

FIAT

Pursuant to Rule 13.38 and section 47 of the Alberta Evidence Act, RSA 2000, C A-18, let the within Affidavit be filed on this Honourable Court's file notwithstanding that it does not strictly comply with the remote commissioning protocol contained in the Notice to the Profession and Public #2020-02 dated March 25, 2020. April 10, 2024

A.J.K.B.A.

Clerk's Stamp

COURT FILE NUMBER

2401-04879

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

DURISOL LTD.

RESPONDENT

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

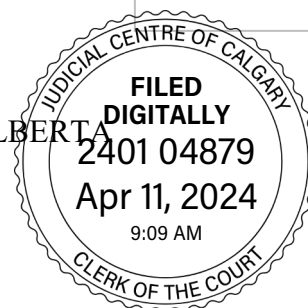
DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

McMillan LLP
#1700, 421 – 7th Ave SW
Calgary, AB T2P 4K9

Attention: Adam Maerov/Kourtney Rylands
Telephone: (403) 215.2752 / (403) 355.3326
Fax: (403) 531.4720
Email: adam.maerov@mcmillan.ca /
kourtney.rylands@mcmillan.ca



AFFIDAVIT OF MARK VANBAKEL

Sworn on April 8, 2024

I, Mark VanBakel, of Toronto, Ontario, SWEAR AND SAY THAT:

1. I am the Chief Executive Officer of EKHO Infrastructure Solutions Inc., the parent company to the applicant, Durisol Ltd. ("**Durisol**"). I have reviewed the business records of Durisol relevant to the within proceedings and application and as such have knowledge of the facts and matters described below, except where stated to be based upon information and belief, in which case I state the source of my information and believe it to be true.

2. I am authorized to make this affidavit on behalf of Durisol and have knowledge of the facts hereinafter deposed.
3. I make this affidavit in support of an application by Durisol to appoint a receiver in respect of the business of the Borrowers (as defined below).

Background and CCAA Proceedings

4. Durisol carries on the business of providing various infrastructure materials including noise barriers and retaining walls in the province of Ontario. As discussed further below, Durisol provided debtor-in-possession financing to the Respondents, Candesto Enterprises Corp. (“**CEC**”), D3 Infrastructure Services Inc. (“**D3**”), and Safe Roads Alberta Ltd. (“**Safe Roads**” and together with Candesto and D3, the “**Borrowers**”).
5. CEC, D3, and Safe Roads are corporations duly incorporated and governed under the laws of the Province of Alberta. An Alberta corporate search of each of the Borrowers is attached hereto as Exhibit “A”.
6. The Borrowers operate a construction business installing traffic control, roadside safety, and barrier systems and employ approximately 14 people.
7. I am advised by Jan Van Bruggen, a director and officer of the Borrowers, that the Borrowers experienced financial difficulties due to the Covid-19 pandemic and the rise of inflation. I am also advised that the Borrowers were unable to complete several of their construction projects on a profitable basis as the costs for materials and labour exceeded the original amounts allocated in the Borrowers’ fixed price contracts with customers.
8. On December 20, 2023, CEC, D3, and Safe Roads, applied for and obtained relief under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”). Alvarez & Marsal Canada Inc. was appointed monitor (“**A&M**” or the “**Monitor**”) in relation to the CCAA proceedings.
9. On December 20, 2023, the Alberta Court of King’s Bench granted an amended and restated initial order (the “**Amended Initial Order**”), which included, among other things,

the approval of an interim lending facility from Durisol to the Respondents in the amount of up to \$1,400,000 (the “**Interim Lending Facility**”). A copy of the term sheet for the Interim Lending Facility is attached hereto as Exhibit “B” (the “**Term Sheet**”).

10. On January 12, 2024, the Alberta Court of King’s Bench granted a further order which, among other things, increased the authorized borrowings under the Interim Lending Facility, and increased the corresponding Interim Lender’s Charge (as defined in the Amended Initial Order) from \$450,000.00 to \$1,400,000.00.
11. I am advised by Jan Van Bruggen that the plan for the CCAA proceeding included, among other things, efforts to:
 - a. stabilize the Borrowers operations;
 - b. determine which contracts the Borrowers wish to continue to perform;
 - c. manage the Borrowers short-term liquidity challenges;
 - d. engage in discussions with Trisura Guarantee Insurance Company and/or Trisura Insurance Company (collectively, “**Trisura**”), the Borrowers’ surety on its labour and material/performance bonds, with respect to Borrowers’ plans for their various bonded projects; and
 - e. plan and implement an orderly wind down of the Borrowers business and affairs, including the orderly sale of the Borrowers equipment and assets.

12. I am advised by Jan Van Bruggen that since the granting of the Amended Initial Order, the Borrowers have advanced the completion, where possible, of the remaining construction projects, which are summarized further below (collectively, the “**Remaining Projects**”):

Project No.	Client	Project Location	Current Holdback	Revenue Remaining	Costs to Complete	Margin (\$)	Current AP	Current AR	Cash Balance
424N	Carmacks	SWAHD Three-Laning	281,337	13,100	21,000	(7,900)	370,268	14,317	(82,514)
434S	Volker Stevin	Glenmore	-	-	3,000	(3,000)	7,529	48,797	38,268
439S	Volker	Stoney Tr. & Airport Tr.	-	-	500	(500)	7,407	47,938	40,031
444N	E-Construction	Leduc HWY 2A-2 Overpass	42,766	-	-	-	425,528	-	(382,762)
452S	PCL	South Bow	28,254	235,944	375,000	(139,056)	301,152	33,725	(378,229)
460S	CGY Safelink	DB2	-	-	-	-	2,447,898	1,028,712	(1,419,186)
468N	Ledcor	HWY 2 & Airport & HWY 19 Overpasses	19,548	410,597	796,000	(385,403)	93,184	-	(459,039)
476N	Graham	HWY 2 & 65Ave Leduc Overpass	-	459,047	866,495	(407,448)	28,036	-	(435,484)
479S	Central City		10,217		2,500	(2,500)	117,706	-	(109,989)
493S	Border Paving	Oyen	15,205	308	1,500	(1,192)	138,488	-	(124,475)
Total			397,327	1,118,996	2,065,995	(946,999)	3,937,196	1,173,489	(3,313,379)

13. I am further advised by Jan Van Bruggen that the Borrowers, in consultation with the Monitor, have now determined that any further work on the Remaining Projects is uneconomical and would not provide a benefit to the Borrowers or any of their

stakeholders. I understand that the Borrowers intend to terminate the stay of proceedings and the CCAA of the Borrowers.

14. To the best of my knowledge, the Remaining Projects are all subject to labour and material/performance bonds issued by Trisura. A disclaimer of all contracts relating to the Remaining Projects will allow such projects to be completed by third parties, who can then submit claims to Trisura under the labour and material/performance bonds, as applicable.
15. The continued operation of the Borrowers under the circumstances is not necessary to complete a disclaimer of contracts and orderly transition of any remaining work to be done on the Remaining Projects. Therefore, the costs of continuing the CCAA proceeding under the circumstances are not necessary or warranted.
16. Durisol is therefore seeking to appoint a receiver in respect of the business of the Borrowers in order to:
 - a. continue the Borrowers' plan to wind down the business in an orderly manner;
 - b. disclaim any remaining contracts and to transition the Remaining Projects for completion by the appropriate parties;
 - c. sell any remaining assets of the Borrowers; and
 - d. collect any remaining accounts receivable of the Borrowers;

on the terms described in the proposed Receivership Order appended to Durisol's application.

The Indebtedness of the Borrowers

17. Upon the commencement of the CCAA proceedings, Durisol and the Borrowers entered into the Term Sheet on December 19, 2023, which was approved by the Court on December 20, 2023. Pursuant to the terms of the Term Sheet, Durisol offered to the Borrowers, on a joint and several basis, the Interim Lending Facility.

18. Pursuant to the Term Sheet:

- a. the term of the Interim Lending Facility shall commence on the date of issuance of the Amended Initial Order, being December 20, 2023, and ending on the earliest of (such ending date, the “**Maturity Date**”):
 - i. June 30, 2024;
 - ii. the termination of the CCAA proceedings; or
 - iii. the occurrence of an Event of Default (hereinafter defined).
- b. Interest is payable monthly at a rate of 8.5% per annum.
- c. The following each constitute an Event of Default under the Interim Lending Facility:
 - i. the stay of proceedings granted to the Borrowers pursuant to the restructuring proceedings under the CCAA, as the case may be, is terminated or lifted; or
 - ii. Durisol determines that a material change has occurred in the Borrowers’ business, affairs, or financial condition (each an “**Event of Default**”).
- d. On the Maturity Date, the Borrowers are required to repay the entire outstanding principal amount of the Interim Lending Facility in full, together with any accrued interest, fees, and expenses without deduction or set-off.

The Security

19. Pursuant to the Term Sheet, Durisol was granted the following security:

- a. a Court authorized first-ranking, valid, enforceable interim financing charge with priority over all creditors of the Borrowers, in an amount to match the anticipated draws required by the Borrowers from Durisol from time to time as prescribed by the Case Flow Projection (as defined in the Term Sheet) in the amount no greater than \$1,400,000, charging all property, assets and undertakings of the Borrowers granted

pursuant to the Amended Initial Order that includes standard debtor-in-possession terms and conditions satisfactory to Durisol acting reasonably, pursuant to section 11.2 of the CCAA, as the case may be, subject only to an administration charge not to exceed \$500,000; and

- b. a guarantee from Barricades & Signs Ltd., which is secured by a General Security Agreement.

Events of Default

- 20. As noted above, I understand that the Borrowers do not intend to seek an extension of the stay of proceedings. I further understand that the Monitor intends to bring an application to terminate the CCAA proceeding.
- 21. The Interim Lending Facility matures and becomes fully repayable on the date of the termination of the CCAA proceedings. In addition:
 - a. the expiry of the stay of proceedings constitutes an Event of Default under the Interim Lending Facility; and
 - b. Durisol has reasonably determined that there has been a material adverse change in the Borrowers' business and financial condition on account of the determination that completion of the Remaining Projects would not result in any economic benefit for the Borrowers or their stakeholders.

Appointment of a Receiver and Borrower Consent

- 22. Pursuant to the Term Sheet, Durisol is entitled to appoint a receiver upon the occurrence of and during the continuance of any Events of Default under the terms of the Term Sheet.
- 23. In the circumstances, I believe that the appointment of a receiver over the property, undertakings, and assets of the Borrowers is necessary to wind down the business of the Borrowers, complete an orderly transition of the Remaining Projects, sell any remaining assets of the Borrowers, and collect any remaining accounts receivable.

24. As the Borrowers will no longer be operating businesses, Durisol is of the view that a receivership proceeding is a more cost-effective alternative to the CCAA proceeding of the Borrowers and the appointment of A&M as receiver will allow for a smooth transition between proceedings.
25. A&M has consented to act as interim receiver of the Borrowers. A copy of a consent to act signed by the proposed receiver is attached as Exhibit "C".
26. I am further advised that the Borrowers have consented to the appointment of A&M as receiver.
27. I have also been advised by A&M that the Monitor intends to withdraw the remaining amount from the Interim Lending Facility prior to the application to appoint a receiver so that such funds can be transitioned into the receivership proceeding. Durisol agrees with this approach.

SWORN BEFORE ME:

☐

in person

☒

by video conference

by Mark VanBakel at the City of Toronto, Province of Ontario, before me at the City of Toronto, Province of Ontario on April 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (*or as may be*)



Signature of Commissioner (*or as may be*)
(Guneev Bhinder, LSO# 74466Q)



Mark VanBakel

TABLE OF EXHIBITS

No.	Exhibit	Description	Page Number
1.	Exhibit “A”	Alberta Corporate searches of each of the Borrowers (bundle of documents)	1
2.	Exhibit “B”	Copy of the Term Sheet	14
3.	Exhibit “C”	Copy of the Consent to Act	28

This is Exhibit "A"
referred to in the affidavit

MARK VANBAKEL
SWORN BEFORE ME:

☐ in person ☒ by video conference

by Mark Vanbakel at City of Toronto, Province
of Ontario before me at the City of Toronto, in
the Province of Ontario on April 8, 2024 in
accordance with O. Reg. 431/20, Administering
Oath or Declaration Remotely.

Commissioner for Taking Affidavits (*or as may
be*)



Signature of Commissioner (or as may be)
(Guneev Bhinder LSO#74466Q)

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2024/04/03
Time of Search: 08:50 AM
Search provided by: MCMILLAN LLP
Service Request Number: 41830522
Customer Reference Number: 306241/dd

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

Outstanding Returns:

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

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.



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

Date of Search: 2024/04/03
Time of Search: 08:53 AM
Search provided by: MCMILLAN LLP
Service Request Number: 41830560
Customer Reference Number: 306241/dd

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	CALGARY	ALBERTA	T2P2V8	JENNY@CARDESTO.CA

AVE
SW**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.



Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2024/04/03
Time of Search: 08:54 AM
Search provided by: MCMILLAN LLP
Service Request Number: 41830613
Customer Reference Number: 306241/dd

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

Legal Entity Name: BATAVI VENTURE GROUP INC.
Corporate Access Number: 2015098672
Street: 2205, 500 - 4TH AVENUE SW
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)
2023	2023/12/11

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
2022/08/05	Change Director / Shareholder
2022/08/05	Change Address
2022/08/05	Change Agent for Service
2023/12/11	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
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.



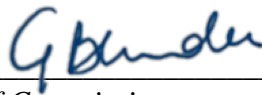
This is Exhibit "B"
referred to in the affidavit

MARK VANBAKEL
SWORN BEFORE ME:

☐ in person ☒ by video conference

by Mark Vanbakel at City of Toronto, Province
of Ontario before me at the City of Toronto, in
the Province of Ontario on April 8, 2024 in
accordance with O. Reg. 431/20, Administering
Oath or Declaration Remotely.

Commissioner for Taking Affidavits (*or as may
be*)



Signature of Commissioner (or as may be)
(Guneev Bhinder LSO#74466Q)

DURISOL LTD.

December 19, 2023

Jan van Bruggen
Candesto Enterprises Corp., D3 Infrastructure Services Inc., Safe Roads Alberta Ltd.
29339 Hwy 2A, Crossfield, Alberta
T0M 0S0

RE: Debtor-in-Possession Financing

Dear Jan,

Candesto Enterprises Corp., D3 Infrastructure Services Inc., and Safe Roads Alberta Ltd. (collectively, the "**Borrowers**") have initiated restructuring proceedings under the *Companies' Creditor Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The Court of King's Bench of Alberta (the "**Court**") has jurisdiction over such proceedings. Further, Alvarez & Marsal Canada Inc. ("**A&M**") is contemplated to be appointed as Monitor in the CCAA proceedings.

Based on the information provided by the Borrowers, Durisol Ltd. (the "**Lender**") is prepared to offer the Borrowers, on a joint and several basis, debtor-in-possession financing in the amount of up to \$1,400,000 (the "**DIP Loan**") according to the terms and conditions set forth in this letter of offer (the "**Letter of Offer**").

LOAN PURPOSE		FUNDING	
Financing only of the day-to-day expenses of the Borrowers in accordance with the cash flow projection approved and recommended by A&M and filed with the Court in support of the request for DIP financing (the " Cash Flow Projection "), attached hereto as Schedule "A" (the " Project "), subject to the terms and conditions of this Letter of Offer.	\$ 1,400,000	DIP Loan	\$ 1,400,000
	\$ 1,400,000		\$ 1,400,000

Neither the Project nor the terms and conditions of the DIP Loan may be changed without the prior written consent of the Lender. The amount of the DIP Loan may only be applied to this Project.

Amount of Loan	\$1,400,000
Authorization Date	December 19, 2023
Term	<p>The term of the DIP Loan shall be that period commencing on the date of issuance of the DIP Order (as hereinafter defined) and ending on the earliest of (such ending date, the "Maturity Date"):</p> <ul style="list-style-type: none"> (a) June 30, 2024; (b) the termination of the CCAA proceedings; or (c) the occurrence of an Event of Default (as hereinafter defined).
Disbursement Procedure	<p>The DIP Loan shall be disbursed in weekly instalments based on the Cash Flow Projection. The Borrowers may request disbursements in increments of \$50,000.</p> <p>In addition to the conditions precedent and underlying conditions set forth in this Letter of Offer, the Borrowers agree that each disbursement shall be conditional upon the fulfilment of each of the following conditions to the satisfaction of the Lender:</p> <ul style="list-style-type: none"> (a) the Borrower shall have given the Lender, in the form set out in Schedule "B" attached hereto, a draw notice signed by an officer of the Borrowers confirming that the said disbursement falls within the Cash Flow Projection; and (b) A&M shall confirm that the disbursement requested in the draw notice is compliant with the terms and conditions of this Letter of Offer.
Repayment	<p>On the Maturity Date, the Borrowers shall repay the entire outstanding principal amount of the DIP Loan in full, together with any accrued interest, fees and expenses without deduction or set-off.</p> <p>During the Term, the Borrowers may repay any principal amount of the DIP Loan without penalty provided the minimum amount of any such repayment is no less than \$50,000. The amount of the DIP Loan shall automatically be reduced by the amount of such repayment and any repaid amount may not subsequently be reborrowed.</p>
Interest	Interest is payable monthly, at a rate of Eight and One Half Percent per annum (8.5%).
Payment of Interest	The Borrower shall pay the interest calculated monthly at the rate and in the manner set out in this Letter of Offer on the first Business Day of each month.

Security

As a specific and continuous guarantee of the performance by the Borrowers of all their obligations toward the Lender under this term sheet (including the payment of principal, interest, fees and any other sums), the Borrowers along with Barracades and Signs Ltd. agree to grant the following security:

- (a) a Court authorized first-ranking, valid, enforceable financing charge with priority over all creditors of the Borrowers, in an amount to match the anticipated draws required by the Borrowers from the Lender from time to time as prescribed by the Cash Flow Projection, which shall not exceed \$1,400,000 (the "**DIP Charge**") charging all the property, assets and undertakings of the Borrowers granted pursuant to the DIP Order (as hereinafter defined) that includes standard debtor-in-possession terms and conditions satisfactory to the Lender acting reasonably, pursuant to section 11.2 of the CCAA, as the case may be, subject only to an administration charge not to exceed \$500,000 (the "**Administration Charge**")

(collectively, the "**DIP Lender Security**")

- (b) a joint, several, irrevocable and unconditional guarantee (in the form and substance attached hereto), as primary obligor and not merely as surety for the full amount of the DIP Loan (\$1,400,000) by Barracades and Signs Ltd. further secured by a General Security Agreement and PPSA Registration

DIP Documentation

All documentation with respect to the DIP Loan, including the DIP Lender Security and DIP Order (as defined hereafter) (collectively, the "**DIP Loan Documentation**") shall be in form and substance acceptable to the Lender.

Conditions Precedent

Prior to any disbursement, the following conditions precedent will have been met in a manner satisfactory to the Lender at its sole discretion:

- (a) the Borrowers are subject to proceedings under the CCAA;
- (b) the Borrowers have obtained an order made by the Court (the "**DIP Order**") in form and content satisfactory to the Lender, which DIP Order shall include, among other things: (a) the approval of the DIP Loan and all the terms and conditions hereof; (b) authorizing the Borrowers to borrow on the terms and conditions outlined in this Letter of Offer and approving same; (c) creating various court-ordered priority charges including (i) the granting of the DIP Charge in favour of the Lender as security over all present and future

assets, property and undertaking of the Borrower notwithstanding the terms and conditions of any other agreement to which the Borrowers are a party; (ii) the granting of the Administration Charge not to exceed \$500,000 without the approval of the Court; (d) prohibiting the granting of any additional liens, charges, security interests or any other encumbrances upon any of the assets, property or undertaking of the Borrowers, without the prior written consent of the Lender; (e) granting the Lender the right, upon the Maturity Date, to enforce the rights and remedies available to it, upon five (5) days written notice to the Borrowers and to A&M and their respective legal counsel, pursuant to the DIP Order, this Letter of Offer, the DIP Lender Security, and any additional rights and remedies available to it, at law or in equity; (f) prohibiting any further borrowing by the Borrowers, without the prior written consent of the Lender; (g) authorizing (but not obligating) the Lender to effect such registrations, filings and recordings wherever the Lender in its discretion deems appropriate regarding the DIP Loan Documentation including the DIP Lender Security and the DIP Charge; (h) declaring that the granting of the security by the Borrowers provided for in the DIP Loan Documentation including the DIP Lender Security and the DIP Charge and the execution and delivery of all other documents and instruments contemplated herein, the payment of all amounts by the Borrower to the Lender, including any and all fees and interest, and the actions taken to perfect and record the DIP Lender Security do not constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue, conduct meriting an oppression remedy, or other transactions which might be challenged or reviewed under applicable federal or provincial legislation; (i) declaring the DIP Order, and the DIP Charge granted thereunder, binding upon a trustee in bankruptcy of the Borrowers, a proposal trustee, a monitor, a receiver, an interim-receiver, a receiver-manager or any other officer of the Court each a "**Receiver**"; (j) staying any other secured or unsecured creditor from exercising any rights against the Borrowers and its property, without further order of the Court; and (m) such other terms and conditions as the Lender may reasonably deem necessary or appropriate;

- (c) the DIP Order shall be in full force and effect; final and non-appealable; and shall not have been reversed, stayed, modified, amended or varied, without the express written consent of the Lender; and no application or motion shall have been made to the Court for any stay, modification or amendment of the DIP Order;
- (d) no Event of Default (as hereinafter defined) shall have occurred;
- (e) the Lender has received A&M's report pursuant to subsection 23(1)

of the CCAA with respect to the Cash Flow Projection. The conclusions of A&M's report shall be satisfactory to the Lender; and

- (f) the Borrowers shall have granted the DIP Lender Security.

Underlying Conditions

During the Term of the DIP Loan, the following underlying conditions shall be met in a manner satisfactory to the Lender at its sole discretion:

- (a) the Borrowers shall only use the DIP Loan for the purposes set out in this Letter of Offer, unless otherwise agreed to in writing by the Lender;
- (b) the Borrowers shall comply with any order made by the Court;
- (c) the Borrowers shall diligently continue its proceedings under the CCAA;
- (d) the Borrowers shall not pay any interest, dividends, salaries, remuneration, management fees or any other form of payments or distributions to the shareholders of the Borrowers without the prior written consent of the Lender, except for salaries paid in the usual and ordinary course of the Borrowers' business, with the prior approval of the Monitor;
- (e) the Borrowers shall comply with the financial projections set forth in the Cash Flow Projection;
- (f) the Borrowers shall provide such documents or information to the Lender as the Lender shall reasonably request, which shall be provided within a reasonable time according to the circumstances;
- (g) the Borrowers shall authorize A&M to disclose to the Lender any financial or other information of which it is aware pertaining to the Borrowers at the Lender's sole and unfettered discretion, further allowing for a review of any and all financial statements, instruments or otherwise upon five (5) business days' notice by the Lender;
- (h) the Borrowers shall provide written notice of an occurrence (an "**Occurrence**") of a default under a material contract to which the Borrowers are a party which is likely to have a material adverse effect or of an Event of Default (as defined below) together with any notice, letter or other document (a "**Default Notice**") received by the Borrowers from a third party advising of an Occurrence, within three days of the date of the Occurrence or of receipt of the Default Notice;
- (i) the Borrowers shall maintain the current insurance coverage over its assets and property and designate the Lender as loss payee as

its interest may appear; and

- (j) the Borrowers shall not sell, transfer, assign or deal in any way with any of its property, assets or undertaking out of the ordinary course of business, without the prior written consent of the Lender or an order of the Court.

Events of Default

In addition to the events of default set out in the DIP Lender Security, the following events shall constitute events of default (each, an **"Event of Default"**):

- (a) if the Borrowers fail to pay to the Lender when due any amount of principal, interest, fees or other amounts under the DIP Loan, whether by acceleration or otherwise;
- (b) if the Borrowers default in the observance or performance of any underlying condition or covenant contained in this Letter of Offer or the DIP Lender Security;
- (c) if the Borrowers deviate materially from the Cash Flow Projection;
- (d) if the Lender determines, acting reasonably, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of the any of the Borrowers;
- (e) if DIP Order is varied without the written consent of the Lender or any other order is made which is or may be prejudicial to the Lender's interests;
- (f) if the Borrowers fail to pay, when due, any statutory liens, trusts and other Crown claims including employee source deductions, GST and any payments required by any work place safety legislation, wages, vacation pay and insurance premiums;
- (g) if the stay of proceedings granted to the Borrowers pursuant to the restructuring proceedings under the CCAA, as the case may be, is terminated or lifted; or
- (h) if any person challenges the enforceability of any of the rights of the Lender hereunder or pursuant to any of the DIP Lender Security and any such challenge has not been dismissed or determined by the Court within the CCAA proceedings, as the case may be, within 15 days.

Remedies

Upon the Maturity Date, the Lender may immediately terminate the DIP Loan and enforce, upon five (5) Business Days written notice to the Borrowers and A&M, and A&M's legal counsel, all of its rights and remedies against the Borrowers and its property, assets and undertaking including, without limitation, the enforcement of the DIP Lender Security

and the ability to apply to the Court for the appointment of a Receiver; and all amounts outstanding under the DIP Loan shall immediately become due and payable without further notice, demand or delay.

Other Costs

In addition, any and all costs, charges, and expenses (including, without limitation, lawyers' fees as between solicitor and his own client, on a full indemnity basis, as well as accounting, appraisal, environmental and consulting fees) incurred by the Lenders in connection with the restructuring proceedings, the DIP Loan, the DIP Loan Documentation, the DIP Lender Security, the DIP Order, the DIP Charge, the enforcement of any rights and remedies regarding the aforementioned and the restructuring of the Borrowers including, are for the account of the Borrowers.

Governing Law

This Letter of Offer as well as the interpretation and exercise of the recourses hereunder shall be subject to and governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

Solidary Liability

When there is more than one borrower, their obligations shall be solidary and each of them shall constitute a principal debtor.

Further Assurances

Upon notice from the Lender, the Borrowers shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as the Lender may reasonably require to give effect to this Letter of Offer and the financing contemplated hereunder.

Amendments

This Letter of Offer may only be amended by a written agreement signed by the Lender and the Borrowers.

Counterparts

This Letter of Offer may be signed in any number of counterparts and by facsimile or portable electronic document format, each of which when taken together shall constitute one and the same original document.

Expiry Date


This Letter of Offer shall become null and void if it is not accepted by 4 p.m. (Calgary time) on December 19, 2023.

Thank you for giving us the opportunity to discuss our ability to meet your financing requirements. We look forward to continuing to work with you.

Yours truly,

Durisol Ltd.

Per: Mark Van Bakel

A handwritten signature in black ink, appearing to read 'Mark Van Bakel', written over a horizontal line.

I have authority to bind the corporation

ACCEPTANCE

To: **Durisol Ltd.**

We certify that all the information provided to the Lender is true, we accept the terms set forth herein and we acknowledge receipt of a copy of this Letter of Offer and the schedules forming part thereof.

Accepted on December ____, 2023.

CANDESTO ENTERPRISES CORP.

Per: _____
Name:
Title:

D3 INFRASTRUCTURE SERVICES INC.

Per: _____
Name:
Title:

SAFE ROADS ALBERTA LTD.

Per: _____
Name:
Title:

Schedule "A"

CASH FLOW PROJECTION

DRAFT - FOR DISCUSSION PURPOSES ONLY

Candesto Enterprises Corp, D3 Infrastructure Services Inc. and Safe Roads Alberta Ltd.

Management Prepared 13 Week Cash Flow Forecast

For the period from December 20 2023 to March 15, 2024

unaudited, in CAD \$000's

	Notes	Week 1 22-Dec-23	Week 2 29-Dec-23	Week 3 5-Jan-24	Week 4 12-Jan-24	Week 5 19-Jan-24	Week 6 26-Jan-24	Week 7 2-Feb-24	Week 8 9-Feb-24	Week 9 16-Feb-24	Week 10 23-Feb-24	Week 11 1-Mar-24	Week 12 8-Mar-24	Week 13 15-Mar-24	Week 1 to Week 13
Cash Receipts															
Accounts receivable	1	65	-	-	-	-	-	91	52	12	-	-	-	-	219
Unbilled active projects	2	-	-	-	-	-	-	17	-	-	-	177	249	-	443
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		65	-	-	-	-	-	108	52	12	-	177	249	-	663
Operating Disbursements															
F2024 project costs	3	15	7	-	187	155	140	110	-	-	-	-	-	-	613
F2025 project costs	4	-	-	75	-	-	-	-	-	-	-	-	-	-	75
Payroll and benefits	5	-	86	-	48	-	86	-	78	-	70	-	62	-	430
Rent	6	-	-	15	-	-	-	-	15	-	-	-	15	-	45
Insurance	7	-	-	-	-	10	-	-	-	10	-	-	-	10	30
IT	8	-	3	2	-	3	-	-	2	3	-	-	2	3	16
Utilities	9	-	-	4	-	-	-	-	4	-	-	-	4	-	12
Other operating costs	10	-	6	26	-	-	-	-	10	6	-	-	10	6	71
Contingency	11	-	15	-	15	-	15	-	15	-	15	-	15	-	90
Total Operating Disbursements		15	117	122	249	174	241	110	124	19	85	-	108	19	1,382
Net Cash Flow from Operations		50	(117)	(122)	(249)	(174)	(241)	(1)	(72)	(7)	(85)	177	141	(19)	(719)
Non-Operating Disbursements															
Companies' Counsel's Fees	12	-	-	100	-	35	-	35	-	30	-	25	-	25	250
Monitor's Fees and Disbursements	12	-	-	100	-	50	-	50	-	50	-	40	-	40	330
Monitor's Counsel's Fees	12	-	-	50	-	20	-	20	-	20	-	20	-	20	150
Interim Financing Interest	13	-	-	-	-	-	-	6	-	-	-	9	-	-	15
Total Non-Operating Disbursements		-	-	250	-	105	-	111	-	100	-	94	-	85	745
Net Cash Flow		50	(117)	(372)	(249)	(279)	(241)	(112)	(72)	(107)	(85)	83	141	(104)	(1,464)
Opening Cash		301	351	235	13	63	85	43	81	109	102	17	100	241	301
Net Cash Flow		50	(117)	(372)	(249)	(279)	(241)	(112)	(72)	(107)	(85)	83	141	(104)	(1,464)
Interim Financing Advance/(Repayment)		-	-	150	300	300	200	150	100	100	-	-	-	-	1,300
Ending Cash		351	235	13	63	85	43	81	109	102	17	100	241	137	137
Opening Interim Financing balance		-	-	-	1,300	1,000	700	500	350	250	150	150	150	150	1,300
Advances		-	-	150	300	300	200	150	100	100	-	-	-	-	1,300
Repayments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Interim Financing balance		-	-	-	1,000	700	500	350	250	150	150	150	150	150	-

Unaudited cash flow forecast to be read in conjunction with the cash flow notes and the Proposed Monitor's report on the cash flow forecast

Candesto Enterprises Corp.,
D3 Infrastructure Services Inc.
and Safe Roads Alberta Ltd.


Jan Van Wageningen
Director

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

Orest Konowalchuk, LIT
Senior Vice President

Candesto Enterprises Corp., D3 Infrastructure Services Inc. and Safe Roads Alberta Ltd.
(collectively, the "Companies")
Notes to Management Prepared 13 Week Cash Flow Forecast
For the period from December 20, 2023 to March 15, 2024

Disclaimer

*In preparing this cash flow forecast (the "**Forecast**"), the Companies have relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions discussed below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("**CCAA**"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized. The Forecast is presented in thousands of Canadian dollars.*

Note 1 Accounts receivable

Forecast collections of invoiced amounts and holdback for completed projects.

Note 2 Unbilled active projects

Collections of unbilled progress payments and holdback for active projects.

Note 3 F2024 project costs

Costs related to ongoing projects which are expected to be completed by the end of the Companies' fiscal year ending January 31, 2024.

Note 4 F2025 project costs

Estimated payment of design and pre-fabrication costs related to the Companies' projects which are expected to commence in April 2024.

Note 5 Payroll and benefits

Salaries, wages, statutory remittances and benefits for salaried and hourly employees.

Note 6 Rent

Monthly rent payments for the Companies' two leased properties.

Note 7 Insurance

Monthly payment for equipment, vehicle and commercial general liability insurance policies.

Note 8 IT

Monthly payments to third-party providers for IT infrastructure and software.

Note 9 Utilities

Estimated monthly utility costs at the Companies' two leased premises.

Note 10 Other operating costs

Includes payment of monthly equipment and vehicle leases required for the ongoing operations of the Companies.

Note 11 Contingency

A bi-weekly contingency of \$15,000 has been included to account for possible unforeseen expenditures.

Note 12 Professional Fees and Expenses

Disbursements include forecast payments to the Companies' counsel, the Monitor and the Monitor's counsel. The respective professionals have been provided with a cumulative retainer of \$125,000.


Note 13 Interim Financing Interest

Forecast payments to be made to the interim financing lender. The interim financing agreement has not yet been finalized at this time.

Candesto Enterprises Corp.,
D3 Infrastructure Services Inc.
and Safe Roads Alberta Ltd.

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


Jan Van Buggen
Director


Orest Konowalchuk, LIT
Senior Vice President

Schedule "B"

DRAW NOTICE

To: **Durisol Ltd.**

RE: Debtor-in-Possession Financing

Dear Sir,

We refer you to the Letter of Offer of debtor-in-possession financing entered into on December 19, 2023 between Candesto Enterprises Corp., D3 Infrastructure Services Inc., and Safe Roads Alberta Ltd. as Borrowers and **[the Lender]**, as DIP Lender. Capitalized terms which are used but not defined in this draw notice have the meaning given to them in the Letter of Offer.

We confirm our draw notice concerning a disbursement as follows:

Amount of disbursement: \$

Disbursement date:

As of the date hereof, we confirm that the representations made or given in the DIP Loan are still true and accurate in all material respects, that the said disbursement falls within the Cash Flow Projection and that no Event of Default has occurred.

We also confirm the execution of the previous draw by each of the parties.

CANDESTO ENTERPRISES CORP.

Per: 
Name:
Title:

D3 INFRASTRUCTURE SERVICES INC.

Per: 
Name:
Title:

SAFE ROADS ALBERTA LTD.

Per: 
Name:
Title:

This is Exhibit "C"
referred to in the affidavit

MARK VANBAKEL
SWORN BEFORE ME:

☐ in person ☒ by video conference

by Mark Vanbakel at City of Toronto, Province
of Ontario before me at the City of Toronto, in
the Province of Ontario on April 8, 2024 in
accordance with O. Reg. 431/20, Administering
Oath or Declaration Remotely.

Commissioner for Taking Affidavits (*or as may
be*)



Signature of Commissioner (or as may be)
(Guneev Bhinder LSO#74466Q)

COURT FILE NO.

COURT

COURT OF KINGS'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

DURISOL LTD.

RESPONDENTS

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

DOCUMENT

CONSENT TO ACT AS RECEIVER

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

McMillan LLP
#1700, 421 – 7th Ave SW
Calgary, AB T2P 4K9

Attention: Adam Maerov / Kourtney Rylands
Telephone: (403) 215.2752 / (403) 355.3326
Fax: (403) 531.4720
Email: adam.maerov@mcmillan.ca /
kourtney.rylands@mcmillan.ca

CONSENT TO ACT AS RECEIVER

Alvarez & Marsal Canada Inc., a licensed trustee, hereby consents to be appointed as receiver of all of the assets and property of Candesto Enterprises Corp., D3 Infrastructure Services Inc. and Safe Roads Alberta Ltd. and any successor companies thereto, in the within action.

Dated at the City of Calgary, in the Province of Alberta, this 8th day of April, 2024.

ALVAREZ & MARSAL CANADA INC.

Per: 

Orest Konowalchuk, LIT
Senior Vice-President