



COURT FILE NUMBER 2301- 03179
 COURT COURT OF KING'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PROCEEDING IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

\$250.00
 COM
 Mar 9 2023

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DYNAMIC TECHNOLOGIES GROUP INC., DYNAMIC ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT GROUP LTD., DYNAMIC STRUCTURES LTD. and DYNAMIC ATTRACTIONS INC.

DOCUMENT

ORIGINATING APPLICATION

ENTERED

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MLT AIKINS LLP
 Barristers and Solicitors
 2100, 222 – 3rd Avenue S.W.
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 Fax No.: 403.508.4349
 Attention: Ryan Zahara
 File No.: 0119375.00031

NOTICE TO RESPONDENTS:

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

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

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

Date: March 9, 2023
 Time: 2:00 p.m.
 Where: Edmonton Courts Centre – VIA WEBEX
 Before: The Honourable Justice J.A. Fagnan

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

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

Remedy claimed or sought:

1. Dynamic Technologies Group Inc. (“**DTG**”), Dynamic Attractions Ltd. (“**DAL**”), Dynamic Entertainment Group Ltd. (“**DEGL**”), Dynamic Attractions Inc. (“**DAI**”) and Dynamic Structures Inc. (“**DSL**”; together with DTG, DAL, DEGL, DAI, the “**Dynamic Group**” or the “**Applicants**”) seeks an Initial Order under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”), substantially in the form attached hereto as **Schedule “A”**, granting the following relief:
 - (a) declaring service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
 - (b) declaring that the Applicants are companies to which the CCAA applies;
 - (c) authorizing the Applicants to carry on business in a manner consistent with the preservation of its business and property;
 - (d) authorizing the Applicants to pay the reasonable expenses incurred by the Applicants in carrying out its business in the ordinary course, including certain expenses incurred prior to the date of the Initial Order;
 - (e) staying all proceedings, rights and remedies against or in respect of the Applicants or its business or property, or the Monitor (as defined below), except as otherwise set forth in the Initial Order;
 - (f) appointing FTI Consulting Canada Inc. as the monitor (the “**Monitor**”) of the Applicants in these proceedings;
 - (g) authorizing the Applicants to pay the reasonable fees and disbursements of the Monitor and its counsel, the Applicants’ professional advisors and legal advisors;
 - (h) approving the Interim Financing Term Sheet (as defined below);
 - (i) staying the ability of Canadian Imperial Bank of Commerce (“**CIBC**”) to sweep the funds in the bank accounts of the Dynamic Group;

- (j) granting a Directors' Charge, the Administration Charge and the Interim Financing Charge; and
- (k) such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

2. The Dynamic Group is in the business of designing, engineering, manufacturing commissioning, warranting and providing ongoing parts and services to theme park owners around the world.
3. The Dynamic Group has produced award-winning and cutting-edge theme park ride systems and attraction developments. The Dynamic Group owns a 50% interest in one of the attractions that they developed along with the theme park owner. The Dynamic Group has manufactured and engineered rides for major theme park owner/operators including, Universal Studios and Disney, over the past 20 years and currently has 90 employees worldwide.
4. DTG also uses these same turn-key engineering and manufacturing services for special projects such as large optical telescope enclosures, specialty engineering, and custom steel fabrication services.
5. DAL is a turnkey supplier of premium entertainment rides. Its proprietary product lines include, but are not limited to: high-tech theatres, special effects roller coasters, autonomous guided vehicles (tracked and trackless), independent drive and controlled "coaster vehicles". Many aspects of DAL's ride technology are protected with Canadian and international patents. DAL continues to provide custom design-build-commission services for major theme parks.
6. DAL has delivered over \$700,000,000 of ride contracts with many receiving industry awards and becoming some of the most popular rides ever built.
7. DAL's location in Vancouver includes approximately 105,000 square foot manufacturing facility and offices. As DAL's product line became more complex, Dynamic Group took steps to establish a lean manufacturing operation, including hiring automotive manufacturing and design experts.

8. DSL as currently organized was incorporated in 2017, but became operational in 2020 when 34 engineers were transferred from DAL to DSL, and 50% of DSL's shares were sold to third party investors. DSL now primarily provides design engineering and product research and development services for complex ride systems for DAL. DSL also designs sophisticated custom, complex, high precision mechanisms and integrated structures for third party customers.
9. DAI has a 25,000 square foot facility in Orlando, Florida, much of which has been sublet to other companies in the industry. DAI also has a physical location in Arlington, Texas out of which they provide maintenance services and replacement parts for ride systems that have been delivered to customers throughout the world. DAI also provides parts and service for rides built by other manufacturers.
10. In 2017, the Dynamic Group decided to diversify its business by leveraging its proprietary ride intellectual property, vertically integrating into attraction ownership in partnership with tourist based operators. DEGL was incorporated in order to operate and develop the co-venture business in North America as well as hold its investments in the co-venture business in China.
11. The first co-venture ride in this business line opened in the summer of 2021 at The Island Theme Park located in Pigeon Forge, Tennessee. The ride is called SkyFly: Soar America ("**Sky Fly**") and is co-owned by DEGL with the other 50% owner-operator in an entity called Smoky Mountain Flyers LLC ("**SM Flyers**"). The Dynamic Group's interest in this co-venture is held in the High Express Holdings (US) Inc. ("**High Express US**"), which is a wholly-owned subsidiary of DEGL. DEGL acquired the interest in High Express US by exercising an option to purchase on January 31, 2022 from High Express Holdings Limited, a Hong Kong based company ("**High Express HK**").
12. Sky Fly opened on July 9, 2021 and retained its earnings that year to build up its working capital to the desired level of \$600,000. Sky Fly distributed USD\$1,675,000 in dividends in 2022 to High Express US and is a significant, long-term cash producing asset of the Dynamic Group because SM Flyers owns the building and has land leases and options for that location totaling 40 years.
13. The Dynamic Group's business, like other businesses supporting the theme-park industry, suffered significantly due to the downturn in people attending theme parks during the

global COVID-19 crisis. Many theme parks were forced to shut down due to COVID-19 restrictions, and when they re-opened, it was at reduced capacity.

14. This loss of revenue by the theme parks had a flow-down effect on ride suppliers like the Dynamic Group. Many ride projects previously awarded by theme parks were cancelled and almost two years of theme park ride capital expenditure planning time was lost, limiting the number of large ride projects available to bid on. It also had a detrimental effect on many contracts that required extensive fabrication, commissioning and retrofitting on-site as these trades that were hampered by COVID -19 restrictions and quarantining of site personnel and countless mobilization, demobilization and remobilization orders, none of the significant costs of which were covered in the pre-COVID-19, lump sum contract prices committed to by DAL.
15. In 2019, DAL began to experience significant losses on certain lump sum projects it had taken on for Genting Malaysia Berhad ("**Genting**") (two special effects coaster rides located in Kuala Lumpur, Malaysia – Sons of Anarchy ("**SOA Malaysia**") and Aliens vs Predators ("**AVP Malaysia**")) and Mission Ferrari (one ride located in Ferrari World, Abu Dhabi ("**Mission Ferrari**"; together with SOA Malaysia and AVP Malaysia, the "**Coaster Projects**").
16. DAL has also contracted (the "**Evergrande Contracts**") with Evergrande in China in respect of two additional special effects coasters. At this time, DAL understands that Evergrande is in the midst of its own restructuring in China and is unlikely to move forward with the development of the theme parks for which the Evergrande Contracts were entered into. DAL, similar to the other Coaster Projects, will not be in a position to advance the Evergrande Contracts, nor to return the advance payments made by Evergrande for the partially completed contracts, and may look to disclaim the Evergrande Contracts within the CCAA Proceedings.
17. Each of the Coaster Projects was bid on a lump-sum contract basis. Each of the rides designed for these Coaster Projects was a unique and a first of its kind due to the complexity and special effects incorporated into each roller coaster. As a result, during the engineering, design and construction of the Coaster Projects, DAL experienced significant cost overruns that exceeded USD\$21,000,000 and is forecasted to lose a minimum of

USD\$20,000,000 to complete these three jobs, with a risk that the performance will not match the performance guarantees specified in the contracts.

18. Mission Ferrari has been delivered and is currently operational. DAL delivered the Mission Ferrari ride in January 2023 at a total cost of USD\$28,300,000 on a lump sum contract of USD\$18,200,000 which the client has only paid USD\$17,200,000
19. AVP Malaysia is not operational and would take a significant further expenditure of funds to be completed. DAL has already spent USD\$26,400,000 and it has only been paid USD\$24,000,000 on a lump sum contract worth a total amount of USD\$34,000,000. (and the USD \$10,000,000 of funds remaining to be paid by Genting on the contract would not cover those costs) which are estimated to be USD\$16,000,000. Because of the complexity of the ride system, and the design changes that would be required to make it operational, there is a risk that the client could cancel the contract and demand that the ride components installed to date be removed from the facility
20. SOA Malaysia is about 95% complete with a punch-list of work to get it operational and it is estimated that such work could cost an additional USD\$1,500,000. The Dynamic Group has spent a total cost of USD\$30,700,000 on SOA Malaysia on a lump sum contract of USD\$24,000,000 of which the client has paid USD\$23,000,000.
21. These cost overruns on the Coaster Projects significantly impaired the cash flow available to the Dynamic Group and limited its ability to invest in new co-venture projects or complete the work it has ongoing.
22. DAL does not want to continue to manufacture and construct special effects roller coaster projects in general, but rather will provide engineering and design support to partners or counter parties who would take the risk on the construction and implementation of any future special effects roller coaster projects.
23. In October 2019, the Dynamic Group engaged Canaccord to attempt to raise additional capital to address the liquidity issue and pursue the co-venture business, including projects that could provide recurring revenue. Canaccord conducted a broad-based search through its contacts to try and find additional financing for the Dynamic Group to increase its working capital and invest in co-venture projects.

24. As a result of the lingering effects of the COVID-19 pandemic and the losses associated with the Coaster Projects, and the fact that the Sky Fly attraction had just started to be developed , the Dynamic Group was unable to raise any additional capital through the Canaccord process.
25. Because of the financial success of Sky Fly after opening and being awarded USA Today's Peoples' Choice for Best New Attraction in 2021, the Dynamic Group engaged Everleaf Capital Corp. ("**Everleaf**") to attempt to raise capital just for the capital intensive co-venture business. Through this process, Everleaf approached a number of prospective financial partners and the answer was always the same, most parties were hesitant to provide funding until the liquidity issues within Dynamic Group could be resolved.
26. The Dynamic Group was advised by multiple parties who participated in the Canaccord and Everleaf processes that the potential business pipeline and the profits on the co-venture business were attractive but it was difficult, if not impossible, to fund the Dynamic Group as a whole based upon its significant losses and unsecured liabilities that remained on its balance sheet.
27. In August of 2022 the Dynamic Group arranged for PEL to pay out the existing secured lender Universal City Development Partners, Ltd. ("**UCDP**") and Universal City Studios LLC ("**UCS**" and together with UCDP, the "**Universal Lenders**"). The Universal Lenders had provided substantial financing to DAL in 2019 in order to allow it to complete a number of significant projects that it had ongoing for Universal Studios and due to the significant negative cash-flow created by the Coaster Projects. The Universal Lenders at that time had taken an assignment of the CIBC security and credit agreement position and advanced additional funds to DAL.
28. The new secured lender, Promising Expert Limited ("**PEL**") advanced USD\$16,000,000 to DAL to repay the Universal Lenders and make a repayment of USD\$2,000,000 to Export Development Canada ("**EDC**"), the subordinate lender to DTG. As part of this transaction, PEL agreed to forgive approximately USD\$3,150,000 of the secured debt it had taken an assignment of.
29. DTG continues to have amounts outstanding of approximately USD\$2,000,000 on its loan facilities with EDC. EDC, as described in more detail below, has also provided guarantees to CIBC on letters of credit for DAL as required on various projects, including Mission

Ferrari Abu Dhabi and SOA Malaysia and AVP Malaysia which total an additional USD\$2,700,000 of exposure for EDC. DTG and DAL have provided indemnities secured by general security agreements to EDC for liabilities incurred by EDC under these guarantees.

30. The Dynamic Group has continued to explore options for strategic financing and recapitalization while negotiating with its existing secured lender for additional funding. The Dynamic Group needs to restructure its affairs, including historical unsecured amounts that remain unpaid and compromising the significant remaining liabilities in the Coaster Projects in order to be able to focus on further co-venture, recurring revenue projects such as Sky Fly.
31. DTG has borrowed USD\$16,000,000 from its secured lender PEL. The PEL Loan matured on February 28, 2023 and the entire amount is outstanding and due and payable.
32. The PEL Loan has been guaranteed by DEGL, DAL, DSL and DAI.
33. DTG owes EDC approximately USD\$2,000,000 and EDC has guaranteed approximately USD\$2,700,000 of letters of credit (the “**L/Cs**”) that have been issued on behalf of the Dynamic Group by CIBC. The EDC loan has been guaranteed by DAL.
34. DEGL also owes approximately USD\$4,000,000 to High Express HK pursuant to a promissory note. The HE Promissory Note was provided to purchase the interest in the Sky Fly ride.
35. The Dynamic Group has more than \$5,000,000.00 outstanding to its creditors.
36. The Dynamic Group utilizes a cash management system (the “**CMS**”) located primarily at CIBC. The bank accounts held at CIBC consist of separate Canadian dollar and United States dollar accounts for DAI, DSL, DEGL, and DTG. DAL has 4 separate Canadian dollar accounts as well as 4 separate United States dollar accounts. Of the accounts held by DAL, 2 Canadian dollar and 2 United States dollar accounts in the name of Dynamic Optics Inc. (which ceased operations in 2019). All of these accounts are general operating accounts used to receive and disburse funds. Within DAL specifically, most of the deposits are received through 1 Canadian and 2 United States dollar accounts and most disbursements are made through 1 Canadian and United States dollar account. The Dynamic Group requires access to these bank accounts and any cash deposited into the

CMS must be preserved in order to allow for the restructuring of the Dynamic Group to proceed. The Dynamic Group is concerned that the L/Cs will be called after granting of the Initial Order and are seeking to stay the sweep mechanisms available to CIBC to recover funds to pay out on the L/Cs. CIBC has recourse under the PSG Certificates issued by EDC to recover any funds paid out under the L/Cs.

37. The Dynamic Group is currently in the midst of a liquidity crisis, primarily due to low the effects of the COVID-19 pandemic on the theme park business, declining contract work and significant losses on ongoing contracts for certain special effects roller coasters, and significant secured and unsecured debt.
38. The Dynamic Group requires the stability of the CCAA proceedings to run a sales and investment solicitation process (“**SISP**”) in order to maximize value for their stakeholders and/or obtain additional investment in a restructured entity. Promising Experts Limited, who is the senior secured lender and unsecured bridge lender, supports this application.
39. The Dynamic Group anticipates that as part of the CCAA proceedings, the following will or has already been completed: (i) obtain interim financing in order to allow the Dynamic Group to continue operations in the normal course; (ii) obtain an order authorizing the Dynamic Group to commence a SISP, including potentially engaging a sales advisor; and (iii) the Dynamic Group may conduct a claims process to determine the validity of the creditor claims.
40. The grounds set out in the Affidavit of Allan Francis sworn on March 8, 2023.
41. The Dynamic Group relies upon the provisions of the CCAA and the equitable jurisdiction of this Court.
42. Such further and other grounds as counsel for the Dynamic Group may advise and this Honourable Court may permit.

Material or evidence to be relied on:

43. The Affidavit of Allan Francis, sworn on March 8, 2023;
44. The Pre-filing Report of the Proposed Monitor, FTI Consulting Canada Inc., to be filed;
45. The consent of FTI Consulting Canada Inc. to act as Monitor of the Applicants;

46. Such further and other materials as counsel for the Proposed Monitor or the Applicants may advise and this Honourable Court may permit.

Applicable rules:

47. Part 6, Division 1 of the Alberta *Rules of Court*, Alta Reg 124/2010.

Applicable Acts and regulations:

48. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36; and
49. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

50. None.

How the application is proposed to be heard or considered:

51. By Webex videoconference before the Honourable Justice J.A. Fagnan.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the 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 a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

2301-
COURT OF KING'S BENCH OF ALBERTA
CALGARY
IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.
C-36, as amended

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF DYNAMIC
TECHNOLOGIES GROUP INC., DYNAMIC
ATTRACTIONS LTD., DYNAMIC ENTERTAINMENT
GROUP LTD., DYNAMIC STRUCTURES LTD., and
DYNAMIC ATTRACTIONS INC.

APPLICANTS:

DYNAMIC TECHNOLOGIES GROUP INC.,
DYNAMIC ATTRACTIONS LTD., DYNAMIC
ENTERTAINMENT GROUP LTD., DYNAMIC
STRUCTURE LTD. and DYNAMIC ATTRACTIONS
INC.

DOCUMENT
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT:

CCAA INITIAL ORDER

MLT AIKINS LLP
Barristers and Solicitors
2100, 222-3rd Avenue S.W.
Solicitor: Ryan Zahara
Telephone: 403.693.5420
Facsimile: 403.508.4349
Email: rzahara@mltaikins.com
File Number: 0119375.00031

**DATE ON WHICH ORDER WAS
PRONOUNCED:**
**NAME OF JUDGE WHO MADE THIS
ORDER:**
LOCATION OF HEARING:

MARCH 9, 2023

JUSTICE J.A. FAGNAN

EDMONTON

UPON the application of Dynamic Technologies Group Inc., Dynamic Attractions Ltd., Dynamic Entertainment Group Ltd., Dynamic Structures Ltd. and Dynamic Attractions Inc. (collectively, the “**Applicants**”); **AND UPON** having read the Originating Application, the Affidavit of Allan Francis sworn on March 8, 2023; and the Affidavit of Service of Joy Mutuku, filed; **AND UPON** reading the consent of FTI Consulting Canada Inc. to act as Monitor; **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application and either do not oppose or alternatively consent to the within Order; **AND UPON** hearing counsel for the Applicants; **AND UPON** reading the Pre-Filing Report of FTI Consulting Canada Inc.; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPLICATION

2. The Applicants are companies to which the *Companies’ Creditors Arrangement Act* of Canada (the “**CCAA**”) applies.

PLAN OF ARRANGEMENT

3. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. The Applicants shall:
 - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”);
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property;
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and

- (d) be entitled to continue to utilize the central cash management system currently in place as described in the Affidavit of Allan Francis sworn March 8, 2023 or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank (the “**Cash Management Bank**”) providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System; and
 - (e) during the Stay Period (as defined below), no Cash Management Bank shall, without leave of this Court: (i) exercise any sweep remedy under any applicable documentation; or (ii) exercise or claim any right of set-off against any account included in the Cash Management System.
5. To the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
7. The Applicants shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
 - (i) employment insurance,
 - (ii) Canada Pension Plan,
 - (iii) Quebec Pension Plan, and
 - (iv) income taxes,but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
 - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
 - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.
8. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
9. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of the date of this Order;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. The Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined in paragraph 33), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$500,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
- (b) terminate the employment of such of their employees or temporarily lay off such of its employees as they deem appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deems appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the

Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

12. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. Until and including March 19, 2023, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants to carry on any business that the Applicants is not lawfully entitled to carry on;
 - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
 - (c) prevent the filing of any registration to preserve or perfect a security interest;
 - (d) prevent the registration of a claim for lien; or
 - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
15. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

16. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the

Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender where applicable, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. The Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
21. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.
22. Notwithstanding any language in any applicable insurance policy to the contrary:
 - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and

- (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

- 23. FTI Consulting Canada Inc. (the "**Monitor**") is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
- 24. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
 - (c) assist the Applicant, to the extent required by the Applicant, in its dissemination to the Interim Lender and its counsel on a bi-weekly basis of financial and other information as agreed to between the Applicants and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;
 - (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, but not less than bi-weekly, or as otherwise agreed to by the Interim Lender;
 - (e) advise the Applicants in its development of the Plan and any amendments to the Plan;
 - (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;
 - (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
 - (j) perform such other duties as are required by this Order or by this Court from time to time.
25. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.
26. The Monitor shall provide any creditor of the Applicants and the Interim Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
27. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on

its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the respective amount[s] of \$50,000, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
29. The Monitor and its legal counsel shall pass their accounts from time to time.
30. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs [37] and [39] hereof.

INTERIM FINANCING

31. The Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Promising Expert Limited (the "**Interim Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$250,000 unless permitted by further order of this Court.
32. Such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the Interim Lender dated as of March 8, 2023 (the "**Commitment Letter**"), filed.
33. The Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to

the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the “**Interim Lender's Charge**”) on the Property to secure all obligations under the Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the Definitive Documents. The Interim Lender's Charge shall not secure any obligation existing before this the date this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 37 and 39 hereof.
35. Notwithstanding any other provision of this Order:
- (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon 5 days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Commitment Letter, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
 - (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.
36. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

37. The priorities of the Directors' Charge, the Administration Charge and the Interim Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$100,000);

Second – Interim Lender's Charge (to the maximum amount of \$250,000); and

Third – Directors' Charge (to the maximum amount of \$250,000).

38. The filing, registration or perfection of the Directors' Charge, the Administration Charge or the Interim Lender's Charge (collectively, the "**Charges**") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
39. Each of the Directors' Charge, the Administration Charge, and the Interim Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.
40. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the Interim Lender's Charge, unless the Applicants also obtain the prior written consent of the Monitor, the Interim Lender, and the beneficiaries of the Directors' Charge and the Administration Charge, or further order of this Court.
41. The Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents, and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:
 - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents,

lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Commitment Letter or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
- (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, the Applicants entering into the Commitment Letter, or the execution, delivery or performance of the Definitive Documents; and
- (iii) the payments made by the Applicants pursuant to this Order, including the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

42. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge, the Interim Lender's Charge, and the Directors' Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

43. The Monitor shall (i) without delay, publish in the Globe and Mail a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
44. This Court further orders that a Case Website shall be established in accordance with the following URL <http://cfcanada.fticonsulting.com/dynamicgroup>

GENERAL

45. The Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
46. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
47. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.
48. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
49. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
50. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
51. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

Justice of the Court of King's Bench of Alberta