

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

In re:  DYNAMIC TECHNOLOGIES GROUP INC., <i>et al.</i> , <sup>1</sup>  Debtors in a Foreign Proceeding.	) ) ) ) ) )	Chapter 15  Case No. 23-41416  (Joint Administration Requested)
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**DECLARATION OF ALLAN FRANCIS**

I, Allan Francis, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury under the laws of the United States of America that the following is true and correct to the best of my knowledge, information, and belief.

1. I am the Corporate Secretary and Vice-President of Corporate Affairs and Administration of Dynamic Technologies Group Inc. (“DTC” or the “Foreign Representative”), Corporate Secretary of Dynamic Attractions Ltd. (“DAL”), Dynamic Entertainment Group Ltd. (“DEG”) Dynamic Attractions Inc. (“DAI”), and Dynamic Structures Ltd. (“DSL,” and collectively with DTC, DAL, DEG, and DAI, the “Dynamic Group” or the “Debtors”). A corporate organization chart is attached hereto as **Exhibit A**.

2. I am over the age of 18 and intimately familiar with the Debtors and their reorganization proceeding (the “Canadian Proceeding”) currently pending in Court of the King’s Bench of Alberta, Judicial Centre Calgary (the “Canadian Court”). All facts set forth in this Declaration are based upon (a) my personal knowledge; (b) my review of relevant documents and

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<sup>1</sup> The Debtors in these Chapter 15 cases, along with the last four digits of the Debtors’ unique identifier are: DYNAMIC TECHNOLOGIES GROUP INC. (CA. BN 863055893); DYNAMIC ATTRACTIONS, INC. (EIN 98-1016243); DYNAMIC ATTRACTIONS LTD. (CA. BN 101632677); DYNAMIC ENTERTAINMENT GROUP LTD. (CA. BN 703755496 CR0001); DYNAMIC STRUCTURES LTD. (CA. BN 794519280 RC0001). Additional information regarding this case may be obtained on the Monitor’s website for this case at <http://cfcanada.fticonsulting.com/dynamicgroup/>.

any and all documents prepared and/or filed in connection with the Canadian Proceedings; (c) information supplied to me by the directors or professionals retained by the Debtors; or (d) based on my experience and knowledge of the Debtors' assets and financial condition.

3. I make this Declaration in support of (i) For 401 Petitions ("Form Petitions"), along with the exhibits thereto, (ii) the Verified Petitions (the "Verified Petition" and collectively with the Form Petitions, the "Petitions"), (iii) the Application of Foreign Representative for Order (I) Specifying Form and Manner of Service (II) Scheduling Hearing on Recognition and Additional Relief and (III) Setting Deadline for Objections and Replies, and (iv) Motion of Foreign Representative Pursuant to Federal Rule of Bankruptcy Procedure 1015(b) for Order Directing Joint Administration of Cases under Chapter 15 of the Bankruptcy Code.

## **BACKGROUND**

### **I. The Debtors' Business, Corporate Structure, and Prepetition Assets and Liabilities**

#### **A. The Debtors' Businesses**

4. The Dynamic Group is in the business of designing, producing, engineering, and manufacturing, commissioning, warranting, and providing ongoing parts and services to theme park owners around the world. The Dynamic Group has produced award-winning and cutting-edge theme park ride systems and attraction developments. The Dynamic Group has manufactured and engineered rides for major theme park owner/operators, including Universal Studios and Disney. Prior to the Canadian Proceeding, the Dynamic Group employed 231 people, 203 of which were located in Canada. Currently, the Dynamic Group employs 25 employees, 16 of which are in Canada.

5. All board meetings are conducted in Canada. Due to the COVID-19 pandemic, board members and other participants would often appear remotely. The majority of the Dynamic

Group's creditors are located in Canada, but consist of a diverse group of entities from many different countries.

**i. Dynamic Technologies Group Inc.**

6. DTG was founded in 2005 under the name Ryjencap Inc. DTG is currently a publicly traded company and its common shares are listed for trading on the Toronto Venture Exchange ("TSX"), trading under the symbol "DTG." DTG is incorporated and registered in Alberta, Canada. DTG is the public vehicle used to raise capital for the rest of the business conducted by the Dynamic Group. DTG is a holding company and employs the Dynamic Group's officers, including: Guy Nelson, the Executive Chairman and CEO; Jerry Pierson, the President and COO; Michael Martin, the CFO, and Allan Francis, the Corporate Secretary. All of these officers are located in Canada, except Jerry Pierson who resides in Orlando, Florida.

**ii. Dynamic Attractions Ltd.**

7. DAL is incorporated and registered in Canada. DAL is the primary operating entity in the Dynamic Group. It provides all of the engineering and manufacturing operations from Vancouver, British Columbia.

8. DAL is the amalgamation of several predecessor corporations whose businesses include "building to print" a wide variety of projects for industrial, commercial, and institutional clients. These projects included complex bridges, dome enclosures for large telescopes, and a variety of projects in the Alberta oilsands area. DAL developed a world-class engineering and fabrication competency perfectly suited for the theme park industry.

9. DAL is a turnkey supplier of premium entertainment rides. Its proprietary product lines include high-tech theaters, special effects roller coasters, autonomous guided vehicles, and 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.

10. DAL has executed over USD\$700,000,000 of ride contracts, including some of the most popular rides ever built. A summary of some of those rides is set out below:

<b>Counter-Party</b>	<b>Attraction</b>	<b>Location</b>	<b>Contract (Sign/Open)</b>
Universal Parks and Resorts	Harry Potter’s Forbidden Journey – Robotic Attraction	Orlando, Florida Osaka, Japan Hollywood, California Beijing, China	2006/2010 2012/2014 2012/2016 2016/2021
Universal Parks and Resorts	Mario Kart Koopa’s Challenge – Augmented Reality	Orlando, Florida (design) Orlando, Florida (design) Orlando, Florida (design) Osaka, Japan Hollywood, California Orlando, Florida	2017/2019 2017/2019 2018/2020 2018/2020 2018/2021 2018/2022
Disney	Soarin’- Flying Theatre	Anaheim, California Orlando, Florida Orlando, Florida Shanghai, China Tokyo Japan	1997/2001 2003/2005 2014/2016 2013/2016 2016/2019

11. DAL’s Vancouver Production Facility includes approximately 105,000 square feet of manufacturing and facilities and offices. It also includes the Dynamic Group’s designs, computers and machines necessary for the operation of the entire Dynamic Group.

**iii. Dynamic Structures Ltd.**

12. DSL is incorporated and registered in Canada. DSL was originally 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 a third-party investor. DSL now primarily provides design engineering and product research and development services for the complex ride systems for DAL.



DSL also designs sophisticated custom, complex, high precisions mechanisms and integrated structures for third-party customers.

**iv. Dynamic Attractions Inc.**

13. DAI is incorporated and registered in Delaware, but has its principal place of business in Arlington, Texas. Out of the Arlington office (the “Arlington Office”), DAI provides maintenance services and replacement parts for ride systems delivered to customers throughout the world. DAI also provides parts and service for rides built by other manufacturers. DAI also has a facility in Orlando, Florida (the “Orlando Facility”), that it sublets a substantial portion to other companies in the industry. Over 90% of revenue from DAI is attributable to the Arlington Office. The Orlando facility operates as a show room and office for company representatives to engage with customers in the area.

**v. Dynamic Entertainment Group Ltd.**

14. DEGL is incorporated and registered in Canada. 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.

15. 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. The other 50% owner-operator is an entity called Smoky Mountain Flyers LLC. The Dynamic Group holds its interest in this co-venture in the High Express Holdings (US) Inc. (“High Express US”), a wholly-owned subsidiary of DEGL.

**B. The Debtors' Locations and Leases**

16. As noted above, the Dynamic Group operates its business out of facilities and offices. The Dynamic Group has five premises. The main manufacturing and production facilities and offices are located in Vancouver in a 105,000 square location at 1765 Coast Meridian Road, Port Coquitlam, BC V3C 3T7 (the "Vancouver Production Facility"). There are two smaller offices in Winnipeg, Manitoba (the "Winnipeg Office") and Toronto, Ontario (the "Toronto Office"). In the United States, DAI has the Orlando Facility, much of which has been sublet to other companies in the industry and the Arlington Office. Also as stated above, over 90% of revenue from DAI is attributable to the Arlington Office.

**C. Cash Management System**

17. In the ordinary course of business, the Dynamic Group uses a centralized banking and cash management system ("Cash Management System") to, among other things, collect funds and pay expenses associated with its operations. The Cash Management System is administered by the Dynamic Group's finance department and DTG's CFO in Edmonton, Alberta.

18. The Cash Management System has several functions, comprised of: (a) collection of accounts receivable from third parties; (b) disbursements to fund payroll and benefits, capital expenditures, maintenance costs, payments to inventory vendors and other service providers; and (c) intercompany cash transfers amongst the Dynamic Group. The Debtors have been authorized by the Canadian Court to continue to use the existing Cash Management System during the pendency of the Canadian Proceeding.

19. Generally, the Dynamic Group's customers are invoiced as follows:

- DAL invoices customers for the ride projects in Canada, the United States and internationally;
- DAI invoices customers for parts and service jobs that are performed in the United States and internationally, but all payments are made to Canadian bank accounts;

- DSL invoices DAL for engineering services provided to DAL in the production of rides and invoices customers in Canada and the United States for third party engineering services; and
- High Express US collects the cash dividend distributions which then flow up to DEGL and eventually to DTG.

20. Intercompany transfers are payments made between DAL, DAI, DSL, DTG, DEGL and High Express US for (a) sales of products and services between the divisions; (b) provision of net share expenses and services, including essential corporate functions; and (c) any additional funding required to support each of the divisions, made by way of intercompany loans.

21. The Dynamic Group utilizes 22 bank accounts of which 19 are held at the Canadian Imperial Bank of Commerce (“CIBC”) in Canada, one is held at Chase Bank in the United States, and two are held in China.

22. 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 four separate United States dollar accounts. Of the accounts held by DAL, two Canadian dollar and two 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 one Canadian and two United States dollar accounts and most disbursements are made through one Canadian and two United States dollar accounts. Finally, High Express US has one United States dollar account which is used to receive distributions from Smoky Mountain Flyers LLC and transfers as required in the Dynamic Group;

23. The one United States dollar account with Chase Bank is held by DAI and it is used to facilitate payroll, benefit payments, rent payments, and other operating costs of DAI in the

United States. The vast majority of funds received in the Chase Bank account are received via transfer from CIBC as virtually all of DAI's customer cash receipts are received through the CIBC accounts from DAI. In short, DAL funds the DAI account so that DAI can make payroll. All money received by DAI is deposited into Canadian bank accounts.

24. The two accounts in China are held by the Dynamic Group's wholly owned foreign entity, Zhejiang Dynamic Structures Engineering Technology Limited. The United States dollar account is used mostly to receive intercompany transfers. The Chinese Yuan Renminbi account is used for general operating expenses in China.

25. On a weekly basis the Dynamic Group's finance department reviews near term cash requirements, cash receipts, and residual account balances. Based on this review, forecast cash required to fund disbursements is calculated and the Dynamic Group determines what invoices can be paid from the Operating Account for that week.

26. All accounting audits are done by Grant Thornton LLP out of Toronto, Ontario. All Dynamic Group bank signatories are located in Canada.

#### **D. Prepetition Credit Facilities**

27. As of December 31, 2022, the Dynamic Group had total liabilities of approximately USD\$94,453,000.00, including accounts payable and accrued liabilities of USD\$12,764,000.00, term loans in the amount of USD\$26,320,000.00, and provisions on certain projects in the amount of USD\$6,107,000.00. In the context of the Company's prepetition restructuring efforts, in the summer of 2022, Promising Expert Limited ("PEL") and DTG entered into an amended and restated credit agreement for \$16 million (the "PEL Agreement"). The PEL Agreement is governed by the laws of the Province of Alberta and the laws of Canada and matured on February 28, 2023 and has not been amended or extended.

28. DTG also entered into a loan agreement (the “EDC Agreement”) with Export Development Canada. (“EDC”), a Canadian governmental entity, which is subordinated to the PEL Agreement in an amount not to exceed USD\$14,200,000.00. The EDC Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada.

**II. Events Preceding the Commencement of the Canadian Proceeding**

29. The Dynamic Group required the stability of the Canadian Proceeding to conduct a SISP.

30. The Dynamic Group has operated at a loss for the last five years. The following chart shows the Dynamic Group’s declining financial performance:

Audit Year	2018	2019	2020	2021	2022
Revenue	\$135,395,000	\$110,119,000	\$69,776,000	\$35,552,000	\$26,794,000
Net Loss	(\$50,463,000)	(\$27,087,000)	(\$12,477,000)	(\$14,876,000)	(\$11,189,000)
EBITDA	(\$10,909,000)	(\$5,272,000)	\$2,890,000	(\$5,916,000)	(\$7,172,000)

31. Several factors have contributed to the Dynamic Group’s financial decline. The current and recent historical financial performance has been negatively impacted by multiple “first-generation” projects. First generation projects were first-of-a-kind in nature, posing significant technical and financial risks to the Dynamic Group to overcome these risks and deliver the projects successfully. Overcoming these risks has been costly and has resulted in negative financial performance and significant liquidity constraints.

32. Additionally, the Dynamic Group has faced a number of challenges as a result of the extended impact of the COVID-19 pandemic. Particularly, the pandemic’s continued effect in

the number of tourists visiting major theme parks, a dramatic decline in the large custom ride projects, the cancellation of existing projects for which timelines were also lost during this period.

33. Additionally, the Dynamic Group has succumbed to increased costs of virtually all raw materials, subcontract services, labor, and shipping over the last few years. Increased lead times and procurement delays on various raw materials components have slowed down the ability to execute secured work in a timely and efficient manner.

34. The Dynamic Group conducted processes with Canaccord Genuity Corp. (“Canaccord”) (the “Canaccord Process”) and Everleaf Capital Corp. The Canaccord Process was initiated in October of 2019 to find funds to repay the senior debt of USD\$20,000,000, invest USD\$20,000,000 in co-venture projects (similar to Sky Fly) or privatization transactions with proceeds raised to privatize the public float of shares. Canaccord approached at least 99 prospects about the opportunity to invest in the Dynamic Group. There were also approximately 15 non-disclosure agreements signed with parties who participated in the Canaccord Process.

35. Through the Canaccord Process three strategic investors expended considerable time both in conducting due diligence and interviewing the CEO. Certain of the parties, at the end of their due diligence effort, indicated that DTG lacked sufficient liquidity and the proposed structure of the possible investment was far too complicated.

36. Ultimately, while parties were excited about the potential of the co-venture business and possibilities of the ride business operated by DAL, they were hesitant to invest.

37. In light of the significant slow-down in the large ride projects sector, the Dynamic Group became increasingly unable to sustain the high cost of running its business. Management initiated a number of initiatives to help improve the Dynamic Group’s operations, financial performance, and liquidity.

38. Throughout 2021 and 2022, the Dynamic Group implemented measures to adjust for the decreased work flow, including right-sizing its work force, refinancing its debt, decreasing costs of manufacturing and monetizing its real property where possible.

39. In August of 2022, the Dynamic Group secured financing with PEL and ECG to replace its previous lenders and provide additional working capital. DTG also raised additional equity in the total amount of \$5,105,000 in 2022 in three tranches each which closed on April 20, 2022, May 30, 2022 and June 27, 2022.

40. Unfortunately, despite these measures, the Dynamic Group continues to face a liquidity crisis, including the significant challenges associated with the liabilities associated with the coaster projects, and it no longer has access to capital markets to complete its restructuring efforts, even as theme parks continue to recover and the co-venture ride business proves its value.

### **III. The Canadian Proceeding**

41. Given the Dynamic Group's decreasing financial performance and the overall negative lingering impacts of the COVID-19 pandemic on the theme park business, the Dynamic Group in consultation with its advisors, initiated the Canadian Proceeding to reorganize under the protections offered by the CCAA, including by initiating the SISP, which will maximize the value of the Dynamic Group and allow it to compromise its significant historical liabilities through a restructured entity. The board resolutions of each Debtor authorizing the Canadian Proceeding are attached collectively as **Exhibit B**.

42. Although each Debtors' respective management and board of directors remains in place, the Debtors' assets and affairs are subject to the supervision of the Canadian Court during the pendency of the Canadian Proceeding.

43. On March 9, 2023, following a hearing, the Canadian Court entered the "**Initial CCAA Order**," which is attached hereto as **Exhibit C**. The Initial CCAA Order, among other

things, (i) commenced the Canadian Proceeding pursuant to the CCAA; (ii) appointed FTI Consulting Canada Inc. as Monitor in the Canadian Proceeding; (iii) granted a stay of proceedings in favor of the Debtors and their directors and officers up to and including March 19, 2023; (iv) granted priority charges in favor of (a) professionals employed by the Debtors and the Monitor; (b) directors and officers of the Debtors; and interim lender; (iv) authorized the Debtors to continue utilizing the Cash Management System; and (v) authorized interim financing with PEL.

44. After the Initial CCAA Order was entered, the Debtors, (i) issued a press release in respect of the Canadian Proceeding and the stay; (ii) worked with the monitor to prepare a communications package for employees, suppliers, and customers; (iii) communicated the filing under the CCAA to employees, suppliers, landlords, and customers; and (iv) reduced operations and number of employees in order to preserve cash and key employees to effect a restructuring.

45. The Dynamic Group has made the strategic decision to focus on designing and maintaining an ownership interest in theme-park rides, as opposing to manufacturing and selling them to other theme park owners.

46. On March 16, 2023, following a hearing, the Canadian Court entered an order (the “Amended Initial CCAA Order” and together with the Initial CCAA Order, the “CCAA Orders”) (attached as **Exhibit D**). which, among other things, (i) granted an extension of the stay of proceedings up to and including May 26, 2023; (ii) amended the amounts of the priority charges previously approved by the court; and (iii) authorized and empowered the Debtors to act as the foreign representative in respect of the Canadian Proceeding for the purposes of having such proceedings recognized in the United States. The Amended Initial CCAA Order also approved the SISP with the following milestones (somewhat similar to a bidding procedures order in the United States):



Prepare teaser, confidential information memorandum and data room	March 20-24, 2023
Contact prospective purchasers who might be interested in participating in a sale or investment in Dynamic Group	March 24-April 28, 2023
Phase 1 Bid Deadline – Non-Binding Bids	April 28, 2023
Phase 2 Bid Deadline – Binding bids in form of purchase or investment agreement	May 26, 2023
Auction, if required	June 8, 2023

47. At the Phase 1 bid deadline, a number of bids were received. However, the Monitor, in accordance with the terms of the SISP, determined that one of the offers was deemed to be a “High Value LOI” and, as a result, the Monitor terminated the SISP on May 9, 2023 to pursue a definitive agreement with the party that submitted the High Value LOI, which was PEL. The Debtor and the Monitor are now in the process of negotiating the sale of the Dynamic Group’s assets to PEL through coming to terms on definitive documents.

48. The Canadian Proceedings provide a centralized process to assert and resolve claims against the Debtors and to make distributions to the Debtors’ creditors. Relief and recognition are requested to protect the Debtors’ assets and maintain, as well as maximize, the value of the Debtors’ estates.

49. The Canadian Proceedings and the relief requested herein will protect the Debtors’ assets, provide the Petitioners with access to information necessary to assemble and preserve the assets and claims of the Debtors for administration. Thus, the Petitioners now seek recognition of the Canadian Proceedings as foreign main proceedings to garner and administer the Debtors’ assets that may be located and held in the United States.

50. I believe that joint administration of these Chapter 15 Cases is warranted because the Debtors' financial affairs and business operations are closely related, and because it will ease the administrative burden of these cases on the Court and interested parties. I can confirm that the Foreign Representative anticipates that the various notices, motions, hearings, orders, and other pleadings in these cases will affect all of the Debtors.

51. The Foreign Representative has also filed a motion requesting that the Court schedule a final recognition hearing and approval of related noticing procedures (the "Notice Procedures Motion"). I can attest that the Debtors have many creditors, potential creditors, and other parties in interest, all of whom need to be provided with, among other things, notice of the entry of the provisional order, the proposed final order, the recognition objection deadline, and the recognition hearing. The Foreign Representative has prepared a form of notice advising of these and related matters (the "Recognition Hearing Notice"), a copy of which is annexed to the Notice Procedures Motion.

52. Under the facts and circumstances of the Debtors' Chapter 15 Cases, I submit that service of the Recognition Hearing Notice in the manner proposed in the Notice Procedures Motion will provide those parties identified as the Notice Parties in the Notice Procedures Motion with due and sufficient notice of the relief requested in the Recognition and Relief Motion and associated objection deadlines and hearing dates. The Notice Procedures Motion seeks relief that is consistent with the notice procedures in the Canadian Proceeding. The Notice Documents (as that term is defined in the Notice Procedures Motion) will be posted on the Monitor's website, which is the main avenue for creditors in the Canadian Proceeding to get notice. Therefore, I believe that the relief requested in the Notice Procedures Motion is necessary and appropriate and is in the best interests of the Debtors, their creditors, and other parties in interest.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

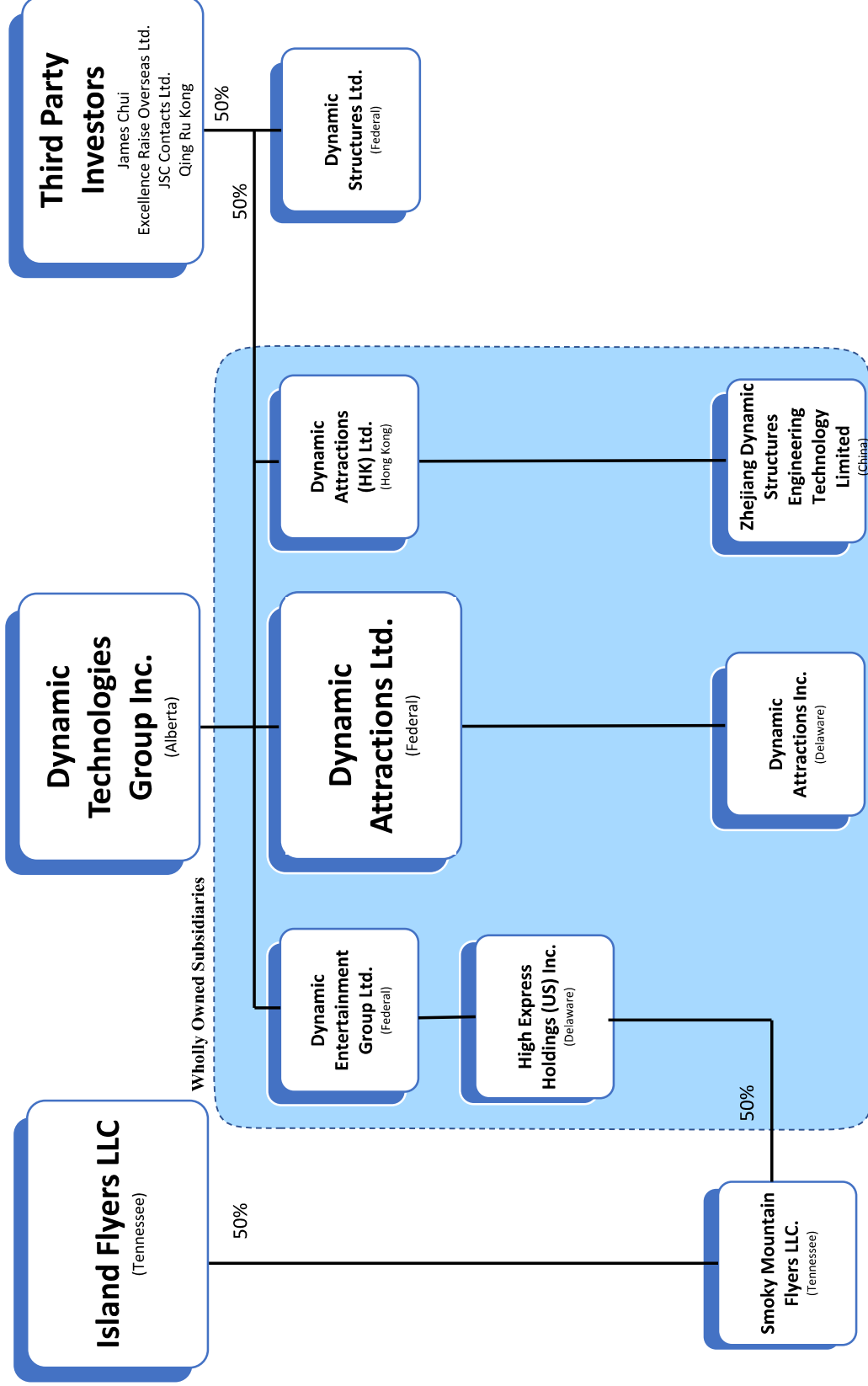
Executed this 17th day of May in 2023, LOCATION Winnipeg, Canada.



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Allan Francis

# **EXHIBIT A**



# **EXHIBIT B**

RESOLUTION OF ALL OF THE DIRECTORS OF **DYNAMIC TECHNOLOGIES GROUP INC.** (THE “**CORPORATION**”), PASSED BY THE SIGNATURE OF ALL DIRECTORS, EFFECTIVE AS OF THE 8TH DAY OF MARCH, 2023

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**APPROVAL OF APPLICATION UNDER THE COMPANIES’ CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36 FOR DYNAMIC TECHNOLOGIES GROUP INC.**

**WHEREAS** it has been determined by the directors of the Corporation that, due to the current financial and operational circumstances facing the Corporation, it is in the best interests of the Corporation to commence an application to the Court of King’s Bench of Alberta (the “**Court**”) for an Initial Order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”) including granting the Corporation and its directors a stay of proceedings against it by its creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; the opportunity to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence (i) a sales and investment solicitation process, (ii) to, if deemed necessary, apply for a key employee retention plan (“**KERP**”); and (iii) to obtain interim financing (the “**Interim Financing**”) from Promising Expert Limited (“**PEL**”) in order to fund its operations during the pendency of any CCAA proceedings (collectively, the “**Restructuring**”);

**AND WHEREAS** to assist the Corporation with the Restructuring, it is desirable for the Corporation to retain the law firm of MLT Aikins LLP (“**MLT Aikins**”) to provide legal advice and services to the Corporation in regard to the Restructuring;

**AND WHEREAS** to further assist the Corporation with the Restructuring, it is desirable for the Corporation to designate FTI Consulting Canada Inc. (“**FTI**”) as proposed court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;

**NOW, THEREFORE, BE IT RESOLVED:**

1. **THAT** the Corporation is hereby authorized to apply to the Court on or about March 9, 2023 under section 11.02 of the CCAA for an Order (the “**CCAA Initial Order**”) granting the Corporation and its directors a stay of proceedings against them by their creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; and to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence a sales and investment solicitation process; to, if deemed necessary, apply for a KERP and to enter into and obtain the Interim Financing from PEL to fund its operations during the pendency of any CCAA proceedings;
2. **THAT** the Corporation shall retain MLT Aikins to provide legal advice and services to the Corporation in regard to the Restructuring;

3. **THAT** the Corporation shall seek to obtain the appointment of FTI as court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;
4. **THAT** any director or officer of the Corporation is hereby authorized to do all such things and to take all such steps and to execute and deliver all such documents, instruments and agreements as may be reasonably necessary to give effect to the above-noted resolutions, including (without limitation) to work with and instruct MLT Aikins and FTI to prepare documents in support of the proposed application to the Court under the CCAA; to inform the secured creditors of the Corporation of the Restructuring; to pursue opportunities for the Corporation to restructure its financial affairs and/or to sell its assets (in whole or in part), as a going concern or otherwise; to develop and present one or more plans of compromise or arrangement by the Corporation to one or more classes of its creditors (with such plans of compromise or arrangement to be subject to the approval of the directors of the Corporation); and to work with and instruct MLT Aikins and FTI to submit to the Court a proposed form of initial order under the CCAA seeking the creation of a Directors' Charge, an Administration Charge, and an Interim Lender's Charge (each as defined in the CCAA Initial Order) over the assets of the Corporation (recognizing that the form of Order ultimately granted, if any, is within the discretion of the Court).
5. **THAT** all deeds, documents, instruments, writings, acts or proceedings connected with or pertaining to the matters described herein which have been executed, made, done or taken on behalf of the Corporation by any officer or director thereof be and they are hereby expressly approved, ratified and confirmed.

**MANNER OF EXECUTION**

**NOW, THEREFORE, BE IT RESOLVED:**


THAT this resolution may be signed in counterparts and by email or other electronic means producing a printed copy, each of which so signed shall be deemed to be an original and, notwithstanding the date of execution, shall be deemed to bear the date first written above.

*[Signature page follows.]*



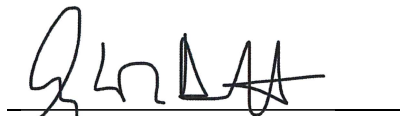
WITNESS the signature of all of the directors as of the day and year set forth above.

  
\_\_\_\_\_  
**K. GUY NELSON**

  
\_\_\_\_\_  
**JAMES CHUI**

  
\_\_\_\_\_  
**TERRY QUINN**

  
\_\_\_\_\_  
**ROBERT MARSHALL**

  
\_\_\_\_\_  
**GUY DIETRICH**

RESOLUTION OF ALL OF THE DIRECTORS OF **DYNAMIC ATTRACTIONS INC.** (THE “**CORPORATION**”), PASSED BY THE SIGNATURE OF ALL DIRECTORS, EFFECTIVE AS OF THE 8TH DAY OF MARCH, 2023

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**APPROVAL OF APPLICATION UNDER THE COMPANIES’ CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36 FOR DYNAMIC ATTRACTIONS INC.**

**WHEREAS** it has been determined by the directors of the Corporation that, due to the current financial and operational circumstances facing the Corporation, it is in the best interests of the Corporation to commence an application to the Court of King’s Bench of Alberta (the “**Court**”) for an Initial Order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”) including granting the Corporation and its directors a stay of proceedings against it by its creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; the opportunity to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence (i) a sales and investment solicitation process, (ii) to, if deemed necessary, apply for a key employee retention plan (“**KERP**”); and (iii) to obtain interim financing (the “**Interim Financing**”) from Promising Expert Limited (“**PEL**”) in order to fund its operations during the pendency of any CCAA proceedings (collectively, the “**Restructuring**”);

**AND WHEREAS** to assist the Corporation with the Restructuring, it is desirable for the Corporation to retain the law firm of MLT Aikins LLP (“**MLT Aikins**”) to provide legal advice and services to the Corporation in regard to the Restructuring;

**AND WHEREAS** to further assist the Corporation with the Restructuring, it is desirable for the Corporation to designate FTI Consulting Canada Inc. (“**FTI**”) as proposed court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;

**NOW, THEREFORE, BE IT RESOLVED:**

1. **THAT** the Corporation is hereby authorized to apply to the Court on or about March 9, 2023 under section 11.02 of the CCAA for an Order (the “**CCAA Initial Order**”) granting the Corporation and its directors a stay of proceedings against them by their creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; and to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence a sales and investment solicitation process; to, if deemed necessary, apply for a KERP and to enter into and obtain the Interim Financing from PEL to fund its operations during the pendency of any CCAA proceedings;
2. **THAT** the Corporation shall retain MLT Aikins to provide legal advice and services to the Corporation in regard to the Restructuring;
3. **THAT** the Corporation shall seek to obtain the appointment of FTI as court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;

4. **THAT** any director or officer of the Corporation is hereby authorized to do all such things and to take all such steps and to execute and deliver all such documents, instruments and agreements as may be reasonably necessary to give effect to the above-noted resolutions, including (without limitation) to work with and instruct MLT Aikins and FTI to prepare documents in support of the proposed application to the Court under the CCAA; to inform the secured creditors of the Corporation of the Restructuring; to pursue opportunities for the Corporation to restructure its financial affairs and/or to sell its assets (in whole or in part), as a going concern or otherwise; to develop and present one or more plans of compromise or arrangement by the Corporation to one or more classes of its creditors (with such plans of compromise or arrangement to be subject to the approval of the directors of the Corporation); and to work with and instruct MLT Aikins and FTI to submit to the Court a proposed form of initial order under the CCAA seeking the creation of a Directors' Charge, an Administration Charge, and an Interim Lender's Charge (each as defined in the CCAA Initial Order) over the assets of the Corporation (recognizing that the form of Order ultimately granted, if any, is within the discretion of the Court).
  
5. **THAT** all deeds, documents, instruments, writings, acts or proceedings connected with or pertaining to the matters described herein which have been executed, made, done or taken on behalf of the Corporation by any officer or director thereof be and they are hereby expressly approved, ratified and confirmed.

**MANNER OF EXECUTION**

**NOW, THEREFORE, BE IT RESOLVED:**

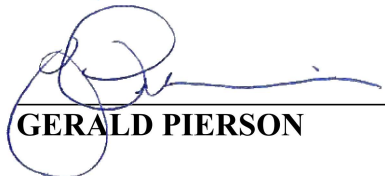
THAT this resolution may be signed in counterparts and by email or other electronic means producing a printed copy, each of which so signed shall be deemed to be an original and, notwithstanding the date of execution, shall be deemed to bear the date first written above.

*[Signature page follows.]*

WITNESS the signature of all of the directors as of the day and year set forth above.

  
\_\_\_\_\_  
**K. GUY NELSON**

  
\_\_\_\_\_  
**JAMES CHUI**

  
\_\_\_\_\_  
**GERALD PIERSON**

RESOLUTION OF ALL OF THE DIRECTORS OF **DYNAMIC ATTRACTIONS LTD.** (THE “**CORPORATION**”), PASSED BY THE SIGNATURE OF ALL DIRECTORS, EFFECTIVE AS OF THE 8TH DAY OF MARCH, 2023

---

**APPROVAL OF APPLICATION UNDER THE COMPANIES’ CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36 FOR DYNAMIC ATTRACTIONS LTD.**

**WHEREAS** it has been determined by the directors of the Corporation that, due to the current financial and operational circumstances facing the Corporation, it is in the best interests of the Corporation to commence an application to the Court of King’s Bench of Alberta (the “**Court**”) for an Initial Order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”) including granting the Corporation and its directors a stay of proceedings against it by its creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; the opportunity to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence (i) a sales and investment solicitation process, (ii) to, if deemed necessary, apply for a key employee retention plan (“**KERP**”); and (iii) to obtain interim financing (the “**Interim Financing**”) from Promising Expert Limited (“**PEL**”) in order to fund its operations during the pendency of any CCAA proceedings (collectively, the “**Restructuring**”);

**AND WHEREAS** to assist the Corporation with the Restructuring, it is desirable for the Corporation to retain the law firm of MLT Aikins LLP (“**MLT Aikins**”) to provide legal advice and services to the Corporation in regard to the Restructuring;

**AND WHEREAS** to further assist the Corporation with the Restructuring, it is desirable for the Corporation to designate FTI Consulting Canada Inc. (“**FTI**”) as proposed court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;

**NOW, THEREFORE, BE IT RESOLVED:**

1. **THAT** the Corporation is hereby authorized to apply to the Court on or about March 9, 2023 under section 11.02 of the CCAA for an Order (the “**CCAA Initial Order**”) granting the Corporation and its directors a stay of proceedings against them by their creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; and to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence a sales and investment solicitation process; to, if deemed necessary, apply for a KERP and to enter into and obtain the Interim Financing from PEL to fund its operations during the pendency of any CCAA proceedings;
2. **THAT** the Corporation shall retain MLT Aikins to provide legal advice and services to the Corporation in regard to the Restructuring;
3. **THAT** the Corporation shall seek to obtain the appointment of FTI as court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;

4. **THAT** any director or officer of the Corporation is hereby authorized to do all such things and to take all such steps and to execute and deliver all such documents, instruments and agreements as may be reasonably necessary to give effect to the above-noted resolutions, including (without limitation) to work with and instruct MLT Aikins and FTI to prepare documents in support of the proposed application to the Court under the CCAA; to inform the secured creditors of the Corporation of the Restructuring; to pursue opportunities for the Corporation to restructure its financial affairs and/or to sell its assets (in whole or in part), as a going concern or otherwise; to develop and present one or more plans of compromise or arrangement by the Corporation to one or more classes of its creditors (with such plans of compromise or arrangement to be subject to the approval of the directors of the Corporation); and to work with and instruct MLT Aikins and FTI to submit to the Court a proposed form of initial order under the CCAA seeking the creation of a Directors' Charge, an Administration Charge, and an Interim Lender's Charge (each as defined in the CCAA Initial Order) over the assets of the Corporation (recognizing that the form of Order ultimately granted, if any, is within the discretion of the Court).
5. **THAT** all deeds, documents, instruments, writings, acts or proceedings connected with or pertaining to the matters described herein which have been executed, made, done or taken on behalf of the Corporation by any officer or director thereof be and they are hereby expressly approved, ratified and confirmed.

**MANNER OF EXECUTION**


**NOW, THEREFORE, BE IT RESOLVED:**


THAT this resolution may be signed in counterparts and by email or other electronic means producing a printed copy, each of which so signed shall be deemed to be an original and, notwithstanding the date of execution, shall be deemed to bear the date first written above.

*[Signature page follows.]*

WITNESS the signature of all of the directors as of the day and year set forth above.

  
\_\_\_\_\_  
**K. GUY NELSON**

  
\_\_\_\_\_  
**JAMES CHUI**

  
\_\_\_\_\_  
**GERALD PIERSON**

RESOLUTION OF ALL OF THE DIRECTORS OF **DYNAMIC ENTERTAINMENT GROUP LTD.** (THE “**CORPORATION**”), PASSED BY THE SIGNATURE OF ALL DIRECTORS, EFFECTIVE AS OF THE 8TH DAY OF MARCH, 2023

---

**APPROVAL OF APPLICATION UNDER THE COMPANIES’ CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36 FOR DYNAMIC ENTERTAINMENT GROUP LTD.**

**WHEREAS** it has been determined by the directors of the Corporation that, due to the current financial and operational circumstances facing the Corporation, it is in the best interests of the Corporation to commence an application to the Court of King’s Bench of Alberta (the “**Court**”) for an Initial Order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”) including granting the Corporation and its directors a stay of proceedings against it by its creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; the opportunity to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence (i) a sales and investment solicitation process, (ii) to, if deemed necessary, apply for a key employee retention plan (“**KERP**”); and (iii) to obtain interim financing (the “**Interim Financing**”) from Promising Expert Limited (“**PEL**”) in order to fund its operations during the pendency of any CCAA proceedings (collectively, the “**Restructuring**”);

**AND WHEREAS** to assist the Corporation with the Restructuring, it is desirable for the Corporation to retain the law firm of MLT Aikins LLP (“**MLT Aikins**”) to provide legal advice and services to the Corporation in regard to the Restructuring;

**AND WHEREAS** to further assist the Corporation with the Restructuring, it is desirable for the Corporation to designate FTI Consulting Canada Inc. (“**FTI**”) as proposed court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;

**NOW, THEREFORE, BE IT RESOLVED:**

1. **THAT** the Corporation is hereby authorized to apply to the Court on or about March 9, 2023 under section 11.02 of the CCAA for an Order (the “**CCAA Initial Order**”) granting the Corporation and its directors a stay of proceedings against them by their creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; and to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence a sales and investment solicitation process; to, if deemed necessary, apply for a KERP and to enter into and obtain the Interim Financing from PEL to fund its operations during the pendency of any CCAA proceedings;
2. **THAT** the Corporation shall retain MLT Aikins to provide legal advice and services to the Corporation in regard to the Restructuring;



3. **THAT** the Corporation shall seek to obtain the appointment of FTI as court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;
4. **THAT** any director or officer of the Corporation is hereby authorized to do all such things and to take all such steps and to execute and deliver all such documents, instruments and agreements as may be reasonably necessary to give effect to the above-noted resolutions, including (without limitation) to work with and instruct MLT Aikins and FTI to prepare documents in support of the proposed application to the Court under the CCAA; to inform the secured creditors of the Corporation of the Restructuring; to pursue opportunities for the Corporation to restructure its financial affairs and/or to sell its assets (in whole or in part), as a going concern or otherwise; to develop and present one or more plans of compromise or arrangement by the Corporation to one or more classes of its creditors (with such plans of compromise or arrangement to be subject to the approval of the directors of the Corporation); and to work with and instruct MLT Aikins and FTI to submit to the Court a proposed form of initial order under the CCAA seeking the creation of a Directors' Charge, an Administration Charge, and an Interim Lender's Charge (each as defined in the CCAA Initial Order) over the assets of the Corporation (recognizing that the form of Order ultimately granted, if any, is within the discretion of the Court).
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**MANNER OF EXECUTION**


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*[Signature page follows.]*

WITNESS the signature of all of the directors as of the day and year set forth above.

  
K. GUY NELSON

  
JAMES CHUI

  
GERALD PIERSON

RESOLUTION OF ALL OF THE DIRECTORS OF **DYNAMIC STRUCTURES LTD.** (THE “**CORPORATION**”), PASSED BY THE SIGNATURE OF ALL DIRECTORS, EFFECTIVE AS OF THE 8TH DAY OF MARCH, 2023

---

**APPROVAL OF APPLICATION UNDER THE COMPANIES’ CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36 FOR DYNAMIC STRUCTURES LTD.**

**WHEREAS** it has been determined by the directors of the Corporation that, due to the current financial and operational circumstances facing the Corporation, it is in the best interests of the Corporation to commence an application to the Court of King’s Bench of Alberta (the “**Court**”) for an Initial Order pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (“**CCAA**”) including granting the Corporation and its directors a stay of proceedings against it by its creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; the opportunity to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence (i) a sales and investment solicitation process, (ii) to, if deemed necessary, apply for a key employee retention plan (“**KERP**”); and (iii) to obtain interim financing (the “**Interim Financing**”) from Promising Expert Limited (“**PEL**”) in order to fund its operations during the pendency of any CCAA proceedings (collectively, the “**Restructuring**”);

**AND WHEREAS** to assist the Corporation with the Restructuring, it is desirable for the Corporation to retain the law firm of MLT Aikins LLP (“**MLT Aikins**”) to provide legal advice and services to the Corporation in regard to the Restructuring;

**AND WHEREAS** to further assist the Corporation with the Restructuring, it is desirable for the Corporation to designate FTI Consulting Canada Inc. (“**FTI**”) as proposed court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;

**NOW, THEREFORE, BE IT RESOLVED:**

1. **THAT** the Corporation is hereby authorized to apply to the Court on or about March 9, 2023 under section 11.02 of the CCAA for an Order (the “**CCAA Initial Order**”) granting the Corporation and its directors a stay of proceedings against them by their creditors; providing the Corporation with the opportunity to restructure or sell its assets (in whole or in part), as a going concern or otherwise; and to submit one or more plans of compromise or arrangement to one or more classes of its creditors to commence a sales and investment solicitation process; to, if deemed necessary, apply for a KERP and to enter into and obtain the Interim Financing from PEL to fund its operations during the pendency of any CCAA proceedings;
2. **THAT** the Corporation shall retain MLT Aikins to provide legal advice and services to the Corporation in regard to the Restructuring;
3. **THAT** the Corporation shall seek to obtain the appointment of FTI as court-appointed monitor of the Corporation under the CCAA for the purposes of the Restructuring;

4. **THAT** any director or officer of the Corporation is hereby authorized to do all such things and to take all such steps and to execute and deliver all such documents, instruments and agreements as may be reasonably necessary to give effect to the above-noted resolutions, including (without limitation) to work with and instruct MLT Aikins and FTI to prepare documents in support of the proposed application to the Court under the CCAA; to inform the secured creditors of the Corporation of the Restructuring; to pursue opportunities for the Corporation to restructure its financial affairs and/or to sell its assets (in whole or in part), as a going concern or otherwise; to develop and present one or more plans of compromise or arrangement by the Corporation to one or more classes of its creditors (with such plans of compromise or arrangement to be subject to the approval of the directors of the Corporation); and to work with and instruct MLT Aikins and FTI to submit to the Court a proposed form of initial order under the CCAA seeking the creation of a Directors' Charge, an Administration Charge, and an Interim Lender's Charge (each as defined in the CCAA Initial Order) over the assets of the Corporation (recognizing that the form of Order ultimately granted, if any, is within the discretion of the Court).
  
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*[Signature page follows.]*

WITNESS the signature of all of the directors as of the day and year set forth above.

  
K. GUY NELSON

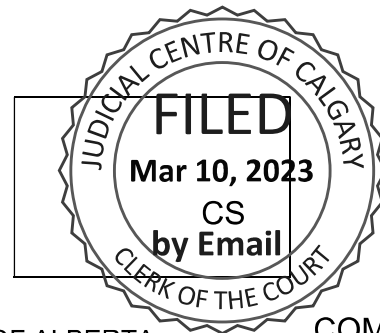
  
JAMES CHUI

  
DENG SU

  
GERALD PIERSON

# **EXHIBIT C**

Clerk's Stamp:



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

2301- 03179  
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, 222-3<sup>rd</sup> 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.
52. The approval of the Interim Financing Term Sheet (as defined in the Affidavit of Allan Francis sworn on March 8, 2023) is on a without prejudice basis to the right of any party to make submissions at the March 16, 2023 comeback application (the "**Comeback Application**") before Justice D.R. Mah in respect of whether the Interim Financing Term Sheet (and its current terms) as presented to the Court in the initial application will continue to govern the terms of any additional Interim Financing,

including the advance of any additional funds after the expiry of the initial Stay Period. For greater certainty, any amounts advanced (the “**Initial Advances**”) by the Interim Lender under the Interim Financing Term Sheet prior to the Comeback Application (up to the amount of \$250,000) will be properly and validly advanced in accordance with the terms of the Interim Financing Term Sheet and are not subject to being challenged or revised in respect of any such Initial Advances.

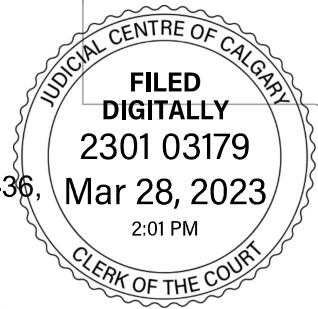
  
Justice of the Court of King's Bench of Alberta

# **EXHIBIT D**

CERTIFIED *E. Wheaton*  
by the Court Clerk as a true copy of the  
document digitally filed on Mar 28, 2023

COURT FILE NUMBER 2301-03179  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

Clerk's Stamp



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 STRUCTURES LTD., and  
DYNAMIC ATTRACTIONS INC.

DOCUMENT **AMENDED AND RESTATED INITIAL  
ORDER**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT MLT AIKINS LLP  
Barristers and Solicitors  
2100, 222 - 3<sup>rd</sup> Avenue SW  
Calgary, Alberta T2P 0B4  
Phone: 403.693.5420  
Fax: 403.508.4349  
Attention: Ryan Zahara  
File No.: 0119375.00031

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**DATE ON WHICH ORDER WAS PRONOUNCED: MARCH 16, 2023**  
**NAME OF JUDGE WHO MADE THIS ORDER: JUSTICE D.R. MAH**  
**LOCATION OF HEARING: EDMONTON, ALBERTA**

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**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, the Second Affidavit of Allan Francis, sworn on March



14, 2023, the Supplemental Affidavit of Allan Francis, sworn on March 16, 2023, the Pre-Filing Report of FTI Consulting Canada Inc. dated March 8, 2023, in its capacity as monitor (the “**Monitor**”) of the Applicants, the First Report of the Monitor dated March 15, 2023, filed, and the initial order (the “**Initial Order**”) granted by Justice J.A. Fagnan in the within proceedings on March 9, 2023; and the Affidavit of Service of Joy Mutuku, filed; **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, counsel for the Monitor, counsel for Export Development Canada, counsel for Promising Expert Limited, and counsel for any other creditors;

**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, provided that Canadian Imperial Bank of Commerce ("CIBC") may exercise or claim any sweep remedy and right of set-off as against the Applicants' accounts with CIBC with respect to the payment of CIBC's fees and costs, including legal fees on a solicitor and its own client basis, in CIBC's administration of the Applicants' Cash Management System with CIBC; and
- (f) CIBC shall be entitled to maintain, sweep and set-off against \$150,000 in the Applicants' cash collateral account with CIBC (the "**CIBC Cash Collateral Account**"), in payment of CIBC's fees and costs, including legal fees on a solicitor

and its own client basis, with respect to (a) CIBC's administration of the Applicants' Cash Management System with CIBC; (b) the L/C's (as defined in the Affidavit of Allan Francis sworn March 8, 2023) and their applicable documentation; and (c) the Applicants' credit card facilities with CIBC and their applicable documentation (the "**Credit Card Facilities**"). CIBC's right to sweep and set-off against the CIBC Cash Collateral Account as specified herein shall be in priority to the Charges (as defined herein), and all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise in favour of any Person. This Amended and Restated Initial Order is further "without prejudice" to CIBC's right to claim priority over amounts in the CIBC Cash Collateral Account with respect to other amounts which may become owing to CIBC by the Applicants under the L/C's, the Credit Card Facilities and their applicable documentation.

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 resciliation of the lease shall be without prejudice to the Applicants’ claim to the fixtures in dispute.
12. If a notice of disclaimer or resciliation is delivered pursuant to section 32 of the CCAA, then:
  - (a) during the notice period prior to the effective time of the disclaimer or resciliation, 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 resciliation, 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 May 26, 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 \$750,000, 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.
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 March 9, 2023 which charge shall not exceed the aggregate amount advanced on or after March 9, 2023 under the Definitive Documents, plus any interest, costs, fees, and other obligations owing under the Definitive Documents. The Interim Lender's Charge shall not secure any obligation existing before March 9, 2023. 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 \$750,000);
  - Second – Interim Lender's Charge; 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.

**SISP**

52. The sales and investment solicitation process (the "**SISP**") and the SISP procedure (the "**SISP Procedure**") substantially in the form attached hereto as Schedule "A", are hereby approved and the Applicants and the Monitor are authorized and directed to carry out the SISP in accordance with the SISP Procedure and this Order. The Applicants and the Monitor are also hereby authorized and directed to take such steps as they consider necessary or appropriate in carrying out each of their obligations under the SISP, subject to approval of this Court being obtained before the completion of any transaction(s) resulting from the SISP.

  
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Justice of the Court of King's Bench of Alberta

**SCHEDULE "A"**

## Sale and Investment Solicitation Process

### INTRODUCTION

1. On March 9, 2023, the Honourable Justice J. Fagnan in Alberta Court of King's Bench (the "**Court**") Action No. 2301-03179 (the "**CCAA Proceedings**") granted an order (the "**Initial Order**"), among other things, appointing FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of Dynamic Technologies Group Inc. ("**DTG**"), Dynamic Attractions Ltd. ("**DAL**"), Dynamic Attractions Inc. ("**DAI**"), Dynamic Entertainment Group Ltd. ("**DEGL**"), and Dynamic Structures Ltd. ("**DSL**"), and collectively with DTG, DAL, DAI, and DEGL, the "**Dynamic Group**" or the "**Debtors**").
2. On March 16, 2023, the Honourable Justice D.R. Mah of the Court granted, among others, the following Orders:
  - (a) an Amended and Restated Initial Order (the "**ARIO**") which, among other things:
    - (i) extended the stay of proceedings in respect of the Debtors until May 26, 2023; and
    - (ii) increased the amounts available to the Debtors under an interim financing agreement (the "**Interim Financing**") with Promising Expert Limited ("**PEL**" or the "**Interim Lender**") to a maximum principal amount of \$2,600,000 in financing to the Debtors, as well as granting a charge over all of the Debtors' present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof; and
  - (b) an Order (the "**SISP Order**"), authorizing the Monitor, with the assistance of the Debtors, to conduct a sale and investment solicitation process (the "**SISP**") as further described herein to allow the Debtors to pursue all avenues of sale of their assets or investment in their business, in whole or in part, subject to prior approval of the Court before any material sale or investment.
3. The Debtors intend to provide all qualified interested parties with an opportunity to participate in the SISP.
4. This document (the "**SISP Procedure**") outlines the SISP, which is comprised of two phases ("**Phase 1**" and "**Phase 2**", respectively).
5. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a business day in the Province of Alberta (each, a "**Business Day**") shall be deemed to occur on the next Business Day. All references to time shall be to the current time in Calgary, Alberta. Capitalized terms not otherwise defined in this SISP Procedure have the meanings set forth in the materials filed by the Debtors in support of the SISP Procedure or the Reports of the Monitor.

### OPPORTUNITY

6. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtors' assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Debtors as a going concern, or a sale of all, substantially all, or one or

more components of the Debtors' assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

7. Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined herein), any sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Debtors, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Debtors in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders.

#### **TIMELINE**

8. The following table sets out the key milestones under the SISP:

<b>Milestone</b>	<b>Deadline</b>
Monitor to create list of Known Potential Bidders and distribute Teaser Letters and NDAs to Known Potential Bidders	March 16 – 24, 2023
Monitor to prepare and have available for Potential Bidders the Data Room	March 24, 2023
Phase 1 Bid Deadline	April 28, 2023
Phase 2 Bid Deadline	May 26, 2023
Auction (if required)	June 8, 2023
Transaction Approval Application Hearing	June 16, 2023
Closing Date Deadline	June 30, 2023

The dates set out in the SISP may be extended by the Monitor with the consent and approval of the Debtors.

#### **SOLICITATION OF INTEREST: NOTICE OF THE SISP**

9. As soon as reasonably practicable, but in any event by no later than March 24, 2023:
  - (a) the Debtors, in consultation with the Monitor, will prepare a list of Potential Bidders (as defined herein), including:
    - (i) parties that have approached the Debtors or the Monitor indicating an interest in the Opportunity; and
    - (ii) local and international strategic and financial parties who the Debtors, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Debtors pursuant to the SISP,(collectively, "**Known Potential Bidders**");

- (b) the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor, in consultation with the Debtors, considers appropriate) (the "**Notice**") to be published in The Globe and Mail (National Edition), and any other industry publication, website, newspaper or journal as the Debtors, in consultation with the Monitor, consider appropriate, if any;
  - (c) the Debtors will issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the Debtors, in consultation with the Monitor, consider appropriate designating dissemination in Canada; and
  - (d) the Debtors, in consultation with the Monitor, will prepare:
    - (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
    - (ii) a non-disclosure agreement in form and substance satisfactory to the Debtors and the Monitor, and their respective counsel (an "**NDA**").
10. The Monitor shall send the Teaser Letter and NDA to each Known Potential Bidder by no later than March 31, 2023 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Debtors or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

## **PHASE 1: NON-BINDING LOIs**

### ***Qualified Bidders***

11. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") must deliver to the Monitor, unless the Monitor confirms to such Potential Bidder that the below documents were already provided to the satisfaction of, or are already available to, the Debtors and the Monitor:
- (a) an executed NDA which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof. If the Potential Bidder has previously delivered an NDA and letter of this nature to the Debtors or Monitor and the NDA remains in effect, the Potential Bidder is not required to deliver a new NDA or letter pursuant to this section unless otherwise requested by the Monitor;
  - (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and
  - (c) a form of financial disclosure and credit quality support or enhancement that allows the Debtors and the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a Sale Proposal or Investment Proposal (as each is defined herein), as applicable.
12. If the Debtors and the Monitor, determine that a Potential Bidder has:
- (a) delivered the documents contemplated in paragraph 11 above; and

- (b) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP,

then such Potential Bidder will be deemed to be a "**Phase 1 Qualified Bidder**". For greater certainty, no Potential Bidder shall be deemed to be a Phase 1 Qualified Bidder without the approval of the Monitor.

13. At any time during Phase 1 of the SISP, the Monitor may, in its reasonable business judgment and after consultation with the Debtors, eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP, will no longer be a Phase 1 Qualified Bidder for the purposes of this SISP, and shall have no further recourse as against the Debtors or the Monitor.
14. The Monitor, with the assistance of the Debtors, shall prepare a data room with additional information considered relevant to the Opportunity. The Debtors, the Monitor and their respective advisors make no representation or warranty as to the information made available pursuant to the SISP, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by the Debtors.
15. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Debtors.

#### ***Due Diligence***

16. The Monitor, in consultation with the Debtors, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence material and information relating to the Property and Business as they or the Monitor deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and as to which the Debtors, in their reasonable business judgment and after consulting with the Monitor, may agree.
17. The Monitor shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Neither the Debtors nor the Monitor shall be obligated to furnish any information relating to the Property or Business to any person other than to Phase 1 Qualified Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if the Debtors, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

#### ***Non-Binding Letters of Intent from Phase 1 Qualified Bidders***

18. A Phase 1 Qualified Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of intent (an "**LOI**") to the Monitor, with a copy to the Debtors, at the email addresses specified in Schedule "1" hereto, so as to be received by them not later than 5:00 PM (Calgary Time) on **April 28, 2023** (the "**Phase 1 Bid Deadline**").
19. Subject to paragraph 48, an LOI will only be considered a qualified LOI (a "**Qualified LOI**") if:
- (a) it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;

- (b) it contains an indication of whether the Phase 1 Qualified Bidder is offering to:
  - (i) acquire all, substantially all or a portion of the Property (a "**Sale Proposal**"); or
  - (ii) make an investment in, restructure, reorganize or refinance the Business or the Debtors (an "**Investment Proposal**");
- (c) in the case of a Sale Proposal, it identifies or contains the following:
  - (i) the Purchase Price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;
  - (ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;
  - (iii) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;
  - (iv) a description of the conditions and approvals required for a final and binding offer;
  - (v) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and
  - (vi) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;
- (d) in the case of an Investment Proposal, it identifies or contains the following:
  - (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment;
  - (ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Debtors in Canadian dollars;
  - (iii) the underlying assumptions regarding the *pro forma* capital structure;
  - (iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;
  - (v) a description of the conditions and approvals required for a final and binding offer;
  - (vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;
  - (vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and
  - (viii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction; and



- (e) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Monitor or the Debtors.

***Preliminary Assessment of Phase 1 Bids and Subsequent Process***

20. Following the Phase 1 Bid Deadline, the Monitor, in consultation with the Debtors, will assess the Qualified LOIs and, if it is determined that a Phase 1 Qualified Bidder that has submitted a Qualified LOI:

- (a) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and
- (b) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided;

then such Phase 1 Qualified Bidder will be deemed a "**Phase 2 Qualified Bidder**", provided that the Monitor may, in their reasonable business judgment and, with the approval of the Debtors, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account the factors identified in paragraph 21 hereof and any material adverse impact on the operations and performance of the Debtors. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISF. No Phase 1 Qualified Bidder that has submitted a Qualified LOI shall be deemed not to be a Phase 2 Qualified Bidder without the approval of the Monitor, in consultation with the Debtors.

21. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Monitor, with the approval of the Debtors, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to:

- (a) the number of Qualified LOIs received;
- (b) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business;
- (c) the scope of the Property or Business to which any Qualified LOIs may relate; and
- (d) whether to proceed by way of sealed bid or auction with respect to some or all of the Property.

22. If the Monitor is not satisfied with the number or terms of the Qualified LOIs, the Monitor, in consultation with the Debtors, may extend the Phase 1 Bid Deadline without further Court approval and, unless otherwise provided for by the Monitor, the Phase 2 Bid Deadline (as defined herein), and any other deadlines or timeframes hereunder, shall be extended by the same time period, as necessary.

23. Following the determination of the manner in which to proceed to Phase 2 of the SISF in accordance with paragraphs 20 and 21 hereof, the Monitor, in consultation with the Debtors, may prepare a bid process letter for Phase 2 (the "**Bid Process Letter**") to be sent by the Monitor to all Phase 2 Qualified Bidders as soon as practically possible following the Phase 1 Bid Deadline.

***Selection of High Value LOI and Termination of the SISP***

24. If the Monitor receives a Qualified LOI that satisfies the additional high value LOI (the "**High Value LOI**") criteria contained in the Confidential Supplement to the First Report, then the Monitor, in consultation with the Debtors, may elect to terminate the SISP on a date subsequent to the Phase I Bid Deadline. The Debtors, in consultation with the Monitor, may then proceed to negotiate and finalize any such High Value LOI for immediate approval by the Court. The Monitor shall provide at least three (3) days' notice to the Debtors of the Monitor's intention to terminate the SISP pursuant to this paragraph.
25. Notwithstanding anything in the preceding paragraph, the SISP shall not be terminated prior to the Phase I Bid Deadline and may only be terminated by the Monitor if it believes there is a reasonable expectation that such High Value LOI can be closed expeditiously and in any event by no later than what would otherwise be the Phase II Bid Deadline, subject only to Court approval. Prior to obtaining Court approval of any High Value LOI, the Qualified Bidder shall also comply with, or satisfy, the conditions in sub-sections 27(d)-(l) hereof.

**PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER**

26. Paragraphs 27 to 39 below and the conduct of Phase 2 are subject to paragraphs 20 to 25, above, any adjustments made to Phase 2 in accordance with the Bid Process Letter, and any further Court order regarding the SISP.

***Formal Binding Offers***

27. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Debtors or their Property or Business shall submit a binding offer (a "**Phase 2 Bid**") that complies with all of the following requirements to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 3:00 PM MT (Calgary Time) on May 26, 2023 or as may be modified in the Bid Process Letter (the "**Phase 2 Bid Deadline**"):
  - (a) the bid shall comply with all of the requirements set forth in paragraph 19 above in respect of Phase 1 Qualified LOIs;
  - (b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Debtors or their Property or Business and is consistent with any necessary terms and conditions established by the Debtors and the Monitor and communicated to Phase 2 Qualified Bidders;
  - (c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined herein), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
  - (d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
  - (e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Debtors

and the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;

- (f) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 1 from the Phase 2 Qualified Bidder, or (ii) obtaining financing, but may be conditioned upon the Debtors receiving the required approvals or amendments relating to the licences required to operate the Business, if necessary;
  - (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
  - (h) for a Sale Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the form of a wire transfer to a trust account specified by the Monitor (a "**Deposit**") in the amount of not less than 10% of the Purchase Price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;
  - (i) for an Investment Proposal, the bid includes a Deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;
  - (j) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that the Phase 2 Qualified Bidder:
    - (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Debtors prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 1 from the Phase 2 Qualified Bidder);
    - (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
    - (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Debtors or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtors;
  - (k) the bid is received by the Phase 2 Bid Deadline; and
  - (l) the bid contemplates closing the transaction set out therein on or before June 30, 2023.
28. Following the Phase 2 Bid Deadline, the Monitor, together with the Debtors, will assess the Phase 2 Bids received, following which they will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Phase 2 Bids received shall be deemed to be Qualified Bids without the approval of the Monitor. Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

29. The Monitor shall notify each Phase 2 Qualified Bidder in writing as to whether its Phase 2 Bid constitutes a Qualified Bid within ten (10) Business Days of the Phase 2 Bid Deadline, or at such later time as the Monitor deems appropriate.
30. If the Monitor, in consultation with the Debtors, is not satisfied with the number or terms of the Qualified Bids, the Monitor may, elect to (i) extend the Phase 2 Bid Deadline or (ii) seek Court approval to formally amend to the SISP.
31. The Monitor may, with the approval of the Debtors, aggregate separate Phase 2 Bids from unaffiliated Phase 2 Qualified Bidders to create one Qualified Bid.

***Evaluation of Competing Bids***

32. The Monitor, in consultation with the Debtors, will evaluate Qualified Bids based upon several factors including, without limitation:
  - (a) the Purchase Price and the net value provided by such bid;
  - (b) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions;
  - (c) the proposed transaction documents;
  - (d) factors affecting the speed, certainty and value of the transaction;
  - (e) the assets included or excluded from the bid;
  - (f) any related restructuring costs; and
  - (g) the likelihood and timing of consummating such transaction.

***Selection of Successful Bid***

33. The Monitor, with the approval of the Debtors, will:
  - (a) review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated among the Debtors, in consultation with the Monitor, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations; and
  - (b) identify the highest or otherwise best bid (the "**Successful Bid**", and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Debtors, with the assistance of the Monitor shall be subject to approval by the Court.
34. The Debtors shall have no obligation to enter into a Successful Bid, and it reserves the right, after consultation with the Monitor to reject any or all Phase 2 Qualified Bids.

***If one or more Phase 2 Qualified Bids are Received***

35. If the Monitor determines, in its reasonable discretion, that one or more of the Phase 2 Qualified Bids are similar in terms of purchase price or investment to the benefit of the Dynamic Group and its stakeholders, the Monitor shall provide the parties making Phase 2 Qualified Bids the opportunity to make further bids through the auction process set out below (the "**Auction**").

***Auction***

36. In the event of an Auction, the Monitor shall conduct the Auction commencing at 10:00 a.m. on June 8, 2023 at the offices of the Monitor's legal counsel, Burnet, Duckworth & Palmer, 2400, 525-8<sup>th</sup> Ave S.W., Calgary, AB, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Monitor. The Auction shall run in accordance with the following procedures, which shall be adjusted accordingly in the event of any adjournment of the Auction by the Monitor:
- (a) prior to 4:00 p.m. on June 5, 2023, the Monitor will provide unredacted copies of the Phase 2 Qualified Bid(s) which the Monitor believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to all Phase 2 Qualified Bidders that have made a Phase 2 Qualified Bid;
  - (b) prior to 4:00 p.m. on June 6, 2023, each Qualified Bidder that has made a Phase 2 Qualified Bid must inform the Monitor by email whether it intends to participate in the Auction (the parties who so inform the Monitor that they intend to participate are hereinafter referred to as the "**Auction Bidders**");
  - (c) prior to the Auction, the Monitor shall develop a financial comparison model (the "**Comparison Model**") which will be used to compare the Starting Bid and all Subsequent Bids (as defined below) submitted during the Auction, if applicable;
  - (d) during the morning of June 7, 2023, the Monitor shall make itself available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids will be evaluated during the Auction, and the Auction shall be held immediately thereafter;
  - (e) only representatives of the Auction Bidders, the Monitor, and such other persons as permitted by the Monitor (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Monitor shall have the discretion to allow such persons to attend by teleconference);
  - (f) the Monitor shall arrange to have a court reporter attend the Auction;
  - (g) at the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale;
  - (h) only the Auction Bidders will be entitled to make a Subsequent Bid (as defined below) at the Auction; provided, however, that in the event that any Phase 2 Qualified Bidder elects not to attend and/or participate in the Auction, such Phase 2 Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Phase 2 Qualified Bidder if it is selected as the Winning Bid (as defined below);

- (i) all Subsequent Bids presented during the Auction shall be made and received in one room and on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identify of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (j) all Auction Bidders must have at least one individual present at the Auction with authority to bind such Auction Bidder;
- (k) the Monitor may employ and announce at the Auction such additional procedural rules that are reasonable under the circumstances (including but not limited to, the amount of time allotted to make a Subsequent Bid, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with these SISP Procedures, general practice in insolvency proceedings, or the SISP Order and (ii) disclosed to each Auction Bidder at the Auction;
- (l) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (each, a "**Subsequent Bid**") that the Monitor, utilizing the Comparison Model, determines is:
  - (i) for the first round, a higher or otherwise better offer than the Starting Bid;
  - (ii) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below),

in each case by at least the minimum incremental overbid of at least \$250,000. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (in each round, the "**Leading Bid**"). A round of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

- (m) to the extent not previously provided (which shall be determined by the Monitor), an Auction Bidder submitting a Subsequent Bid must submit, at the Monitor's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Monitor), demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid;
- (n) the Monitor reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Monitor and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Monitor with such additional evidence as the Monitor, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate

the proposed transaction at the prevailing overbid amount;

- (o) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;
  - (p) the Auction shall be closed within 2 Business Days of the start of the Auction unless otherwise extended by the Monitor; and
  - (q) no bids (from Phase 2 Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
37. At the end of the Auction, the Monitor shall select the winning bid (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Monitor (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder.

#### ***Transaction Approval Application Hearing***

38. At the hearing of the application to approve any transaction with a Successful Bidder (the "**Transaction Approval Application**"), the Debtors shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Debtors on and as of the date of approval of the Successful Bid by the Court.

#### ***Confidentiality and Access to Information***

39. All discussions regarding a Sale Proposal, Investment Proposal, LOI or Phase 2 Bid shall be directed through the Monitor. Under no circumstances should the management of the Debtors be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.
40. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Debtors, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Debtors, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.
41. The Monitor may consult with any other parties with a material interest in the CCAA Proceedings regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (subject to paragraph 40 and taking into account, among other things, whether any particular party is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Debtors and the Monitor.

#### ***Deposits***

42. All Deposits shall be retained by the Monitor in a non-interest-bearing trust account located at financial institution in Canada. The Monitor may waive the requirement of a Deposit if it believes sufficient security or certainty has been provided by a Phase 2 Qualified Bidder, including by way of a credit bid.
43. If there is a Phase 2 Qualified Bid or a High Value LOI that constitutes a Successful Bid, the Deposit paid by the Successful Bidder shall be applied to the consideration to be paid upon closing of the transaction constituting the Successful Bid.
44. The Deposit(s) from all Qualified Bidders submitting Phase 2 Qualified Bids that do not constitute a Successful Bid shall be returned to such Qualified Bidder within five (5) Business Days of the earlier of (i) the date that the Debtors select a Successful Bid pursuant to section 33 hereof or (ii) the Court declares a Successful Bid pursuant to section 33 hereof.
45. If the Qualified Bidder making a Phase 2 Qualified Bid or High Value LOI is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Monitor for and on behalf of the Debtors; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtors have in respect of such breach or default.
46. If the Debtors are unable to complete the Successful Bid as a result of their own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

***Supervision of the SISP***

47. The Monitor shall oversee the conduct of the SISP in all respects. Without limitation to that supervisory role, the Monitor shall participate in the SISP in the manner set out in this SISP Procedure, the SISP Order, and any other order of the Court, and is entitled to receive all information in relation to the SISP. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.
48. The Monitor, in consultation with the Debtors, may waive compliance with any one or more of the requirements of this SISP, including, for greater certainty,
  - (a) deem a non-compliant LOI to be a Qualified LOI; and/or
  - (b) waive strict compliance with any one or more of the requirements specified above and deem a non-compliant Phase 2 Bid to be a Qualified Bid.
49. This SISP does not, and shall not be interpreted to, create any contractual or other legal relationship between the Debtors or the Monitor and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Debtors.
50. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, the Successful Bidder, the Debtors, or any other creditor or other stakeholder of the Debtors, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or willful



misconduct of the Monitor. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.

51. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
52. Subject to the terms of the SISP Order, the Monitor, in consultation with the Debtors, shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein.
53. In order to discharge its duties in connection with the SISP the Monitor may engage professional or business advisors or agents as the Monitor deems fit in its sole discretion.

***Further Orders***

54. At any time during the SISP, the Monitor or the Debtors may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder, if any.

**Schedule "1"**

**To the Monitor:**

**FTI Consulting Canada Inc., the Monitor**

Attention: Deryck Helkaa/Dustin Olver / Robert Kleebaum  
Email: deryck.helkaa@fticonsulting.com/dustin.olver@fticonsulting.com/  
robert.kleebaum@fticonsulting.com

With a copy to:

**Burnett, Duckworth & Palmer LLP, legal counsel to the Monitor**

Attention: David Legeyt/Ryan Algar  
Email: dlegeyt@bdplaw.com/ralgar@bdplaw.com

**To the Debtors:**

**Dynamic Technologies Group et al, the Debtors**

Attention: Guy Nelson/Allan Francis  
Email: gnelson@dynamictechgroup.com/afrancis@dynamictechgroup.com

**MLT Aikins LLP, legal counsel to the Debtors**

Attention: Ryan Zahara  
Email: rzahara@mltaikins.com