:05 PM GMT
-  Email viewed by JAN VAN BRUGGEN (jb@barricadesandsigns.com)
2023-03-27 - 4:16:53 PM GMT - IP address: 104.28.116.18
-  Document e-signed by JAN VAN BRUGGEN (jb@barricadesandsigns.com)
Signature Date: 2023-03-31 - 1:59:01 AM GMT - Time Source: server- IP address: 63.226.9.160
-  Agreement completed.
2023-03-31 - 1:59:01 AM GMT

Names and email addresses are entered into the Acrobat Sign service by Acrobat Sign users and are unverified unless otherwise noted.

THIS IS EXHIBIT "I"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023


A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

LOAN AGREEMENT

February 22, 2023

Between:

BARRICADES AND SIGNS LTD., an Alberta corporation (the "Lender")

and

CANDESTO ENTERPRISES CORP., an Alberta corporation,
CANDESTO NORTH INC., an Alberta corporation, and **SAFE
ROADS ALBERTA LTD.**, an Alberta corporation (collectively,
the "Borrower")

The parties agree as follows:

1. The Lender has agreed to make available to the Borrower and the Borrower agrees to accept a credit commitment (the "Loan") up to a maximum principal amount not exceeding \$2,500,000.00 (the "Principal Sum"). Interest shall accrue on the Principal Sum outstanding from time to time at that variable rate per annum which is equal to the Prime Bank Rate plus 1.0% (the "Interest Rate"), adjusted immediately without notice on each change in the Prime Bank Rate, calculated annually not in advance, on the Principal Sum from time to time remaining unpaid, both before and after default and both before and after judgment, until paid. "Prime Bank Rate" means the per annum floating rate of interest announced from time to time by the Royal Bank of Canada or any successor to it as the reference rate it will use to determine rates of interest on commercial loans made to its borrowers, and referred to by that bank or successor as its "prime rate", with all changes in such rate becoming effective for all purposes of the Loan as and when made; payments received shall be applied firstly in payment of unpaid accrued interest and the balance, if any, in reduction of the Principal Sum.
2. The Principal Sum and Interest shall be paid in full following demand for repayment (the "Maturity Date").
3. The Loan shall be evidenced and secured by execution and delivery of a promissory note and a general security agreement annexed hereto (the "Security"). The Borrower may, at any time and from time to time, prepay all or any part of the Principal Sum without notice, bonus or penalty.
4. Without limiting the remedies available to the Lender as set out in the Security, on the happening of any of the following events of default ("Event of Default") the Lender may, at its option, require the unpaid balance of the Principal Sum to become immediately due and payable if any of the following events remains uncured:
 - (a) in the event that the Borrower fails to make the payments in the amounts and at the times specified in this Agreement;
 - (b) failure of the Borrower to observe any covenant, condition or provision contained in this Agreement or in any documentation relating hereto or to the Security;

- (c) if the Borrower is unable to pay its debts as such debts become due, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- (d) in the event that the Borrower should become bankrupt or insolvent or should the Borrower be subject to the provisions of the *Bankruptcy Act* (Canada) or any similar legislation for the benefit of creditors or should the Borrower go into liquidation either voluntarily or under an order of a court of competent jurisdiction or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency; or
- (e) if any representation or warranty made by the Borrower under this Agreement or in any other document relating hereto or under the Security shall be false in any material respect.

5. On the happening of an event of default the Lender shall have the right without any further demand or notice whatsoever to exact payments of all amounts whatsoever then outstanding and owing or to become owing by the Borrower to the Lender under any other agreement made between the Lender and the Borrower.

6. In consideration of the Lender making the Loan available, the Borrower agrees as follows:

- (a) The Borrower covenants with the Lender that the Borrower: (i) will pay all sums of money due under the terms of this Agreement; (ii) will immediately advise the Lender of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other terms or condition of this Agreement or the Security or an Event of Default; (iii) immediately advise the Lender of any action, requests or violation notices received concerning the Borrower or the Security and hold the Lender harmless against any losses, costs or expenses which the Lender may suffer or incur for any environmental related liabilities existent now or in the future with respect to the Borrower or the Security; (iv) will keep its assets fully insured against such perils and in such manner as would be customarily insured against by persons carrying on a similar business or owning similar assets; and (v) will not use the proceeds of any advance of the Loan for the benefit or on behalf of any person other than the Borrower.
- (b) The Borrower hereby agrees to indemnify and hold the Lender and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgments, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such person as a result of, in connection with or arising out of: (i) any Event of Default or breach of any term or condition of this Agreement or the Security by the Borrower; or (ii) the breach of or non-compliance with any applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction.
- (c) The Lender shall maintain accounts and records evidencing the advances made available to the Borrower by the Lender under this Agreement. The Lender shall record the

principal amount of such advances, the payment of principal and interest on account of the advances and all other amounts becoming due to the Lender under this Agreement. The Lender's record of account constitutes, in the absence of manifest error, conclusive evidence of all such indebtedness of the Borrower to the Lender pursuant to this Agreement.

- (d) The Borrower represents and warrants to the Lender that: (i) the execution, delivery and performance by it of this Agreement do not violate any applicable laws or agreements which it is subject to or by which it is bound; (ii) no event has occurred which constitutes or which, with notice, lapse of time, or both, would constitute an Event of Default or a breach of any covenant or other term or condition of this Agreement or the Security; (iii) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which might have a material adverse effect upon the Borrower's financial condition or operations or its ability to perform its obligations under this Agreement or the Security, and there are no circumstances of which it is aware which may give rise to any such proceeding; and (iv) the Borrower has or will have good and marketable title to all of its properties and assets. The within representations and warranties shall be deemed to be repeated at the time of any advance under the Loan.
7. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof.
8. No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Lender. No failure to delay, on the part of the Lender, in exercising any right or power hereunder or under the Security shall operate as a waiver thereof.
9. All notices and other communications in connection with this Agreement shall be in writing and delivered to the addressee at its registered office or last known address.
10. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.
11. This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the agreement.
12. This agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, personal representatives, successors and assigns.
13. The provisions of this Agreement shall not merge with the Security provided to the Lender, but shall continue in full force for the benefit of the parties hereto.

14. In the event there is more than one entity or person which or whom are parties constituting the Borrower, the obligations imposed upon the Borrower shall be joint and several.

15. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

16. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

17. If any part of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid part thereof shall be severed from the remainder of this Agreement.

18. This Agreement may be executed in counterparts, each of which when executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument. The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

Executed and delivered.

BARRICADES AND SIGNS LTD.

Per:  DocuSigned by:
13DE9FEFA686495...

CANDESTO NORTH INC.

Per:  DocuSigned by:
FFA1F0386195450...

CANDESTO ENTERPRISES CORP.

Per:  DocuSigned by:
FFA1F0386195450...

SAFE ROADS ALBERTA LTD.

Per:  DocuSigned by:
FFA1F0386195450...

REVOLVING PROMISSORY NOTE

Principal Sum: \$2,500,000.00

On Demand

WHEREAS BARRICADES AND SIGNS LTD. (the "Lender") has agreed to make available to CANDESTO ENTERPRISES CORP., CANDESTO NORTH INC., and SAFE ROADS ALBERTA LTD. (collectively, the "Borrower"), a credit commitment (the "Revolving Credit Commitment") in a maximum principal amount not exceeding TWO MILLION FIVE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$2,500,000.00).

FOR VALUE RECEIVED, the Borrower, on a joint and several basis, HEREBY PROMISES TO PAY to the order of the Lender, at its registered office in the Province of Alberta, or at such other place as the Lender may designate from time to time, in lawful money of Canada and in immediately available funds, the principal amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$2,500,000.00) (the "Principal Sum"), or, if less, the aggregate unpaid amount owing to the Lender by the Borrower on the terms and conditions set out in this Promissory Note, plus interest.

Interest shall accrue on the Principal Sum outstanding from time to time at that variable rate per annum which is equal to the Prime Bank Rate plus 1.0% (the "Interest Rate"), adjusted immediately without notice on each change in the Prime Bank Rate, calculated annually not in advance, on the Principal Sum from time to time remaining unpaid, both before and after default and both before and after judgment, until paid. "Prime Bank Rate" means the per annum floating rate of interest announced from time to time by the Royal Bank of Canada or any successor to it as the reference rate it will use to determine rates of interest on commercial loans made to its borrowers, and referred to by that bank or successor as its "prime rate", with all changes in such rate becoming effective for all purposes of the Loan as and when made; payments received shall be applied firstly in payment of unpaid accrued interest and the balance, if any, in reduction of the Principal Sum.

The Borrower hereby confers as and by way of a fixed and specific charge to and in favour of the Lender, and grants to the Lender a security interest in its assets, proceeds, business and undertaking and all its present and after acquired real and personal property and assets, tangible and intangible, legal and equitable, moveable or immovable, of whatsoever nature and kind (the "Security Interest"). The Security Interest secures due payment and satisfaction in favour of the Lender of all amounts due under the Revolving Credit Commitment. The Borrower hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things as the Lender may deem appropriate to perfect and continue the Security Interest constituted hereby.

The Principal Amount shall be due immediately upon written notice to the Borrower (the "Maturity Date"). The outstanding balance shall become immediately due and payable by the Borrower to the Lender without notice, if:

- (a) A receiver, receiver-manager, trustee, custodian or other person with powers similar to any of the foregoing is appointed, by judicial or private process, in respect of the undersigned and/or all or substantially all of the undersigned's property;

- (b) The undersigned makes an assignment for the benefit of its creditors generally or becomes unable to pay its debts as they become due;
- (c) The undersigned becomes a bankrupt, whether by voluntary process, court order, decree or otherwise;
- (d) The undersigned commences any action or proceeding to obtain or seek the benefit of any legislative protection available for bankrupt or insolvent debtors, including without limitation an order for reorganization in the context of bankruptcy or insolvency or for adjustment, arrangement, composition or relief similar to any of the foregoing in respect of its debts; or
- (e) The undersigned is in default of any obligation set out in any other Agreement pertaining to the revolving credit commitment set out herein including any loan agreement and general security agreement.

The Borrower may, at any time, without penalty, fee or any charge whatsoever, prepay all or any portion of the Principal Amount and all accrued interest outstanding under this Note.

If any payment on this Revolving Note becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.


Demand, presentment, protest and notice of nonpayment and protest are hereby waived by Borrower.

The parties acknowledge and agree that the limitation period for enforcing payment of this Note shall, notwithstanding anything to the contrary in the *Limitations Act* (Alberta), as it may hereafter be amended or replaced, commence only on the date demand for payment under this Revolving Note is made and shall not commence on the date of this Revolving Note or on any other date other than the date of such demand.

THIS REVOLVING NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ALBERTA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT PROVINCE.

Dated February 22, 2023


BARRICADES AND SIGNS LTD.

Per:  DocuSigned by:
13DE9FEFA686495...


CANDESTO NORTH INC.

Per:  DocuSigned by:
FFA1F0386195450...

CANDESTO ENTERPRISES CORP.

Per:  DocuSigned by:
FFA1F0386195450...

SAFE ROADS ALBERTA LTD.

Per:  DocuSigned by:
FFA1F0386195450...

GENERAL SECURITY AGREEMENT

February 22, 2023

BETWEEN:

BARRICADES AND SIGNS LTD., an Alberta corporation (the "Secured Party")

and

CANDESTO ENTERPRISES CORP., an Alberta corporation,
CANDESTO NORTH INC., an Alberta corporation, and **SAFE ROADS ALBERTA LTD.**, an Alberta corporation (collectively, the "Debtor")

NOW THEREFORE, the parties agree as follows:

1. SECURITY INTEREST. the Debtor hereby: (a) mortgages and charges as and by way of a fixed and specific mortgage charge to and in favour of the Secured Party, and grants to the Secured Party a security interest in, all of its present and after acquired real and immovable property (including, by way of sublease, leasehold lands), and all of its present and after acquired buildings, erections, improvements, fixtures and plant (whether the same form part of the realty or not), all appurtenances to any of the foregoing and all rights-of-way, easements, licenses and privileges appurtenant to the benefit of same; "real and immovable property" shall include any interest in or right with respect to real and immovable property; (b) mortgages and charges to the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a security interest in, all its present and after acquired goods and equipment, including all fixtures, plant, machinery, tools and furniture now or hereafter owned or acquired; (c) mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, all its present and after acquired inventory, including all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service; (d) assigns, transfers and sets over to the Secured Party, and grants to the Secured Party a security interest in, all its present and after acquired personal property including, goodwill, chattel paper, documents of title, investments, investment property, money, instruments and intangibles, including without limitation, all its present and after acquired book debts, accounts, rents and other amounts receivable, contract rights and choses in action of every kind or nature and insurance rights arising from or out of the property referred to in subparagraphs (a), (b), (c) or (d); (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its present and after acquired real and personal property and assets, tangible and intangible, legal and equitable, moveable or immovable, of whatsoever nature and kind (other than the property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by subsections (a), (b), (c) or (d) above and the exceptions hereinafter contained); and (f) assigns, mortgages and charges in favour of the Secured Party, and grants to the Secured Party a security interest in, the proceeds arising from any dealing with the assets referred to in this Section in the form of any of the following: goods, investment property, instruments, documents of title, chattel paper, intangibles or money.

2. DEFINITIONS. The present and after acquired real and personal property, assets and undertaking of the Debtor referred to in Section 1 and subject to the charge provided for herein

are collectively referred to as the "Collateral". The terms goods, chattel paper, document of title, equipment, consumer goods, instrument, intangible, security, proceeds, inventory and accessions whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (Alberta), which Act, including amendments thereto is herein referred to as the "PPSA". Any reference herein to the Collateral shall, unless the context otherwise requires, be deemed a reference to the Collateral or any part thereof. The term proceeds (the "Proceeds") whenever used herein shall be interpreted as any and all proceeds of every type or kind, both present and after acquired, and by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligations received when such Collateral or Proceeds are sold, exchanged, collected, or otherwise disposed of, and all insurance payments relative to the Collateral or Proceeds. The term "Existing Encumbrances" means all encumbrances existing against the Collateral as at the date hereof.

3. **INDEBTEDNESS SECURED.** The Security Interest granted hereby secures due payment and satisfaction of all amounts due under those Loan Agreements attached hereto, together with all of the other obligations, liabilities and indebtedness of whatsoever nature or kind of the Debtor to the Secured Party (including interest thereon and legal fees and disbursements on a solicitor and his own client basis) from time to time, whether present or future, absolute or contingent, matured or not, extended or renewed, liquidated or unliquidated, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof and whether the same is reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety (the "Indebtedness").

4. **REPRESENTATIONS AND WARRANTIES OF THE DEBTOR.** The Debtor represents and warrants that:

- (a) The Collateral is genuine and owned, legally and beneficially, by the Debtor;
- (b) It has full power and authority to conduct its business and own its property in all jurisdictions in which the Debtor carries on business and has full power and authority to execute, deliver and perform all of its obligations under this Security Agreement;
- (c) This Security Agreement when duly executed and delivered by the Debtor will constitute a legal, valid and binding obligation of the Debtor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance; and
- (d) The name of the Debtor is accurately and fully set out above, and the Debtor is not known by any other names.

5. **COVENANTS OF THE DEBTOR.** So long as this Security Agreement remains in effect, the Debtor covenants and agrees to, at its own expense:

- (a) Defend the Collateral against the claims and demands of all other parties claiming the same or any interest therein; to keep the Collateral free from all encumbrances, except for the Security Interest and the Existing Encumbrances and to maintain and keep in good standing, free

from default, all such Existing Encumbrances and not to sell, exchange, transfer, assign, lease or otherwise dispose of any interest therein without the prior written consent of the Secured Party; provided always that until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory and use monies that may become available to the Debtor and otherwise deal in the ordinary course of business;

(b) Notify the Secured Party promptly of any event causing loss or depreciation to the Collateral or any change in the information contained in this Security Agreement relating to the Debtor, the Debtor's business or the Collateral;

(c) Keep the Collateral in good order, condition and repair and not to use the Collateral in violation of the provisions of this Security Agreement or any other agreement relating to the Collateral or any policy of insurance with respect to the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance and to permit the Secured Party or its representative, upon request, to enter into or upon any premises or lands where the Collateral may be located for the purpose of examining the condition of the Collateral;

(d) Pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable;

(e) Insure and keep insured the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Debtor shall reasonably determine;

(f) Prevent the Collateral, except the inventory sold or leased as permitted by this Security Agreement, from being or becoming an accession to other property not covered by this Security Agreement;

(g) Continuously carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepting accounting principles, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral;

(h) Punctually pay all rents, taxes, rates and assessments lawfully assessed or imposed upon any property or income of the Debtor and to punctually pay all debts and obligations to labourers, workmen, employees, contractors, subcontractors, suppliers of materials and other debts which, when unpaid, might under the laws of Canada or any province of Canada have priority over the Security Interest granted by this Security Agreement;

(i) Give notice to the Secured Party of:

(i) any material change in the location of the Collateral;

(ii) any material loss of or damage to Collateral;

(iii) the details of any claims or litigation affecting materially the Debtor or Collateral;
and

(iv) any change of its name;

(j) Not to remove any of the Collateral from Alberta without prior written consent of the Secured Party; and

(k) Not, without first informing the Secured Party in writing, carry on business under or use any name or style other than the name specified in this Security Agreement.

6. EVENTS OF DEFAULT. The happening of any of the following events or conditions shall constitute default hereunder, which is herein referred to as "Default":

(a) The nonpayment when due of any principal, interest or other sums forming part of the Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between the Debtor and the Secured Party;

(b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or a receiver and manager or trustee for the Debtor or any property of the Debtor, or the institution by or against the debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise, or the taking of proceedings under the Companies' Creditors Arrangement Act;

(c) The institution by or against the Debtor or any formal or informal proceeding for the amalgamation, dissolution, liquidation or winding up of affairs of the Debtor;

(d) If any encumbrance whether an Existing Encumbrance or otherwise affecting the Collateral becomes enforceable against the Collateral;

(e) If the Debtor ceases to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(f) If any execution, sequestration, extent, distress or any other similar process is levied or enforced against the Debtor or any property of the Debtor.

7. REMEDIES. On default:

(a) The Secured Party may take proceedings in any Court of competent jurisdiction for the appointment of a receiver or receiver manager, (hereinafter called the "Receiver", which term when used herein shall include a receiver and manager);

(b) The Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, the Secured Party may sell, release or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions, including by lease or deferred payment, as is reasonable;

(c) In addition to all rights granted by this Security Agreement or otherwise held by the

Secured Party, whether in law or in equity, it is specifically acknowledged that, both before and after default, the Secured party shall have all rights and remedies of a secured party under the PPSA. The Secured Party shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of the Collateral or to institute any proceedings for such purposes and shall have no obligation to take any steps to preserve rights against prior parties to any instrument or chattel paper whether Collateral or Proceeds and whether or not in the Secured Party's possession and shall not be liable or accountable for failure to do so;

(d) The Secured Party or any Receiver may take possession of the Collateral wherever it may be located by any method permitted by law and the Debtor agrees upon request from the Secured Party or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed; and

(e) Any Receiver will have the power:

- (i) to take possession of any Collateral and for that purpose to take any proceedings, in the name of the Debtor or otherwise;
- (ii) to carry on or concur in carrying on the business of the Debtor;
- (iii) to sell or lease any Collateral by lease, deferred payment or otherwise;
- (iv) to make any arrangement or compromise which he or she may think expedient in the interest of the Secured Party;
- (v) to pay all liabilities and expenses connected with the Collateral, including the cost of insurance and payment of taxes or other charges incurred in obtaining, maintaining possession of and preserving the Collateral, and the same shall be added to the Indebtedness and secured by the Collateral;
- (vi) to hold as additional security any increase or profits resulting from the Collateral;
- (vii) to exercise all rights the Secured Party has under this Security Agreement, other agreements between the Debtor and Secured Party, or otherwise at law;
- (viii) with the consent of the Secured Party in writing, to borrow money for the purpose of carrying on the business of the Debtor or for the maintenance of the Collateral or any part thereof or for other purposes approved by the Secured Party, and any amount so borrowed together with interest thereon shall form a charge upon the Collateral in priority to the Security Interest created by this Agreement;
- (ix) to enter into and to occupy any premises in which the Debtor has any interest.

8. MISCELLANEOUS.

(a) The Debtor hereby authorizes the Secured Party to file such financing statements and other documents and do such acts, matters, and things as the Secured Party may deem

appropriate to perfect and continue the Security Interest;

(b) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges without prejudice to the liability of the Debtor or the Secured Party's rights to hold and realize the Security Interest;

(c) No delay or omission by the Secured Party in exercising any right or remedy under this Security Agreement or with respect to the Indebtedness or any portion thereof shall operate as a waiver of any of the Secured Party's rights or remedies, and no single or partial exercise thereof shall preclude any other right or remedy;

(d) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns;

(e) This Security Agreement and the security created hereby is in addition to and not in substitution for any other security now or hereafter held by the Secured Party;

(f) The Security Interest created hereby is intended to attach upon the execution of this Security Agreement, except that, in respect of after-acquired property subject to the Security Interest, attachment shall occur forthwith upon the Debtor acquiring its interest and rights thereto, and the Debtor and the Secured Party agree that value has been given by the Secured Party to the Debtor;

(g) Whenever the singular number and masculine gender, respectively, are used in this Security Agreement, the same shall be construed as meaning and including the plural and or feminine or neutral gender, respectively, if the context so requires;

(h) Any provision of this Security Agreement which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof;

(i) Should any legal proceeding be necessary to enforce the provisions of this Security Agreement, then the prevailing party in such legal action shall be entitled to recover all court costs, costs on a solicitor and client basis, and costs of enforcing or collecting any judgment awarded from the other party; and

(j) This Security Agreement contains the entire agreement between the parties relating to the Security Interests granted herein. Any modification of this Security Agreement or waiver of any provision herein contained shall not be binding unless in writing and signed by the Secured Party and the Debtor. This Security Agreement shall continue in effect until the obligations hereunder are satisfied and the Indebtedness paid in full.

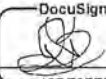
9. NOTICES. Any demand, notice or other communication to be given in connection with this Security Agreement shall be given in writing and delivered or mailed, postage prepaid, to the Debtor at its registered office and to the Secured Party at its registered office, and in the case of mailing of such notice or demand shall be deemed to have been received by the Debtor on the 3rd business day following the date of mailing.

10. GOVERNING LAW. This Security Agreement shall be deemed conclusively to be a contract made in the Province of Alberta and shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and each of the parties irrevocably attorns to the jurisdiction of the Courts of Alberta.

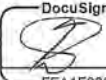
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Executed and delivered.

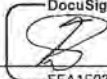
BARRICADES AND SIGNS LTD.

Per:  DocuSigned by:
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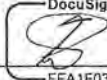
CANDESTO NORTH INC.

Per:  DocuSigned by:
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CANDESTO ENTERPRISES CORP.

Per:  DocuSigned by:
FFA1F0386195450...

SAFE ROADS ALBERTA LTD.

Per:  DocuSigned by:
FFA1F0386195450...

THIS IS EXHIBIT "J"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023


A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

Search ID #: Z16856616

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 05017737

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 17061233453

Registration Date: 2017-Jun-12

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2027-Jun-12 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

22050403770

Renewal

2022-May-04

Debtor(s)

Block

Status

1 CANDESTO ENTERPRISES CORP.
180 RAM FOREST RD
STOUFFVILLE, ON L4A 2G8

Current

Secured Party / Parties

Block

Status

1 CANADIAN IMPERIAL BANK OF COMMERCE
595 BAY STREET, 5TH FLOOR
TORONTO, ON M5G 2C2

Current

Collateral: General

Block

Description

Status

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 20020530384

Registration Date: 2020-Feb-05

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Feb-05 23:59:59

Inexact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1 CANDESTO ENTERPRISES LTD
180 STRATHMOOR DR
SHERWOOD PARK, AB T8H 2B7

Current

Secured Party / Parties

Block

Status

1 ATB FINANCIAL
BAY 70, 2151 32 ST NE
CALGARY, AB T1Y 7G3
Email: pprnotices@atb.com

Current

Collateral: General

Block

Description

Status

1 PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY
DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE ORIGINAL
COLLATERAL OR PROCEEDS THEREOF

Current

2 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY

Current

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 22090706075

Registration Date: 2022-Sep-07

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Sep-07 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)**Block****Status**

1 CANDESTO ENTERPRISES CORP.
59-29339 HWY 2A
CROSSFIELD, AB T0M 0S0

Current

Secured Party / Parties**Block****Status**

1 CWB NATIONAL LEASING INC.
1525 BUFFALO PLACE
WINNIPEG, MB R3T 1L9
Phone #: 204 954 9000 Fax #: 866 814 4752
Email: ppsa.adminstration@cwbnationalleasing.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1HTKTSWM5MH194797	2021	International CV 4x4	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL Supply and Install 14' Super Duty Platform Deck complete, Truck complete with related components OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3120529, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	Purchase Money Security Interest.	Current

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 22092105421

Registration Date: 2022-Sep-21

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2027-Sep-21 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 CANDESTO ENTERPRISES CORP.
1500-205 5TH AVE S.W.
CALGARY, AB T2P2V7

Current

Secured Party / Parties

Block

Status

1 KUBOTA CANADA LTD
1155 KUBOTA DRIVE
PICKERING, ON L1X0H4
Email: finance@kubota.ca

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	KBCZ064CLN1F70339	2022	KUBOTA !SVL97-2	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	2022 KUBOTA SVL97-2 KBCZ064CLN1F70339	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	PRINCIPAL AMOUNT \$111,262.00	Current

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 22092105457

Registration Date: 2022-Sep-21

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2027-Sep-21 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 CANDESTO ENTERPRISES CORP.
1500-205 5TH AVE S.W.
CALGARY, AB T2P2V7

Current

Secured Party / Parties

Block

Status

1 KUBOTA CANADA LTD
1155 KUBOTA DRIVE
PICKERING, ON L1X0H4
Email: finance@kubota.ca

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	KBCZ064CHN1F70326	2022	KUBOTA ISVL97-2	MV - Motor Vehicle	Current
2	1112399K	2022	KUBOTA AP-LM2596	MV - Motor Vehicle	Current
3	1113147K	2022	KUBOTA AP-SA35	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	2022 KUBOTA SVL97-2 KBCZ064CHN1F70326 2022 KUBOTA AP-LM2596 1112399K 2022 KUBOTA AP-SA35 1113147K	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	PRINCIPAL AMOUNT \$121,169.00	Current

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 22111100928

Registration Date: 2022-Nov-11

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2029-Nov-11 23:59:59

Exact Match on: Debtor No: 3

Debtor(s)

Block

Status

1 CANDESTO NORTH INC
BOX 84073 MARKET MALL
CALGARY, AB T3A 5C4

Current

Block

Status

2 BATAVI VENTURE GROUP INC.
BOX 84073 MARKET MALL
CALGARY, AB T3A 5C4

Current

Block

Status

3 CANDESTO ENTERPRISES CORP
BOX 84073 MARKET MALL
CALGARY, AB T3A 5C4

Current

Secured Party / Parties

Block

Status

1 CWB NATIONAL LEASING INC.
1525 BUFFALO PLACE
WINNIPEG, MB R3T 1L9
Phone #: 204 954 9000 Fax #: 866 814 4752
Email: ppsa.administration@cwbnationalleasing.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3C7WRNFL0NG337949	2022	Dodge Ram 5500	MV - Motor Vehicle	Current
2	3C7WRNFL8NG342932	2022	Dodge Ram 5500	MV - Motor Vehicle	Current

Search ID #: Z16856616

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	AGREEMENT NUMBER 3121629, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	Purchase Money Security Interest.	Current

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 23040324058

Registration Date: 2023-Apr-03

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Apr-03 23:59:59

Exact Match on: Debtor

No: 1

Amendments to Registration

23041926954

Amendment

2023-Apr-19

Debtor(s)

Block

Status

1 CANDESTO ENTERPRISES CORP.
25213 AB-37
STURGEON COUNTY, AB T8T 0G4

Current

Secured Party / Parties

Block

Status

1 1288078 ONTARIO INC.
180 RAM FOREST RD, STOUFFVILLE, ONTARIO
STOUFFVILLE, ON L4A 2G8
Email: aomaniaci@msalaw.ca

Current

Collateral: General

Block

Description

Status

1 GENERAL SECURITY AGREEMENT AND PROMISSORY NOTE

Deleted By
23041926954

2 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current By
23041926954

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 23042131126

Registration Date: 2023-Apr-21

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Apr-21 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

1 CANDESTO ENTERPRISES CORP.
29339 HWY 2A
CROSSFIELD, AB T0M0S0

Status

Current

Block

2 CANDESTO NORTH INC.
29339 HWY 2A
CROSSFIELD, AB T0M0S0

Status

Current

Block

3 SAFE ROADS ALBERTA LTD.
29339 HWY 2A
CROSSFIELD, AB T0M0S0

Status

Current

Secured Party / Parties

Block

1 BARRICADES AND SIGNS LTD.
25213 HWY 37
STURGEON COUNTY, AB T8T0G4
Email: JB@BARRICADESANDSIGNS.COM

Status

Current

Collateral: General

Block

Description

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS, INCLUDING WITHOUT LIMITATION, ALL PRESENT AND AFTER-ACQUIRED GOODS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, INTANGIBLES (INCLUDING ACCOUNTS), MONEY AND SECURITIES; ALL ADDITIONS AND ACCESSIONS TO ANY OF THE FOREGOING; ALL PROCEEDS OF ANY OF THE FOREGOING.

Status

Current

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 23070718896

Registration Date: 2023-Jul-07

Registration Type: REPORT OF SEIZURE

Registration Status: Current

Registration Term: Infinity

Service Area 2

Amount being seized for is \$429.45.

Property was seized on 2023-Jul-07

<u>Registration Type</u>	<u>Date</u>	<u>Registration #</u>	<u>Value</u>
Report of Seizure	2023-Jul-07	23070718896	\$429.45

Exact Match on:

Debtor

No: 1

Solicitor / Agent

KAL TIRE
1540 KALAMALKA LAKE RD.
VERNON, BC V1T6N6

Civil Enforcement Agent

PRAIRIE BAILIFF SERVICES
BAY 6, 4291 - 120 AVENUE SE
CALGARY, AB T2Z 4J7
Phone #: 403 517 3493 Fax #: 403 517 3495

Debtor(s)

Block

Status
Current

1 CANDESTO ENTERPRISES CORP
PO BOX 84073 MARKET MALL
CALGARY, AB T3A5C4

Search ID #: Z16856616

Creditor(s)

Block

Status

Current

1 KAL TIRE
1540 KALAMALKA LAKE RD.
VERNON, BC V1T6N6

Collateral: Serial Number Goods

Block

Serial Number

Year

Make and Model

Category

Status

1	3D6WH46A67G751792	2007	Dodge Ram 3500	MV - Motor Vehicle	Current
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Particulars

Block

Additional Information

Status

1	File# RD20230725534	Current
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Block

Additional Information

Status

2	Asset(s) have been seized under section 54 of the Civil Enforcement act. for further inquiries please contact Prairie Bailiff Services	Current
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Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 23070722300

Registration Date: 2023-Jul-07

Registration Type: REPORT OF SEIZURE

Registration Status: Current

Registration Term: Infinity

Service Area 2

Amount being seized for is \$1,646.84.

Property was seized on 2023-Jul-07

<u>Registration Type</u>	<u>Date</u>	<u>Registration #</u>	<u>Value</u>
Report of Seizure	2023-Jul-07	23070722300	\$1,646.84

Exact Match on:

Debtor

No: 1

Solicitor / Agent

KAL TIRE
1540 KALAMALKA LAKE RD.
VERNON, BC V1T6N6

Civil Enforcement Agent

PRAIRIE BAILIFF SERVICES
BAY 6, 4291 - 120 AVENUE SE
CALGARY, AB T2Z 4J7
Phone #: 403 517 3493 Fax #: 403 517 3495

Debtor(s)

Block

Status

Current

1 CANDESTO ENTERPRISES CORP
PO BOX 84073 MARKET MALL
CALGARY, AB T3A5C4

Search ID #: Z16856616

Creditor(s)

Block

Status

Current

1 KAL TIRE
1540 KALAMALKA LAKE RD.
VERNON, BC V1T6N6

Collateral: Serial Number Goods

Block

Serial Number

Year

Make and Model

Category

Status

1

576GN3233F1027510

2014

Deli Rapids Trailer

TR - Trailer

Current

Particulars

Block

Additional Information

Status

1

File# RD20230725536

Current

Block

Additional Information

Status

2

Asset(s) have been seized under section 54 of the Civil Enforcement act. for further inquiries please contact Prairie Bailiff Services

Current

Search ID #: Z16856616

Business Debtor Search For:

CANDESTO ENTERPRISES CORP.

Search ID #: Z16856616

Date of Search: 2023-Dec-11

Time of Search: 10:57:16

Registration Number: 23070724200

Registration Date: 2023-Jul-07

Registration Type: REPORT OF SEIZURE

Registration Status: Current

Registration Term: Infinity

Service Area 2

Amount being seized for is \$2,744.81.

Property was seized on 2023-Jul-07

<u>Registration Type</u>	<u>Date</u>	<u>Registration #</u>	<u>Value</u>
Report of Seizure	2023-Jul-07	23070724200	\$2,744.81

Exact Match on:

Debtor

No: 1

Solicitor / Agent

KAL TIRE
1540 KALAMALKA LAKE RD
VERNON, BC V1T6N6

Civil Enforcement Agent

PRAIRIE BAILIFF SERVICES
BAY 6, 4291 - 120 AVENUE SE
CALGARY, AB T2Z 4J7
Phone #: 403 517 3493 Fax #: 403 517 3495

Debtor(s)

Block

1 CANDESTO ENTERPRISES CORP
PO BOX 84073 MARKET MALL
CALGARY, AB T3A5C4

Status
Current

Search ID #: Z16856616

Creditor(s)

Block

Status

Current

1 KAL TIRE
1540 KALAMALKA LAKE RD.
VERNON, BC V1T6N6

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FVPC5CV27HZ20268	2007	Frightliner Flatdeck	MV - Motor Vehicle	Current

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	File# RD20230725537	Current

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
2	Asset(s) have been seized under section 54 of the Civil Enforcement act. for further inquiries please contact Prairie Bailiff Services	Current

Result Complete

Search ID #: Z16856625

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 05017738

Search ID #: Z16856625

Date of Search: 2023-Dec-11

Time of Search: 10:57:59

Business Debtor Search For:

D3 INFRASTRUCTURE SERVICES INC.

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete



Search ID #: Z16856611

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 05017740

Search ID #: Z16856611

Date of Search: 2023-Dec-11

Time of Search: 10:56:50

Business Debtor Search For:

SAFE ROADS ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16856611

Business Debtor Search For:

SAFE ROADS ALBERTA LTD.

Search ID #: Z16856611

Date of Search: 2023-Dec-11

Time of Search: 10:56:50

Registration Number: 23042131126

Registration Date: 2023-Apr-21

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Apr-21 23:59:59

Exact Match on: Debtor No: 3

Debtor(s)

Block

1 CANDESTO ENTERPRISES CORP.
29339 HWY 2A
CROSSFIELD, AB T0M0S0

Status

Current

Block

2 CANDESTO NORTH INC.
29339 HWY 2A
CROSSFIELD, AB T0M0S0

Status

Current

Block

3 SAFE ROADS ALBERTA LTD.
29339 HWY 2A
CROSSFIELD, AB T0M0S0

Status

Current

Secured Party / Parties

Block

1 BARRICADES AND SIGNS LTD.
25213 HWY 37
STURGEON COUNTY, AB T8T0G4
Email: JB@BARRICADESANDSIGNS.COM

Status

Current

Search ID #: Z16856611

Collateral: General


<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS, INCLUDING WITHOUT LIMITATION, ALL PRESENT AND AFTER-ACQUIRED GOODS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, INTANGIBLES (INCLUDING ACCOUNTS), MONEY AND SECURITIES; ALL ADDITIONS AND ACCESSIONS TO ANY OF THE FOREGOING; ALL PROCEEDS OF ANY OF THE FOREGOING.	Current

Result Complete

THIS IS EXHIBIT "K"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023


A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta



Bay Adelaide Centre
333 Bay Street, Suite 1610
Toronto, ON M5H 2R2
(416) 214-2555
(416) 214-9597

INDEMNITY AGREEMENT IN FAVOUR OF

TRISURA GUARANTEE INSURANCE COMPANY and/or TRISURA INSURANCE COMPANY

made under the laws of the Province of Alberta as of July 22nd, 2022

BY: **1964740 Alberta Inc.**
Barricades and Signs Ltd.
Batavi Venture Group Inc.
Candesto Enterprises Corp.
Candesto North Inc.
Safe Roads Highway Products Alberta Inc.

(the person(s) listed above being collectively the "Indemnitors" and each an "Indemnitor")

WHEREAS

- (A) one or more of the Indemnitors, in his, its or their own name(s) or as joint venturer(s) with others, may desire, or be required, to procure the execution and delivery by Trisura Guarantee Insurance Company and/or Trisura Insurance Company (the "Surety") of Bonds as hereinafter defined or one or more of the Indemnitors may request the Surety to refrain from cancelling or attempting to cancel such Bonds as the Surety may already have executed or procured the execution of;
- (B) each of the Indemnitors understands that the Surety expressly requires the delivery of this Agreement as part of the consideration for the execution by the Surety of such Bonds which may already have been furnished by the Surety in reliance upon a representation that this Agreement would be executed, or which may hereafter be furnished, or for the refraining from cancelling or attempting to cancel said Bonds; and
- (C) each of the Indemnitors hereby represents to the Surety that such Indemnitor has a substantial, material and beneficial interest in the obtaining of Bonds (whether or not such Indemnitor is a principal under any Bond(s) as hereinafter defined) or in the Surety's refraining from cancelling or attempting to cancel Bonds.

NOW THEREFORE, in consideration of the sum of Two Dollars (\$2.00) and other good and valuable consideration paid or furnished by the Surety to each of the Indemnitors (the receipt and sufficiency of which are hereby acknowledged) and of the Surety having executed in the past, presently executing or procuring the execution of Bonds for which application is now pending, or which may be hereafter applied for, or executing in the future one or more Bonds, or of any alteration, renewal, continuation or extension thereof, or of the Surety's refraining from cancelling or attempting to cancel the same, the Indemnitors jointly, severally and for each other do hereby covenant and agree with the Surety as follows:

1. DEFINITIONS

In the present Agreement:

- (a) "Bond" means a contract of suretyship, guarantee or indemnity, an agreement or consent to provide such a contract and the continuation, extension, alteration, amendment, increase, decrease, renewal or substitution of such a contract, agreement or consent, in respect of the Indemnitor(s) (or any or all of them, if more than one, or any affiliate(s) and/or partner(s) of any of them, or any other principal for which the same is requested by an Indemnitor), whether issued by the Surety, any successor of the Surety, or any Beneficiary as defined by section 8 below, and whether issued before, on or after the date of this Agreement;
- (b) "Bonded Contract" means a Contract in respect of which any Bond(s) is or may at any time hereafter be issued;
- (c) "Bonding Facility" means any past, present or future agreement or arrangement between the Surety and the Indemnitors or any of them providing for the issuance of any Bond(s);
- (d) "Contract" includes all documents comprising the contract documents including but not limited to general and special conditions, specifications and drawings, and every change, addition, substitution, successor or new contract;
- (e) "Contract Equipment and Material" includes all Equipment and Material which are now or may hereafter be in, about or upon the site of work contemplated by any Bonded Contract or Unbonded Contract, including supplies and materials now or hereafter purchased for or chargeable to any such contract which may be in progress of construction, or in storage elsewhere, or in transportation to any such site;
- (f) "Equipment and Material" includes machinery, equipment, plant, tools, supplies, inventory and materials;
- (g) "Event of Default" is defined in clause 15(d);
- (h) "execute" and "execution" include procure and procurement for execution;

- (i) "hereof", "herein", "hereto" and similar expressions mean and refer to this Agreement and not to any particular section, subsection, clause or subclause;
- (j) "Other Contract Assets" means all assets other than Equipment and Materials which are, or may hereafter be, used or useful for the performance or completion by any Indemnitor of any Contract (whether a Bonded Contract or an Unbonded Contract), whether or not such assets are specific to any such Contract, and including without limitation licences, intellectual property rights, computer hardware, software and data, and storage media;
- (k) "person" means and includes individuals, partnerships, joint ventures, trusts, corporations and associations;
- (l) "principal" means, in relation to any Bond or Bonded Contract, each and all of the principal(s) named therein or a party thereto;
- (m) "Unbonded Contract" means a Contract to which any Indemnitor is a party and in respect of which, as at the time in question, there is no Bond in force, whether or not any Bond(s) have previously been issued in respect thereof, and whether or not any bond has been issued in respect thereof by any other surety;
- (n) the singular form includes the plural and the plural includes the singular, and the word "Indemnitors" or any pronoun referring thereto, whether singular or plural, is to be construed as referring to the undersigned person(s), though they be or include one or more individuals, partnerships, associations or corporations;
- (o) the neuter pronoun shall be read as masculine or feminine, as circumstances require; and
- (p) the division of this Agreement into sections, subsections, clauses and subclauses, and the insertion of headings, are for convenience of reference only and shall not affect the interpretation or construction hereof.

2. INDEMNITY

Each of the Indemnitors shall indemnify and keep indemnified the Surety, against any and all losses, charges, expenses, costs, claims, demands and liabilities (hereinafter called "Indemnity Losses") of whatsoever kind or nature (including, but not limited to, the fees and disbursements of adjusters, consultants and counsel and the establishment or increase of a reserve to cover any possible Indemnity Loss) which the Surety may sustain or incur:

- (a) by reason of having executed or procured the execution of any Bond(s) (or an allegation that the Surety should have done so); or
- (b) by reason of the failure of the Indemnitors to perform or comply with this Agreement or any Bonding Facility; or
- (c) in enforcing any of the covenants and conditions hereof.

3. PERFORMANCE AND FEES

- (a) The Indemnitors covenant to perform all the conditions of each Bond, Bonded Contract and Unbonded Contract, and any and all alterations, modifications, renewals, continuations and extensions thereof.
- (b) Without limiting the generality of the foregoing, the Indemnitors shall pay to the Surety:
 - (i) all fees related to Bonds;
 - (ii) any annual fee, setup fee or prequalification fee related to any Bonding Facility; and
 - (iii) any other expenses incurred by the Surety in relation to the establishment and maintenance of a Bonding Facility for the Indemnitors or any of them.

4. APPLICATION OF THIS AGREEMENT

- (a) This Agreement shall apply to all Bonds executed by or on behalf of the Surety, and any Bonding Facility relating thereto, on behalf of:
 - (i) any Indemnitor(s);
 - (ii) any present or future affiliate(s) or partner(s) of any Indemnitor; or
 - (iii) any other principal at the request of an Indemnitor;
 in each case in its own name or as joint venturer with others, from time to time, whether prior to or subsequent to the execution and delivery hereof, and over an indefinite period of years, until this Agreement shall be terminated in accordance with the terms hereof, and the Indemnitors agree that notice of the execution of such Bonds need not be communicated to them. For greater certainty, and without limiting the generality of any other provision hereof, this Agreement shall also apply to any other matter arising out of or connected with any such Bond (including any Bond applied for but not issued) or any Bonded Contract or Unbonded Contract relating to any such party.
- (b) This Agreement shall bind:
 - (i) any present or future affiliate or partner of any of the Indemnitors; and
 - (ii) any participant in any joint venture or other form of common enterprise of which the Indemnitor was a member (or was to become a member) at the time a Bond was furnished;
 and the Indemnitors shall, upon the request of the Surety, cause any such affiliate, partner or participant to execute and deliver to the Surety an adhesion, in such form and terms as may be required by the Surety, agreeing to be bound by this Agreement.

5. AUTHORITY TO EXECUTE BONDS

Requests to the Surety to execute any Bond(s) may be made by any of the Indemnitors or (where an Indemnitor is not an individual) any officer, employee or partner of any of the Indemnitors, or by any agent or broker reasonably believed by the Surety to be representing any of the Indemnitors. Such requests, whether made in writing (mailed, delivered or telecopied), by telegraph, by personal interview or by telephone, shall be regarded as sufficient and ample authority for the Surety to execute any such Bond(s).

6. ABSOLUTE RIGHT TO DECLINE TO ISSUE BONDS

- (a) The Surety, at its option and in its sole discretion, may decline to execute, or provide any Bond(s) applied for without incurring any liability whatever to the Indemnitors or any of them or affecting the liability of the Indemnitors or any of them hereunder to the Surety.
- (b) Each of the Indemnitors acknowledges that:
 - (i) the Surety is under no obligation to issue any Bond(s);
 - (ii) such Indemnitor is not relying and will not rely on any agreement, assurance, understanding, warranty, representation, condition precedent, collateral agreement or other commitment of any kind whatsoever (including without limitation any letter setting out terms and conditions for a Bonding Facility) purporting to be made or entered into by or on behalf of the Surety obliging the Surety to issue any Bond(s);
 - (iii) issuance of any Bond(s) shall not estop the Surety from declining to issue any other Bond(s) or constitute a waiver of the Surety's absolute right to decline to issue any Bond(s); and
 - (iv) if the Surety issues a bid bond, agreement to bond (or "surety's consent") or similar undertaking and the applicant is successful in bidding the project, the Surety may nevertheless decline to issue the performance bond, the payment bond, or any other bond required by the awarding entity, without incurring any liability to the Indemnitors, who hereby agree that such a bid bond, agreement or undertaking is a Bond to which this Agreement applies.

7. PARTIAL INVALIDITY OF EXECUTION

- (a) If any of the persons named herein as an Indemnitor fails to execute this Agreement or if the execution hereof by any of the Indemnitors shall be defective or invalid for any reason, such failure, defect or invalidity shall not in any manner diminish or otherwise affect the obligation or liability hereunder of any other of the Indemnitors.
- (b) Failure of the principal to sign any Bond shall not relieve the Indemnitors of liability under this Agreement.

8. PROTECTION OF OTHER SURETIES

If the Surety issues any Bond with a co-surety, reinsures any portion of a Bond with any other company, or procures the issuance of any Bond by any other company (whether or not the Surety issues, or retains any portion of, such Bond), the Indemnitors agree with any and all such co-sureties, reinsurers or issuing companies (hereinafter collectively referred to as the "Beneficiaries") that the benefits hereof shall extend to and protect each of the Beneficiaries. The Surety hereby declares that it is the trustee of all of the rights of the Beneficiaries under the foregoing covenant.

9. DEFENCE- RESERVE – DEPOSIT

- (a) If the Indemnitors desire that a claim or demand against the Surety shall be resisted and litigated, the Indemnitors shall:
 - (i) give notice to the Surety to this effect; and
 - (ii) if requested, at any time, by the Surety, deposit with the Surety cash (or collateral satisfactory to the Surety) in an amount sufficient to cover the expenses and fees of defence; and
 - (iii) if requested, at any time, by the Surety, deposit with the Surety cash (or collateral satisfactory to the Surety) in an amount sufficient to cover the claim or demand and interest thereon to the probable date of disposition.
- (b) If for any reason the Surety deems it necessary to establish or to increase a reserve (the amount of which shall be in the sole discretion of the Surety, as from time to time revised) to cover any possible Indemnity Loss (including, for greater certainty, the costs of

investigating and defending any claim or demand and interest on the amount thereof at the rate or rates claimed on or applicable to such claim or demand, to the probable date of its resolution), the Indemnitors shall deposit with the Surety immediately upon demand (and make such further deposits as may be required of) cash or collateral satisfactory to the Surety in an amount equal to such reserve

or such increase. The Indemnitors acknowledge that the failure of the Indemnitors to deposit with the Surety, immediately upon demand, the sum demanded by the Surety shall cause irreparable harm to the Surety for which the Surety has no adequate remedy at law, and that the Surety shall be entitled to injunctive relief (including specific performance of the obligation to make such deposit with the Surety), and hereby waive any claims or defences to the contrary.

- (c) The Surety may:
 - (i) hold any deposit made under this section 9 in such form as the Surety may in its absolute discretion decide, and shall have no obligation to invest, or provide any income or return on, any such deposit; and
 - (ii) in its sole discretion, use all or any part of such deposit, and of any income earned thereon, in payment, settlement or compromise of any Indemnity Loss.
- (d) The Indemnitors shall be entitled to the return of any unused portion of the deposit, and the income (if any) earned on the balance of the deposit outstanding from time to time (to the extent such income has not been used in payment or compromise of an Indemnity Loss), upon termination of the liability of the Surety on the Bonds and the performance by the Indemnitors of all obligations to the Surety under the terms hereof. The Surety's calculation of the income, if any, attributable to any such deposit shall be final and binding on the Indemnitors.

10. SETTLEMENT OF CLAIMS

- (a) The Surety shall have the sole right to pay, settle or compromise, without any prior obligation to notify the Indemnitors, any charge, expense, cost, claim, demand, suit, judgment or liability under any Bond(s), and any such payment, settlement or compromise shall be binding upon the Indemnitors and included as an Indemnity Loss.
- (b) In the event of any such payment, settlement or compromise by the Surety, an itemized statement thereof sworn to by any officer of the Surety, or the voucher(s), cancelled cheque(s) or other evidence of such payment, settlement or compromise, shall be prima facie

evidence of the fact and amount of the liability of the Indemnitors under this Agreement in respect of such payment, settlement or compromise.

- (c) In the event of any payment by the Surety, the Indemnitors agree that in any accounting between the Surety and the Indemnitors, the Surety shall be entitled to charge for any and all disbursements made by it in and about the matters contemplated by this Agreement.

11. ADVANCES BY SURETY

The Surety, at its sole election and discretion, is authorized and empowered, but not obligated, to advance or loan to a principal any money which the Surety may see fit to advance to such principal, and to guarantee re-payment of such loans made by others, and all moneys so advanced or loaned, as well as all costs, counsel fees and expenses incurred by the Surety in connection with such advances or loans, unless repaid with legal interest by the principal, shall be included as Indemnity Losses.

12. ACKNOWLEDGEMENT OF CONTINUING LIABILITY

- (a) Each of the Indemnitors acknowledges that this Agreement shall remain in full force and effect, even if such Indemnitor never had or no longer has any interest in the principal, as long as this Agreement has not been terminated by such Indemnitor in accordance herewith; without limiting the generality of the foregoing, the rights of the Surety under this Agreement and any other agreement with any of the Indemnitors shall be cumulative, and this Agreement shall not be construed as having merged with or been cancelled, limited or superseded by any other agreement, whether or not in the same form as this Agreement, unless such other agreement is in writing, expressly states that this Agreement is terminated thereby, and is signed by an officer of the Surety.
- (b) The Indemnitors shall continue to remain bound under this Agreement, notwithstanding the occurrence at any time or from time to time, with or without notice to or knowledge of the Indemnitors, and whether by prior agreement or otherwise, of any or all of the following events, which are in addition to any other rights of the Surety, and which shall not in any way release, limit or abridge any right or remedy which the Surety may have under this Agreement, and this Agreement shall remain in full force and effect after such event:
 - (i) the acceptance by the Surety of payment for any Bond(s);
 - (ii) the acceptance or release by the Surety of other agreements of indemnity, collateral security or guarantees, from any or all of the Indemnitors or from others;
 - (iii) the Surety's assent to any act of the principal;
 - (iv) a suit or a settlement deriving from this Agreement;
 - (v) any waiver, extension, or indulgence granted by the Surety to any of the Indemnitors or to others; or
 - (vi) any failure or refusal by the Surety to pursue any remedy or take proceedings against any person or property.

13. INFORMATION TO BE PROVIDED TO SURETY

- (a) Each of the Indemnitors shall:
 - (i) forward immediately to the Surety every letter, document, advice, statement of claim or writ received by him from or on behalf of any person who asserts or threatens; and
 - (ii) whenever requested by the Surety, aid in securing information and evidence and the attendance of any witness for, and co-operate fully with the Surety in the defence of;
any claim or demand arising out of or in connection with any Bond(s).
- (b) The Indemnitors shall furnish to the Surety fully, accurately and promptly all such information as it may request from time to time concerning:
 - (i) the financial condition of the Indemnitors;
 - (ii) the status of any Bonded Contract(s), Unbonded Contract(s) or other obligations of the Indemnitors and the condition of the performance thereof;
 - (iii) the payment of obligations incurred in connection with any Bonded Contract(s), Unbonded Contract(s) or other obligations; and
 - (iv) all such other information as the Surety may from time to time reasonably request.
- (c) The Surety and any representative, agent or advisor authorized in writing by the Surety may at reasonable times and places and from time to time, examine and copy the books, records and accounts of the Indemnitors.
- (d) Any of the Indemnitors who are individuals shall notify the Surety of any change in their respective marital circumstances which might affect their ownership of any assets or confer on their respective spouses any right, actual or potential, to claim an interest in any of their respective assets.
- (e) Each of the Indemnitors shall notify the Surety immediately of any change in his or its name.
- (f) If any of the Indemnitors merges, amalgamates, consolidates, reorganizes, forms a partnership or joins with, or sells, transfers or leases all or substantially all of its undertaking, property and assets to, any other person, firm, corporation, trust, partnership or venture

(hereinafter called a "Successor") and, where an Indemnitor is a partnership, if there is any change in the constitution of the partnership, including (but not limited to) the death, retirement, or addition of a member or members, or subsequent incorporation (the partnership so reconstituted or incorporated being included in the term "Successor"), then:

- (i) such Indemnitor shall immediately notify each of the other Indemnitors and the Surety; and
- (ii) whether or not such notice is given, this Agreement shall extend and apply to any Bonds theretofore issued (to the extent that such Bonds relate to the Successor) and any Bonds thereafter issued in respect of the Successor as principal.

14. CONSENT TO CHANGES

The Surety is authorized and empowered, without notice to or knowledge of the Indemnitors, notice being hereby expressly waived:

- (a) to correct any mistakes herein or in any Bond(s);

- (b) to assent or refuse to assent to any change whatsoever in any Bond(s), any Bonded Contract(s) and any Bonding Facility, including but not limited to any change in the time for the completion of any Bonded Contract(s) and for payments or advances thereunder and/or in the general conditions, plans or specifications which accompany said Bonded Contract(s) and any increase or decrease in the limit of any Bonding Facility; and
- (c) to assent to or to take any assignment or assignments, to execute or consent to the execution of any continuations, extensions, renewals, enlargements, modifications, change or alterations of any Bond(s) or Bonding Facility or Bonding Facilities, and to execute any substitute or substitutes therefor, with the same or different conditions, provisions and obligees and with the same or larger or smaller penalties;

and the Indemnitors shall remain bound under the terms hereof even though any such correction, assent or refusal by the Surety does or may substantially increase the liability of the Indemnitors.

15. CONTRACT ASSETS

- (a) The Indemnitors shall obtain, maintain and make available all Equipment and Material and Other Contract Assets necessary for the performance of all Bonded Contract(s) and Unbonded Contracts.
- (b) Each of the Indemnitors hereby assigns and transfers to the Surety, as collateral, to secure the obligations herein of the Indemnitors and all other indebtedness or liabilities of the Indemnitors to the Surety, whether heretofore or hereafter incurred, all the right, title and interest of the Indemnitors in and to:
 - (i) every:
 - (A) Contract, whether a Bonded Contract or an Unbonded Contract, and whether or not any Event of Default has occurred with regard to any of the Indemnitors in respect of such Contract, including all retained percentages, holdbacks, progress payments, deferred payments, earned moneys, compensation for extra work, proceeds of damage claims, insurance policies and claims thereunder, and all other funds and properties whatever (whether or not similar to the foregoing) that may be due or become due under any Contract(s) or that may be due, become due, awarded or allowed in connection with or under circumstances growing out of any Contract(s) or work done thereunder;
 - (B) subcontract let or that may be let in connection therewith;
 - (C) claim which the Indemnitors may have or acquire against any person furnishing or agreeing to furnish any labour, Equipment and Material or Other Contract Assets in connection with any such Contract or any such subcontract; and
 - (D) bond securing any such subcontract or claim;
 - (ii) all Contract Equipment and Material;
 - (iii) all Equipment and Material; and
 - (iv) all Other Contract Assets.
- (c) Such assignment shall be effective as of the date of execution and delivery of:
 - (i) this Agreement, as to each Bonded Contract covered by any Bond(s) heretofore issued (but nothing herein shall limit the Surety's right to claim under any prior assignment) and as to any Unbonded Contract in force at such date;
 - (ii) each Bond hereafter issued, as to each Bonded Contract covered by such Bond; or
 - (iii) each Unbonded Contract entered into after the date hereof, as to such Unbonded Contract.
- (d) The Surety shall take proceedings to enforce such assignment only in the event (an "Event of Default") of:
 - (i) any breach or alleged breach of any of the covenants and agreements herein contained, or of any term or condition of any Bonding Facility; or
 - (ii) any abandonment, forfeiture or breach of, or failure, refusal or inability to perform, any Bonded Contract or any liability under a Bond; or
 - (iii) any failure, refusal or inability of a principal to pay bills or other indebtedness incurred in, or in connection with, the performance of any Bonded Contract or Unbonded Contract; or
 - (iv) any assignment by any of the Indemnitors for the benefit of creditors, or the appointment, or any application for the appointment, of a receiver or trustee for any of the Indemnitors, whether insolvent or not; or
 - (v) any proceeding or the exercise of any right which deprives any of the Indemnitors of the use of any of the Contract Equipment and Material or any Other Contract Assets; or
 - (vi) any change or threat of change in the character, identity, control, management, beneficial ownership or existence of a principal; or
 - (vii) any other occurrence, condition or circumstance (whether or not similar to any of the foregoing) which in the sole opinion of the Surety may expose the Surety to loss, cost or expense.
- (e) Each of the Indemnitors hereby authorizes and empowers the Surety, if an Event of Default has occurred and is continuing, to:
 - (i) in its sole discretion, take possession of the work under any Bonded contract and to complete such contract, or cause the same to be completed, or to consent to the completion thereof, and to take any other action which the Surety may deem appropriate to obtain the discharge of the Surety's obligations as surety including, but not limited to, a monetary settlement with the obligee, and all losses, charges, expenses and costs incurred by the Surety in so doing shall be included as Indemnity Losses;
 - (ii) execute in the name of any Indemnitor any instruments deemed necessary or desirable by the Surety to provide absolute title to the Surety of any funds, property and rights as are hereby assigned, transferred or conveyed, and the Surety and such person(s) as the Surety may designate for this purpose are hereby authorized to take immediate possession of such funds, property and rights;
 - (iii) instruct any obligee(s) under any Bonds, and/or any owners under any Unbonded Contracts, to withhold further payment to any Indemnitor or other person who is a party to the relevant Contract(s);
 - (iv) collect any cheque, draft, warrant or other instrument made or issued in payment of any monies due on any Bonded Contract(s); and
 - (v) endorse in the name of an Indemnitor as payee and to cash any such instruments and to retain or disburse the proceeds thereof.

16. TRUST FUNDS

- (a) Each Indemnitor agrees and hereby expressly declares that all funds due or to become due under any Bonded Contract, are, whether in the possession of the Indemnitor or another, trust funds for the benefit of and payment to all persons to whom the Indemnitor incurs, in the performance of such Bonded Contract, obligations for which the Surety would be liable under such Bond. If the Surety assumes or discharges any such obligation, it shall be entitled to assert the claim of such person to the trust funds.
- (b) Each Indemnitor shall, upon demand by the Surety and in implementation of any trust hereby created, open an account or accounts with a bank or similar depository designated by the Indemnitor and approved by the Surety, which account or accounts shall be designated as a trust account or accounts for the deposit of such trust funds, and shall deposit therein all monies received pursuant to said Bonded Contract or contracts. Withdrawals from such accounts shall be by cheque or similar instrument signed by the Indemnitor and countersigned by a representative of the Surety.
- (c) Said trust or trusts shall terminate on the payment by the Indemnitor of all the contractual obligations for the payment of which the trust or trusts are hereby created or upon the expiration of twenty years from the date hereof, whichever shall first occur.

17. POWER OF ATTORNEY

Each of the Indemnitors hereby irrevocably nominates, constitutes, appoints and designates the Surety, or any person or persons designated by the Surety, as its attorney to exercise all of its rights assigned, transferred or set over to the Surety by this Agreement, and in its name to execute and deliver (and without limiting the generality of the foregoing, to complete any blanks and insert dates in) any and all additional or other assignments, instruments or documents deemed necessary or desirable by the Surety:

- (a) to vest in the Surety or its designees absolute title to any and all monies, property and rights hereby assigned; and
- (b) to provide the protections and rights to the Surety contemplated by all the provisions hereof.

Each of the Indemnitors hereby expressly declares that such power of attorney may be exercised during any subsequent legal incapacity on the part of such Indemnitor.

18. DISCLOSURE AND REGISTRATION

The Indemnitors consent to:

- (a) the service hereof at any time upon any person, firm or corporation (but nothing herein shall be construed as permitting the Surety to take enforcement proceedings contrary to subparagraph above); and
- (b) the registration hereof (or of a notice or other instrument in respect hereof) under any scheme or system of registration for any purpose.

19. ACTIONS TO ENFORCE THIS AGREEMENT

- (a) In the event of any claim or demand being made by the Surety against the Indemnitors, whether or not proceedings have been commenced against one or more of the Indemnitors, the Surety is hereby expressly authorized to:
 - (i) bring separate suits on this Agreement as causes of action accrue against any or all of the Indemnitors, and the bringing of a suit or the recovery of judgment upon any cause of action shall not prejudice nor bar the bringing of other suits upon other causes of action, whether theretofore or thereafter arising; and
 - (ii) settle or compromise any claim based upon this Agreement with any one or more of the Indemnitors individually without reference to the others, and such settlement or compromise shall not affect the liability of any of the rest of the Indemnitors, and each of the Indemnitors hereby expressly waives the right to be discharged and released by reason of the release of one or more of the other Indemnitors, and consents to any settlement or composition that may hereafter be made.
- (b) Any settlement or agreement concluded with an Indemnitor following a claim against him by the Surety under this Agreement shall not create a new agreement nor extinguish the Indemnitor's obligations under this Agreement, and this Agreement shall remain in full force and effect in case of default on the part of an Indemnitor to fulfil the terms of such settlement or agreement with the Surety.

20. COSTS AND INTEREST

- (a) In the event the Surety commences proceedings to enforce the terms hereof, the Surety shall be entitled to recover (but without duplication) its solicitor and own client costs (on a full indemnity basis), judicial and extra-judicial costs and the fees and disbursements of its solicitors and counsel in connection with such proceedings.
- (b) Any and all amounts which the Surety is entitled to be paid under this Agreement shall bear interest at a rate of 10% per year, calculated monthly from the date on which demand for payment therefor is made (or deemed to have been made) to the date of payment; the Surety's claim for such interest shall not merge in any judgment against any of the Indemnitors, and any such judgment shall bear interest at such rate until payment.

21. WAIVER OF NOTICE AND OTHER RIGHTS

- (a) Each of the Indemnitors hereby waives notice of the execution of any Bond and of any act, fact or information concerning or affecting the rights or liabilities of the Surety or the rights or liabilities of the Indemnitors, including without limitation the release of any other Indemnitor, the adhesion hereto of any additional Indemnitor, and any change in the terms of any Bonding Facility.
- (b) The Indemnitors waive the benefit of division between themselves and of discussion of any principal.

22. SUBORDINATION OF INDEMNITORS

None of the Indemnitors shall enforce any rights of contribution or indemnity against any Indemnitor or its property and undertaking until such Indemnitor's obligations to the Surety under this Agreement have been satisfied in full.

23. EXCLUSION OF LIABILITY

None of the Indemnitors shall have any claim against the Surety, for indemnity or otherwise, in respect of any alleged error or omission on the part of the Surety in issuing or failing to issue any Bond.

24. DISCHARGE FROM SURETYSHIP

- (a) The Indemnitors shall, at any time upon the request of the Surety, procure the discharge of the Surety from any Bond and from all liability by reason thereof.
- (b) The Surety may, at any time, take such action as it deems necessary or proper to obtain its release from any and all liability under any Bond.

25. TERMINATION

- (a) An Indemnitor may give thirty (30) days' prior written notice of termination to the Surety by registered mail to the Surety at its head office, specifying the effective date of such termination. No such notice of termination shall be deemed to have been received by the Surety, and such thirty (30) day period shall not commence, unless and until such notice is actually delivered to the Surety and the Surety has given a written acknowledgement of such delivery. Any such notice shall not operate to modify, bar, limit, affect, impair or discharge the liability of the Indemnitor(s) so terminating or the remaining Indemnitors (if any), upon or by reason of any and all such Bonds executed:
 - (i) before the effective date of termination; or
 - (ii) executed after the effective date of termination:
 - (A) upon the award of a contract on a bid, proposal or tender with respect to which the Surety has executed a bid bond, agreement to bond (or "surety's consent") or similar undertaking prior to such date; or
 - (B) which the Surety has become obligated, prior to such date, to execute.
- (b) Such a notice of termination shall operate only with respect to the Indemnitor(s) giving it. This Agreement shall remain in full force and effect, with respect to the other Indemnitor(s), without obligation for the Surety to notify such other(s) of the termination by one or more of the Indemnitors.
- (c) It shall be the responsibility of the terminating party to ascertain the correct address for the time being of the head office of the Surety. Such address is always a matter of public record. The head office of the Surety is now at Bay Adelaide Centre, 333 Bay Street, Suite 1610, Box 22 Toronto ON, M5H 2R2.

26. ADDITIONAL INDEMNITORS

Any person may, by completing, executing and delivering to the Surety an Adhesion in the form annexed to this Agreement, become bound as an Indemnitor hereunder as if such person had been an original signatory hereto.

27. DEMANDS BY SURETY

Any demand by the Surety on any of the Indemnitors may be hand delivered, telecopied, telexed or sent by registered mail to such party at the address shown above, or to such other address as such party may have notified to the Surety in writing (including any address shown in an Adhesion), and shall be conclusively deemed to have been received:

- (a) if hand delivered, telecopied or telexed:
 - (i) on the date of delivery or transmission, if prior to 4:00 p.m. (local time) on a day (other than a Saturday) on which chartered banks in the municipality named in such address are open for business during normal business hours (a "Business Day"); or
 - (ii) otherwise, on the next following Business Day; or
- (b) if mailed, on the second Business Day after mailing.

28. GOVERNING LAW AND JURISDICTION

This Agreement is made under, and shall be interpreted in accordance with, the laws of the province named on the first page hereof and the laws of Canada applicable in such province; each of the Indemnitors hereby expressly submits to the non-exclusive jurisdiction of the Courts of such province.

29. SEVERABILITY

If any provision or provisions hereof are held to be void or unenforceable under the laws governing its construction or enforcement, this Agreement shall not be void or unenforceable thereby but shall continue in effect and be enforced as though such provision or provisions were omitted.

30. ENUREMENT

This Agreement is binding jointly and severally upon the Indemnitors, their heirs, executors, personal representatives, successors and assigns. This Agreement shall enure to and benefit any successor to the Surety (including without limitation any person to whom the Surety may in future transfer all or any substantial part of its business assets).

31. **RIGHTS AND REMEDIES OF SURETY**

The rights, powers and remedies afforded to the Surety by the terms hereof may not be waived or modified orally and no written change or modification shall be effective until signed by an authorized officer of the Surety. No agent or broker is authorized to sign any such change or modification on behalf of the Surety. All rights and remedies of the Surety under this Agreement shall be cumulative, and the exercise of or failure to exercise any right or remedy at any time shall not be an election of remedy or a waiver of any other right or remedy or of the same right or remedy as at any other time. The Surety is not required to exhaust its remedies or rights against the principal or to await receipt of any dividends from the legal representatives of the principal before asserting its rights under this Agreement against the Indemnitors, and may assert such rights against one or more of the Indemnitors without asserting them against all or other Indemnitors. The rights, powers and remedies conferred upon the Surety by this Agreement are in addition to any other rights the Surety may have or acquire against the Indemnitors or others, whether arising by the terms of any other agreement, by operation of law or otherwise.

32. **CHOICE OF LANGUAGE**

The parties hereto have requested that the present Agreement be drafted in the English language. Les parties aux présentes ont réquis que la présente entente soit rédigée dans la langue anglaise.

33. **ENTIRE AGREEMENT**

EACH OF THE INDEMNITORS REPRESENTS TO THE SURETY THAT SUCH INDEMNITOR HAS CAREFULLY READ THE ENTIRE AGREEMENT AND THAT THERE ARE NO OTHER AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OR MODIFY THE OBLIGATIONS SET FORTH HEREIN.

34. **CONSENT TO SURETY'S OBTAINING INFORMATION**

Each of the Indemnitors:

- (a) authorizes the Surety to obtain any credit or other information concerning the affairs and operations of each of the Indemnitors (including any "personal information", as defined by the *Personal Information Protection and Electronic Documents Act* (Canada) and other applicable personal information laws) and any transaction between or among any of the Indemnitors from any banks, depositories, sureties, obligees of the Bonds, materialmen, supply houses, credit reporting agencies, brokers or other persons (collectively, "Sources");
- (b) expressly instructs all such Sources to furnish such information to the Surety (and for greater certainty, instructs any broker(s) to release to the Surety any information relating to any Bond(s) or Bonding Facility); and
- (c) consents to the collection, use and disclosure by the Surety of any personal information about such Indemnitor for the purposes of the entering into, administration and enforcement of this Agreement and any Bond(s).

IN WITNESS WHEREOF the Indemnitors have executed and delivered these presents as their respective deeds, each who is an individual having hereunto set his or her hand (and having, by so signing, adopted the word ("seal") hereon as his or her personal seal), and each which is a partnership, joint venture, trust, corporation or unincorporated association having caused this Agreement to be duly executed by its duly authorized representative or representatives, as of the date shown on the first page hereof, which date each of the Indemnitors hereby affirms as the effective date of this Agreement, regardless of the date on which such Indemnitor in fact executed this Agreement.

SIGNED, SEALED AND DELIVERED:

Corporations and/or Partnerships Sign Hereunder

Witness	Name of Corporation {Seal}
_____ (Signature)	1964740 Alberta Inc.
_____	_____ (Signature)
Print name	Print Name:
_____	Print Title:
Address of Witness	I have the authority to bind the corporation
_____	25213 Hwy 37
City, Postal Code	Address of Corporation
()	Sturgeon County, AB T8T0G4
Phone number	City, Postal Code
_____	_____
	Phone number

<p>Witness</p> <p>_____ (Signature)</p> <p>_____</p> <p>Print name</p> <p>_____</p> <p>Address of Witness</p> <p>_____</p> <p>City, Postal Code</p> <p>_____</p> <p>() _____</p> <p>Phone number</p>	<p>Name of Corporation {Seal}</p> <p>Barricades and Signs Ltd.</p> <p>_____ (Signature)</p> <p>Print Name:</p> <p>Print Title:</p> <p>I have the authority to bind the corporation</p> <p>25213 Hwy 37</p> <p>_____</p> <p>Address of Corporation</p> <p>Sturgeon County, AB T8T0G4</p> <p>_____</p> <p>City, Postal Code</p> <p>_____</p> <p>_____</p> <p>Phone number</p>
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<p>Witness</p> <p>_____ (Signature)</p> <p>_____</p> <p>Print name</p> <p>_____</p> <p>Address of Witness</p> <p>_____</p> <p>City, Postal Code</p> <p>_____</p> <p>() _____</p> <p>Phone number</p>	<p>Name of Corporation {Seal}</p> <p>Batavi Venture Group Inc.</p> <p>_____ (Signature)</p> <p>Print Name:</p> <p>Print Title:</p> <p>I have the authority to bind the corporation</p> <p>29 Jacobs Close</p> <p>_____</p> <p>Address of Corporation</p> <p>St. Albert, AB T8N7S4</p> <p>_____</p> <p>City, Postal Code</p> <p>_____</p> <p>_____</p> <p>Phone number</p>
---	--

<p>Witness</p> <p>_____ (Signature)</p> <p>_____</p> <p>Print name</p> <p>_____</p> <p>Address of Witness</p> <p>_____</p> <p>City, Postal Code</p> <p>_____</p> <p>() _____</p> <p>Phone number</p>	<p>Name of Corporation {Seal}</p> <p>Candesto Enterprises Corp.</p> <p>_____ (Signature)</p> <p>Print Name:</p> <p>Print Title:</p> <p>I have the authority to bind the corporation</p> <p>29339 Hwy 2A</p> <p>_____</p> <p>Address of Corporation</p> <p>Moutain View County, AB T0M0S0</p> <p>_____</p> <p>City, Postal Code</p> <p>_____</p> <p>_____</p> <p>Phone number</p>
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Witness _____ (Signature) _____ Print name _____ Address of Witness _____ City, Postal Code _____ () Phone number	Name of Corporation {Seal} Candesto North Inc. _____ (Signature) Print Name: Print Title: I have the authority to bind the corporation 55231 Hwy 2 _____ Address of Corporation Sturgeon County, AB T8R0G5 _____ City, Postal Code _____ Phone number
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Witness _____ (Signature) _____ Print name _____ Address of Witness _____ City, Postal Code _____ () Phone number	Name of Corporation {Seal} Safe Roads Highway Products Alberta Inc. _____ (Signature) Print Name: Print Title: I have the authority to bind the corporation 25213 Hwy 37 _____ Address of Corporation Sturgeon County, AB T8T0G4 _____ City, Postal Code _____ Phone number
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Special Instructions:

Signatures should be witnessed unless corporate officers are signing with corporate seal.

If the Indemnitor is a corporation execute in full corporate name by proper officers, affix corporate seal and attach a Directors' Resolution.

If the Indemnitor is a Partnership, set forth name in full, with the signature(s) of the partner(s) executing on its behalf set out immediately below. Each partner should also separately sign as an Indemnitor.

If Alberta is specified on page I, or the Indemnitor is an Alberta resident or governed by Alberta law, comply with The Guarantees Acknowledgement Act (Alberta).

THIS IS EXHIBIT "L"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023



A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta



TRISURA

Bay Adelaide Centre
333 Bay Street, Suite 1610, Box 22
Toronto, Ontario, M5H 2R2
Phone: (416) 214-2555
Fax: (416) 214-9597

PERFORMANCE BOND

No: TCS0262072

Bond Amount: \$1,642,872.21

Candesto Enterprises Corp. as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY** a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto **EllisDon Construction Services Inc.** as Obligor, hereinafter called the Obligor, in the amount of **One Million Six Hundred Forty-two Thousand Eight Hundred Seventy-two-----21/100 Dollars (\$1,642,872.21)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **July 26, 2019**, for

**West Calgary Ring Road Project
located at TRANS-CANADA HIGHWAY TO OLD BANFF COACH ROAD SEGMENT
Supply and Install of Structural and Regulatory Signage**

hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Obligor to be, in default under the Contract, the Obligor having performed the Obligor's obligations hereunder, the Surety shall promptly:

- (1) remedy the default, or;
- (2) complete the Contract in accordance with its terms and conditions or;
- (3) obtain a bid or bids for submission to the Obligor for completing the Contract in accordance with its terms and conditions and upon determination by the Obligor and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligor and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligor as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price; but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Obligor to the Principal under the Contract, less the amount properly paid by the Obligor to the Principal, or;
- (4) pay the Obligor the lesser of (1) the Bond Amount or (2) the Obligor's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Obligor.

The Surety shall not be liable for a greater sum than the Bond Amount.

No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Obligor named herein, or the heirs, executors, administrators or successors of the Obligor.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond dated the **January 22, 2020**.

SIGNED and SEALED

in the presence of

Candesto Enterprises Corp.

Witness as to Principal

Principal

Trisura Guarantee Insurance Company

Brandon Kassies, Attorney-in-fact



TRISURA

Bay Adelaide Centre
333 Bay Street, Suite 1610, Box 22
Toronto, Ontario, M5H 2R2
Phone: (416) 214-2555
Fax: (416) 214-9597

LABOUR & MATERIAL PAYMENT BOND (Trustee Form)

No. TCS0262072

Bond Amount \$1,642,872.21

Candesto Enterprises Corp. as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY** a corporation created and existing under the laws of CANADA and duly authorized to transact the business of Suretyship in CANADA as Surety, hereinafter called the Surety, are held and firmly bound unto **EllisDon Construction Services Inc.** as Obligor, hereinafter called the Obligor, in the amount of **One Million Six Hundred Forty-two Thousand Eight Hundred Seventy-two-----21/100 dollars (\$1,642,872.21)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **July 26, 2019**, for

**West Calgary Ring Road Project
located at TRANS-CANADA HIGHWAY TO OLD BANFF COACH ROAD SEGMENT
Supply and Install of Structural and Regulatory Signage**

in accordance with the Contract Documents submitted, and which are by reference made part hereof and are hereinafter referred to as the Contract.

The Condition of this obligation is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial rental value of equipment shall be determined, insofar as it is practical to do so, by the prevailing rates in the equipment marketplace in which the work is taking place.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligor, as Trustee, that every Claimant who has not been paid as provided for under the terms of its contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may as a beneficiary of the trust herein provided for, sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of its contract with the Principal and have execution thereon. Provided that the Obligor is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligor or by joining the Obligor as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligor against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligor by reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them may use the name of the Obligor to sue on and enforce the provisions of this Bond.
3. It is a condition precedent to the liability of the Surety under this Bond that such Claimant shall have given written notice as hereinafter set forth to each of the Principal, the Surety and the Obligor, stating with substantial accuracy the amount claimed, and that such Claimant shall have brought suit or action in accordance with this Bond, as set out in sub-clauses 3 (b) and 3 (c) below. Accordingly, no suit or action shall be commenced hereunder by any Claimant:
 - a) unless such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligor, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or Territory in which the subject matter of the Contract is located. Such notice shall be given.
 - i) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal, or under the lien Legislation applicable to the Claimant's contract with the Principal, whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal;
 - ii) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made under the Claimant's contract with the Principal;
- b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract;

- c) other than in a Court of competent jurisdiction in the Province or Territory in which the work described in the Contract is to be installed or delivered as the case may be and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.
4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothec and privileges of said Claimant.
5. Any material change in the contract between the Principal and the Obligor shall not prejudice the rights or interest of any Claimant under this Bond, who is not instrumental in bringing about or has not caused such change.
6. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of claims made under the applicable lien legislation or legislation relating to legal hypothecs, whether or not such claim is presented under and against this Bond.
7. The Surety shall not be liable for a greater sum than the Bond Amount.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond dated the **January 22, 2020**.

SIGNED and SEALED
in the presence of

Candesto Enterprises Corp.

Signature (Seal)

TRISURA GUARANTEE INSURANCE COMPANY

Brandon Kassies, Attorney-in-Fact (Seal)

Endorsed by: CCDC SAC
CCDC L&M.DOT
Rev. 02/03



TRISURA

Bay Adelaide Centre
333 Bay Street, Suite 1610, Box 22
Toronto, Ontario, M5H 2R2
Phone: (416) 214-2555
Fax: (416) 214-9597

PERFORMANCE BOND

No: TCS0262115

Bond Amount: \$125,973.44

Candesto Enterprises Corp. as Principal, hereinafter called the Principal, and TRISURA GUARANTEE INSURANCE COMPANY a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto Volker Stevin Contracting Ltd. as Obligor, hereinafter called the Obligor, in the amount of One Hundred Twenty-five Thousand Nine Hundred Seventy-three and 44/100 Dollars (\$125,973.44) lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the July 03, 2020, for

Contract C03162004
19-1056 Glenmore Trail & 88 Street
Intersection Improvement

hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Obligor to be, in default under the Contract, the Obligor having performed the Obligor's obligations hereunder, the Surety shall promptly:

- (1) remedy the default; or,
- (2) complete the Contract in accordance with its terms and conditions; or,
- (3) obtain a bid or bids for submission to the Obligor for completing the Contract in accordance with its terms and conditions and upon determination by the Obligor and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligor and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligor as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price; but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Obligor to the Principal under the Contract, less the amount properly paid by the Obligor to the Principal, or,
- (4) pay the Obligor the lesser of (1) the Bond Amount or (2) the Obligor's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Obligor.

The Surety shall not be liable for a greater sum than the Bond Amount.

No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Obligor named herein, or the heirs, executors, administrators or successors of the Obligor.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond dated the August 07, 2020.

SIGNED and SEALED

in the presence of

Witness as to Principal

Candesto Enterprises Corp.

Principal

Trisura Guarantee Insurance Company

Mark Pópo, Attorney-in-fact



Endorsed by - CCDC 221
(Jan. 2003 - Performance Bond CCA - Standard)

CCDC 221 - 2002 has been approved by The Surety Association of Canada



PERFORMANCE BOND

No: TCS0262341

Bond Amount: \$108,810.91

D3 Infrastructure Services Inc. as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY** a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto **Central City Asphalt Ltd.** as Obligor, hereinafter called the Obligor, in the amount of **One Hundred Eight Thousand Eight Hundred Ten--91/100 Dollars (\$108,810.91)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **April 13, 2023**, for

TND0022054

Project: Alberta Transportation - Hwy 11 Twinning
Description: Signs

hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Obligor to be, in default under the Contract, the Obligor having performed the Obligor's obligations hereunder, the Surety shall promptly:

- (1) remedy the default, or;
- (2) complete the Contract in accordance with its terms and conditions; or;
- (3) obtain a bid or bids for submission to the Obligor for completing the Contract in accordance with its terms and conditions and upon determination by the Obligor and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligor and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligor as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price, but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Obligor to the Principal under the Contract, less the amount properly paid by the Obligor to the Principal, or;
- (4) pay the Obligor the lesser of (1) the Bond Amount or (2) the Obligor's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Obligor.

The Surety shall not be liable for a greater sum than the Bond Amount.


No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Obligor named herein, or the heirs, executors, administrators or successors of the Obligor.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond dated the **May 30, 2023**.

SIGNED and SEALED
in the presence of

Witness as to Principal

D3 Infrastructure Services Inc.


Principal **DREW DIETZE**
VICE PRESIDENT

Trisura Guarantee Insurance Company


Mark Pupo, Attorney-in-fact

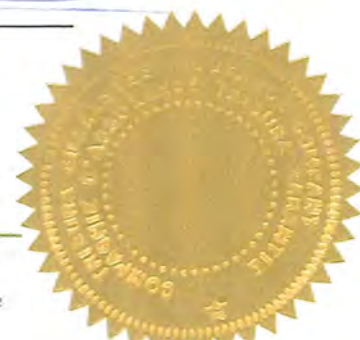
Vancouver Office
1955 West Georgia St.
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Vancouver, BC V6E 3R5
Tel: (604) 688-5641
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421 7th Avenue SW
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Tel: (403) 663-3343
Fax: (416) 214-9597

Toronto Office
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Suite 1502
Montréal, QC H3A 3M8
Tel: (514) 845-4555
Fax: (514) 845-6876

Halifax Office
201 Brownlow Ave
Suite 4
Dartmouth, NS B3B 1W2
Tel: (902) 458-8889
Fax: (416) 214-9597





LABOUR & MATERIAL PAYMENT BOND

(Trustee Form)

No. TCS0262341

Bond Amount \$108,810.91

D3 Infrastructure Services Inc., as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY** a corporation created and existing under the laws of CANADA and duly authorized to transact the business of Suretyship in CANADA as Surety, hereinafter called the Surety, are held and firmly bound unto **Central City Asphalt Ltd.** as Obligor, hereinafter called the Obligor, in the amount of **One Hundred Eight Thousand Eight Hundred Ten-91/100 dollars (\$108,810.91)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **April 13, 2023**, for

TND0022064
Project: Alberta Transportation - Hwy 11 Twinning
Description: Signs

in accordance with the Contract Documents submitted, and which are by reference made part hereof and are hereinafter referred to as the Contract

The Condition of this obligation is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:


1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial rental value of equipment shall be determined, insofar as it is practical to do so, by the prevailing rates in the equipment marketplace in which the work is taking place.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligor, as Trustee, that every Claimant who has not been paid as provided for under the terms of its contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may as a beneficiary of the trust herein provided for, sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of its contract with the Principal and have execution thereon. Provided that the Obligor is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligor or by joining the Obligor as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligor against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligor by reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them may use the name of the Obligor to sue on and enforce the provisions of this Bond.
3. It is a condition precedent to the liability of the Surety under this Bond that such Claimant shall have given written notice as hereinafter set forth to each of the Principal, the Surety and the Obligor, stating with substantial accuracy the amount claimed, and that such Claimant shall have brought suit or action in accordance with this Bond, as set out in sub-clauses 3 (b) and 3 (c) below. Accordingly, no suit or action shall be commenced hereunder by any Claimant:
 - a) unless such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligor, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or Territory in which the subject matter of the Contract is located. Such notice shall be given:
 - i) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal, or under the lien Legislation applicable to the Claimant's contract with the Principal, whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal;
 - ii) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made under the Claimant's contract with the Principal;
 - b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract;
 - c) other than in a Court of competent jurisdiction in the Province or Territory in which the work described in the Contract is to be installed or delivered as the case may be and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety agrees not to take advantage of Article 2385 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothec and privileges of said Claimant.
5. Any material change in the contract between the Principal and the Obligor shall not prejudice the rights or interest of any Claimant under this Bond, who is not instrumental in bringing about or has not caused such change.
6. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of claims made under the applicable lien legislation or legislation relating to legal hypothecs, whether or not such claim is presented under and against this Bond.
7. The Surety shall not be liable for a greater sum than the Bond Amount.

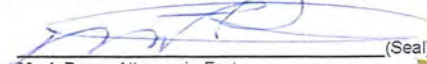
IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond dated the May 30, 2023.

SIGNED and SEALED
in the presence of

D3 Infrastructure Services Inc.

 (Seal)
Signature
DREW OLETZE, VICE PRESIDENT

TRISURA GUARANTEE INSURANCE COMPANY

 (Seal)
Mark Pupo, Attorney-in-Fact



Vancouver Office
1055 West Georgia St.
Suite 3020, Box 11160
Vancouver, BC V6E 3R5
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Fax: (604) 688-5926

Calgary Office
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Calgary, Alberta T2P 4K9
Tel: (403) 863-3343
Fax: (416) 214-9597

Toronto Office
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Fax: (416) 214-9597

Montréal Office
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Suite 1502
Montréal, QC H3A 3M8
Tel: (514) 845-4655
Fax: (514) 845-8876

Halifax Office
201 Brownlow Ave
Suite 4
Dartmouth, NS B3B 1W2
Tel: (902) 468-6889
Fax: (416) 214-9597



TRISURA

Bay Adelaide Centre
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Phone: (416) 214-2555
Fax: (416) 214-9597

PERFORMANCE BOND

No: TCS0262061

Bond Amount: \$1,362,626.77

Candesto North Inc. as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY** a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto **Carmacks Enterprises Ltd.** as Obligor, hereinafter called the Obligor, in the amount of **One Million Three Hundred Sixty-two Thousand Six Hundred Twenty-six** ~~77/100~~ Dollars (**\$1,362,626.77**) lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **August 16, 2019**, for

Contract No. 19618
Anthony Henday Drive SW Expansion located in
Edmonton, Alberta, Canada.

hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Obligor to be, in default under the Contract, the Obligor having performed the Obligor's obligations hereunder, the Surety shall promptly:

- (1) remedy the default, or;
- (2) complete the Contract in accordance with its terms and conditions or;
- (3) obtain a bid or bids for submission to the Obligor for completing the Contract in accordance with its terms and conditions and upon determination by the Obligor and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligor and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligor as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price; but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Obligor to the Principal under the Contract, less the amount properly paid by the Obligor to the Principal, or;
- (4) pay the Obligor the lesser of (1) the Bond Amount or (2) the Obligor's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Obligor.

The Surety shall not be liable for a greater sum than the Bond Amount.

No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Obligor named herein, or the heirs, executors, administrators or successors of the Obligor.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond dated the **October 31, 2019**.

SIGNED and SEALED

Candesto North Inc.

in the presence of

Witness as to Principal

Principal

Trisura Guarantee Insurance Company

Brandon Kassies, Attorney-in-fact



TRISURA

Bay Adelaide Centre
333 Bay Street, Suite 1610, Box 22
Toronto, Ontario, M5H 2R2
Phone: (416) 214-2555
Fax: (416) 214-9597

LABOUR & MATERIAL PAYMENT BOND (Trustee Form)

No. TCS0262061

Bond Amount \$1,362,626.77

Candesto North Inc. as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY** a corporation created and existing under the laws of CANADA and duly authorized to transact the business of Suretyship in CANADA as Surety, hereinafter called the Surety, are held and firmly bound unto **Carmacks Enterprises Ltd.** as Obligor, hereinafter called the Obligor, in the amount of **One Million Three Hundred Sixty-two Thousand Six Hundred Twenty-six-----77/100 dollars (\$1,362,626.77)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **August 16, 2019**, for

Contract No. 19618
Anthony Henday Drive SW Expansion located in
Edmonton, Alberta, Canada.

in accordance with the Contract Documents submitted, and which are by reference made part hereof and are hereinafter referred to as the Contract.

The Condition of this obligation is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial rental value of equipment shall be determined, insofar as it is practical to do so, by the prevailing rates in the equipment marketplace in which the work is taking place.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligor, as Trustee, that every Claimant who has not been paid as provided for under the terms of its contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may as a beneficiary of the trust herein provided for, sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of its contract with the Principal and have execution thereon. Provided that the Obligor is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligor or by joining the Obligor as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligor against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligor by reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them may use the name of the Obligor to sue on and enforce the provisions of this Bond.
3. It is a condition precedent to the liability of the Surety under this Bond that such Claimant shall have given written notice as hereinafter set forth to each of the Principal, the Surety and the Obligor, stating with substantial accuracy the amount claimed, and that such Claimant shall have brought suit or action in accordance with this Bond, as set out in sub-clauses 3 (b) and 3 (c) below. Accordingly, no suit or action shall be commenced hereunder by any Claimant:
 - a) unless such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligor, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or Territory in which the subject matter of the Contract is located. Such notice shall be given.
 - i) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal, or under the lien Legislation applicable to the Claimant's contract with the Principal, whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal;
 - ii) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made under the Claimant's contract with the Principal;
 - b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract;
 - c) other than in a Court of competent jurisdiction in the Province or Territory in which the work described in the

Contract is to be installed or delivered as the case may be and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothec and privileges of said Claimant.
5. Any material change in the contract between the Principal and the Obligor shall not prejudice the rights or interest of any Claimant under this Bond, who is not instrumental in bringing about or has not caused such change.
6. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of claims made under the applicable lien legislation or legislation relating to legal hypothecs, whether or not such claim is presented under and against this Bond.
7. The Surety shall not be liable for a greater sum than the Bond Amount.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond dated the **October 31, 2019**.

SIGNED and SEALED
in the presence of

Candesto North Inc.

_____(Seal)
Signature

TRISURA GUARANTEE INSURANCE COMPANY

_____(Seal)
Brandon Kassies, Attorney-in-Fact

Endorsed by: CCDC SAC
CCDC L&M.DOT
Rev. 02/03



TRISURA

Bay Adelaide Centre
333 Bay Street, Suite 1610, Box 22
Toronto, Ontario, M5H 2R2
Phone: (416) 214-2555
Fax: (416) 214-9597

PERFORMANCE BOND

No: TCS0262152

Bond Amount: \$199,295.91

Candesto Enterprises Corp., as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY** a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto **Volker Stevin Contracting Ltd.** as Obligor, hereinafter called the Obligor, in the amount of **One Hundred Ninety-nine Thousand Two Hundred Ninety-five —91/100 Dollars (\$199,295.91)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **May 20, 2020**, for

Contract No. C02116002
19-1055 - Ring Road Connections Stoney Trail - Airport Trail

hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Obligor to be, in default under the Contract, the Obligor having performed the Obligor's obligations hereunder, the Surety shall promptly:

- (1) remedy the default; or
- (2) complete the Contract in accordance with its terms and conditions; or
- (3) obtain a bid or bids for submission to the Obligor for completing the Contract in accordance with its terms and conditions and upon determination by the Obligor and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligor and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligor as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price; but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Obligor to the Principal under the Contract, less the amount properly paid by the Obligor to the Principal; or
- (4) pay the Obligor the lesser of (1) the Bond Amount or (2) the Obligor's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Obligor.

The Surety shall not be liable for a greater sum than the Bond Amount.

No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Obligor named herein, or the heirs, executors, administrators or successors of the Obligor.

IN WITNESS WHEREOF the Principal and the Surety have Signed and Sealed this bond dated the **March 03, 2021**

SIGNED and SEALED

In the presence of


Witness as to Principal

Candesto Enterprises Corp.


Principal

Trisura Guarantee Insurance Company


Mark Pupo, Attorney-in-fact



TRISURA

Bay Adelaide Centre
333 Bay Street, Suite 1610, Box 22
Toronto, Ontario, M5H 2R2
Phone: (416) 214-2555
Fax: (416) 214-9597

PERFORMANCE BOND

No: TCS0262116

Bond Amount: \$399,131.25

Candesto North Inc. as Principal, hereinafter called the Principal, and **TRISURA GUARANTEE INSURANCE COMPANY** a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto **Lafarge Canada Inc.** as Obligor, hereinafter called the Obligor, in the amount of **Three Hundred Ninety-nine Thousand One Hundred Thirty-one --25/100 Dollars (\$399,131.25)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **May 12, 2020**, for

Contract No. X10CO31200002-04
Yellowhead Trail - East
Widening Construction

hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Obligor to be, in default under the Contract, the Obligor having performed the Obligor's obligations hereunder, the Surety shall promptly:

- (1) remedy the default, or;
- (2) complete the Contract in accordance with its terms and conditions; or;
- (3) obtain a bid or bids for submission to the Obligor for completing the Contract in accordance with its terms and conditions and upon determination by the Obligor and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligor and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligor as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price; but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Obligor to the Principal under the Contract, less the amount properly paid by the Obligor to the Principal, or;
- (4) pay the Obligor the lesser of (1) the Bond Amount or (2) the Obligor's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Obligor.

The Surety shall not be liable for a greater sum than the Bond Amount.

No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Obligor named herein, or the heirs, executors, administrators or successors of the Obligor.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond dated the **August 07, 2020**.

SIGNED and SEALED

Candesto North Inc.

in the presence of

Witness as to Principal

Principal

Trisura Guarantee Insurance Company

Mark Pupo, Attorney-in-fact



PERFORMANCE BOND

No: TCS0262251

Bond Amount: \$1,944,836.25

Candesto Enterprises Corp. as Principal, hereinafter called the Principal, and TRISURA GUARANTEE INSURANCE COMPANY a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada as Surety, hereinafter called the Surety, are held and firmly bound unto Calgary Safelink Partners as Obligor, hereinafter called the Obligor, in the amount of **One Million Nine Hundred Forty-four Thousand Eight Hundred Thirty-six—25/100 Dollars (\$1,944,836.25)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **March 29, 2022**, for

Contract No. 4248069702
West Calgary Ring Road Project
Highway 8 to Old Banff Coach Road Segment

hereinafter referred to as the Contract.

The condition of this obligation is such that if the Principal shall promptly and faithfully perform the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Whenever the Principal shall be, and declared by the Obligor to be, in default under the Contract, the Obligor having performed the Obligor's obligations hereunder, the Surety shall promptly

- (1) remedy the default; or
- (2) complete the Contract in accordance with its terms and conditions; or
- (3) obtain a bid or bids for submission to the Obligor for completing the Contract in accordance with its terms and conditions and upon determination by the Obligor and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligor and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligor as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price, but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Obligor to the Principal under the Contract, less the amount properly paid by the Obligor to the Principal; or
- (4) pay the Obligor the lesser of (1) the Bond Amount or (2) the Obligor's proposed cost of completion, less the balance of Contract price.

It is a condition of this bond that any suit or action must be commenced before the expiration of two (2) years from the earlier of (1) the date of Substantial Performance of the Contract as defined in the lien legislation where the work under the Contract is taking place, or if no such definition exists, the date when the work is ready for use or is being used for the purpose intended, or (2) the date on which the Principal is declared in default by the Obligor.

The Surety shall not be liable for a greater sum than the Bond Amount.

No right of action shall accrue on this Bond, to or for the use of, any person or corporation other than the Obligor named herein, or the heirs, executors, administrators or successors of the Obligor.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond dated the **April 18, 2022**.

SIGNED and SEALED

in the presence of

Witness as to Principal

Candesto Enterprises Corp.

Principal

Trisura Guarantee Insurance Company

Mark Pupo, Attorney-in-fact

Vancouver Office	Calgary Office	Toronto Office	Montreal Office	Halifax Office
1055 West Georgia St. Suite 5020, Box 11160 Vancouver, BC V6E 4K5 Tel: (604) 683-8644 Fax: (604) 683-8558	4711 17th Avenue SW Suite 3730 Calgary, Alberta T2C 0K1 Tel: (403) 450-2343 Fax: (403) 244-8807	275 Bay St. Suite 1010 Toronto, ON M5H 2R2 Tel: (416) 214-2455 Fax: (416) 214-8897	1521 McGill College Ave. Suite 1000 Montreal, QC H3A 3M1 Tel: (514) 845-4250 Fax: (514) 845-8878	101 Brunswick Ave. Suite 8 Halifax, NS B1S 1Y7 Tel: (902) 468-8888 Fax: (902) 214-8897

Endorsed by TFC 271

(Rev. 2001) Performance Bond TFC 271 Standard

TFC 271 - 2002 has been approved by The Surety Association of Canada



LABOUR & MATERIAL PAYMENT BOND

(Trustee form)

No. TCS0262251

Bond Amount \$1,944,836.25

Candesto Enterprises Corp. as Principal, hereinafter called the Principal, and TRISURA GUARANTEE INSURANCE COMPANY a corporation created and existing under the laws of CANADA and duly authorized to transact the business of Suretyship in CANADA as Surety, hereinafter called the Surety, are held and firmly bound unto Calgary Safelink Partners as Obligees, hereinafter called the Obligees, in the amount of **One Million Nine Hundred Forty-four Thousand Eight Hundred Thirty-six—25/100 dollars (\$1,944,836.25)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligees, dated the **March 29, 2022**, for:

**Contract No. 4248069702
West Calgary Ring Road Project
Highway 8 to Old Banff Coach Road Segment**

in accordance with the Contract Documents submitted, and which are by reference made part hereof and are hereinafter referred to as the Contract.

The Condition of this obligation is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void, otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial rental value of equipment shall be determined, insofar as it is practical to do so, by the prevailing rates in the equipment marketplace in which the work is taking place.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligees, as Trustee, that every Claimant who has not been paid as provided for under the terms of its contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may as a beneficiary of the trust herein provided for, sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of its contract with the Principal and have execution thereon. Provided that the Obligees are not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligees or by joining the Obligees as a party to such proceeding, then such act, action or proceeding shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligees against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligees by reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them may use the name of the Obligees to sue on and enforce the provisions of this Bond.
3. It is a condition precedent to the liability of the Surety under this Bond that such Claimant shall have given written notice as hereinafter set forth to each of the Principal, the Surety and the Obligees, stating with substantial accuracy the amount claimed, and that such Claimant shall have brought suit or action in accordance with this Bond, as set out in sub-clauses 3 (b) and 3 (c) below. Accordingly, no suit or action shall be commenced hereunder by any Claimant:
 - a) unless such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligees, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or Territory in which the subject matter of the Contract is located. Such notice shall be given:
 - i) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal, or under the ten Legislation applicable to the Claimant's contract with the Principal, whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal;
 - ii) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made under the Claimant's contract with the Principal;
 - b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract;
 - c) other than in a Court of competent jurisdiction in the Province or Territory in which the work described in the Contract is to be installed or delivered as the case may be and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothec and privileges of said Claimant.
5. Any material change in the contract between the Principal and the Obligor shall not prejudice the rights or interest of any Claimant under this Bond who is not instrumental in bringing about or has not caused such change.
6. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of claims made under the applicable lien legislation or legislation relating to legal hypothecs, whether or not such claim is presented under and against this Bond.
7. The Surety shall not be liable for a greater sum than the Bond Amount.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond dated the **April 18, 2022**

SIGNED and SEALED
in the presence of:

Candesto Enterprises Corp.


Signature (Seal)

TRISURA GUARANTEE INSURANCE COMPANY


Mark Pupo, Attorney-in-Fact (Seal)

Vancouver Office	Calgary Office	Toronto Office	Montreal Office	Halifax Office
1025 West Georgia St. Suite 3020 (Box 17102) Vancouver, BC V6G 2B2 Tel: (604) 688-5641 Fax: (604) 688-5600	471 17 Avenue SW Suite 370 Calgary, Alberta T2P 5K5 Tel: (403) 265-3363 Fax: (403) 214-8587	320 Bay St. Suite 1810 Toronto, ON M5H 2R2 Tel: (416) 714-7550 Fax: (416) 714-8540	1501 McGill College Ave. Suite 1507 Montreal, QC H3A 3M8 Tel: (514) 845-4555 Fax: (514) 845-8874	204 Rutherford Ave. Suite 4 Barnstable, NS B3B 1V7 Tel: (902) 468-8865 Fax: (902) 468-8807

Fast Track Subcontract Performance Bond

Bond No. TCS0262340

Bond Amount CAD \$448,108.31

Candesto Enterprises Corp. as principal, hereinafter called the "Subcontractor", and

TRISURA GUARANTEE INSURANCE COMPANY, a corporation created and existing under the laws of Canada and duly authorized to transact the business of Suretyship in Canada, as surety, hereinafter called the "Surety",

are held and firmly bound jointly and severally unto **Graham Infrastructure LP** as obligee, hereinafter called the "General Contractor", in the amount of **Four Hundred Forty-eight Thousand One Hundred Eight—31/100 Dollars (\$448,108.31)** lawful money of Canada (the "Bond Amount"), for the payment of which sum the Subcontractor and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally (the "Obligation").

WHEREAS the General Contractor has entered into a written contract dated on or about the **10th day of November, 2022** with **City of Leduc** (the "Project Owner") for **Queen Elizabeth II (QEII) and 65th Avenue Interchange**, which contract is hereinafter referred to as the "Prime Contract";

AND WHEREAS the Subcontractor has entered into a written subcontract dated on or about the **10th day of November, 2022** with the General Contractor for a scope of work and related obligations as defined in the subcontract, which subcontract, including all terms properly incorporated by reference, and including all changes or amendments made in accordance with its terms prior to a Demand (as herein defined) is hereinafter referred to as the "Subcontract";

AND WHEREAS the Subcontract is incorporated into this Bond for the purpose of specifying the condition of the Obligation but without thereby making the Surety a party to the Subcontract;

NOW THEREFORE the condition of the Obligation is such that if the Subcontractor shall perform the Subcontract in accordance with its terms then this Bond shall be null and void. Otherwise, this Bond shall remain in full force and effect, subject to the following conditions:

1. Whenever the Subcontractor is in default under the Subcontract (a "Subcontractor Default"), then, provided, as a condition precedent to making a claim hereunder, the General Contractor has delivered to the Subcontractor a written notice of default in accordance with the terms of the Subcontract (the "Default Notice"), the General Contractor may deliver to the Surety and the Subcontractor a written demand on this Bond substantially in the form set out in Schedule A to this Bond (the "Demand"). Delivery of a Demand constitutes acknowledgement and consent by the General Contractor of the terms and conditions of this Bond.
2. Upon delivery of the Demand, the General Contractor may immediately and for a period of up to twenty (20) Business Days take reasonable steps to mitigate the Subcontractor Default, including without limitation performing or arranging for others to perform some or all of the remaining obligations of the Subcontractor under the Subcontract (the "Mitigation Work"), and the Mitigation Work shall be without prejudice to the rights of the General Contractor, the Subcontractor or the Surety under this Bond or under the Subcontract, and the General Contractor shall not be liable, and the General Contractor's rights hereunder shall not be adversely affected or reduced, as a result of performing or failing to perform any Mitigation Work in such period.
3. Within four (4) Business Days of service of the Demand, the Surety will provide the General Contractor with written acknowledgement of the date on which the Surety received the Demand, providing the name and contact information for the Surety's initial representative. Without limiting the parties' rights and obligations set out in this Bond, including paragraph 4 below, the Surety may make a preliminary request for such site access, information and documentation as is reasonable to enable it to determine its liability under this Bond, and the General Contractor will make efforts, acting reasonably, to comply with the Surety's request. The Surety is entitled to make subsequent reasonable requests for additional site access, information and documentation.
4. To enable the Surety to determine its response to the Demand, the General Contractor will provide to the Surety and its representatives, at the Surety's expense and, if applicable, subject to the Project Owner's approval:

- i. At the Surety's written request, reasonable access to the site(s) or place(s) where the Subcontract is being performed;
 - ii. At the Surety's written request, access by personal interview or telephone conference to a representative of the General Contractor knowledgeable about the circumstances leading to the Default Notice and the Demand, and authorized to speak on behalf of the General Contractor;
 - iii. Within ten (10) Business Days of delivering the Demand, copies of the signed Subcontract including any relevant documents, approved schedules, appendices, changes, revisions and amendments that make up the Subcontract, including any relevant provisions from other documents that have been properly incorporated by reference into the Subcontract, and including any other documentation or information supporting the Default Notice and the General Contractor's Demand on this Bond, as are in the possession of the General Contractor. Where practical, such documentation may be provided to the Surety in electronic format; and
 - iv. Within ten (10) Business Days of delivering the Demand, copies of the Prime Contract, or those sections, provisions and schedules of the Prime Contract that the General Contractor claims are binding on the Subcontractor and relevant to the Default Notice and the Demand, provided that the General Contractor may redact commercially confidential or other sensitive information that is not relevant to the Default Notice and the Demand. Where practical, such documentation may be provided to the Surety in electronic format.
5. The Surety shall:
 - a. Upon receipt of the Demand, promptly make such investigation as it deems necessary into the circumstances surrounding the Default Notice and the Demand, including but not limited to consulting with both the Subcontractor and the General Contractor, and with others having knowledge or involvement with the circumstances of the alleged Subcontractor Default; and
 - b. Within twenty (20) Business Days of the receipt of the Demand or such longer period as the Surety and General Contractor may agree, provide the General Contractor with a written response to the Demand in which the Surety either accepts or does not accept liability under this Bond (the "Surety's Response").
6. If the Surety does not provide the Surety's Response within such twenty (20) Business Days or such extended period set out in paragraph 5(b) above or, if in the Surety's Response, the Surety does not accept liability under this Bond, then on the day following such period or receipt of such Surety's Response, the General Contractor may proceed with the Mitigation Work through to completion of the remaining obligations of the Subcontractor under the Subcontract, all without prejudice to the rights of the General Contractor and the Surety under the Subcontract or this Bond, including the General Contractor's right to bring suit against the Surety under this Bond, provided that the Surety shall then be barred and estopped from defending any such suit or claim on the basis that (i) it is or was entitled to further investigate the alleged Subcontractor Default or to make an election under paragraph 8 below' and (ii) that proceeding with the Mitigation Work was unreasonable.
7. Further, if the Surety does not provide the Surety's Response within such twenty (20) Business Days or such extended period set out in paragraph 5(b) above or, if in the Surety's Response, the Surety does not accept liability under this Bond, then on the day following such period or receipt of such Surety's Response, without prejudice to the General Contractor's rights under paragraph 6 above to proceed with Mitigation Work, a dispute shall be deemed to exist under this Bond (a "Bond Dispute"), and the General Contractor and the Surety may each, in their respective sole discretion and without prejudice to any other legal rights either may have, but shall not be obligated to, refer a Bond Dispute for Fast Track Adjudication in accordance with Schedule B to this Bond (a "Fast Track Adjudication"). Subject to the terms of the Fast Track Adjudication set out in Schedule B, including any time extensions mutually agreed by the parties, the Adjudicator will issue a written decision (the Adjudicator's Decision) as soon as practical and in any event within sixty (60) calendar days after the Adjudication Commencement Date (as defined below).
8. If within, before or during such twenty (20) Business Days or extended period set out in paragraph 5(b) above, the Surety accepts liability under this Bond in the Surety's Response or otherwise in writing, then the General Contractor may continue the Mitigation Work and the Surety shall have up to a further twenty (20) Business Days to provide the General Contractor with a written proposal to proceed under one of the following options, subject always to the Bond Amount (the "Surety's Settlement Proposal"), and the Surety shall then promptly:

- a. remedy the Subcontractor Default in accordance with the terms of the Subcontract, which remedy will include prompt reimbursement to the General Contractor by the Surety of the reasonable cost of the Mitigation Work and other reasonable costs and damages incurred, all subject to the terms of the Subcontract; or
- b. itself perform, in accordance with the terms of the Subcontract, the obligations of the Subcontractor not yet performed under the Subcontract, including prompt reimbursement to the General Contractor of the reasonable costs of the Mitigation Work, all subject to the terms of the Subcontract, including but not limited to payment to the Surety of the Subcontract Balance as defined in paragraph 9 below; or
- c. nominate a replacement subcontractor (the "Replacement Subcontractor") that is acceptable to the General Contractor, acting reasonably, to enter into a new subcontract with the General Contractor to perform the remaining obligations of the Subcontractor under the Subcontract, and, upon execution of a new written subcontract between the General Contractor and the Replacement Subcontractor (the "Replacement Subcontract"), the Surety will promptly reimburse the General Contractor for the reasonable costs of the Mitigation Work, and the Surety will pay the General Contractor the cost to the General Contractor of the Replacement Subcontract less the Subcontract Balance as defined in paragraph 9 below, and such payment by the Surety will be made in installments coinciding with the dates on which payments fall due under the Replacement Subcontract; or
- d. consent to the General Contractor proceeding with the Mitigation Work until the remaining obligations of the Subcontractor under the Subcontract are complete, and;
 - i. the Surety will promptly reimburse the General Contractor for the reasonable costs of the Mitigation Work already incurred; and
 - ii. on a monthly basis coinciding with the General Contractor's normal billing cycle on the Prime Contract and as the Mitigation Work progresses, the Surety will pay the General Contractor the cost to the General Contractor of the Mitigation Work less the Subcontract Balance as defined in paragraph 9 below; and
 - iii. subject to the Project Owner's approval if applicable, the General Contractor will permit the Surety or its representative, at the Surety's expense, to observe and monitor the Mitigation Work and will make available to the Surety as the Mitigation Work progresses summary reporting and documentation of the Mitigation Work and the costs associated with the Mitigation Work on a monthly basis; or
 - iv. The Surety will pay to the General Contractor the lesser of the Bond Amount or the General Contractor's reasonable costs and damages arising from the Subcontractor Default less the Subcontract Balance.

If the General Contractor accepts the Surety's Settlement Proposal, then the General Contractor and the Surety will cooperate and will promptly take reasonable steps to facilitate an orderly transition, if necessary, from the Mitigation Work to an implementation of the agreed Surety's Settlement Proposal.

9. In determining the amount, if any, for which the Surety is liable under this Bond, under the Surety's Settlement Proposal or any other final determination of the Surety's liability:
 - a. The term "Subcontract Balance" means the amount the General Contractor would have been required to pay to the Subcontractor under the Subcontract as properly amended had the Subcontract been fully performed, less the amount properly paid by or on behalf of the General Contractor to the Subcontractor on account of the Subcontract; and
 - b. Under any Surety's Settlement Proposal or other determination of the Surety's liability under this Bond that does not involve payment of the Subcontract Balance to the Surety, the Surety will have the benefit of a credit to the extent of the Subcontract Balance; and
 - c. The aggregate liability of the Surety under this Bond shall not exceed the Bond Amount.
10. The Subcontractor consents that:

- a. at any time after this Bond is delivered to the General Contractor, the General Contractor may, but is not obligated to, communicate with the Surety in writing regarding the status of the Subcontract including information and documentation about any concern or dispute that may exist related to the Subcontract;
 - b. the Surety may communicate with the General Contractor in writing with a copy to the Subcontractor in response to any communication received by the Surety from the General Contractor; and
 - c. such written communication will not modify or form part of the Subcontract or this Bond, and will not be deemed by any party to this Bond to constitute interference or tampering in a contract.
11. Prior to a Demand being delivered by the General Contractor, either the General Contractor or the Surety may make a written request of the other parties to this Bond (a "Pre-Demand Meeting Request") for a pre-demand meeting in person or by telephone conference or other mutually agreed medium (a "Pre-Demand Meeting"), and the General Contractor, Subcontractor and Surety will make themselves available for a Pre-Demand Meeting at a mutually convenient time and place within five (5) Business Days of a Pre-Demand Meeting Request, on the conditions that:
- a. Any information or documentation disclosed or statements made by or on behalf of any party during the Pre-Demand Meeting shall be without prejudice to the rights and obligations of any party under the Subcontract, this Bond and the applicable law;
 - b. The General Contractor and Surety must make reasonable efforts to schedule the Pre-Demand meeting at a time and place convenient for all parties and must invite the Subcontractor to participate in the Pre-Demand Meeting, provided that the Pre-Demand Meeting may be convened and held without the participation of the Subcontractor; and
 - c. The purpose of the Pre-Demand Meeting is to allow the parties to express and respond to concerns relating to the alleged Subcontractor Default and, if applicable, any alleged non-performance of the Subcontract by the General Contractor, and to allow the parties to attempt to resolve these concerns without prejudice to their rights and obligations under the Subcontract, this Bond or the applicable law.
12. This Bond constitutes the entire agreement among the Surety, the General Contractor and the Subcontractor regarding the subject-matter hereof, and, notwithstanding that, for the purpose of specifying the condition of the Obligation, the Subcontract is incorporated into this Bond, the parties acknowledge that the Surety is not a party to the Subcontract.
13. This Bond cannot be assigned without the prior written consent of the Surety and the General Contractor.
14. Notices and communication under this Bond may be made to each party as follows:

To the Surety:

TRISURA GUARANTEE INSURANCE COMPANY
333 Bay Street, Suite 1610, Box 22,
Toronto, ON M5H 2R2
Email:suretyclaims@trisura.com

To the Subcontractor:

Candesto Enterprises Corp.
Box 84073 Market Mall P.O.
Calgary, AB T3A 5C4
Email:

To the General Contractor:

Graham Infrastructure LP
8404 McIntyre Road
Edmonton, AB T6E 6D3
Email:

And such notices shall be deemed to have been served on a party:

- a. On the same day as any such notice is hand delivered to such party;
- b. On the day following electronic communication if sent by Email to the party's Email address set out above; or
- c. On the 5th Business Day after mailing the notice to the party by regular mail at the party's municipal address as set out above.

"Business Day" under this Bond means any day other than a Saturday, Sunday or statutory holiday in the place of the project that is the subject of the Prime Contract.

15. Any suit or action under this Bond must be commenced before the expiration of two (2) years from the earlier of: (a) the date of Substantial Performance of the Prime Contract as defined in the lien legislation where the work under the Prime Contract is taking place, or, if no such definition exists, the date when the work under the Prime Contract is ready for use or is being used for the purpose intended, or (b) the date on which the work under the Subcontract is certified as substantially performed under the lien legislation where the work under the Subcontract is taking place, or (c) the date on which the General Contractor issued a Default Notice to the Subcontractor under the Subcontract.
16. The Surety shall not be liable for any amount greater than the Bond Amount, and the parties agree that they hereby have a duty to mitigate their damages.
17. No right of action shall accrue on this Bond to or for the use of any person or corporation other than the General Contractor or its heirs, executors, administrators or successors.
18. The recitals on the first page of this Bond are incorporated herein and made a part hereof with the same force and effect as if same were herein repeated fully and at length. 18. The recitals on the first page of this Bond are incorporated herein and made a part hereof with the same force and effect as if same were herein repeated fully and at length.

TRISURA GUARANTEE INSURANCE COMPANY



Mark Pupo, Attorney-in-fact
Name of person signing



Candesto Enterprises Corp.



DREW DIETZE, VICE PRES. c/s

Name and Title of person signing

Schedule A

Form of Demand

[Date]

TRISURA GUARANTEE INSURANCE COMPANY
333 Bay Street, Suite 1610, Box 22,
Toronto, ON M5H 2R2

Attn: [name of person]

Re:

TCS0262340

(the "Bond")

Candesto Enterprises Corp.

Graham Infrastructure LP

Queen Elizabeth II (QEII) and 65th Avenue Interchange

Dear Sir//a/a

Pursuant to the provisions of the Bond, we hereby notify you as Surety that a Subcontractor Default has occurred and we enclose a copy of the written Default Notice issued to the Subcontractor pursuant to the terms of the Subcontract.

We hereby demand that you perform your obligations under the Bond.

As permitted under the Bond, we may proceed with Mitigation Work and will keep and make available to you records and documentation of our progress and costs related to any such Mitigation Work.

The General Contractor's authorized representative with respect to this Demand is:

Name:	Brendon Hollier
Title:	[Title]
Local Address:	8404 McIntyre Road, Edmonton, AB T6E 6D3
Direct Phone:	[Direct Phone]
Mobile Phone:	Mobile Phone]
E-mail Address:	[E-mail]

Yours truly,

Graham Infrastructure LP

Brendon Hollier

cc: [Subcontractor]

Schedule B Fast Track Adjudication

This Schedule is part of the Subcontract Performance Bond No. [Bond Number] (the "Bond") issued by [name of the Surety] as Surety, and naming [full corporate name of Subcontractor as it appears on the first page of the Bond] as Subcontractor and [full corporate name of the General Contractor as it appears on the first page of the Bond] as General Contractor, and with respect to a written Subcontract between the Subcontractor and the General Contractor dated the [date] day of [month], [year], for [title or description of the Subcontract as it appears on the first page of the Bond].

1. The term "JAMS" means the independent commercial enterprise JAMS ADR Services ULC, having Canadian offices at 77 King Street West, Suite 2020, Toronto, ON M5K 1A1, Canada (phone) 416-861-1084 and a website at <http://www.jamsadr.com/>.
2. The term "Dispute Resolution Rules" means the Dispute Resolution Rules for Surety Bond Disputes as posted on the JAMS website at <http://www.jamsadr.com/surety-rules/> (the "JAMS Portal") accessed on the date the Bond was issued.
3. The term "Fast Track Adjudication" means the process described in this Schedule B and the Dispute Resolution Rules. In the event of a conflict between the Bond and the Dispute Resolution Rules then the terms of the Bond including this Schedule B shall govern.
4. Acting under paragraph 7 of the Bond, the General Contractor or the Surety may commence the Fast Track Adjudication by filing electronically an Adjudication Statement with JAMS at the JAMS Portal. Once filed, the filing party must serve the Adjudication Statement on the other party electronically within a further ten (10) Business Days as set out in the Dispute Resolution Rules.
5. Within three (3) Business Days after the Adjudication Statement is served on the other party, the General Contractor and Surety shall jointly appoint an adjudicator (the "Adjudicator") from the panelists on the JAMS Global Engineering & Construction Panel ("JAMS GEC Panel"). If an Adjudicator is not appointed within this time period, then JAMS shall promptly appoint an Adjudicator from the JAMS GEC Panel.
6. The Adjudicator shall have a duty to act impartially and fairly in accordance with the Dispute Resolution Rules.
7. The Adjudication Commencement Date means the date on which the Adjudicator has been appointed.
8. The scope of the Adjudicator's Decision shall be limited to the following questions:
 - a. Is the Subcontractor in default of the Subcontract as declared by the General Contractor?
 - b. Is the General Contractor entitled to claim under the Bond?
 - c. Is the Surety liable and required to perform under paragraph 8 of the Bond?
9. Where issues are in dispute as between the Subcontractor and the General Contractor under the Subcontract which have or may have a bearing on the liability of the Surety under this Bond, including without limitation issues that are to be considered by the Adjudicator under a Fast Track Adjudication, the Subcontractor and General Contractor remain free under the Subcontract to pursue resolution of such issues pursuant to any dispute resolution provisions in the Subcontract until the disputed issues may be finally resolved according to the terms of the Subcontract.

An Adjudicator's Decision shall be binding on the parties to this Bond in the interim and, notwithstanding any other dispute resolution process or procedure being pursued or contemplated by the parties to the Subcontract or between the Surety and General Contractor, the Surety and General Contractor shall implement, comply with and act upon an Adjudicator's Decision, provided that any party may seek to have the Adjudicator's Decision enforced or set aside by commencing a proceeding in a court of competent jurisdiction and a trial de novo, provided further that the parties shall continue to implement, comply with and act upon the Adjudicator's Decision until a final disposition, after appeal(s) if applicable, of the court(s), which final decision shall be binding on the parties. Subject to paragraph 10 above, an Adjudicator's Decision shall be without prejudice to the rights and obligations of the parties under the Subcontract or this Bond.

10. The Fast Track Adjudication, including all documents, submissions, information and the Adjudicator's Decision, shall be private and confidential to the parties and shall not be disclosed to third parties without the prior written consent of the Subcontractor, the General Contractor and the Surety, except as is necessary to implement, comply with and act upon the Adjudicator's Decision.

End of Schedule B



LABOUR & MATERIAL PAYMENT BOND

(Trustee Form)

No. TCS0262340

Bond Amount \$448,108.31

Candesto Enterprises Corp. as Principal, hereinafter called the Principal, and TRISURA GUARANTEE INSURANCE COMPANY a corporation created and existing under the laws of CANADA and duly authorized to transact the business of Suretyship in CANADA as Surety, hereinafter called the Surety, are held and firmly bound unto Graham Infrastructure LP as Obligor, hereinafter called the Obligor, in the amount of **Four Hundred Forty-eight Thousand One Hundred Eight—31/100 dollars (\$448,108.31)** lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has entered into a written contract with the Obligor, dated the **November 10, 2022**, for

SUBCONTRACT #3210000044

Project #: E22071

Queen Elizabeth II (QEI) and 65th Avenue Interchange

in accordance with the Contract Documents submitted, and which are by reference made part hereof and are hereinafter referred to as the Contract.

The Condition of this obligation is such that, if the Principal shall make payment to all Claimants for all labour and material used or reasonably required for use in the performance of the Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial rental value of equipment shall be determined, insofar as it is practical to do so, by the prevailing rates in the equipment marketplace in which the work is taking place.
2. The Principal and the Surety, hereby jointly and severally agree with the Obligor, as Trustee, that every Claimant who has not been paid as provided for under the terms of its contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may as a beneficiary of the trust herein provided for, sue on this Bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of its contract with the Principal and have execution thereon. Provided that the Obligor is not obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond. If any act, action or proceeding is taken either in the name of the Obligor or by joining the Obligor as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligor against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligor by reason thereof. Provided still further that, subject to the foregoing terms and conditions, the Claimants, or any of them may use the name of the Obligor to sue on and enforce the provisions of this Bond.
3. It is a condition precedent to the liability of the Surety under this Bond that such Claimant shall have given written notice as hereinafter set forth to each of the Principal, the Surety and the Obligor, stating with substantial accuracy the amount claimed, and that such Claimant shall have brought suit or action in accordance with this Bond, as set out in sub-clauses 3 (b) and 3 (c) below. Accordingly, no suit or action shall be commenced hereunder by any Claimant:
 - a) unless such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligor, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or Territory in which the subject matter of the Contract is located. Such notice shall be given:
 - i) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal, or under the lien Legislation applicable to the Claimant's contract with the Principal, whichever is the greater, within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal;
 - ii) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made under the Claimant's contract with the Principal;
 - b) after the expiration of one (1) year following the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract;
 - c) other than in a Court of competent jurisdiction in the Province or Territory in which the work described in the Contract is to be installed or delivered as the case may be and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.

4. The Surety agrees not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothec and privileges of said Claimant.
5. Any material change in the contract between the Principal and the Obligor shall not prejudice the rights or interest of any Claimant under this Bond, who is not instrumental in bringing about or has not caused such change.
6. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by the Surety of claims made under the applicable lien legislation or legislation relating to legal hypothecs, whether or not such claim is presented under and against this Bond.
7. The Surety shall not be liable for a greater sum than the Bond Amount.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond dated the **May 30, 2023**.

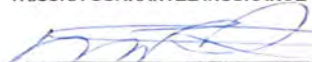
SIGNED and SEALED
in the presence of

Candesto Enterprises Corp.

 (Seal)

DREW DIETZE, VICE PRESIDENT

TRISURA GUARANTEE INSURANCE COMPANY

 (Seal)
Mark Pupo, Attorney-in-Fact



Vancouver Office
1055 West Georgia St.
Suite 3020, Box 11160
Vancouver, BC V6E 3R5
Tel: (604) 688-5541
Fax: (604) 688-5826

Calgary Office
421 7th Avenue SW
Suite 3750
Calgary, Alberta, T2P 4K9
Tel: (403) 893-3343
Fax: (416) 214-8587

Toronto Office
333 Bay St.
Suite 1610
Toronto, ON M5H 2R2
Tel: (416) 214-2555
Fax: (416) 214-8587

Montréal Office
1501 McGill College Ave
Suite 1502
Montréal, QC H3A 3M8
Tel: (514) 845-4555
Fax: (514) 845-5876

Halifax Office
201 Brownlow Ave
Suite 4
Dartmouth, NS B3B 1V2
Tel: (902) 468-5889
Fax: (416) 214-8587

THIS IS EXHIBIT "M"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023



A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

SHARE PURCHASE AND SALE AGREEMENT

April __, 2022

January 31, 2022

Between:

BATAVI VENTURE GROUP INC., an Alberta corporation
(hereinafter called the "**Purchaser**")

and

411850 ALBERTA LTD., an Alberta corporation ("411850") and
CHRIS BOKENFOHR ("Bokenfohr"), an individual resident in
Alberta (collectively hereinafter called the "**Vendor**")

WHEREAS the 411850 owns 20 Class "B" Common Shares in the capital of Safe Roads Alberta Ltd., 411850 owns 20 Class "A" Common Shares in the capital of Candesto North Inc., and Bokenfohr owns 500 Class "A" Common Shares in the capital of Candesto Enterprises Corp. (the "**Shares**"), which is the owner and operator of a certain business (the "**Business**") providing services to the public in the Province of Alberta;

AND WHEREAS the Purchaser wishes to purchase the Shares, all on the terms and conditions hereinafter set forth, for the Purchase Price, as hereinafter defined;

NOW THEREFORE this agreement witnesseth that in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties hereto mutually covenant and agree as follows:

ARTICLE I **INTERPRETATION**

1.1 Defined Terms. Where used herein or in any amendment hereto, the following terms shall have the following meanings respectively:

- (a) All dollar amounts referred to in this Agreement are in Canadian funds;
- (b) "Agreement", "hereto", "hereof", "herein" and "hereunder" mean this Agreement and any and all amendments hereto;
- (c) "Business Day" means Monday to Friday every week, excluding any statutory holidays in the Province of Alberta;
- (d) "Closing" means the closing, on the Closing Date, of the transactions contemplated under this Agreement;
- (e) "Closing Date" means January 31, 2022;
- (f) "Corporations" means Candesto North Inc., Candesto Enterprises Corp., and Safe Roads Alberta Ltd.



- (g) "Effective Date" means January 31, 2022 or such other date as is mutually agreed upon by the parties;
 - (h) "Income Tax Act" means the *Income Tax Act* (Canada) and regulations thereto as amended from time to time;
 - (i) "Lien" shall have the meaning attributed thereto herein;
 - (j) "Non-Competition Agreement" means the non-competition agreement between the Vendor and the Purchaser in the form annexed hereto;
 - (k) "Purchase Price" shall have the meaning attributed thereto in paragraph 2.2 hereof;
 - (l) "Purchaser's Solicitors" means D. Allison Professional Law Corporation, located at 2205, 500 – 4 Avenue SW, Calgary, Alberta T2P 2V6;
 - (m) "Schedules" means the Schedules referred to in paragraph 1.4 hereof;
 - (n) "Vendor's Solicitors" means Lori Bokenfohr.
- 1.2 Headings. The headings used in this Agreement are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.
- 1.3 Number and Gender. All words importing the singular number shall include the plural and vice versa, and all words importing gender shall include the masculine, feminine and neuter gender.
- 1.4 Schedules. The following Schedules are appended to and form part of this Agreement:
- Non-Competition Agreement
Consulting Retainer Agreement

All Schedules hereto are incorporated herein fully as though contained in the body hereof. Whenever any provision of any Schedule conflicts with any provision hereof, the provisions hereof shall prevail and govern.

ARTICLE II

PURCHASE AND SALE OF SHARES

- 2.1 Agreement to Sell and Purchase. Upon and subject to the terms and conditions hereof, the Vendor hereby sells to the Purchaser, and the Purchaser hereby purchases from the Vendor, the Shares on the Effective Date.
- 2.2 Purchase Price. Subject to the terms and conditions contained herein (including adjustment pursuant to clause 2.6), the purchase price payable by the Purchaser to the Vendor for the Shares (the "**Purchase Price**") shall be the sum of \$750,000.00. The Purchase Prices shall be allocated as follows: (a) Shares held in Candesto North Inc.



\$150,000.00; (b) Shares held in Candesto Enterprises Corp. \$500,000.00; and (c) Shares held in Safe Roads Alberta Ltd. \$100,000.00.

which Purchase Price shall be paid as follows:

- (a) \$125,000.00 at the Closing Date; and
- (b) \$125,000.00 per annum on each of the first, second, third, fourth and fifth annual anniversary dates of Closing.

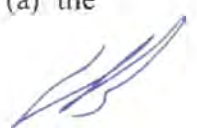
- 2.3 Non-Competition Election. The Parties agree that no portion of the Purchase Price shall be allocated to the undertakings set out in the Non-Competition Undertaking annexed hereto. The Parties hereto acknowledge and agree that the said undertakings form an integral part of this Agreement and that said undertakings are required in order for the maintenance and preservation of fair market value. The Parties agree that subsections 56.4(5) and 56.4(7)(g) of the *Income Tax Act* (Canada) and the equivalent provisions of any provincial legislation shall apply to the undertakings set out in the Non-Competition Undertaking. The Parties agree to file a joint election in the prescribed form on or prior to the date on which they are required pursuant to the *Income Tax Act* (Canada) to file their next federal tax return agreeing to apply subsections 56.4(5) and 56.4(7)(g) the *Income Tax Act* (Canada) to the undertakings set out in the Non-Competition Undertaking.
- 2.4 Consulting Agreement. At Closing, Vendor shall enter into a written agreement to provide consulting services to the Corporations during the 60 month period following Closing. The Vendor shall be available to provide consulting services to and in favour of and as and when required by the Corporations for up to 40 hours in a week. The Vendor shall be paid monthly in arrears in amount equal to \$13,671.31, plus GST, per month regardless of the actual hours worked in such month to reflect the retainer and personal availability expectation nature of such engagement.
- 2.5 Security. Each of the Purchaser and the Corporations covenants and agrees to pay all amounts set out in this Agreement and in the aforesaid consulting agreement when due. If any of the Purchaser or the Corporations defaults in the payment of any such amounts, the Vendor may give notice to the Purchaser and the Corporations of such default with sufficient details of such default to permit the Purchaser and/or the Corporations to act to remedy such default. If the Purchaser and/or the Corporations fail to fully rectify such default within 90 days of such notice, all amounts set out in this Agreement and in the aforesaid consulting agreement shall be immediately due and payable and the Vendor may proceed to exercise those rights set out in that certain share pledge agreement, annexed hereto, to recover all losses suffered as a result of such default in payment.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

- 3.1 Representations and Warranties of Vendors. The Vendors, jointly and severally represent and warrant as follows to the Purchaser and acknowledge and confirm that the Purchaser is relying on such representations and warranties in connection with the purchase by the Purchaser of the Shares:

- (a) Due Incorporation. 411850:
 - (i) is duly incorporated, validly existing and in good standing under the laws of the Province of Alberta; and
 - (ii) has all necessary corporate power and authority to own, lease and operate its properties and to conduct its business as and in the places where such properties are now owned, leased or operated or such business is now conducted.
- (b) Corporate Authority and Due Execution. 411850 has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement, and all necessary actions, corporate or otherwise, have been taken by and on behalf of 411850 to approve this Agreement and the transactions contemplated hereunder. This Agreement has been duly executed and delivered by 411850 and constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally or general principles of equity.
- (c) Validity of Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not result in the violation or breach of or be in conflict with or constitute a default under any of the terms or provisions of any agreement or instrument to which the Vendor is a party or by which it is bound or to the best of the Vendor's knowledge, information and belief, or that of any agent or employee of the Vendor, under any judgement, decree, order, statute, regulation, rule or license.
- (d) Title to Shares. The Vendors are the beneficial owner and holder of record of the Shares and at Closing shall transfer to the Purchaser a good and valid title to the Shares, free and clear of all Liens. The Shares are issued as fully paid and non-assessable.
- (e) Resident. The Vendor is not a non-resident of Canada within the meaning of the Income Tax Act.
- (f) Necessary Authorizations. All necessary or desirable steps and proceedings, to approve or authorize validly and effectively the transfer of the Shares to the Purchaser and the execution of this agreement and all other documents contemplated or desirable to give effect to the intent hereof have been taken by the Vendor.
- (g) No Effect. The execution of this Agreement, the consummation of the transactions contemplated herein, the performance by the Vendor of the Vendor's obligations hereunder and the compliance by the Vendor with this Agreement does not:
 - (i) result in, or give any person the right to seek, or to cause (a) the



termination, cancellation, modification, amendment, variation or renegotiation of any contract, agreement, indenture, instrument or commitment to which the Corporations or any of the Corporations' properties may be a party or subject or by which it is bound or affected, or (b) the acceleration or forfeiture of any term of payment, or (c) the loss in whole or in part of any benefit which would otherwise accrue to the Corporations;

- (ii) result in, or require the creation of any lien, hypothec, pledge, charge, prior claim, security interest, adverse claim or other encumbrance or right of others of any nature, whatsoever or howsoever arising (individually, a "Lien" and collectively, "Liens"), upon any of the Shares or any property of the Corporations; or
- (iii) violate, contravene or breach any Laws.

3.2 Representations and Warranties of Purchaser. The Purchaser represents and warrants as follows to the Vendor and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the purchase by the Purchaser of the Shares:

(a) Due Incorporation. The Purchaser:

- (i) is duly incorporated, validly existing and in good standing under the laws of the Province of Alberta; and
- (ii) has all necessary corporate power and authority to own, lease and operate its properties and to conduct its business as and in the places where such properties are now owned, leased or operated or such business is now conducted.

(b) Corporate Authority and Due Execution. The Purchaser has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement, and all necessary actions, corporate or otherwise, have been taken by and on behalf of the Purchaser to approve this Agreement and the transactions contemplated hereunder. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally or general principles of equity.

(c) Validity of Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not result in the violation or breach of or be in conflict with or constitute a default under any of the terms or provisions of any agreement or instrument to which the Purchaser is a party or by which it is bound or to the best of the Purchaser's knowledge, information and belief, or that of any agent or employee of the Purchaser, under



any judgement, decree, order, statute, regulation, rule or license.

- (d) Enforceability. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms.
- (e) Residency. The Purchaser is not a non-resident of Canada within the meaning of the Income Tax Act, and is not a non-eligible person, as that term is defined under the *Investment Canada Act*.

ARTICLE IV **SURVIVAL AND INDEMNIFICATION**

- 4.1 Survival. The representations and warranties contained in this Agreement, in the Schedules annexed hereto or in any certificate or other document delivered or given pursuant to this Agreement shall survive the completion of the transactions contemplated by this Agreement, and notwithstanding such completion or any investigation made by or on behalf of the Purchaser or any knowledge by the Purchaser of any incorrectness in, or breach of, such representations or warranties, shall continue in full force and effect for the benefit of the Purchaser.
- 4.2 Indemnification by Vendor. The Vendor shall indemnify and hold the Purchaser harmless from and against any claims, demands, actions, causes of action, judgments, damages, losses (which shall include any diminution in value), liabilities, costs or expenses (including, without limitation, interest, penalties and reasonable attorneys' and experts' fees and disbursements) (collectively, the "Losses") which may be made against the Purchaser, the Corporations or which any of them may suffer or incur as a result of, arising out of or relating to:
 - (a) any violation, contravention or breach of any covenant, agreement or obligation of the Vendor under or pursuant to this Agreement;
 - (b) any incorrectness in, or breach or, any representation or warranty made by the Vendor in paragraph 3.1, the Schedules annexed hereto or in any certificate or other document delivered or given pursuant to this Agreement; or
 - (c) any liabilities or obligations of the Business of any nature whatsoever arising after the Effective Date in respect of any act or omission of the Vendor accruing prior to the Effective Date.
- 4.3 Purchaser's Right to Set-Off. The Purchaser is hereby authorized at any time and from time to time to set off and apply any amounts for which the Vendor must indemnify the Purchaser against any amounts that may be owing by Purchaser to the Vendor.

ARTICLE V **CONDITIONS TO THE CLOSING**

- 5.1 Purchaser's Conditions to Closing. The obligation of the Purchaser to complete the purchase of the Shares as contemplated by this Agreement is subject to the fulfillment



and/or performance at or prior to the Effective Date or as otherwise specified of the following conditions:

- (a) Representations and Warranties. The representations and warranties of the Vendor set forth in paragraph 3.1 shall be true and correct in all material respects as at the Effective Date and the Purchaser shall not have received any search results with respect to the Vendor and the Shares and the Corporations (which may include searches conducted at corporate registry, personal property registry, sheriff's office, patent office, employment standards, bankruptcy, the court house and any other searches reasonably necessary in the circumstances) which indicate that the representations and warranties of the Vendor set out in paragraph 3.1 are untrue or incorrect in any material way.
- (b) Performance of Obligations. The Vendor shall have in all material respects complied with all the covenants herein and shall have performed, or caused to be performed, all of its obligations hereunder at or before the Effective Date.
- (c) Lease. If necessary, the Corporations shall have received consent to a change of control in respect of any lease, as might be applicable, on terms that are acceptable to the Purchaser.
- (d) Certificates of Vendor. The Purchaser shall be furnished with such certificates, or other instruments of the Vendor as the Purchaser may reasonably request in order to establish that the terms, covenants and conditions contained in this Agreement have been performed or complied with by the Vendor at or prior to the Effective Date.
- (e) Non-Competition Agreement. The Purchaser shall have received from the Vendor an executed Non-Competition Agreement in substantially the form annexed hereto.
- (f) No Material Change. From the date hereof up to and including the Effective Date, there shall have been no material adverse change in the business, operations, properties, prospects or condition of the Business, including, without limitation, any mandated closure or reduction of operations due to public health measures.
- (g) Litigation. There shall be no actions, claims, investigations, arbitrations or other proceedings pending or threatened as against the Vendor or the Business.
- (h) No Actions. No action or proceeding shall be pending or threatened by any person, government, governmental authority, regulatory body or agency to enjoin, restrict or prohibit the sale and purchase of the Shares or any portion thereof contemplated hereby.

The conditions set forth in this paragraph 5.1 are for the exclusive benefit of the Purchaser and may be waived in writing in whole or in part by the Purchaser at any time. If any of the conditions referred to in this paragraph 5.1 are not satisfied or duly waived on or before the



Effective Date or by the time otherwise specified, the Purchaser may elect by notice in writing to the Vendor to terminate this Agreement whereupon all of the obligations of the parties hereto shall cease to be of any further force and effect.

5.2 Vendor's Conditions to Closing. The obligation of the Vendor to complete the sale of the Shares as contemplated by this Agreement is subject to the fulfillment and/or performance at or prior to the Effective Date or as otherwise specified of the following conditions:

- (a) Representations and Warranties. The representations and warranties of the Purchaser set forth in paragraph 3.2 shall be true and correct in all material respects as at the Effective Date.
- (b) Performance of Obligations. The Purchaser shall have in all material respects complied with all the covenants herein and shall have performed, or caused to be performed, all of its obligations hereunder at or before the Effective Date.

The conditions set forth in this paragraph 5.2 are for the exclusive benefit of the Vendor and may be waived in writing in whole or in part by the Vendor at any time. If any of the conditions referred to in this paragraph 5.2 are not satisfied or duly waived on or before the Effective Date, the Vendor may elect by notice in writing to the Purchaser to terminate this Agreement whereupon all of the obligations of the parties hereto shall cease to be of any further force and effect.

ARTICLE VI **CLOSING**

6.1 Closing. Subject to the terms and conditions hereof, the sale and purchase of the Shares shall be completed at the Effective Date at the offices of the Purchaser's Solicitors.

6.2 Vendor's Deliveries at Closing. The Vendor shall tender at the Closing the following items and/or documents in such number as is requested by the Purchaser:

- (a) share certificates representing the Shares duly endorsed for transfer;
- (b) a certificate of the Vendor certifying that all of the Vendor's representations and warranties set forth in paragraph 3.1 hereof are true and correct as of the Effective Date;
- (c) a fully executed non-competition agreement;
- (d) a fully executed consulting agreement;
- (e) a fully executed share pledge agreement;
- (f) an executed resignation as a director, officer and employee of the Corporations;
- (g) a release to and in favour of the Corporations from and on behalf of the Vendor;



and

- (h) all records of the Vendor and/or the Corporations relating to the Shares and the Business in the possession and/or control of the Vendor.

6.3 Purchaser's Deliveries at Closing. The Purchaser shall tender at the Closing the following items and/or documents in such number as is requested by the Vendor:

- (a) a fully executed consulting agreement;
- (b) a fully executed share pledge agreement;
- (c) a fully executed promissory note in the amount of Two Hundred Fifty Thousand (\$250,000.00) Dollars from Safe Roads Alberta Ltd. in favour of the Vendor, in connection with the agreed sale of inventory of Safe Roads Alberta Ltd. following Closing;
- (d) a solicitor's cheque, certified cheque or bank draft in the amount of the of the Purchase Price payable at Closing, as may be adjusted; and
- (e) a certificate of the Purchaser certifying that all of the Purchaser's representations and warranties set forth in paragraph 3.2 hereof are true and correct as of the Effective Date.

ARTICLE VII

MISCELLANEOUS

7.1 Further Assurances. The parties hereto shall execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

7.2 Parties in Interest. This Agreement and all of its terms and provisions shall be binding upon and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors, heirs, executors and personal representatives and permitted assigns, as the case may be.

7.3 Cross-Default and Remedies. In the event that the Vendor is in breach of the Non-Competition Agreement, this shall be considered and deemed an event of default pursuant to this Agreement. All rights and remedies of the Purchaser under this Agreement, the Non-Competition Agreement and otherwise under applicable law are cumulative, and in addition to and not in substitution for, any other rights or remedies. Any single or partial exercise by the Purchaser of any right or remedy shall not be a waiver of, nor alter or prejudice, any other right or remedy of the Purchaser.

7.4 Time of Essence. Time shall be of the essence of this Agreement.

7.5 Notices. All notices consents or approvals required or permitted to be given hereunder shall be in writing and shall be delivered to the address of the intended recipient set forth



below or at such other address or addresses as may from time to time be notified by any of the parties hereto in the manner herein provided, that is to say:

(a) Vendor:

(b) Purchaser:

2205, 500 – 4 Avenue SW
Calgary, Alberta, T2P 2V6

Any notice shall be deemed to have been received on the date delivered if such date is a Business Day. If received on a day that is not a Business Day, the notice should only be effective starting on the next succeeding Business Day.


- 7.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise, and no agreement collateral hereto other than as expressly set forth or referred to herein. This Agreement supersedes and replaces any prior agreements, arrangements and understandings between the parties hereto with respect to the subject matter of the transactions contemplated hereof.
- 7.7 Severability. If any paragraph or any portion thereof set forth herein is declared or held invalid for any reason, such invalidity shall not affect the validity of the remainder of that paragraph or of this Agreement, which shall continue in full force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared that the intention of the parties hereto is that this Agreement would have been executed without reference to any portion which may for any reason be hereafter declared or held valid.
- 7.8 Assignment. Neither party may assign in whole or in part any of its interest, rights or obligations hereunder without the prior written agreement of the other.
- 7.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties attorn to the exclusive jurisdiction of the Courts of Alberta.
- 7.10 Amendment. This Agreement may be amended only by written amendment signed by both parties.
- 7.11 Waiver. The waiver by any party hereto of any matter provided for herein shall not be deemed to be a waiver of any such other matter.
- 7.12 Expenses. Each party shall bear its own costs in connection with this Agreement.

- 7.13 Counterparts. This Agreement may be executed by the parties in counterparts, and all counterparts will constitute one Agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or e-mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

BATAVI VENTURE GROUP INC.

Per: _____




Witness



CHRIS BOKENFOHR

411850 ALBERTA LTD.

Per: _____


Chris Bokenfohr



- 7.13 Counterparts. This Agreement may be executed by the parties in counterparts, and all counterparts will constitute one Agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or e-mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

BATAVI VENTURE GROUP INC.

DocuSigned by:
Per: Jan van Bruggen
Jan van Bruggen

Witness

CHRIS BOKENFOHR

411850 ALBERTA LTD.

Per: _____

NON-COMPETITION, NON-SOLICITATION UNDERTAKING

TO: BATAVI VENTURE GROUP INC., CANDESTO NORTH INC., CANDESTO ENTERPRISES CORP., AND SAFE ROADS ALBERTA LTD ("Candesto Group")

I, THE UNDERSIGNED, in consideration of \$1.00 now paid, covenant and agree as follows:

1. In this Undertaking, "person" includes any individual, firm, partnership, company, corporation, body corporate, bank, trust, government or governmental authority, unincorporated body or other association of persons or legal entity; and "Restricted Business" means the business of providing services in competition to Candesto North Inc., Candesto Enterprises Corp., or Safe Roads Alberta Ltd.
2. During the period that commences on the date of this Undertaking and ends on the date that is 60 months thereafter, the undersigned shall not directly or indirectly, and whether as proprietor, principal, agent, profit sharer, licensor, licensee, concessionaire, franchisee, consultant, contractor, director, officer, shareholder, limited or general partner, joint venturer, employee, investor, guarantor, financier, advisor, or in any other manner whatsoever, and whether alone or together with one or more other persons or through any one or more bodies corporate: (a) conduct, carry on, be engaged in or associated with; or (b) assist any person to conduct, carry on, be engaged in or associated with, any Restricted Business, or any aspect thereof, conducted or carried on, in whole or in part, from one or more locations, within the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba.
3. During the period that commences on the date of this Undertaking and ends on the date that is 60 months thereafter, the undersigned further covenants and agrees to not directly or indirectly through or with any other person, approach, solicit, entice or attempt to approach solicit or entice any customer of Candesto Group's business to leave Candesto Group's business or to refer any customers of the business to any other person. Furthermore, the undersigned shall not directly or indirectly through or with any other person, provide services to any customer of Candesto Group, or remove, transfer, refer, relocate, assign, transmit any customer, customer list or customer record from Candesto Group's business to any other business whatsoever. The undersigned acknowledges and agrees that Candesto Group or its agent shall at any time within 60 months of this Undertaking have the right to audit the records of any business with which the undersigned is associated in any way. Notwithstanding the generality of the foregoing, if Candesto Group and the undersigned determine that the provision of services to a customer of Candesto Group by the undersigned away from Candesto Group's business is permitted, as may be determined on a case by case basis, Candesto Group and the undersigned shall prearrange, in writing, reasonable financial arrangements to reflect any such exceptional allowance.
4. During the period that commences on the date of this Undertaking and ends on the date that is 60 months thereafter, the undersigned further covenants and agrees to not directly or indirectly through or with any other party or entity, approach, solicit, entice or attempt to approach solicit or entice any staff member, agent or contractor of Candesto Group's business to leave Candesto Group's business without the express written consent of Candesto Group. Notwithstanding the generality of the foregoing, if Candesto Group and the undersigned determine that the engagement of any employee, associate or contractor of Candesto Group by the undersigned is permitted, as may be determined on a case by case basis, Candesto Group and the undersigned shall prearrange, in writing, reasonable financial arrangements to reflect any

such exceptional allowance.

5. Any part of this Undertaking which is illegal, void or unenforceable shall be severed from this Undertaking, without affecting the legality, validity or enforceability of the rest of this Undertaking. Any legal fees incurred by Candesto Group in the enforcement of this Undertaking shall be to the account of the undersigned.

6. The undersigned acknowledges that damages may be an inadequate remedy for the breach of this Undertaking, and accordingly the undersigned agrees that this Undertaking may be enforced by specific performance, injunction or other equitable remedy.

7. The provisions of this Undertaking shall enure to the benefit of Candesto Group and its successors and assigns.


CHRIS BOKENFOHR

CONSULTING RETAINER AGREEMENT

A handwritten signature in blue ink, consisting of stylized, overlapping loops and strokes, located in the bottom right corner of the page.

SHARE TRANSFER

TO: Safe Roads Alberta Ltd (the "Corporation")

AND TO The Directors thereof

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, transfers and conveys unto Batavi Venture Group Inc. 20 Class "B" Common Shares in the capital stock of the Corporation, standing in the name of the undersigned on the books of the Corporation represented by share certificate number B-1 and hereby irrevocably constitutes and appoints the Secretary of the Corporation as attorney for the undersigned to effect the transfer of the said shares on the books of the Corporation, with full power of substitution in the premises. This is a power coupled with an interest and will survive any subsequent incapacity of the undersigned.

This Share Transfer may be executed and transmitted by facsimile or other electronic transmission, each of which when so executed and delivered shall be deemed an original.

January 31, 2022

DATED to take effect as of May __, 2022.

411850 ALBERTALTD.

Per. 

SHARE TRANSFER

TO Candesto Enterprises Corp. (the "Corporation")

AND TO The Directors thereof

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, transfers and conveys unto Batavi Venture Group Inc. 500 Class "A" Common Shares in the capital stock of the Corporation, standing in the name of the undersigned on the books of the Corporation represented by share certificate number A-3 and hereby irrevocably constitutes and appoints the Secretary of the Corporation as attorney for the undersigned to effect the transfer of the said shares on the books of the Corporation, with full power of substitution in the premises. This is a power coupled with an interest and will survive any subsequent incapacity of the undersigned.

This Share Transfer may be executed and transmitted by facsimile or other electronic transmission, each of which when so executed and delivered shall be deemed an original.

January 31, 2022

DATED to take effect as of May 1, 2022.



CHRIS BOKENFOHR

SHARE TRANSFER

TO Candesto North Inc. (the "Corporation")

AND TO: The Directors thereof

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, transfers and conveys unto Batavi Venture Group Inc. 20 Class "A" Common Shares in the capital stock of the Corporation, standing in the name of the undersigned on the books of the Corporation represented by share certificate number A-2 and hereby irrevocably constitutes and appoints the Secretary of the Corporation as attorney for the undersigned to effect the transfer of the said shares on the books of the Corporation, with full power of substitution in the premises. This is a power coupled with an interest and will survive any subsequent incapacity of the undersigned.

This Share Transfer may be executed and transmitted by facsimile or other electronic transmission, each of which when so executed and delivered shall be deemed an original.

January 31, 2022

DATED to take effect as of May 1, 2022.

411850 ALBERTA LTD.

Per 

PROMISSORY NOTE

January 31, 2024

Principal Sum \$250,000.00

~~Due: May 2024~~

FOR VALUE RECEIVED the undersigned, promises to pay to or to the order of **411850 ALBERTA LTD.** the principal amount of TWO HUNDRED FIFTY THOUSAND DOLLARS AND ZERO CENTS (the "**Principal Sum**") (\$250,000.00), in consideration of 20% of the value of product inventory of Safe Roads Alberta Ltd. at the Closing of the Share Purchase and Sale Agreement between Batavi Venture Group Inc., 411850 Alberta, and Chris Bokenfohr (the "**Inventory**") in lawful money of Canada on demand, with no liability for interest.

The Principal Sum shall be paid in installments from the sale proceeds of the Inventory until the Principal Sum is paid in full, or Two (2) years from the date hereof, whichever is later. The undersigned may at any time without notice, bonus or penalty prepay all or any part of the amount then outstanding under this Promissory Note.

The undersigned waive presentation, days of grace and any other notice of any kind in relation to this Promissory Note, other than notices expressly provided for in this Promissory Note, and agree that the lack of presentation, days of grace and such other notices shall not affect the undersigned's liability for payment under this Promissory Note.

The parties acknowledge and agree that the limitation period for enforcing payment of this Promissory Note shall, notwithstanding anything to the contrary in the *Limitations Act*, or similar legislation, as it may hereafter be amended or replaced, commence only on the date demand for payment under this Promissory Note is made and shall not commence on the date of this Promissory Note or on any other date other than the date of such demand.

Executed and delivered this ~~day of May, 2022~~

January 31, 2022

SAFE ROADS ALBERTA LTD.

Per: _____



SHARE PLEDGE AGREEMENT

January 31, 2022

THIS AGREEMENT made effective as of the ____ day of May, 2022.

Between:

411850 ALBERTA LTD., an Alberta corporation ("**411850**") and
CHRIS BOKENFOHR ("**Bokenfohr**"), an individual resident in
Alberta
(the "**Lender**")

- and -

BATAVI VENTURE GROUP INC., an Alberta Corporation (the
"**Pledgor**")

WHEREAS:

- A. The Pledgor is indebted to Lender for payment and performance pursuant to the Share Purchase and Sale Agreement and the Consulting Agreement.
- B. It is a term of the Share Purchase Agreement that the Pledgor deliver this Share Pledge Agreement to the Pledgor as security for the obligations and indebtedness arising pursuant to the Share Purchase and Sale Agreement.

PLEDGE:

For valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by the Pledgor, the Pledgor and the Lender hereby agree as follows:

1. Definitions

Each word and phrase with initial capital letters used in this Share Pledge Agreement has the meaning assigned to it in Schedule "A" attached hereto.

2. Pledge

As general and continuing collateral security for the payment and performance of all present and future indebtedness and liability whatsoever of the Pledgor to the Lender pursuant to Section 2.5 of the Share Purchase and Sale Agreement and any ultimate unpaid balance, including Expenses (the "**Indebtedness**"), the Pledgor hereby grants a security interest in, assigns, deposits with, pledges and charges to and in favour of the Lender:

- (a) the Pledged Shares; and,
- (b) all property that may at any time be held by the Pledgor or its nominee in respect of or in exchange for any of the property described in paragraph (a) above.

(collectively, the "**Collateral**").

3. Realization Limit



The number of Pledged Shares to which the Lender is entitled to take possession of at any point of determination is equal to the Realization Limit.

4. Remedies

To the extent permitted under Applicable Law, if a Default occurs and remains uncured for a period of 90 days after notice of such Default has been delivered by the Lender to the Pledgor, the Lender may from time to time realize upon, collect, sell, transfer and deliver the Pledged Shares and other Collateral in such a manner as may seem to it advisable, and for the purposes thereof each and every requirement relating thereto and prescribed by Applicable Law, and to the extent permitted under Applicable Law, is hereby waived by the Pledgor; except that the Lender or its nominee (the "Nominee") shall not be bound to deal with the Pledged Shares and other Collateral as aforesaid, and shall not be liable for any loss which may be occasioned by any failure to do so.

5. No Waiver

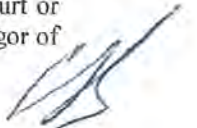
No delay on the part of the Lender or the Nominee in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Share Pledge Agreement, shall be deemed to be made by the Lender unless the same shall be in writing, duly signed by the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the obligations of the Pledgor in any other respect at any other time.

6. Dealings by the Lender

- (a) The Lender will not be obliged to exhaust its recourse against the Pledgor or any other Person or against any other security it may hold in respect of the Indebtedness before realizing upon or otherwise dealing with the Collateral in such manner as the Lender may consider desirable. The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Lender and any other Person, and with any or all of the Collateral and with other security and surties as the Lender may see fit without prejudice to the Indebtedness or to the security hereby constituted. The powers conferred on the Lender under this Share Pledge Agreement are solely to protect the interests of the Lender in the Collateral and will not impose any duty upon the Lender to exercise any such powers.
- (b) Upon the full repayment of the Indebtedness, the Lender will execute and deliver to the Pledgor such releases and discharges or other instruments as may be reasonably required to discharge the Security Interest created in connection with this Share Pledge Agreement and return the Collateral in the possession of the Lender to the Pledgor, upon written request of the Pledgor.

7. Representations and Warranties

- (a) The Pledgor represents and warrants to the Lender that it is the beneficial and legal owner of the Pledged Shares and that the Pledged Shares have been duly allotted and issued and are fully paid and non-assessable and are so owned free and clear of any Security Interest other than in favour of the Lender arising hereunder or any other Security granted by the Pledgor to the Lender as security for the Indebtedness.
- (b) There are no orders, judgments or rulings of any governmental body or of any court or tribunal which would restrict or have the effect of restricting the pledge by the Pledgor of the Pledged Shares as herein provided.



- (c) There are no orders, judgments or rulings or any kind and no action or proceedings is underway or contemplated which would make the representations and warranties in paragraphs (a) or (b) untrue or misleading in any way.
- (d) The Pledged Shares as of the date of this Agreement consist of:

Safe Roads Alberta Ltd.	20 Class "B" Common Shares
Candesto North Inc.	20 Class "A" Common Shares
Candesto Enterprises Corp.	500 Class "A" Common Shares
- (e) The Pledgor is not aware of any breach or imminent breach by the Pledgor of Applicable Law which would adversely affect the rights and remedies of the Lender hereunder or the value of the Pledged Shares.

8. Covenants

The Pledgor covenants and agrees that it will not create, incur or permit to exist, and the Pledgor will defend the Collateral against, and will take such other action as is necessary to remove, any and all Security Interests on and claims in respect of the Collateral other than the Security Interests created by this Share Pledge Agreement, and the Pledgor will defend the right, title and interest of the Lender in and to the Collateral against the claims and demands of all Persons and the Pledgor will not, without the Lender's prior written consent, sell or otherwise dispose of any of the Collateral, except to the extent expressly permitted under the Share Pledge Agreement.

9. Amendments

This Share Pledge Agreement may only be amended, amended and restated or otherwise modified by an agreement in writing signed by the Lender and the Pledgor.

10. Successors and Assigns

This Share Pledge Agreement is binding upon the Pledgor and its permitted successors and permitted assigns and shall enure to the benefit of the Lender and their successors and assigns.

11. Time

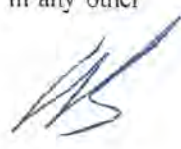
Time is of the essence with respect to this Share Pledge Agreement and the time for performance of the obligations of the Pledgor under this Share Pledge Agreement may be strictly enforced by the Lender.

12. Headings

The headings used herein are for the purpose of convenience only and shall not be referred to in construing the provisions of this Share Pledge Agreement.

13. Severability

If any term or provision of this Share Pledge Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Share Pledge Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.



14. Notices

All notices and other communications provided for hereunder shall be in writing and be delivered by the method and to the addressees noted in the Purchase Agreement.

15. Governing Law, etc.

All matters arising out of or relating to this Share Pledge Agreement are governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable in that Province. The Parties attorn to the exclusive jurisdiction of the courts of the Province of Alberta with respect to any disputes that arise hereunder.

16. Counterparts.

This Share Pledge Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Share Pledge Agreement, a party may send a copy of its original signature on the execution page hereof to the other party by facsimile, e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

[Signature page follows]



THIS SHARE PLEDGE AGREEMENT executed effective the date first mentioned above.

BATAVI VENTURE GROUP INC.

Per: _____


CHRIS BOKENFOHR

Witness



411850 ALBERTA LTD.

Per: _____





THIS SHARE PLEDGE AGREEMENT executed effective the date first mentioned above.

BATAVI VENTURE GROUP INC.

DocuSigned by:
Per: Jan van Bruggen
9396CA343FC9422

Witness

CHRIS BOKENFOHR

411850 ALBERTA LTD.

Per: _____

SCHEDULE "A"
SHARE PLEDGE AGREEMENT

Definitions

"Applicable Law" means, in relation to any Person, transaction or event, all applicable provisions (or mandatory applicable provisions, if so specified) of laws, statutes, rules, regulations, official directives and orders of all governmental bodies (whether administrative, legislative, executive or otherwise) and writs, judgments, injunctions, orders, awards and degrees of all courts, arbitrators, commissions or bodies exercising similar functions having jurisdiction over the Person, transaction or event in question.

"Collateral" has the meaning ascribed thereto in Section 2 of this Share Pledge Agreement.

"Consulting Agreement" means the Consulting Agreement dated May __, 2022 between the Lender and the Pledgor.

"Consulting Payments" means the amounts due pursuant to the Consulting Agreement.

"Default" means a default as described under Section 2.5 of the Share Purchase Agreement, or any failure to pay any amount when due under any of the Transaction Documents.

"Expenses" means all costs, fees and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by or on behalf of the Lender in connection with or arising out of a Default under this Agreement that remains uncured for 90 days.

"Indebtedness" has the meaning ascribed thereto in Section 2 of this Share Pledge Agreement.

"Nominee" has the meaning ascribed thereto in Section 4 of this Share Pledge Agreement.

"Person" means an individual, a partnership, corporation, trust, an unincorporated organization, a government or any department or agency thereof or any other judicial entity and the heirs, executors, administrators or other legal representatives of an individual.

"Pledged Shares" means 20 Class "B" Common Shares in the capital of Safe Roads Alberta Ltd., 20 Class "A" Common Shares in the capital of Candesto North Inc., and 500 Class "A" Common Shares in the capital of Candesto Enterprises Corp. (including any successors or assigns of any of the foregoing corporations) held by the Pledgor.

"PPSA" means the *Personal Property Security Act* (Alberta), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"Promissory Note" means the promissory note delivered under section 6.3(c) of the Share Purchase and Sale Agreement.

"Purchase Price" means \$750,000.00 to be paid in accordance with Section 2.2 of the Share Purchase and Sale Agreement.

"Realization Limit" means that number of Shares equal to the sum of the Purchase Price and accrued Consulting Payments less all installments (exclusive of interest) and payments thereon, received by the Pledgor pursuant to Section 2.5 of the Share Purchase and Sale Agreement as at the time of determination, divided by the sum of the Purchase Price and accrued Consulting Payments, multiplied by the number of Pledged Shares.

"Security Interest" means collectively and individually, any mortgage, charge, pledge, lien, hypothec, encumbrance, assignment by way of security, lease, conditional sale or title retention agreement or other security interest, howsoever created or arising, whether absolute or contingent, fixed or floating, legal or equitable, perfected or otherwise, and any other interest in property or assets that secures payment or performance of an obligation.

"Share Pledge Agreement" means this Share Pledge Agreement and all schedules attached hereto. All uses of the words "hereto", "herein", "hereof", "hereby" and "hereunder", including similar expressions, refer to this Share Pledge Agreement and not to any particular section or portion of it. References to "Articles", "Section" or "Schedule" refer to the applicable Article, Section or Schedule of this Share Pledge Agreement.

January 31, 2022

"Share Purchase and Sale Agreement" means the share purchase agreement dated as of May __, 2022 between the Lender and the Pledgor.

RESOLUTION OF THE SOLE DIRECTOR
OF 411850 ALBERTA LTD. (THE
"CORPORATION") PASSED WITHOUT A
MEETING PURSUANT TO SECTION 117(1)
OF THE *BUSINESS CORPORATIONS ACT*
(ALBERTA) EFFECTIVE AS OF THE
DAY OF MAY, 2022

WHEREAS:

- A. The Corporation wishes to sell all its shares in the Safe Roads Alberta Ltd. and Candesto North Ltd. to Batavi Venture Group Inc. (the "**Purchaser**").
- B. The sole director of the Corporation considers that it is in its best interests of the Corporation to approve such sale, and the terms of a share purchase agreement between the Corporation and the Purchaser (the "**SPA**").

RESOLVED THAT:

- 1. The SPA be and is hereby authorized and approved.
- 2. Any officer or director of the Corporation be, and each hereby is, authorized, directed and empowered to negotiate, settle the terms of and execute, whether under corporate seal or not as he or she shall determine, and deliver for, in the name of and on behalf of the Corporation, any or all of:
 - (i) SPA;
 - (ii) any ancillary documents to which the Corporation is a party, and
 - (iii) such other agreements, documents and instruments as may be contemplated by the foregoing or as he or she may consider necessary, desirable or convenient to implement or evidence the Corporation's participation in the transactions contemplated by the foregoing,all in such form as such officer or director may approve (collectively, all of the foregoing referred to herein as the "**Documents**").
- 3. Any officer or director of the Corporation be, and each hereby is, authorized, directed and empowered to (i) negotiate changes to the terms of the Documents; (ii) execute and deliver any and all amendments to or waivers of the terms of any of the Documents, as so changed, and (iii) take or cause to be taken such other actions as may be necessary, desirable or convenient to carry out the terms of the Documents, to evidence the Corporation's approval thereof and to effectuate the purpose and intent of this resolution and the signature of any such officer or director of the Corporation, whether under corporate seal or not as he or she shall determine, on the Documents, amendments or waivers or any of them, shall conclusively evidence his or her approval thereof and of such changes, amendments or waivers, as applicable, and the approval thereof by the Corporation and the due authorization and approval of the Documents and of such changes, amendments or waivers, as applicable, pursuant to this resolution.

- 4 Any execution and delivery as contemplated by this resolution shall conclusively establish the due authorization and approval of the relevant agreements, documents and instruments pursuant to this resolution and that all of same are absolutely and unconditionally binding upon the Corporation and the obligations thereunder of the Corporation are enforceable against it in accordance with their respective terms.
- 5 This resolution may be signed by the directors of the Corporation in as many counterparts which may be necessary and delivered by facsimile, pdf, or other electronic means each of which so signed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

The undersigned, being the sole director of the Corporation, hereby consent to and adopt the aforesaid resolutions, effective as of the date first written above.



CHRIS BOKENFOHR

**Resolutions consented to in writing by the
directors of Batavi Venture Group Inc. (the
"Corporation") effective May __, 2022.**

January 31, 2022

Share Purchase and Sale Agreement

Recital

The Corporation intends to approve the attached Share Purchase and Sale Agreement (the "Agreements").

It is therefore resolved that

1. The Corporation enter into and perform the Agreement.
2. Any one director or officer of the Corporation is authorized for and on behalf of the Corporation to:
 - (a) execute, with or without corporate seal, and deliver the Agreements and all instruments and documents required to implement and give effect to the matters provided for in the Agreements; and
 - (b) do all acts and things required to implement and give effect to the matters provided for in the Agreements.

The undersigned, being all of the directors of the Corporation, consent to and pass the foregoing resolutions.

DocuSigned by:

Jan van Bruggen

JAN VAN BRUGGEN

DocuSigned by:

SARAH ANNE VAN BRUGGEN

SARAH ANNE VAN BRUGGEN

RESIGNATION AND RELEASE

TO: SAFE ROADS ALBERTA LTD., CANDESTO NORTH INC. and CANDESTO ENTERPRISES CORP. (collectively, the "Corporations")

THIS RELEASE (this "Release") is effective May __, 2022.

WHEREAS BATAVI VENTURE GROUP INC. (the "Purchaser") has purchased certain shares in the capital of the Corporations for good and valuable consideration (the "Transaction").

NOW THEREFORE, in consideration of the covenants and agreements contained or otherwise provided for in transactions described above and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the undersigned hereby covenants and agrees as follows:

1 The undersigned hereby collectively resign in any capacity that the undersigned now holds in the Corporations, whether director, officer, or employee.


2 The undersigned hereby irrevocably and unconditionally remises, releases and forever discharges the Corporations of and from all and any actions, causes of action, claims, debts, duties, covenants, contracts, agreements, suits, proceedings, executions, judgements, dues, accounts, costs, expenses, losses, damages and demands of every nature and description whatsoever, whether at law or in equity, known or unknown, suspected or claimed, matured or unmatured, contingent or otherwise, which the undersigned now has or ever had or hereafter can, shall or may have, now or at any time in the future, for or by reason of or in any way arising, directly or indirectly, from any cause, action, event, circumstance, thing or other matter done or omitted to be done, occurring or existing at or prior to the date hereof, including without limitation:

- (a) the ownership of shares in the capital of the Corporations;
- (b) the acting as an employee, director and officer of the Corporations; and/or
- (c) any claim for any amounts owing by the Corporations as loans or otherwise any other dividends, compensation, stock options, or other remuneration, any loss of salary or wages, bonus.

3 This Release shall be binding upon the undersigned and their respective heirs, executors, administrators, trustees, estates, personal representatives, legal representatives and assigns, and shall enure to the benefit of the Corporations, except that this Release shall not operate in any way or manner to release any claims arising in favour of the undersigned in connection with the Transaction or any of the closing documents or any ancillary agreements in connection therewith, including but not limited to the promissory note in the amount of \$250,000.00 owed by Safe Roads Alberta Ltd. to 411850 Alberta Ltd.

4 This Release is and shall be deemed to have been made and performed exclusively in Alberta and shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein without regard to conflict of laws principles.

IN WITNESS WHEREOF, each of the parties hereto has executed this Release as of the date first written above.



CHRIS BOKENFOR

BRINGDOWN CERTIFICATE

TO: BATAVI VENTURE GROUP INC.

Reference is made to the Share Purchase Agreement (the "**Purchase Agreement**") dated May __, 2022 among 411850 Alberta Ltd., Chris Bokenfohr and Batavi Venture Group Inc. Any capitalized terms not otherwise defined herein have the meaning ascribed thereto in the Purchase Agreement.

We, the undersigned, hereby certify:

- (a) to the Closing Date, all of the covenants and obligations of the undersigned set forth in the Purchase Agreement have been observed and performed in all material respects;
- (b) at the Closing Date, all of the representations and warranties of the undersigned set forth in the Purchase Agreement remain true and accurate in all material respects, with the same force and effect as if such representations and warranties were made at and as of the Closing Date; and
- (c) all closing conditions, if any, to the closing of the transactions contemplated in the Purchase Agreement for the benefit of the undersigned contained in the Purchase Agreement have been fully satisfied and fulfilled or otherwise waived by the undersigned.

This certificate is delivered in satisfaction of the undersigned's obligation pursuant to the Purchase Agreement. This Certificate shall continue in full force and effect and shall survive the Closing Date.

January 31, 2022

DATED May __, 2022

Witness




CHRIS BOKENFOHR

411850 ALBERTA LTD.

Per 

BRINGDOWN CERTIFICATE

TO: 411850 ALBERTA LTD., an Alberta corporation
CHRIS BOKENFOHR

January 31, 2022

Reference is made to the Share Purchase Agreement (the "**Purchase Agreement**") dated May __, 2022 among 411850 Alberta Ltd., Chris Bokenfohr and Batavi Venture Group Inc. Any capitalized terms not otherwise defined herein have the meaning ascribed thereto in the Purchase Agreement.

We, the undersigned, hereby certify:

- (a) to the Closing Date, all of the covenants and obligations of the undersigned set forth in the Purchase Agreement have been observed and performed in all material respects;
- (b) at the Closing Date, all of the representations and warranties of the undersigned set forth in the Purchase Agreement remain true and accurate in all material respects, with the same force and effect as if such representations and warranties were made at and as of the Closing Date; and
- (c) all closing conditions, if any, to the closing of the transactions contemplated in the Purchase Agreement for the benefit of the undersigned contained in the Purchase Agreement have been fully satisfied and fulfilled or otherwise waived by the undersigned.

This certificate is delivered in satisfaction of the undersigned's obligation pursuant to the Purchase Agreement. This Certificate shall continue in full force and effect and shall survive the Closing Date.

DATED May __, 2022

January 31, 2022

BATAVI VENTURE GROUP INC.

DocuSigned by:
Per: Jan van Bruggen
9398CA343FC9422...

FROM: CHRIS BOKENFOHR and 411850 ALBERTA LTD. (each of them, an "Indemnifier" and together, the "Indemnifiers")

TO: BATAVI VENTURE GROUP INC., SAFE ROADS ALBERTA LTD., CANDESTO NORTH INC. AND CANDESTO ENTERPRISES CORP. (collectively, the "Indemnatee")

WHEREAS the Indemnifiers and the Indemnatee entered into a Share Purchase and Sale Agreement (the "Agreement") pursuant to which the Indemnatee has agreed to purchase certain shares of the Indemnifiers (the "Shares") in the capital of Safe Roads Alberta Ltd., Candesto North Inc. and Candesto Enterprises Corp., respectively (the "Corporations").

AND WHEREAS the Indemnifiers acknowledge the following issues (the "Operational Deficiencies") in respect of the its operations of the Corporations: (a) the matter of Cory Olsen, in his capacity as an employee, pertaining to potential WCB and/or personal injury claims against a Corporation; (b) the matter of Dale Dairon, in his capacity as an employee, pertaining to potential WCB and /or personal injury claims against a Corporation; (c) the matter of Cody Fowlie, in his capacity as an employee, pertaining to potential WCB and/or personal injury claims against a Corporation; and (d) potential failure of a Corporation in its Certificate of Recognition (COR) audit relating to health and safety standards at the Corporation.

AND WHEREAS the Indemnatee has requested the Indemnifiers to confirm responsibility for certain costs, expenses, fines, penalties, deficiencies, losses, and liabilities arising pursuant to the Operational Deficiencies.

AND WHEREAS in consideration of \$10.00, and other good and valuable consideration, the Indemnatee and the Indemnifiers desire to enter into this Indemnity Agreement to provide for certain rights and responsibilities of the parties as more particularly set out herein.

NOW THEREFORE, IN CONSIDERATION OF the premises and mutual covenants herein contained, the Indemnatee and the Indemnifiers do hereby covenant and agree as follows:

1. Each Indemnifier covenants and agrees to indemnify and save the Indemnatee harmless, *pro rata*, according to the percentage of Shares in each respective Corporation sold by such Indemnifier in relation to all outstanding shares of the relevant respective Corporation as of the effective date of the Agreement (such amount, the "Pro Rata Limit") from and against any and all costs, expenses, fines, penalties, deficiencies, losses, and liabilities (including without limitation, solicitor's fees and disbursements on a solicitor and client basis) ("Losses") incurred or suffered by the Indemnatee in relation to any third party claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, proceeding, litigation, summons, subpoena or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise arising out of the Operational Deficiencies (any of these, a "Claim").

2. If the Indemnatee receives notice of the assertion or commencement of any Claim the Indemnatee shall give the Indemnifier in question reasonably prompt written notice thereof, but in any event no later than 30 calendar days after receipt of notice of such Claim. The said Indemnifier shall have the right to participate in, or by giving written notice to the Indemnatee, to assume the defense of any Claim at the Indemnifier's expense and by such Indemnifier's own counsel, and the Indemnatee shall cooperate in good faith in such defense. If the said Indemnifier assumes the defense of any Claim, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counter-claims pertaining to any such Claim in the name and on behalf of the Indemnatee. The Indemnatee shall have the right to participate in the defense of any Claim with counsel selected by it subject to the Indemnifier's right to


control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnatee, provided that, if in the reasonable opinion of counsel to the Indemnatee, (A) there are legal defenses available to an Indemnatee that are different from, or additional to, those available to the Indemnifier; or (B) there exists a conflict of interest between the Indemnifier and the Indemnatee that cannot be waived, the Indemnifier shall be liable for the reasonable fees and expenses of counsel to the Indemnatee. If the Indemnifier elects not to compromise or defend such Claim, fails to promptly notify the Indemnatee in writing of its election to defend as provided herein or fails to diligently prosecute the defense of such Claim, the Indemnatee may pay, compromise, and defend such Claim and seek indemnification for any and all Losses arising from such Claim. The Indemnatee and Indemnifier shall cooperate with each other in all reasonable respects in connection with the defense of any Claim, including making available records relating to such Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Claim.

3. Notwithstanding any other provision hereof, no Indemnifier shall enter into settlement of any Claim without the prior written consent of the Indemnatee. If a firm offer is made to settle a Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnatee and provides, in customary form, for the unconditional release of the Indemnatee from all liabilities and obligations in connection with such Claim and an Indemnifier wishes to accept and agree to such offer, such Indemnifier shall give written notice to that effect to the Indemnatee. If the Indemnatee fails to consent to such firm offer within 10 days after its receipt of such notice, the Indemnatee may continue to contest or defend such Claim and, in that event, the maximum liability of the Indemnifier as to such Claim shall not exceed the amount of such settlement offer. If the Indemnatee fails to consent to such firm offer and also fails to assume defense of such Claim, the Indemnifier may settle the Claim upon the terms set forth in such firm offer to settle such Claim. If the Indemnatee has assumed the defense of the Claim it shall not agree to any settlement without the written consent of the Indemnifier (which consent shall not be unreasonably withheld or delayed).

4. Subject to Section 2 and Section 3 hereof, if the Indemnatee becomes obligated or liable for any Losses, then that sum, up to the Pro Rata Limit, may, at the election of the Indemnatee, be set-off against and shall apply to any sum of money owed by the Indemnatee to the relevant Indemnifier, whether by way of holdback or otherwise, until such amount has been set off in full.

5. This Agreement shall supersede and replace any and all prior agreements among between the parties hereto respecting the matters set forth herein, and shall constitute the entire agreement between the parties hereto in respect of the matters set forth herein. This Agreement shall be binding upon and enure to the parties' respective heirs, successors and permitted assigns, as the case may be. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Any counterpart may be delivered by facsimile transmission or other form of electronic transmission and such facsimile or electronic counterpart shall be deemed an original.


[remainder of page intentionally blank]



January 31, 2022

EXECUTED AND DELIVERED this ___ day of May, 2022.

411850 ALBERTA LTD.

Per: 
CHRIS BOKENFOHR

SAFE ROADS ALBERTA LTD.

Per: 

BATAVI VENTURE GROUP INC.

Per: _____

CANDESTO ENTERPRISES CORP.

Per: 

CANDESTO NORTH INC.

Per: 

EXECUTED AND DELIVERED this January 31, 2022
day of May, 2022.

411850 ALBERTA LTD.

Per: _____

BATAVI VENTURE GROUP INC.

Per: DocuSigned by:
Jan van Bruggen
9398CA343FC9422

CANDESTO ENTERPRISES CORP.

Per: _____

CHRIS BOKENFOHR

SAFE ROADS ALBERTA LTD.

Per: _____

CANDESTO NORTH INC.

Per: _____

THIS IS EXHIBIT "N"
referred to in the Affidavit of

Jan van Bruggen

Sworn before me this 18th
Day of December, 2023



A Commissioner for Oaths in and for Alberta

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, RSC
1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
CANDESTO ENTERPRISES CORP., D3
INFRASTRUCTURE SERVICES INC. and
SAFE ROADS ALBERTA LTD.

DOCUMENT

CONSENT TO ACT AS MONITOR

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

Telephone: (403) 351-2920
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com

File No.: 58965-1

Attention: Jeffrey Oliver / Danielle Maréchal

Alvarez & Marsal Canada Inc., if so appointed, hereby consents to act as Court-appointed Monitor of Candesto Enterprises Corp., D3 Infrastructure Services Inc., Safe Roads Alberta Ltd. pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended

DATED this 18th day of December, 2023.

ALVAREZ & MARSAL CANADA INC.



Name: Orest Konowalchuk, LIT
Title: Senior Vice President