



Court File No. CV-24-00716267-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
)
JUSTICE CAVANAGH) THURSDAY, THE 30th
 DAY OF MAY, 2024

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 SKYLINK EXPRESS INC. (the "**Applicant**")

**ORDER
(Stay Extension and Sale Process Approval)**

THIS MOTION, made by the Applicant, Skylink Express Inc. (the "**Applicant**"), for an order, among other things, (a) extending the Stay Period (as defined in the Amended and Restated Initial Order, as amended on March 21, 2024, the "**ARIO**") to and including July 30, 2024; (b) approving retention of the Agent (defined below) and a sale process (the "**Sale Process**") for the Applicant's assets; (c) increasing the maximum borrowing amount under the Applicant's debtor in possession credit facility from \$2.5 million to \$3.0 million; (d) approving the Reports (as defined below), activities and fees of the Monitor (as defined below) and its legal counsel, was heard this day by Zoom videoconference.

ON READING the affidavit of Kyle Dennhardt sworn May 24, 2024 and the exhibits attached thereto (the "**Dennhardt Affidavit**") and the third report of KSV Restructuring Inc. in its capacity as the monitor of the Applicant (in such capacity, the "**Monitor**") dated May 24, 2024 (the "**Third Report**"), and on hearing the submissions of the lawyers for the Applicant, Momentum

Decisive Solutions Canada Inc., The Toronto-Dominion Bank, the Monitor and those other parties present although duly served as appears from the affidavit of service of Katie Parent sworn May 24, 2024,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the Third Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

STAY EXTENSION

2. **THIS COURT ORDERS** that the Stay Period, as defined in the ARIO, be and is hereby extended up to and including July 30, 2024.

RETENTION OF SALE AGENT AND APPROVAL OF SALE PROCESS

3. **THIS COURT ORDERS** that the engagement letter dated as of May 23, 2024 provided by 1262396 Alberta Ltd. dba Pollock Aviation to act as sales agent (the “**Agent**”) for the Sale Process is hereby approved, authorized and ratified and that the execution of the engagement letter by the Applicant is hereby approved, authorized, and ratified, *nunc pro tunc*. Subject to the provisions of this Order the Applicant is hereby authorized and directed to take any and all actions as may be necessary or desirable to implement the Sale Process. Without limiting the foregoing, the Applicant is authorized to execute any other agreement, contract, deed or document, or take any other action, that is necessary or desirable to give full and complete effect to the Sale Process.

4. **THIS COURT ORDERS** Sale Process as set out in the Third Report is hereby approved and the Agent is hereby authorized to implement and carry out the Sale Process pursuant to the terms thereof. The Agent, in consultation with the Monitor, is hereby authorized to take all steps

it believes are reasonably necessary to perform all things reasonably necessary to carry out the Sale Process.

5. **THIS COURT ORDERS** that without limiting the powers and authority provided to the Monitor in the ARIO, the Monitor is authorized to supervise and oversee the Sale Process in accordance with the terms of the Sale Process.

6. **THIS COURT ORDERS** neither the Agent nor the Monitor shall have any liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Sale Process, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or willful misconduct of the Agent or the Monitor in performing its obligations under the Sale Process, as determined by this Court. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA, any prior orders made in this proceeding, including the ARIO or any applicable legislation.

PIPEDA

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Agent and its respective advisors are hereby authorized and permitted to disclose and transfer to prospective Sale Process participants (each, a **“Sale Process Participant”**) and their advisors personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the Sale Process (a **“Transaction”**). Each Sale Process Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Agent, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Agent. Any Successful Party shall maintain and protect the privacy of such

information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by the Applicant and shall return all other personal information to the Agent, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Agent.

DIP FINANCING

8. **THIS COURT ORDERS** that paragraphs 31 and 32 of the ARIO are amended as follows:
(a) the maximum borrowings under the Applicant's debtor in possession credit facility shall not exceed \$3.0 million; and (b) the definition of "DIP Term Sheet" shall incorporate reference to the First Amendment (as defined in the Dennhardt Affidavit).

9. **THIS COURT ORDERS** that, for greater certainty, the DIP Lender (as defined in the ARIO) shall have the benefit of the DIP Lender's Charge in respect of all increased borrowings contemplated in paragraph 8 above.

APPROVAL OF REPORTS AND ACTIVITIES AND FEES

10. **THIS COURT ORDERS** that the first report of the Monitor dated March 18, 2024, the second report of the Monitor dated April 22, 2024 and the Third Report (collectively, the "**Reports**") and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor in their personal capacities and only with respect to their own personal liability, shall be entitled to rely upon or utilize in any way such approval.

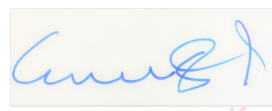
11. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from February 15, 2024 to April 30, 2024 as set out in the affidavit of Robert Kofman sworn May 22, 2024, are hereby approved.

12. **THIS COURT ORDERS** that the fees and disbursements of Cassels Brock & Blackwell LLP, in its capacity as counsel to the Monitor, for the period from February 28, 2024 to April 30, 2024, as set out in the affidavit of Monique Sassi sworn May 22, 2024, are hereby approved.

GENERAL

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date it is made without any need for entry and/or filing.



Mr. Justice
Cavanagh

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
SKYLINK EXPRESS INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Stay Extension and Sale Process Approval)**

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