

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

ENTERED



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.

COM
May 26, 2023

DOCUMENT AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
2100, 222 – 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Telephone: 403.693.5420
Fax No.: 403.508.4349
Attention: Ryan Zahara
Email: rzahara@mltaikins.com
File No.: 0119375.00031

**THIRD AFFIDAVIT OF ALLAN FRANCIS
Sworn May 16, 2023**

I, Allan Francis, of the City of Winnipeg, in the Province Manitoba, SWEAR AND SAY THAT:

1. I am the Corporate Secretary and Vice-President Corporate Affairs and Administration of Dynamic Technologies Group Inc. ("DTG") and as such I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based on information and belief, in which case I verily believe same to be true.

2. I am also the Corporate Secretary of Dynamic Attractions Ltd. ("DAL"), the Corporate Secretary and Treasurer of Dynamic Entertainment Group Ltd. ("DEGL"), the Corporate Secretary of Dynamic Attractions Inc. ("DAI"), the Corporate Secretary of Dynamic Structures Ltd. ("DSL"; together with DTG, DAL, DAI and DEGL, the "Dynamic Group" or the "Applicants").

A handwritten signature in black ink, appearing to be 'AF'.

3. All capitalized terms not otherwise defined herein shall have the same meaning as within my Affidavit sworn on March 8, 2023 (the "**First Affidavit**"), my Affidavit sworn on March 14, 2023 (the "**Second Affidavit**") and, my supplemental Affidavit sworn on March 16, 2023 (the "**Supplemental Affidavit**"; together with the First Affidavit and the Second Affidavit, the "**Francis Affidavits**").

4. Unless otherwise indicated, monetary references in this affidavit are references to Canadian dollars.

I. RELIEF SOUGHT

5. This affidavit is sworn in support of an application for an Order, including extending the Stay Period until July 28, 2023 and approval of a sale of certain limited assets of DAL, scheduled for May 26, 2023, granting, among other things, the following relief:

- (a) declaring service of the Application and supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
- (b) extending the Stay Period until July 28, 2023;
- (c) approving the liquidation and sale of certain excess inventory and limited assets to Infinity Asset Solutions Inc ("**Infinity**" or the "**Purchaser**") pursuant to an asset purchase agreement (the "**Infinity APA**") between DTG and the Purchaser;
- (d) approving a sale to Universal of miscellaneous assets located at the Vancouver Production Facility;
- (e) declaring that pursuant to section 5(5) of the *Wage Earner Protection Program Act* S.C. 2005 c. 47, s. 1 ("**WEPPA**"), that the Applicants and their former employees meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR 12008-222 (the "**WEPP Regulation**").

A. ACTIONS SINCE INITIAL ORDER

6. Since the date of the ARIQ, the Dynamic Group has taken the following actions:



- (a) Issued press releases in respect of the CCAA proceedings and the extension of the stay of proceedings and the sales and investment solicitation process (the "SISP");
- (b) Worked with the Monitor to commence the SISP and complete Phase 1, contacting prospective bidders, and obtaining bids from parties for the sale or investment in the Applicants;
- (c) Disclaimed certain agreements and leases with counter-parties that the Applicants could no longer perform, no longer required, and/or that were no longer profitable;
- (d) Secured bids from a variety of auction companies to liquidate certain of the remaining assets at the Vancouver Production Facility; and
- (e) Worked with PEL to advance its letter of intent (the "High Value Bid") submitted in accordance with the SISP and determined to be a High Value LOI by the Monitor.

B. EXTENSION OF THE STAY OF PROCEEDINGS

7. The Dynamic Group seeks an extension of the stay of proceedings to protect and preserve the value of their business for the benefit of the Dynamic Group and their stakeholders while it continues to restructure their affairs and to complete the High Value Bid received through the SISP.

8. The extension sought of the Stay Period is until July 28, 2023. This period of time will allow the Applicants to complete the definitive documents in respect of the High Value Bid sourced from the SISP, seek approval of the transaction consummated by the High Value Bid and complete the wind-down of its operations at the Vancouver Production Facility.

9. The extension of the Stay Period will also allow the Applicants to preserve the value of their business and assets as a whole by minimizing any disruptions while completing the SISP, which will ensure that the Applicants' creditors will be able to maximize their recovery.

10. The Applicants' further submit that no creditor will be materially prejudiced as a result of the extension of the Stay Period.



C. DISCLAIMER OF AGREEMENTS

11. In accordance with section 32(1) of the CCAA, the Applicants have disclaimed a number of agreements, contracts and leases, including, but not limited to, the following:

- (a) Genting Malaysia Berhad;
- (b) Hainan Heng Qian Material Equipment Co., Ltd. ("**Evergrande**");
- (c) Lotte World Adventure (Shenyang) Co., Ltd. ("**Lotte**");
- (d) RCAP Leasing Inc.;
- (e) Meridian One Cap Credit Corp.;
- (f) Red-D-Arc Limited;
- (g) Super Save Disposal Inc.;
- (h) Pinnacle International Realty Group II Inc., as Agent and Manager for Mondi Properties (1551 Broadway) Inc.;
- (i) Francotyp Postalia Canada; and
- (j) G.N. Johnston Equipment Co., Ltd.

12. To date, only one counter-party, Lotte, has filed an application in accordance with section 32(2) of the CCAA disputing the disclaimer of its agreements with DAL. The application is returnable on July 5, 2023 on the Calgary Commercial List.

13. The Applicants have also engaged legal counsel in the United States and have completed documents to initiate a filing (the "**Chapter 15 Application**") under Chapter 15 of the US Bankruptcy Code to seek recognition of the CCAA proceedings in Dallas, Texas.

14. The Applicants expect that the Chapter 15 Application will be filed shortly and will proceed after the 21 day notice period expires. The Applicants are not aware of any parties that might oppose the Chapter 15 Application.



D. SISP

15. The High Value Bid was the only substantive bid received for the purchase of the assets of the Applicants on a going-concern basis.

16. On May 5, 2023, the Monitor issued to the Applicants the notice required under the SISP indicating that it would be terminating the SISP in three days.

17. On May 9, 2023, the Applicants understand that the Monitor terminated the SISP and advised all other bidders that the Applicants and the Monitor were proceeding with the High Value Bid.

18. The Applicants have worked since the termination of the SISP to negotiate definitive documents with PEL and move forward the transaction set out in the High Value Bid.

E. INFINITY APA and SAVO

19. The Applicants are seeking approval of the Infinity APA. The Infinity APA will deal with most of the remaining equipment, inventory, and miscellaneous assets located at the Vancouver Production Facility in order that DAL can exit the Vancouver Production Facility as soon as reasonably possible.

20. DAL will continue to pay rent and other costs to the landlord of the Vancouver Production Facility during this period.

21. The Infinity APA was sourced by the Applicants and the Monitor through the SISP and was the highest and best proposal received through that process for the sale and liquidation of those assets, equipment and inventory.

22. Universal is also seeking to acquire certain assets (the "**Demo Assets**") from DAL that are located at the Vancouver Production Facility pursuant to a proposal (the "**Universal Transaction**") from DAL. Those Demo Assets consist primarily of a demonstration track for the Harry Potter Forbidden Journey Ride that remained in place at the Vancouver Production Facility after completion of the project by DAL.

23. These Demo Assets do not have a significant value but those Demo Assets take up a significant area of the Vancouver Production Facility and need to be removed from the Vancouver Production Facility in order to allow Infinity to proceed with an auction at that location.



24. The Applicants are seeking approval of this sale in order to stay on side the limitations of the ARIO for sale of assets outside of the ordinary course of business.

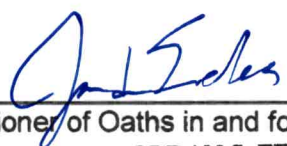
CONCLUSION

25. The Applicants have been acting in good faith and with due diligence during the pendency of the CCAA proceedings.

26. I swear this Affidavit in support of an Application for a stay extension of the Stay Period until July 28, 2023, approval of the Infinity APA and the Universal Transaction, and a declaration pursuant to WEPPA that section 3.2 of the WEPP Regulations applies to the Applicants and their former employees.

27. I was not physically present before the Commissioner for Oaths, but was linked with the Commissioner for Oaths utilizing video technology, and we have followed the process for remote commissioning of affidavits specified in the Notice to the Profession and Public NPP#2020-02 dated March 25, 2020 for this Affidavit.

SWORN BEFORE ME at Calgary, Alberta,
this 16th day of May 2023.



Commissioner of Oaths in and for the Province
of Alberta
JORDAN S. EELES
STUDENT-AT-LAW

)
)
)
)
)
)
)
)
)
)
)


ALLAN FRANCIS

This affidavit was sworn using video technology as Allan Francis was not physically present before the Commissioner, but was linked with the Commissioner utilizing video technology.

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

DOCUMENT **CERTIFICATE OF REMOTE COMMISSIONING**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
2100, 222 – 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Telephone: 403.693.5420
Fax No.: 403.508.4349
Attention: Ryan Zahara
Email: rzahara@mltaikins.com
File No.: 0119375.00031

Document commissioned by a Lawyer during a Public Emergency Period

1. I, Jordan S. Eeles, being a student-at-law in and for the Province of Alberta, certify that in witnessing and commissioning the within Affidavit of Allan Francis executed by the affiant herein, on May 16, 2023.
2. I have complied with the requirements and conditions as outlined in the Notice to the Profession and Public-Remote Commissioning 2020-02 by the Court of King's Bench of Alberta on March 25, 2020.
3. I am satisfied that a two-way video conferencing was necessary because it was impossible or unsafe, for medical reasons, for the affiant and the commissioner to be physically present together.

4. I witnessed the signature in a single session during which I was able at all times to see and hear the affiant signing the Affidavit by electronic means.
5. I am satisfied that the affiant as named in the Affidavit is who the person purports to be.
6. I received from the deponent the signed Affidavit together with the exhibits by electronic means.
7. I have maintained in my files, the signed Affidavit with my signature as a commissioner for oaths, and I have requested that the affiant provide to me the Affidavit containing the affiant's original signature.

Dated this 16th day of May, 2023



(Signature of student-at-law)

Jordan S. Eeles

(Print or type student-at-law's name)

This affidavit was affirmed using video technology as Allan Francis was not physically present before the Commissioner of Oaths but was linked with the Commissioner of Oaths utilizing video technology. The process for remote commissioning of affidavits was thoroughly followed as outlined in the Notice to the Profession and Public – Remote Commissioning 2020-02 by the Court of King's Bench on March 25, 2020.

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

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
2100, 222 – 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Telephone: 403.693.5420
Fax No.: 403.508.4349
Attention: Ryan Zahara
Email: rzahara@mltaikins.com
File No.: 0119375.00031

THIRD AFFIDAVIT OF ALLAN FRANCIS
Sworn May 16, 2023

I, Allan Francis, of the City of Winnipeg, in the Province Manitoba, SWEAR AND SAY THAT:

1. I am the Corporate Secretary and Vice-President Corporate Affairs and Administration of Dynamic Technologies Group Inc. ("**DTG**") and as such I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based on information and belief, in which case I verily believe same to be true.
2. I am also the Corporate Secretary of Dynamic Attractions Ltd. ("**DAL**"), the Corporate Secretary and Treasurer of Dynamic Entertainment Group Ltd. ("**DEGL**"), the Corporate Secretary of Dynamic Attractions Inc. ("**DAI**"), the Corporate Secretary of Dynamic Structures Ltd. ("**DSL**"; together with DTG, DAL, DAI and DEGL, the "**Dynamic Group**" or the "**Applicants**").

3. All capitalized terms not otherwise defined herein shall have the same meaning as within my Affidavit sworn on March 8, 2023 (the "**First Affidavit**"), my Affidavit sworn on March 14, 2023 (the "**Second Affidavit**") and, my supplemental Affidavit sworn on March 16, 2023 (the "**Supplemental Affidavit**"; together with the First Affidavit and the Second Affidavit, the "**Francis Affidavits**").

4. Unless otherwise indicated, monetary references in this affidavit are references to Canadian dollars.

I. RELIEF SOUGHT

5. This affidavit is sworn in support of an application for an Order, including extending the Stay Period until July 28, 2023 and approval of a sale of certain limited assets of DAL, scheduled for May 26, 2023, granting, among other things, the following relief:

- (a) declaring service of the Application and supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
- (b) extending the Stay Period until July 28, 2023;
- (c) approving the liquidation and sale of certain excess inventory and limited assets to Infinity Asset Solutions Inc ("**Infinity**" or the "**Purchaser**") pursuant to an asset purchase agreement (the "**Infinity APA**") between DTG and the Purchaser;
- (d) approving a sale to Universal of miscellaneous assets located at the Vancouver Production Facility;
- (e) declaring that pursuant to section 5(5) of the *Wage Earner Protection Program Act* S.C. 2005 c. 47, s. 1 ("**WEPPA**"), that the Applicants and their former employees meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR 12008-222 (the "**WEPP Regulation**").

A. ACTIONS SINCE INITIAL ORDER

6. Since the date of the ARIO, the Dynamic Group has taken the following actions:

- (a) Issued press releases in respect of the CCAA proceedings and the extension of the stay of proceedings and the sales and investment solicitation process (the “**SISP**”);
- (b) Worked with the Monitor to commence the SISP and complete Phase 1, contacting prospective bidders, and obtaining bids from parties for the sale or investment in the Applicants;
- (c) Disclaimed certain agreements and leases with counter-parties that the Applicants could no longer perform, no longer required, and/or that were no longer profitable;
- (d) Secured bids from a variety of auction companies to liquidate certain of the remaining assets at the Vancouver Production Facility; and
- (e) Worked with PEL to advance its letter of intent (the “**High Value Bid**”) submitted in accordance with the SISP and determined to be a High Value LOI by the Monitor.

B. EXTENSION OF THE STAY OF PROCEEDINGS

7. The Dynamic Group seeks an extension of the stay of proceedings to protect and preserve the value of their business for the benefit of the Dynamic Group and their stakeholders while it continues to restructure their affairs and to complete the High Value Bid received through the SISP.

8. The extension sought of the Stay Period is until July 28, 2023. This period of time will allow the Applicants to complete the definitive documents in respect of the High Value Bid sourced from the SISP, seek approval of the transaction consummated by the High Value Bid and complete the wind-down of its operations at the Vancouver Production Facility.

9. The extension of the Stay Period will also allow the Applicants to preserve the value of their business and assets as a whole by minimizing any disruptions while completing the SISP, which will ensure that the Applicants’ creditors will be able to maximize their recovery.

10. The Applicants’ further submit that no creditor will be materially prejudiced as a result of the extension of the Stay Period.

C. DISCLAIMER OF AGREEMENTS

11. In accordance with section 32(1) of the CCAA, the Applicants have disclaimed a number of agreements, contracts and leases, including, but not limited to, the following:

- (a) Genting Malaysia Berhad;
- (b) Hainan Heng Qian Material Equipment Co., Ltd. (“**Evergrande**”);
- (c) Lotte World Adventure (Shenyang) Co., Ltd. (“**Lotte**”);
- (d) RCAP Leasing Inc.;
- (e) Meridian One Cap Credit Corp.;
- (f) Red-D-Arc Limited;
- (g) Super Save Disposal Inc.;
- (h) Pinnacle International Realty Group II Inc., as Agent and Manager for Mondi Properties (1551 Broadway) Inc.;
- (i) Francotyp Postalia Canada; and
- (j) G.N. Johnston Equipment Co., Ltd.

12. To date, only one counter-party, Lotte, has filed an application in accordance with section 32(2) of the CCAA disputing the disclaimer of its agreements with DAL. The application is returnable on July 5, 2023 on the Calgary Commercial List.

13. The Applicants have also engaged legal counsel in the United States and have completed documents to initiate a filing (the “**Chapter 15 Application**”) under Chapter 15 of the US Bankruptcy Code to seek recognition of the CCAA proceedings in Dallas, Texas.

14. The Applicants expect that the Chapter 15 Application will be filed shortly and will proceed after the 21 day notice period expires. The Applicants are not aware of any parties that might oppose the Chapter 15 Application.

D. SISP

15. The High Value Bid was the only substantive bid received for the purchase of the assets of the Applicants on a going-concern basis.

16. On May 5, 2023, the Monitor issued to the Applicants the notice required under the SISP indicating that it would be terminating the SISP in three days.

17. On May 9, 2023, the Applicants understand that the Monitor terminated the SISP and advised all other bidders that the Applicants and the Monitor were proceeding with the High Value Bid.

18. The Applicants have worked since the termination of the SISP to negotiate definitive documents with PEL and move forward the transaction set out in the High Value Bid.

E. INFINITY APA and SAVO

19. The Applicants are seeking approval of the Infinity APA. The Infinity APA will deal with most of the remaining equipment, inventory, and miscellaneous assets located at the Vancouver Production Facility in order that DAL can exit the Vancouver Production Facility as soon as reasonably possible.

20. DAL will continue to pay rent and other costs to the landlord of the Vancouver Production Facility during this period.

21. The Infinity APA was sourced by the Applicants and the Monitor through the SISP and was the highest and best proposal received through that process for the sale and liquidation of those assets, equipment and inventory.

22. Universal is also seeking to acquire certain assets (the "**Demo Assets**") from DAL that are located at the Vancouver Production Facility pursuant to a proposal (the "**Universal Transaction**") from DAL. Those Demo Assets consist primarily of a demonstration track for the Harry Potter Forbidden Journey Ride that remained in place at the Vancouver Production Facility after completion of the project by DAL.

23. These Demo Assets do not have a significant value but those Demo Assets take up a significant area of the Vancouver Production Facility and need to be removed from the Vancouver Production Facility in order to allow Infinity to proceed with an auction at that location.



24. The Applicants are seeking approval of this sale in order to stay on side the limitations of the ARIO for sale of assets outside of the ordinary course of business.

CONCLUSION

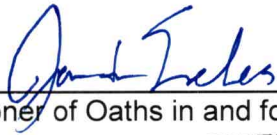
25. The Applicants have been acting in good faith and with due diligence during the pendency of the CCAA proceedings.

26. I swear this Affidavit in support of an Application for a stay extension of the Stay Period until July 28, 2023, approval of the Infinity APA and the Universal Transaction, and a declaration pursuant to WEPPA that section 3.2 of the WEPP Regulations applies to the Applicants and their former employees.

27. I was not physically present before the Commissioner for Oaths, but was linked with the Commissioner for Oaths utilizing video technology, and we have followed the process for remote commissioning of affidavits specified in the Notice to the Profession and Public NPP#2020-02 dated March 25, 2020 for this Affidavit.

SWORN BEFORE ME at Calgary, Alberta,
 this 16th day of May 2023.

)
)
)
)
)
)
)
)
)
)
)
)



 Commissioner of Oaths in and for the Province
 of Alberta

**JORDAN S. EELES
 STUDENT-AT-LAW**

ALLAN FRANCIS

This affidavit was sworn using video technology as Allan Francis was not physically present before the Commissioner, but was linked with the Commissioner utilizing video technology.