



COURT FILE NO. 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.

DOCUMENT **APPLICATION (Termination of CCAA
and Discharge of Monitor)**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue S.W.
Calgary, AB T2P 4K9
Telephone (403) 298-1946
File No. A172830
Attention: Sam Gabor

NOTICE TO THE RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

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

Date: April 17, 2024
Time: 11:00 A.M. (Mountain Time)
Where: Calgary Court Centre
Via Webex: See attached **Appendix "A"**
<https://albertacourts.webex.com/meet/virtual.courtroom60>
Before: The Honourable Justice Sidnell

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

Application and remedy sought:

Remedy claimed or sought:

1. Alvarez & Marsal Canada Inc. in its capacity as court appointed monitor (the "**Monitor**") of Candesto Enterprises Corp., C3 Infrastructure Services Inc. and Safe Roads Alberta Ltd. (the "**Companies**") respectfully seeks an Order substantially in the form attached as **Schedule "A"** ("**CCAA Termination Order**"):

- (a) declaring that the time for service of this Application and supporting materials is valid, that the time therefore be abridged to the time actually given, that this Application is properly returnable today, and that further service of the Application is dispensed with;
- (b) approving the actions, activities, and conduct as outlined in the Pre-Monitor's Report dated December 19, 2023, the Monitor's First Report dated January 4, 2024, the Monitor's Second Report dated February 29, 2024 and the Monitor's Third Report, to be filed ("**Third Report**"), and including the fees and disbursements of the Monitor in accordance with the provisions of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") from the period of December 18, 2023 to March 30, 2024;
- (c) approving the actions, activities, conduct, fees and disbursements of Gowling WLG (Canada) LLP ("**Gowling**"), in its capacity as counsel to the Monitor from the period of December 12, 2023 to March 30, 2024;
- (d) approving the fees and disbursements of the Monitor and Gowling as forecasted in the Third Report without further approval of the Court within these CCAA proceedings, with such amounts to be paid within the Receivership Proceeding (as defined below);
- (e) upon the granting of the CCAA Termination Order, immediately discharging the Monitor in its capacity as Monitor of the Companies, save and except for certain duties and obligations set out in CCAA Termination Order;
- (f) upon the granting of the CCAA Termination Order, immediately terminating these CCAA proceedings without further Order of this Court and without any other act or formality; and
- (g) such further and other relief as may be sought by the Monitor and this Honourable Court may deem appropriate.

Grounds for making this Application:

2. On December 20, 2023, the Companies were granted an initial order under the CCAA and a concurrent amended and restated initial order ("**ARIO**") as the Companies were unable to seek

an ARIO during the statutory ten (10) day comeback period pursuant to the CCAA due to the Court's closure during the winter holiday break. On January 12, 2024, the Companies were granted a first stay extension order and on March 7, 2024 were granted a second stay extension order.

3. On April 8, 2024, the Companies' interim lender Durisol Ltd. ("**Durisol**") filed an application seeking to have Alvarez & Marsal Canada Inc. appointed as receiver over the assets, undertaking and property of the Companies to allow for an organized wind-up of the Companies' business and operations and an orderly transition of the Companies' remaining projects (the "**Receivership Proceeding**"). The receivership will further allow for the liquidation of the Companies' assets and collection of the Companies' remaining accounts receivables by a receiver.

4. The Companies, Durisol, the Companies' other secured lenders, the Companies' bonding surety Trisura Guarantee Insurance Company and Trisura Insurance Company, and the Monitor each agree that the Companies' CCAA proceedings should be terminated and concurrently transitioned into the Receivership Proceeding for the benefit of all stakeholders wherein Alvarez & Marsal Canada Inc. will be appointed and act as Receiver.

Approval of the Actions of the Monitor and the Approval of Fees

5. The Reports of the Monitor filed in these proceedings set out the activities and conduct of the Monitor as described therein.

6. Pursuant to the initial order and ARIO in these CCAA proceedings, the Monitor and its legal counsel are required to pass their accounts from time to time. A summary of the Monitor's and its legal counsel's accounts and their professional fees are appended to the Third Report of the Monitor. The Monitor intends to have its fees from March 31, 2024 to the date of the CCAA Termination Order approved in these CCAA proceedings and paid in the Receivership Proceeding.

Discharge of the Monitor and Termination of the CCAA Proceedings

7. It is appropriate that the Monitor be discharged and released from any claims and that these CCAA proceedings be terminated concurrently with the granting of a receivership order over the assets, undertaking and property of the Companies.

Material or evidence to be relied on:

8. All pleadings and proceedings filed in the within action, including the Pre-filing Report of the Proposed Monitor, the First Report of the Monitor, the Second Report of the Monitor, and the Third Report of the Monitor, to be filed.
9. The proposed form of Order.
10. The inherent jurisdiction of this Honourable Court to control its own process.
11. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

12. Rules 1.3, 6.3(1), 6.9(1)(a), 6.47(e) and (f), 11.27, 11.29, 13.5, and such further and other Rules as counsel may advise and that this Honourable Court may permit.

Applicable Acts and regulations:

13. The CCAA, as amended, and such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

Any irregularity complained of or objection relied on:

14. None.

WARNING

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

Appendix “A”
Virtual Court Room Details

Date/Duration:

Apr 17, 2024 11:00 AM

Total: 90 Minute(s)

Booking Type/List: Commercial

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

Virtual Courtroom Link:

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

Instructions for Connecting to the Meeting

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

Key considerations for those attending:

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

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

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

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

Schedule "A" – Form of Order

COURT FILE NO. 2301-16982
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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ARRANGEMENT ACT, RSC 1985, c C-36, as amended

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DOCUMENT **ORDER (Termination of CCAA and Discharge of Monitor)**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Gowling WLG (Canada) LLP
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Calgary, AB T2P 4K9
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Phone: 403.291.1946
Fax: 403.263.9193
Email: sam.gabor@gowlingwlg.com
File No.: A172830

DATE ON WHICH ORDER WAS PRONOUNCED: April 17, 2024

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

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Sidnell

UPON the application (the "**Application**") of Alvarez & Marsal Canada Inc. (the "**Monitor**"), in its capacity as court appointed Monitor of Candesto Enterprises Corp., C3 Infrastructure Services Inc. and Safe Roads Alberta Ltd. (the "**Companies**");

AND UPON having read the Application and the Third Report of the Monitor dated April 9, 2024 (the "**Third Report**");

AND UPON hearing from counsel for the Monitor, counsel for the Companies, counsel for Durisol Ltd. and any other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Capitalized terms not otherwise defined in this Order have the meaning set forth in the Third Report.

Service

2. Service of the Application and Third Report is hereby validated and deemed good and sufficient, the time therefore is abridged to the time actually given, and the Application is properly returnable today.

Approval of Conduct and Fees

3. The actions, conduct, and activities of the Monitor and Gowling WLG (Canada) LLP ("**Gowling**"), in its capacity as counsel to the Monitor, all as set forth in the Reports of the Monitor filed in these CCAA Proceedings, are hereby validated, ratified and approved.
4. The fees and disbursements of the Monitor for the period of December 18, 2023 to March 30, 2024, as further detailed in the Third Report, are hereby approved without the necessity of a formal assessment of its accounts.
5. The fees and disbursements of Gowling, in its capacity as counsel to the Monitor for the period of December 12, 2023 to March 30, 2024, as further detailed in the Third Report, are hereby approved without the necessity of a formal assessment of its accounts.
6. The fees and disbursements of the Monitor and Gowling as forecasted in the Third Report are hereby approved without the necessity of a formal assessment of its accounts within the CCAA Proceeding and shall be payable within the Receivership Proceeding under Court of King's Bench of Alberta File No. ●.

Discharge of The Monitor and Termination of CCAA Proceedings

7. On the evidence before the Court, the Monitor has satisfied all of its duties and obligations pursuant to the CCAA and the Orders of the Court in respect of these CCAA Proceedings, save and except as set out in paragraph **[13]** hereof.

8. Alvarez & Marsal Canada Inc. shall be discharged as Monitor of the Companies and shall have no further duties, obligations or responsibilities as Monitor from and after such time, save and except as set out in paragraph **[13]** hereof.

9. These CCAA Proceedings are hereby deemed terminated without further Order of this Court and without any other act or formality, provided that, nothing herein impacts the validity of any Orders made in these CCAA Proceedings or any actions or steps taken by any person in connection therewith.

10. The Monitor and its respective affiliates and officers, directors, partners, employees and agents (collectively the "**Released Parties**") shall be released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of, or in respect of the CCAA Proceedings, or with respect to the Monitor's conduct in the CCAA Proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and further barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

11. No action or other proceedings shall be commenced against any of the Released Parties in any way arising from or related to the CCAA Proceedings, except with prior leave of this Court and on at least seven days' prior written notice to the Released Parties.

12. Notwithstanding any provision of this Order and termination of the CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO or any other Order of this Court in the CCAA Proceedings.

13. Notwithstanding the discharge of Alvarez & Marsal Canada Inc. as Monitor herein and the termination of the CCAA Proceedings, the Court shall remain seized of any matter arising from the CCAA Proceedings, and Alvarez & Marsal Canada Inc. shall have the authority from and after the date of this Order to apply to this Court to address matters ancillary or incidental to the CCAA Proceedings, notwithstanding the termination thereof. Alvarez & Marsal Canada Inc. is authorized to take such steps and actions as it deems necessary to address matters ancillary or incidental to its capacity as Monitor before and following the termination of the CCAA Proceedings, and in completing or addressing any such ancillary or incidental matters, Alvarez & Marsal Canada Inc. shall continue to have the benefit of the provisions of the CCAA and provisions of all Orders made in the CCAA Proceedings in relation to its capacity as Monitor, including all approvals, protections and stays of proceedings in favour of Alvarez & Marsal Canada Inc. in its capacity as Monitor.

14. This Order shall be effective concurrently with the Receivership Order dated April 17, 2024 granted by the Honourable Sidnell, J., with respect to the Companies.

Service of Order

15. Service of this Order shall be deemed good and sufficient by serving the same on:

- (a) the persons listed on the service list attached maintained in the CCAA Proceedings; and
- (b) by posting a copy of this Order on the Monitor's website created for the CCAA Proceedings.

J.C.K.B.A