



**Fifth Report to Court of
KSV Restructuring Inc. as
Monitor of
Skylink Express Inc.**

July 22, 2024

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COURT FILE NO.: CV-24-00716267-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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.

FIFTH REPORT OF KSV RESTRUCTURING INC.
AS MONITOR

July 22, 2024

1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on March 11, 2024 (the “**Filing Date**”), Skylink Express Inc. (the “**Company**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and KSV Restructuring Inc. (“**KSV**”) was appointed monitor (the “**Monitor**”).
2. Pursuant to the terms of the Initial Order, among other things, the Court granted:
 - a) a stay of proceedings until March 21, 2024, being the date of the comeback motion in these proceedings (the “**Comeback Motion**”);
 - b) the following charges on the Company’s current and future assets, property and undertaking, in the order of priority provided below, each of which is subordinate to secured credit facilities (the “**TD Loan Facilities**”) provided to the Company by TD Bank (“**TD**”) (the “**TD Loan Facilities**”):
 - i. a charge in favour of the Company’s counsel, Norton Rose Fulbright Canada LLP (“**Norton Rose**”), the Monitor and its counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), in the amount of \$350,000 to secure their fees and disbursements in these proceedings;
 - ii. a charge in favour of the Company’s sole shareholder, Momentum Decisive Solutions Canada Inc. (“**Momentum**” and, in such capacity, the “**DIP Lender**”), to secure advances made under a DIP facility (the “**DIP Facility**”) pursuant to an interim financing term sheet (the “**DIP Term Sheet**”), which advances were limited to \$1.35 million until the Comeback Motion (the “**DIP Lender’s Charge**”); and
 - iii. a charge in the amount of \$480,000 in favour of the sole director and the officers of the Company (the “**Directors’ Charge**”).

3. On March 21, 2024, the Court issued an amended and restated initial order (the “**ARIO**”), which granted:
 - a) an extension of the stay of proceedings to April 26, 2024;
 - b) an increase in the Directors’ Charge to \$970,000; and
 - c) an increase in the Company’s permitted borrowings under the DIP Facility to \$2.5 million, which amounts are secured by the DIP Lender’s Charge.

A copy of the ARIO is provided in Appendix “A”.

4. On April 25, 2024, the Court issued an order, which approved:
 - a) an extension of the stay of proceedings to May 31, 2024;
 - b) a forbearance agreement dated April 19, 2024 among the Company, Momentum and TD (the “**Forbearance Agreement**”); and
 - c) an escrow agreement dated April 19, 2024 among Momentum, TD, the Monitor and Norton Rose.
5. On May 30, 2024, the Court issued an order (the “**Sale Process Order**”) which approved:
 - a) an extension of the stay of proceedings to July 30, 2024;
 - b) a sale process for certain of the Company’s assets, primarily the Company’s aircraft (the “**Aircraft**”), aircraft parts inventory and potentially its air operator certificate (the “**Sale Process**”) and the retention of 1262396 Alberta Ltd. dba Pollock Aviation (the “**Agent**”) to act as sales agent in the Sale Process;
 - c) an increase in the Company’s permitted borrowings under the DIP Facility to \$3 million, which amounts are secured by the DIP Lender’s Charge; and
 - d) the activities and reports of the Monitor and the fees of the Monitor and Cassels.
6. The Sale Process is set out in the Monitor’s third report to Court dated May 24, 2024 (the “**Third Report**”), a copy of which is provided in Appendix “B”, without appendices. Since the granting of the Sale Process Order, the Company, with the assistance of the Agent, under the supervision of the Monitor, has been marketing the Aircraft and other assets for sale in accordance with the Sale Process Order.
7. On July 5, 2024, the Court issued an order (the “**First Aircraft AVO**”) approving a transaction (the “**LAD Transaction**”) between LAD Inc. and the Company for one of the Company’s Cessna Grand Caravan aircraft and one Pratt and Whitney Canada engine and certain other assets, as set out in the Monitor’s fourth report to dated June 28, 2024 (the “**Fourth Report**”).

8. The Affidavit of Kyle Dennhardt, the Company's CFO, sworn March 8, 2024 in support of the CCAA application (the "**Dennhardt Affidavit**") and KSV's pre-filing report dated March 8, 2024 (the "**Pre-Filing Report**") filed in connection with the initial application, provide, *inter alia*, background information concerning the Company, its business and the reasons for the commencement of these proceedings. Court materials filed in these proceedings, including the Monitor's reports and the Pre-Filing Reports (the "**Monitor's Reports**") can be found on the Monitor's case website at www.ksvadvisory.com/experience/case/skylink.

1.1 Purposes of this Report

1. The purposes of this report (the "**Report**") are to:
- a) seek approval for:
- i. two transactions (the "**Randigo Transactions**") between the Company and Randigo LLC ("**Randigo**") pursuant to:
- an aircraft purchase agreement dated July 12, 2024 (as amended, the "**379 Randigo APA**") for the sale of i) a Cessna Grand Caravan aircraft, manufacturer's serial number 208B-0379 and one Pratt and Whitney Canada PT6A-114A engine, engine's serial number PC0687; ii) all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories installed thereon or appurtenant thereto as set forth in the 379 Randigo APA; and iii) all documents and records relating to and/or required to be maintained with respect to the aircraft (collectively, the "**379 Purchased Assets**"); and
 - an aircraft purchase agreement dated July 12, 2024 (as amended, the "**350 Randigo APA**") for the sale of i) a Cessna Grand Caravan aircraft, manufacturer's serial number 208B-0350 and one Pratt and Whitney Canada PT6A-114A engine, engine's serial number 17025; ii) all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories installed thereon or appurtenant thereto as set forth in the 350 Randigo APA; and iii) all documents and records relating to and/or required to be maintained with respect to the aircraft (collectively, the "**350 Purchased Assets**", and together with the 379 Purchased Assets, the "**Randigo Purchased Assets**"); and
- ii. a transaction (the "**Gingras Transaction**" and with the Randigo Transactions, the "**Transactions**") between the Company and Gingras Équipement Inc. ("**Gingras**", and with Randigo, the "**Purchasers**" and each individually, a "**Purchaser**") pursuant to:
- an aircraft purchase agreement dated July 10, 2024 (the "**Gingras APA**" and together with the 379 Randigo APA and 350 Randigo APA, the "**APAs**") for the sale of i) a Cessna Grand Caravan airframe, manufacturer's serial number 208B-0047 and one Pratt and Whitney Canada PT6A-114A engine, engine's serial number 19226; ii) all appurtenances, appliances, parts, avionics,

instruments, components, accessions, furnishings, items of equipment and accessories installed thereon or appurtenant thereto as set forth in the Gingras APA; iii) a spare (uninstalled) co-pilot windshield; and (iv) all documents and records relating to and/or required to be maintained with respect to the aircraft (collectively, the “**Gingras Purchased Assets**”, and together with the Randigo Purchased Assets, the “**Purchased Assets**”);

- b) provide the Monitor’s rationale for sealing the purchase price and the amount of the deposit in each Transaction;
- c) summarize the Company’s cash flow forecast for the period July 15, 2024 to October 31, 2024 (the “**Updated Cash Flow Forecast**”);
- d) summarize the Monitor’s and the Company’s activities since the date of the Third Report;
- e) seek approval of the fees and disbursements of the Monitor and Cassels for the period ending June 30, 2024; and
- f) recommend that the Court:
 - i. issue orders (each an “**AVO**”) approving the Transactions and transferring and vesting all of the Company’s right, title and interest in and to the Purchased Assets to the Purchasers following the Monitor’s filing with the Court the Monitor’s certificates substantially in the form attached as Schedule “A” to each of the proposed AVOs; and
 - ii. issue an ancillary order:
 - sealing the purchase price and the amount of the deposit in respect of each Transaction;
 - approving the distribution of the net sale proceeds from the Transactions to TD;
 - extending the stay of proceedings from July 30, 2024 to October 31, 2024 (the “**Stay Extension Period**”);
 - increasing the Company’s permitted borrowings under the DIP Facility from \$3 million to \$4.55 million in accordance with an amended DIP Term Sheet dated July 19, 2024 (the “**Second Amended DIP Term Sheet**”), which borrowings are to be secured by the DIP Lender’s Charge;
 - approving the Fourth Report and this Report and the Monitor’s activities, as described in this Report; and
 - approving the fees of the Monitor and Cassels through June 30, 2024.

1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Company's unaudited financial information, books and records and discussions with the Company's management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Updated Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Updated Cash Flow Forecast will be achieved.

1.3 Currency

1. All currency references in this Report are in Canadian dollars.

2.0 Background

1. The Company is an Ontario corporation and has operated for over 25 years providing regional air cargo services throughout North America. The Company is one of Canada's largest air cargo operators, specializing in regional courier feeder operations and time-sensitive, cost effective, air cargo charters throughout North America. Momentum is the Company's sole shareholder.
2. The Company's registered office is 55 St. Clair Avenue West, Suite 210, Toronto, Ontario.
3. As of the Filing Date, the Company employed 79 full-time employees, seven part-time employees and 11 independent contractors. The Company's pilots are members of UNIFOR. The Company does not maintain any registered pension plans.
4. Pursuant to the ARIO, Momentum has been funding these proceedings under the DIP Facility, which ranks subordinate to the Company's obligations to TD under the TD Loan Facilities. As of the date of this Report, Momentum had advanced \$1.8 million to the Company under the DIP Facility.
5. The Company provides "last mile" services to secondary (remote) locations, primarily in Canada. At the commencement of these proceedings, the Company operated from hangars in Vancouver, Winnipeg, Hamilton, Montreal-Mirabel and Québec City. Since late May 2024, the Company terminated routes out of its Vancouver and Quebec hangars.

6. The Company now has a fleet of 15 aircraft, comprised of 208B (3), 1900C (10) and 1900D (2) all-cargo aircraft, of which 13 (being the 208B and 1900C aircraft) are owned by the Company. As noted above, the Company sold one of the Company's 208B aircraft pursuant to the transaction discussed in the Fourth Report.
7. United Parcel Services Canada Ltd. ("**UPS**") is the Company's primary customer. The Company and UPS are party to a long-term feeder aircraft charter agreement pursuant to which the Applicant provides cargo services for UPS throughout Canada (the "**UPS Contract**"). Historically, the Applicant generated almost all its revenue from the UPS Contract.
8. The UPS Contract is not economic for the Company. The Company tried to work with UPS to renegotiate the UPS Contract immediately following the commencement of these proceedings. Those negotiations were unsuccessful, and the Company and UPS agreed that the Company would discontinue providing services to UPS on July 26, 2024. The Monitor understands that UPS recently expressed an interest in the Company continuing to service certain routes until the end of August, 2024. The Monitor also understands that the Company is considering whether it is able to do so.
9. The Company and UPS are presently negotiating a wind-down agreement (the "**WDA**"). The Company has in good faith continued to service UPS so that its operations would not be disrupted notwithstanding the WDA has not been finalized. It is the Company's expectation that UPS pay for all services rendered to it by the Company during the CCAA proceedings. All accounts receivable presently owing to UPS are for services provided by the Company to UPS during the CCAA proceedings.
10. Additional background information about the Company, the causes of the Company's financial challenges and the reasons the Company sought protection under the CCAA is provided in the Company's CCAA application materials and the Monitor's Reports filed in these proceedings.

2.1 TD

1. TD is the only party with a registration filed against the Company in the applicable provincial personal property security registration systems. The Monitor understands that TD is the Company's only secured creditor, other than the DIP Lender and the beneficiaries of the Court-ordered charges issued in these proceedings, each of which is subordinate to TD.
2. The Company is indebted to TD pursuant to a credit facilities letter agreement dated November 2, 2020. TD was granted security over all of the Company's assets pursuant to a general security agreement, aircraft security, assignment of insurance and hypothec (the "**TD Loan Security**"). Momentum provided a limited recourse guarantee of the TD Loan Facilities in the amount of \$15 million and provided security in connection with its guarantee. As at the date of this Report, the balance on the TD Loan Facilities was approximately \$10.9 million.
3. Cassels has provided the Monitor with an opinion confirming the validity and enforceability of the TD Loan Security in the Purchased Assets, subject to standard assumptions and qualifications.

3.0 The Transactions

1. The Sale Process is set out in the Third Report and is discussed in the Fourth Report and is not repeated in this Report. Defined terms used in this section of the Report have the meaning provided to them in the Fourth Report, unless otherwise defined herein.
2. Randigo and Gingras each provided the Company with letters of intent (the “LOIs”) with terms acceptable to the Company. On execution of the LOIs, each Purchaser paid the required deposits to the Monitor, as escrow agent. The purchase price of each Transaction is consistent with (i) the value estimate provided by the Agent to the Monitor prior to the commencement of the Sale Process; and (ii) the purchase price in the LAD Transaction, which was for the same type of aircraft as the ones being sold in the Transactions.
3. The Company and the Purchasers have settled the terms of the respective APAs which are in substantially the same form as the First Aircraft AVO in connection with the LAD Transaction. The Monitor has been advised that TD does not oppose the Transactions and that Momentum, as guarantor, consents to their approval.
4. The Monitor supports the Transactions based on (i) the recommendation of the Agent, (ii) the purchase price under the LAD Transaction, and (iii) the positions of the major stakeholders, being TD and Momentum. Copies of the redacted APAs are provided in Appendices “C”, “D” and “E”. The only redactions to the APAs are to the purchase price and the deposit, for the reasons provided in Section 3.2 below. Copies of the unredacted APAs are provided in Confidential Appendices “1”, “2” and “3”.

3.1 The 379 APA, The 350 APA, and the Gingras APA¹

1. A summary of the APAs is provided in the table below.

Purchaser	Randigo (379 APA)	Randigo (350 APA)	Gingras
Purchased Assets	379 Purchased Assets	350 Purchased Assets	Gingras Purchased Assets
Price and Deposit	For the reasons provided in Section 3.2, the Company is seeking to have the purchase price and the amount of the deposit sealed.		
As is, where is	Consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with minimal representations, warranties and conditions.		
Closing Date	Five Business Days following the date the Court makes the AVO or such other date as may be agreed by the parties in writing.		
Delivery Location	The Company’s designated facility at Vancouver International Airport unless otherwise agreed in writing by the parties.		
Material Conditions	Include, among other things: i) the Company shall have delivered or cause to be pre-delivered to the Escrow Agent (being the Monitor) a copy of the International Registry’s draft pre-registration report to discharge any Liens published on the International Registry;		

¹ Defined terms not defined elsewhere in this Report are as set out in the respective APAs.

	<ul style="list-style-type: none"> ii) in respect of the Randigo Purchased Assets, which are to be exported to the United States, the Company shall have delivered or caused to be pre-delivered to the Escrow Agent, any documentation as may be required to request deregistration of the purchased assets from the register of civil aircraft maintained by Transport Canada; iii) in respect of the Gingras Purchased Assets, the Company shall have delivered or caused to be pre-delivered to the Escrow Agent, any documentation as may be required to request deregistration or transfer of registration of the Gingras Purchased Assets to Gingras; and iv) the Court shall have issued the respective AVOs.
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3.2 Sealing

1. The Monitor recommends that the unredacted copies of the APAs (which redactions are solely with respect to the purchase price and deposit) be filed with the Court on a confidential basis and remain sealed pending further order of the Court or upon the completion of the Sale Process, as making the purchase price publicly available may negatively impact i) the sale of the Purchased Assets if the Transactions do not close; and ii) the sale of other assets available for sale in the Sale Process. As the Sale Process requires the deposit to be 10% of the purchase price, disclosing the deposit amounts will allow the Purchase Prices to be ascertainable.
2. Sealing this information until the completion of the sale, the Sale Process or further Order of the Court, is necessary to maximize recoveries in these proceedings and to maintain the integrity and confidentiality of the Sale Process.
3. The salutary effects of sealing such information from the public record outweigh the deleterious effects of doing so under the circumstances. The Monitor is of the view that the sealing of the Confidential Appendices is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Monitor believes the proposed sealing of the Confidential Appendices is appropriate in the circumstances.

3.3 Recommendation

1. The Monitor recommends the Court approve the Transactions for the following reasons:
 - a) the process undertaken by the Agent to market the Purchased Assets was commercially reasonable, consistent with the terms of the Sale Process Order, and with the process used to market the aircraft sold in the LAD Transaction;
 - b) the Agent is an experienced aircraft broker and is well known in the aviation industry;
 - c) in the Agent's view, the purchase prices under the Transactions are acceptable and consistent with its expectations considering the age and condition of the Purchased Assets;

- d) the Transactions are unconditional, except for Court approval;
- e) the deposits are non-refundable unless the Court does not approve the Transactions;
- f) TD does not oppose the Transactions and Momentum consents to the Transactions; and
- g) as at the date of this Report, the Monitor is not aware of any party objecting to or likely to object to the Transactions.

3.4 Distributions

1. The sale proceeds from each of the Transactions are required to be paid to the Monitor as escrow agent. As was the case with the LAD Transaction, given TD's priority interest in the Purchased Assets, the Monitor recommends that it be authorized to distribute to TD the sale proceeds from the Purchased Assets, net of the commission payable to the Agent and sales tax, to reduce the balance owing by the Company under the TD Loan Facilities.

4.0 Cash Flow

1. A comparison of the Company's actual cash flow for the period May 20 to July 12, 2024 (the "**Forecast Period**") to the cash flow forecast provided in the Third Report is provided below.

(unaudited; \$)	Forecast	Actual	Variance
Receipts			
UPS revenues	3,137,550	3,448,995	311,445
Proceeds from sale of assets	-	79,318	79,318
GST/HST/QST refunds	88,440	10,993	(77,447)
	<u>3,225,990</u>	<u>3,539,307</u>	<u>313,316</u>
Disbursements			
Payroll	956,858	998,174	(41,316)
Leases	251,426	251,426	-
Insurance	66,029	78,073	(12,044)
Maintenance	374,160	262,283	111,877
Aircraft operating expenses	1,119,681	894,356	225,325
Other general expenses	83,358	81,513	1,845
GST/HST/QST on expenditures	270,821	186,529	84,292
TD Loan - principal repayment	489,660	489,660	-
TD Loan - interest	193,965	178,490	15,475
	<u>3,805,958</u>	<u>3,420,503</u>	<u>385,454</u>
Net cash flow before the undernoted	(579,968)	118,804	698,770
Professional fees	700,000	163,567	536,433
Net Cash Flow	<u>(1,279,968)</u>	<u>(44,764)</u>	<u>1,235,203</u>
Opening Cash Balance	476,975	476,975	-
Net Cash Flow	(1,279,968)	(44,764)	1,235,203
DIP Financing	950,000	-	(950,000)
Ending Cash Balance	<u>147,007</u>	<u>432,211</u>	<u>285,203</u>

2. As of the date of this Report, the Company had borrowed \$1.8 million² under the DIP Facility. The variances in the table above are briefly discussed below:
 - UPS revenues: the Company serviced certain routes longer than projected in the Company's most recent forecast.
 - Proceeds from sale of assets: represents only the sales tax and commissions payable to the Agent from the LAD Transaction. The sale proceeds from the LAD Transaction were paid directly by the escrow agent to TD.
 - Maintenance: the costs of maintaining the Company's aircraft have been trending lower than forecasted.
 - Aircraft operating expenses: the Company anticipated that it would need to sub-charter aircraft. As aircraft downtime has been lower than expected, the need to sub-charter aircraft has been less than forecasted.
 - Professional fees: professional fees have been trending considerably lower than forecasted.

4.1 Updated Cash Flow Forecast

1. The Company, with the assistance of the Monitor, has prepared the Updated Cash Flow Forecast. The Updated Cash Flow Forecast is provided in Appendix "F". The Company's and the Monitor's statutory reports on the Updated Cash Flow Forecast are attached as Appendices "G" and "H", respectively.
2. Based on the Monitor's review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable.
3. The Updated Cash Flow Forecast reflects that the Company is projected to require advances of \$2.75 million under the DIP Facility during the Forecast Period. As the authorized borrowing under the DIP Facility is \$3 million, the Company is seeking an increase in the DIP Facility from \$3 million to \$4.55 million and corresponding increase in the DIP Lender's Charge.
4. The Monitor understands that the DIP Lender is prepared to fund the Company and these proceedings in accordance with the Updated Cash Flow Forecast, subject to: (a) the Court's approval of an increase in the permitted borrowings under the DIP Facility to \$4.55 million; (b) the Court's approval of a corresponding increase in the DIP Lender's Charge; and (c) the Company remaining in compliance with the terms and conditions of the Second Amended DIP Term Sheet, a copy of which is provided in the affidavit of David Atkins, the Company's President, sworn on July 19, 2024.
5. The only material change to the Second Amended DIP Term sheet from the original DIP Term Sheet is the increase in the amount of the permitted borrowings.

² Includes amounts advanced under the DIP Facility before the Forecast Period.

4.2 DIP Facility Recommendation

1. For the following reasons, the Monitor recommends that the Court issue an order approving the increase in the amount of the permitted borrowings under the DIP Facility and the Second Amended DIP Term Sheet:
 - the increase in the permitted borrowings is required for the Company to fund its business and operations during the Stay Extension Period;
 - without the cash to be provided under the DIP Facility, the Company may not have sufficient cash flow to continue operating, carry out the Sale Process and service its debt owing to TD, pursuant to the Forbearance Agreement;
 - as set out in the Pre-Filing Report, KSV has compared the terms of the DIP Facility to other interim financing facilities approved by Canadian courts in recent CCAA proceedings. The comparison was appended to the Pre-Filing Report. The cost of the proposed DIP Facility is within the range of similar facilities recently approved by the Court and other Canadian courts in CCAA and other restructuring proceedings;
 - the DIP Facility ranks subordinate to TD's security interest, which is a requirement of TD;
 - the Monitor believes it is unlikely that any other lender would provide DIP funding on a subordinated basis to TD;
 - TD does not oppose the proposed increase in the DIP Facility and corresponding DIP Lender's Charge; and
 - there are no structuring, facility, standby or other fees being charged by the DIP Lender under the DIP Facility.

5.0 Company's Activities

1. The Company's activities since the Third Report have included:
 - a) operating its business in the ordinary course, in accordance with the ARIO;
 - b) communicating with suppliers to secure goods and services during these proceedings;
 - c) dealing with employee and human resource matters;
 - d) corresponding with UPS and the Monitor regarding the WDA;
 - e) corresponding with Norton Rose and the Monitor regarding UPS, the WDA, critical vendors, the Sale Process, and other issues;
 - f) corresponding with the Agent to carry out the Sale Process;
 - g) reviewing letters of intent submitted in the Sale Process and discussing same with the Agent, the Monitor, Norton Rose, Cassels and Momentum;

- h) corresponding with the Agent to facilitate due diligence in the Sale Process by prospective purchasers, including arranging for inspections of its aircraft fleet and other assets;
- i) reviewing and commenting on transaction documents, including letters of intent and purchase agreements;
- j) considering and implementing cost-reduction initiatives;
- k) reviewing the Company's cash flow forecast and comparing actual results to projected results;
- l) reporting weekly to TD in accordance with the Forbearance Agreement; and
- m) preparing the Updated Cash Flow Forecast.

6.0 Monitor's Activities

1. Since the date of the Third Report, the Monitor has been, among other things:
 - a) dealing with the Company's management regarding operating issues and the Sale Process;
 - b) monitoring the Company's receipts and disbursements;
 - c) reviewing the Company's weekly cash flow and reporting same to msi Spergel inc. ("**MSI**"), TD's financial advisor, pursuant to the Forbearance Agreement;
 - d) corresponding with the Company and Norton Rose regarding UPS issues, including the WDA;
 - e) corresponding extensively with the Agent, the Company, Norton Rose and Cassels regarding the LAD Transaction and assisting to close the LAD Transaction;
 - f) working with the Company and the Agent to carry out the Sale Process;
 - g) drafting the Fourth Report and reviewing the motion materials in respect of the relief sought at the motion to approve the LAD Transaction;
 - h) reviewing the Randigo LOIs and the Gingras LOI and corresponding with the Agent, the Company, Norton Rose and Cassels regarding same;
 - i) providing all offers received in the Sale Process to MSI, as required pursuant to the Sale Process Order;
 - j) reviewing and commenting on drafts of the APAs;
 - k) assisting the Company to deal with creditors;
 - l) reviewing and commenting on the Company's motion materials for this motion; and
 - m) preparing this Report and reviewing and commenting on the related motion materials and draft order.

7.0 Stay Extension

1. The stay of proceedings expires on July 30, 2024. The Company is requesting an extension of the stay of proceedings to October 31, 2024.
2. The Monitor supports the request for an extension of the stay of proceedings for the following reasons:
 - a) the Company is acting in good faith and with due diligence;
 - b) the Updated Cash Flow Forecast reflects that the Company is projected to have sufficient liquidity to fund its post-filing obligations;
 - c) it will provide the Company the opportunity to carry out the Sale Process;
 - d) TD does not oppose the stay extension and Momentum supports it;
 - e) the Monitor believes that the extension is in the best interests of the Company's stakeholders and that no stakeholder will be prejudiced by extending the stay of proceedings; and
 - f) as of the date of this Report, neither the Company nor the Monitor is aware of any party opposed to an extension of the stay of proceedings.

8.0 Professional Fees

1. The Monitor's fees (excluding disbursements and HST) from May 1 to June 30, 2024 total approximately \$67,941.
2. Cassels' fees (excluding disbursements and HST) from May 16 to June 30, 2024 total approximately \$30,909.
3. The average hourly rates for the Monitor and Cassels for the referenced billing periods were \$670.36 and \$741.21, respectively.
4. Detailed invoices in respect of the fees and disbursements of the Monitor and Cassels are provided as exhibits to the affidavits sworn by representatives of the Monitor and Cassels, attached as Appendices "I" and "J", respectively.
5. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by law firms practicing corporate insolvency and restructuring in the Toronto market, and that the overall fees charged by Cassels and the Monitor are validly incurred in accordance with the provisions of the Orders in this CCAA proceeding and are reasonable and appropriate in the circumstances.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make orders granting the relief requested in this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS MONITOR IN THE CCAA PROCEEDINGS OF
SKYLINK EXPRESS INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)
JUSTICE CAVANAGH)
MONDAY, THE 11TH
DAY OF MARCH, 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**")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Kyle Dennhardt sworn March 8, 2024 and the Exhibits thereto, the Pre-Filing report of KSV Restructuring Inc. ("**KSV**") in its capacity as the proposed monitor of the Applicant (in such capacity, the "**Monitor**"), the first report of KSV in its capacity as Court-appointed Monitor dated March 18, 2024, the supplementary affidavit of Kyle Dennhardt sworn March 9, 2024, the affidavit of Kathryn Furfaro sworn March 8, 2024, the supplementary affidavit of Kathryn Furfaro sworn March 10, 2024 and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, Momentum Decisive Solutions Canada Inc. ("**Momentum**"), The Toronto-Dominion Bank ("**TD Bank**") and those other parties present although duly served as appears from the affidavits of service of Katie Parent sworn March 9, 11 and 18, 2024 and on reading the consent of KSV to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. The Applicant is 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 it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee 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;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges; and

- (c) with the consent of the Monitor, amounts owing in respect of the Applicant's corporate credit cards in respect of charges incurred prior to this Order up to a maximum amount of \$250,000 if, in the opinion of the Applicant and the Monitor, such payments are critical to the preservation of the Business.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant 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 Applicant following the date of this Order.

7. THIS COURT ORDERS that the Applicant 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 which 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;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, 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

which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant shall 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 to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court:

- (a) Except with respect to payments on account of the TD Bank Credit Facilities (as defined in the Affidavit of Kathryn Furfaro sworn March 8, 2023), to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
- (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. THIS COURT ORDERS that the Applicant 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), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$300,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

- (c) 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 Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

11. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s 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 and, if the landlord disputes the Applicant’s 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 Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such Secured Creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it 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 of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.

12. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer, 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 Applicant in respect of such lease or leased premises, 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. THIS COURT ORDERS that until and including April 26, 2024, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all

Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

Notwithstanding the foregoing or any other provision of this Order, the rights and remedies of TD Bank shall not be stayed during the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that 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**”) against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. THIS COURT ORDERS that during the Stay Period, no Person shall 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 Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, 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 Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant 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 normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in

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

NON-DEROGATION OF RIGHTS

17. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person 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 Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant 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 Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. THIS COURT ORDERS that the directors and officers of the Applicant 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 \$970,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.

21. THIS COURT ORDERS that, 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 Applicant's 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 19 of this Order.

APPOINTMENT OF MONITOR

22. THIS COURT ORDERS that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant 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.

23. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (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;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a periodic basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;

- (f) assist the Applicant, to the extent required by the Applicant, 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 Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs 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; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

24. THIS COURT ORDERS that 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, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, 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 of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. 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 Environmental Legislation, unless it is actually in possession.

26. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant 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 Applicant may agree.

27. THIS COURT ORDERS that, 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. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, whether incurred prior to, on or subsequent to the date of this Order, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a monthly basis or as may otherwise be agreed on.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred at the standard 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.

DIP FINANCING

31. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Momentum (the "**DIP Lender**") in order to finance

the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$2.5 million unless permitted by further Order of this Court.

32. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Applicant and the DIP Lender dated as of March 8, 2024 (the "**DIP Term Sheet**"), filed.

33. THIS COURT ORDERS that the Applicant is 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 DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 37 and 39 hereof.

35. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 5 business days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP 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 Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

36. THIS COURT ORDERS AND DECLARES that the DIP 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 Applicant 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 CREATED BY THIS ORDER

37. THIS COURT ORDERS that the priorities of the Directors’ Charge, the Administration Charge and the DIP Lender’s Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000);

Second – DIP Lender’s Charge; and

Third – Directors’ Charge (to the maximum amount of \$970,000).

38. THIS COURT ORDERS that the filing, registration or perfection of the Directors’ Charge, the Administration Charge or the DIP Lender’s Charge (collectively, the “**Charges**”) shall not be required, and that 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. THIS COURT ORDERS that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person however, the Charges shall rank subordinate to the TD Loan Security (as defined in the Affidavit) and provided that the Charges shall rank behind Encumbrances in favour of any Persons that have

not been served with notice of this application. The Applicant and the beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on notice to those parties.

40. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

41. THIS COURT ORDERS that the Charges, the DIP Term Sheet and the Definitive Documents 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 DIP 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 herein; (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**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) 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 Applicant entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the DIP Term Sheet 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.

42. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

43. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the *Globe and Mail* (national edition) a notice containing the information prescribed under the CCAA, (ii) within five 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 \$1000, 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 ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.ksvadvisory.com/experience/case/skylink .

45. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

46. THIS COURT ORDERS that the Applicant, the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation and notice requirements

GENERAL

47. THIS COURT ORDERS that 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.

48. THIS COURT ORDERS that 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 Applicant, the Business or the Property.

49. 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.

50. THIS COURT ORDERS that each of the Applicant 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 proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

51. THIS COURT ORDERS that any interested party (including the Applicant 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.

52. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



Digitally signed
by 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.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

AMENDED AND RESTATED INITIAL ORDER

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000
Toronto, ON M5K 1E7
Fax: 416.216.3930

Jennifer Stam LSO#: 46735J
Tel: 416.202.6707
jennifer.stam@nortonrosefulbright.com

Lawyers for the Applicant

Appendix “B”



**Third Report to Court of
KSV Restructuring Inc. as
Monitor of
Skylink Express Inc.**

May 24, 2024

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COURT FILE NO.: CV-24-00716267-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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.

THIRD REPORT OF KSV RESTRUCTURING INC.
AS MONITOR

MAY 24, 2024

1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on March 11, 2024 (the “**Filing Date**”), Skylink Express Inc. (the “**Company**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and KSV Restructuring Inc. (“**KSV**”) was appointed monitor (the “**Monitor**”).
2. Pursuant to the terms of the Initial Order, among other things, the Court granted:
 - a) a stay of proceedings until March 21, 2024, being the date of the comeback motion in these proceedings (the “**Comeback Motion**”);
 - b) the following charges on the Company’s current and future assets, property and undertaking (collectively, the “**Property**”), in the order of priority provided below, each of which is subordinate to secured credit facilities provided to the Company by TD Bank (“**TD**”) (the “**TD Loan Facilities**”):
 - i. a charge in favour of the Company’s counsel, Norton Rose Fulbright Canada LLP (“**Norton Rose**”), the Monitor and its counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), in the amount of \$350,000 to secure their fees and disbursements in these proceedings (the “**Administration Charge**”);
 - ii. a charge in favour of the Company’s sole shareholder, Momentum Decisive Solutions Canada Inc. (“**Momentum**” and, in such capacity, the “**DIP Lender**”), to secure advances made under a DIP facility (the “**DIP Facility**”) pursuant to an interim financing term sheet (the “**DIP Term Sheet**”) which advances were limited to \$1.35 million until the Comeback Motion (the “**DIP Lender’s Charge**”); and
 - iii. a charge in the amount of \$480,000 in favour of the sole director and officers of the Company (the “**Directors’ Charge**”).

3. On March 21, 2024, the Court issued an amended and restated initial order (the “**ARIO**”), which granted:
 - a) an extension of the stay of proceedings to April 26, 2024;
 - b) an increase in the Directors’ Charge to \$970,000; and
 - c) an increase in the Company’s permitted borrowings under the DIP Facility to \$2.5 million, which amounts are secured by the DIP Lender’s Charge.

A copy of the ARIO is provided in Appendix “A”.

4. On April 25, 2024, the Court issued an order (the “**Stay Extension Order**”), which approved:
 - a) an extension of the stay of proceedings to May 31, 2024 (the “**Stay Extension Period**”);
 - b) a forbearance agreement dated April 19, 2024 among the Company, Momentum and TD (the “**Forbearance Agreement**”); and
 - c) an escrow agreement dated April 19, 2024 among Momentum, TD, the Monitor and Norton Rose (the “**Escrow Agreement**” and with the Forbearance Agreement, the “**TD Stand Still Agreements**”).¹
5. To date, the principal purpose of these proceedings has been to provide the Company an opportunity, in the context of the stabilized environment created by CCAA protection, to address its liquidity challenges resulting largely from its contract (the “**UPS Contract**”) with United Parcel Service Canada Ltd. (“**UPS**”), which is integral to the Company’s business. The UPS Contract is uneconomic for the Company.
6. As discussed below, since the outset of these proceedings, the Company has attempted to reach a solution with UPS that provides a framework for a future business relationship; however, as of the date of this Report, the Company and UPS have not been able to agree on a long-term arrangement that would see the Company continue to provide services to UPS. The Monitor understands that the Company and UPS are in advanced discussions concerning a short-term arrangement pursuant to which the Company will continue to operate for UPS, on a reduced basis, until July 31, 2024, unless an agreement is reached for the Company to provide services beyond that date.
7. Based on the status of the Company’s negotiations with UPS and the uncertainty with respect to a long-term arrangement, the Company intends to commence a sale process and to seek the retention of 1262396 Alberta Ltd. DbA Pollock Aviation (the “**Agent**”) to act as its sales agent to market and sell its assets, which consist primarily of the Company’s aircraft (the “**Fleet**”), aircraft parts inventory and potentially its air

¹ The key terms of the TD Stand Still Agreements were summarized in the Second Report (as defined below) and copies of the TD Stand Still Agreements were appended to the Second Report.

operator certificate (the “**AOC**”) (the “**Sale Process**”). The Sale Process is discussed in Section 5 below.

8. The Affidavit of Kyle Dennhardt, the Company’s CFO, sworn March 8, 2024 in support of the CCAA application (the “**Dennhardt Affidavit**”) and KSV’s pre-filing report dated March 8, 2024 (the “**Pre-filing Report**”) filed in connection with the initial application, provide, *inter alia*, background information concerning the Company, its business and the reasons for the commencement of these proceedings. Mr. Dennhardt swore his third affidavit on May 24, 2024 in support of the relief sought by the Company in its present motion (the “**Third Dennhardt Affidavit**”).
9. The Dennhardt Affidavit, the Pre-filing Report, the Monitor’s first report to Court dated March 18, 2024 (the “**First Report**”), the Monitor’s second report to Court dated April 22, 2024 (the “**Second Report**”), this report (the “**Report**”, with the Pre-filing Report, First Report and Second Reports, the “**Monitor’s Reports**”), the affidavit of Mr. Dennhardt sworn April 20, 2024 and the Third Dennhardt Affidavit, as well as other Court materials filed in these proceedings, can be found on the Monitor’s case website at www.ksvadvisory.com/experience/case/skylink.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide the Court with an update on the Company’s:
 - i. business and operations since the commencement of these proceedings; and
 - ii. negotiations with UPS;
 - b) summarize the proposed Sale Process and the material terms of the Pollock Engagement Letter (as defined below);
 - c) summarize the Company’s cash flow forecast for the period May 18, 2024 to July 30, 2024 (the “**Updated Cash Flow Forecast**”);
 - d) provide the Court with an update on the Monitor’s and the Company’s activities since the date of the Second Report;
 - e) detail the fees and disbursements of the Monitor and counsel to the Monitor, Cassels Brock and Blackwell LLP (“**Cassels**”), for the period ending April 30, 2024 and seek approval of same; and
 - f) provide the Monitor’s recommendation that the Court issue an Order:
 - i. extending the stay of proceedings from May 31 to July 30, 2024;
 - ii. approving the Sale Process and the retention of the Agent pursuant to its engagement letter dated May 23, 2024 (the “**Engagement Letter**”);

- iii. increasing the Company's permitted borrowings under the DIP Facility from \$2.5 million to \$3 million in accordance with an amendment to the DIP Term Sheet dated May 23, 2024 (the "**Amended DIP Term Sheet**"), which borrowings are to be secured by the DIP Lender's Charge;
- iv. approving the fees of the Monitor and Cassels through April 30, 2024; and
- v. approving the Reports and the Monitor's activities described therein.

1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Company's unaudited financial information, books and records and discussions with the Company's management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast (defined below) as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

1.3 Currency

1. All currency references in this Report are in Canadian dollars.

2.0 Background

1. The Company is an Ontario corporation and has operated for over 25 years providing regional air cargo services throughout North America. The Company is one of Canada's largest air cargo operators, specializing in regional courier feeder operations and time-sensitive, cost effective, air cargo charters throughout North America. The Company's focus is to provide "last mile" services to secondary (remote) locations, primarily in Canada. As of the commencement of these proceedings, the Company operated from hangars in Vancouver, Winnipeg, Hamilton, Montreal-Mirabel and Québec City. The Company is in the process of reducing the number of hangars from which it operates. Momentum is the Company's sole shareholder.

2. The Company has a fleet of 16 aircraft, comprised of 208B (4), 1900C (10) and 1900D (2) all-cargo aircraft, of which 14 are owned by the Company. The two 1900D aircraft were acquired by Momentum at the request of, and for the use of, the Company and must be converted to cargo planes before they can be flown by the Company. Conversion of one of the 1900D aircraft, C-FSXH (Serial Number UE-268) has started and was paused at the commencement of this CCAA proceeding. Conversion of the other 1900D aircraft has not started.
3. UPS is the Company's primary customer. The Company and UPS are party to the UPS Contract, a long-term feeder aircraft charter agreement pursuant to which the Applicant provides cargo services for UPS throughout Canada. The Applicant generates almost all its revenue from the UPS Contract. The UPS Contract expires in 2027. A principal focus of these proceedings has been to renegotiate the UPS Contract.
4. The Company's registered office is 55 St. Clair Avenue West, Suite 210, Toronto, Ontario.
5. As of the Filing Date, the Company employed 79 full-time employees, seven part-time employees and 11 independent contractors. The Company's pilots (37) are members of UNIFOR. The Company does not maintain any registered pension plans. Since the Filing Date, the Company's headcount has increased by one due to three terminations, two resignations and six new hires.
6. Momentum acquired the Company in 2020. At that time, the Company was performing well and forecasting significant growth. The Monitor understands that since acquisition, Momentum has provided financial and other support to the Company, including injecting working capital of \$7 million on acquisition, funding expenses of approximately \$1 million prior to these proceedings and, as noted, making certain of its aircraft available to the Company at no cost. Momentum's employees also support the Company's business with no overhead or management fee charged to the Company.
7. Pursuant to the ARIO, Momentum has been funding these proceedings under the DIP Facility, which ranks subordinate to the Company's obligations to TD under the TD Loan Facilities. As of the date of this Report, Momentum has advanced \$1.8 million to the Company under the DIP Facility.
8. The Company began experiencing liquidity challenges in late 2022. The Company's financial performance was impacted by higher-than-expected capital expenditures and, in 2023, the loss of a material customer. The Company is presently operating on a cash flow negative basis as a result of several factors, including i) a reduction in demand for cargo delivery services; ii) increased turnover in the Company's staff, notably for aircraft maintenance engineers and pilots due to regulatory changes, labour shortages and the recent unionization of the Company's pilot group; iii) increases in the cost and decreases in availability of aircraft parts; and iv) material increases in capital expenditures due to, among other things, regulatory changes.
9. The revenue escalation provisions of the UPS Contract are not sufficient to compensate the Company for its cost increases and, accordingly, the Company is unable to generate sufficient cash flow to operate its business unless the UPS Contract can be renegotiated.

10. Additional background information about the Company and these proceedings is provided in the various Dennhardt affidavits and Monitor's reports filed in these proceedings.

2.1 TD

1. TD is the only party with a registration filed against the Company in the applicable provincial personal property security registration systems and the Monitor understands it is the Company's only secured creditor, other than the DIP Lender.
2. The Company is indebted to TD pursuant to a credit facilities letter agreement dated November 2, 2020. TD was granted security over all of the Company's assets pursuant to a general security agreement, aircraft security, assignment of insurance and hypothec (the "**TD Loan Security**"). Momentum has also provided a limited recourse guarantee of the TD Loan Facilities in the amount of \$15 million and provided security in connection with its guarantee. As at the date of this Report, the balance on the TD Loan Facilities was approximately \$12.4 million which is net of an insurance refund in the amount of approximately \$780,000 which was recently paid to TD and applied against the Company's obligations owing to it.
3. As of the date of this Report, Cassels is continuing to review TD's security.
4. Prior to the Filing Date, TD served and filed court materials for, among other things, the appointment of a receiver and manager over all the assets, property and undertaking of the Company.
5. The Company, Momentum and TD, with the assistance of the Monitor, reached a consensual agreement prior to the Filing Date and TD did not oppose the relief sought in the Initial Order based on terms reflected in the Endorsement, which included:
 - a) the receivership application that had been brought by TD would be adjourned to the Comeback Motion;
 - b) the Company, Momentum and TD would negotiate in good faith the terms of a forbearance agreement pending the Comeback Motion;
 - c) the Administration Charge would be subordinated to the TD Loan Security; and
 - d) Momentum would post \$2 million of cash collateral (the "**Additional Cash Collateral**") in escrow to be held in trust with Norton Rose, subject to agreeing on the terms of an escrow agreement.
6. Momentum also agreed that the Additional Cash Collateral would be sourced from an injection of fresh capital and not from its existing working capital. TD agreed to allow the Company to continue to use its cash management system with TD.
7. Following the Filing Date, the Company repaid from the DIP Facility the full amount owing under an operating line provided by TD. The Company no longer has access to this facility.
8. As noted above, the Forbearance Agreement and the Escrow Agreement were executed on April 19, 2024 and approved by the Court on April 25, 2024.
9. Pursuant to the terms of the Escrow Agreement, Momentum has posted the Additional Cash Collateral with Norton Rose.

10. Pursuant to the terms of the Forbearance Agreement, the Monitor has provided TD with the Company's weekly cash flow reporting.
11. The Company has also continued to make scheduled debt service payments to TD from advances under the DIP Facility.
12. During these CCAA proceedings, the Monitor has provided TD with routine updates regarding the status of the Company's negotiations with UPS and information on the proposed Sale Process, as well as cash flow reporting.

3.0 UPS Update

1. Immediately following the Filing Date, the Company contacted UPS to continue discussions concerning the UPS Contract which were ongoing at that time. The Company advised UPS that the Company was facing a liquidity crisis that necessitated the CCAA filing and that absent amendments to the financial terms of the UPS Contract, the Company would not be able to continue to service the UPS Contract. UPS was also advised that Momentum was funding the Company's business and was not prepared to continue to fund the Company's losses beyond the April 26, 2024 stay extension date. The Monitor also contacted UPS and its external counsel to impress the urgency of the situation.
2. As discussed in the Second Report, the Company provided UPS with several proposals for an amended contract which UPS advised were not acceptable to UPS. UPS has also provided proposals to the Company, but those proposals were not acceptable to the Company. Also, as discussed in the Second Report, the Company planned to use the stay extension period through May 31, 2024 to develop a contingency plan which would include the sale of its assets and/or its business and that the proposed sale process would be discussed with TD. As noted in the Second Report, the Company's intention was to seek approval of a sale process prior to the end of the May 31, 2024 stay extension period.
3. As of the date of this Report, no agreement has been reached with respect to a long-term arrangement between the Company and UPS; however, there is an ongoing dialogue between UPS and the Company. In this regard, as of the date of this Report, the Company and UPS are in advanced discussions concerning a short-term arrangement pursuant to which the Company is prepared to continue to operate on a reduced basis until July 31, 2024, which could be extended if the Company and UPS can negotiate acceptable terms. The Company's ability to perform the UPS Contract is also contingent on its ability to retain the required personnel, including a sufficient number of pilots. An update concerning this issue will be provided to the Court on the return of this motion.
4. The Company has advised the Monitor that it remains open to further discussions with UPS concerning a new contract.

4.0 Cash Flow

1. A comparison of the Company's actual cash flow for the period April 20 to May 17, 2024 (the "**Forecast Period**") to the cash flow forecast provided in the Second Report is provided below.

(unaudited; \$)	Forecast	Actual	Variance
Receipts			
UPS revenues	1,916,231	2,029,226	112,995
GST/HST/QST refunds	-	10,090	10,090
	<u>1,916,231</u>	<u>2,039,316</u>	<u>123,085</u>
Disbursements			
Payroll	512,475	458,772	(53,703)
Capital expenditures	77,520	78,569	1,049
Leases	125,713	125,713	-
Insurance	-	-	-
Maintenance	228,515	221,902	(6,614)
Aircraft operating expenses	683,835	643,614	(40,221)
Other general expenses	41,179	40,920	(259)
GST/HST/QST on expenditures	145,650	113,130	(32,520)
TD Loan - principal repayment	244,830	244,830	-
TD Loan – interest	101,301	135,504	34,203
	<u>2,161,018</u>	<u>2,062,954</u>	<u>(98,064)</u>
Net cash flow before the undernoted	(244,787)	(23,638)	221,149
Professional fees	425,000	158,410	(266,590)
Net Cash Flow	<u>(669,787)</u>	<u>(182,048)</u>	<u>487,739</u>
Opening Cash Balance	359,023	359,023	-
Net Cash Flow	(669,787)	(182,048)	487,739
DIP Financing	500,000	300,000	(200,000)
Ending Cash Balance	<u>189,236</u>	<u>476,975</u>	<u>287,739</u>

2. As reflected above, as of May 17, 2024, the Company borrowed \$300,000 during the Forecast Period versus forecasted borrowings of \$500,000. Since the commencement of these proceedings, borrowings under the DIP Facility have totalled \$1.8 million compared to the forecasted borrowings of \$2 million. The variances generally relate to revenue slightly exceeding the forecast, while expenses, including professional fees, have been less than the forecast, as discussed below:

- UPS revenues: due to lower than expected route cancellations.
- Payroll: due to the termination of certain members of the senior management team early in these proceedings.
- Aircraft operating expenses: due to a lower than projected sub-charter costs resulting from less than forecasted aircraft maintenance.
- Professional fees: the involvement of Norton Rose, the Monitor and Cassels has been less than projected, resulting in lower than projected fees and costs.

4.1 Updated Cash Flow Forecast

1. The Company, with the assistance of the Monitor, has prepared the Updated Cash Flow Forecast. The Updated Cash Flow Forecast is provided in Appendix "B". The Company's and the Monitor's statutory reports on the Updated Cash Flow Forecast are attached as Appendices "C" and "D", respectively.

2. Based on the Monitor's review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable.
3. The Updated Cash Flow Forecast reflects that the Company is projected to require advances of \$1.2 million under the DIP Facility during the Updated Cash Flow Forecast period. As the authorized borrowing under the DIP Facility is \$2.5 million, the Company is seeking an increase in the DIP Facility from \$2.5 million to \$3 million and corresponding increase in the DIP Lender's Charge.
4. The Monitor understands that the DIP Lender is prepared to fund the Company and these proceedings in accordance with the Updated Cash Flow Forecast, subject to: (a) the Court's approval of an increase in the permitted borrowings under the DIP Facility to \$3 million; (b) the Court's approval of a corresponding increase in the DIP Lender's Charge; and (c) the Company remaining in compliance with the terms and conditions of the Amended DIP Term Sheet, a copy of which is appended to the Third Dennhardt Affidavit.
5. The only material change to the Amended DIP Term sheet from the original DIP Term Sheet is the increase in the amount of the permitted borrowings.

4.2 DIP Facility Recommendation

1. For the following reasons, the Monitor recommends that the Court issue an order approving the increase in the amount of the permitted borrowings under the DIP Facility and the Amended DIP Term Sheet:
 - a) the Company is projected to require the increase in the permitted borrowings to fund its business and operations during the Stay Extension Period;
 - b) without the cash to be provided under the DIP Facility, the Company may not have sufficient cash flow to continue operating and carry out the Sale Process;
 - c) as set out in the Pre-Filing Report, KSV has compared the terms of the DIP Facility to other interim financing facilities approved by Canadian courts in recent CCAA proceedings. The comparison was appended to the Pre-Filing Report. The cost of the proposed DIP Facility is within the range of similar facilities recently approved by the Court and other Canadian courts in CCAA and other restructuring proceedings;
 - d) the DIP Facility ranks subordinate to TD's security interest, which is a requirement of TD;
 - e) the Monitor believes it is unlikely that any other lender would provide DIP funding on a subordinated basis to TD;
 - f) TD does not oppose the proposed increase in the DIP Facility and corresponding DIP Lender's Charge; and
 - g) there are no structuring, facility, standby or other fees being charged by the DIP Lender under the DIP Facility.

5.0 Sale Process

1. The purpose of the Sale Process is to market the Company’s assets and business for sale, including the Fleet, parts inventory and the AOC.
2. The Agent is an experienced sales agent and broker of aircraft and is well known in the aviation industry, including to the Company and Momentum. Background information concerning the Agent is included as Appendix “E”.
3. Subject to Court-approval, the Company engaged the Agent pursuant to an engagement letter dated May 23, 2024 (the “**Pollock Engagement Letter**”). A copy of the Pollock Engagement Letter is included as Appendix “F”.
4. Pursuant to the Pollock Engagement Letter, the Agent is to receive a 2% commission on the sale of any assets subject to the Sale Process, plus HST and disbursements.
5. The Sale Process has been developed based on consultation among the Agent, the Company and the Monitor. TD has also been provided the Sale Process and a copy of the Pollock Engagement Letter.

5.1 Sale Process

1. The Sale Process provides that the Fleet will be marketed for sale on a one-off or en-bloc basis without a specific bid deadline. The Agent is of the view that certain of the aircraft will be sold quickly, while some aircraft may require several months to complete a sale.
2. The Company intends to maintain, to the extent possible, the personnel required to maintain, service and preserve the value of the Fleet and the parts inventory, while also securing and safeguarding the books and records related to the Fleet, which is critical to preserve value.
3. The Sale Process is set out in the table below².

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Retention of Agent	<ul style="list-style-type: none"> • Company to retain the Agent to conduct the Sale Process for the Fleet, which will be marketed and sold on an en bloc, bulk or individual aircraft basis. • Agent will also market the AOC and aircraft inventory owned by the Company. 	Complete, subject to Court approval.
Marketing	<ul style="list-style-type: none"> • Agent, with input from the Company and the Monitor, to prepare a list of potentially interested buyers. • Agent to prepare marketing material concerning the opportunity, including an Information Memorandum (the Information Memorandum) detailing the aircraft available for sale and details of each aircraft. The Agent will market the opportunity on its website, in publications such as Jetnet, Amstat, Global Air, Planefax, MyAirtrade and Wingslist among other publications and sites suitable to 	<p>Approximately 4 weeks to prepare marketing materials and buyer’s list.</p> <p>Data room will be prepared during</p>

² The description of the Sale Process below is slightly different than the one appended to the Engagement Letter. The Sale Process in this section is the prevailing process.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
	<p>this type of aircraft. Agent will contact an established base of clients operating these aircraft and draw on extensive network of brokers and dealers specializing in these aircraft.</p> <ul style="list-style-type: none"> • Agent, with the assistance of the Company, to establish a data room, with key information for each aircraft. 	the pre-marketing period.
Prospect Identification	<ul style="list-style-type: none"> • Interested buyers will execute a confidentiality agreement (“CA”) in order to be provided access to the Company’s confidential information, to the extent relevant, in the discretion of the Monitor. 	
Diligence	<ul style="list-style-type: none"> • Interested buyers shall be provided copies of the Information Memorandum and access to non-confidential information in the data room. • Interested parties wanting access to information determined to be confidential by the Company or the Monitor (such as employee information or historical financial information), will only be provided to parties who sign a CA. • Interested parties may be permitted to take aircraft for test flights. 	
Offers	<ul style="list-style-type: none"> • Offers may be received and considered at any time. • To be a qualified offer, it must include the following (a “Qualified Offer”): <ul style="list-style-type: none"> – identify which Aircraft are included in the offer for purchase; – indicate the consideration payable for the Aircraft; – include a 15% deposit to the Monitor to be held in trust within 24 hours of being notified that its offer is accepted; – not be conditioned on: (i) the outcome of any further due diligence; or (ii) financing; – indicate the estimated closing date; – provide sufficient financial information to determine that the buyer has the ability to satisfy and perform any liabilities or obligations assumed pursuant to the Qualified Offer; – provide that the Qualified Offer shall remain irrevocable for 45 days; – include acknowledgements and representations that confirm that the transaction is on an “as is, where is” basis; the bidder has had an opportunity to conduct any and all due diligence necessary prior to entering into the Qualified Offer and has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the property in making its bid; and it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the completeness of any information provided in connection therewith, except as expressly stated in the executed Qualified Offer; and – include any other terms or conditions the bidder believes are material to the transaction. 	

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Offer Review	<ul style="list-style-type: none"> • Upon receipt of any offer, the Agent, the Company and the Monitor shall review such offer to determine whether such offer constitutes a Qualified Offer. • The Monitor and Company shall consult with TD with respect to any offers received. • Provide TD with copies of any offers within 48 hours of receipt. 	
Sale Approval	<ul style="list-style-type: none"> • Upon acceptance of one or more Qualified Offers, the Company shall seek Court-approval of such transactions. 	

4. Additional terms of the Sale Process include:

- a) the Agent, Company and the Monitor shall not be required to accept Qualified Offers and shall be entitled to seek further clarification or further negotiation of any offer received;
- b) if multiple Qualified Offers are received for the same Aircraft, the Agent, Company and the Monitor may establish further bidding procedures, including to hold an auction; and
- c) the Agent, with the consent of the Monitor and the Company, shall be entitled to waive strict compliance with any of the terms of the Sale Process provided that any material variation shall require further approval of the Court.

5.2 Recommendation

1. The Monitor recommends that the Court issue an order approving the Sale Process and the retention of the Agent pursuant to the Engagement Letter for the following reasons:
 - a) the Agent is an experienced aircraft sales agent and broker, and is well known to the Company and Momentum;
 - b) the Sale Process is a fair, open and transparent process and is intended to canvass the market broadly to obtain the highest and best price for the Company's assets, and therefore maximize value for the Company's creditors;
 - c) the Sale Process is flexible and provides the Company with the timelines, procedures and discretion that it believes are necessary to maximize value;
 - d) the Sale Process will be carried out contemporaneously while the Company continues to provide services to UPS and will provide the Company additional time to determine whether a long-term arrangement can be agreed with UPS;
 - e) the Agent's fee is success-based and is to be paid on the sale of any of the assets subject to the Sale Process. The amount of the fee (2%) is reasonable considering the time, cost and effort that will be required to sell the assets. It is also reasonable when considering the fees of other types of sales agents normally retained by debtor companies in insolvency proceedings, including liquidators, realtors and investment bankers;

- f) TD, the Company's only secured creditor, does not oppose the Sale Process;
- g) Momentum, as the guarantor of the TD debt and the DIP Lender, consents to the Sale Process; and
- h) the Monitor is of the view that no party will be prejudiced by the Sale Process.

6.0 Company's Activities

1. The Company's activities since the Second Report have included:
 - a) operating its business, subject to the terms of the ARIO, in the ordinary course;
 - b) communicating with employees and other stakeholders regarding these proceedings and dealing with all human resource matters;
 - c) corresponding extensively with UPS in the context of its daily operations and the negotiation of the UPS Contract;
 - d) corresponding with Norton Rose and the Monitor regarding UPS, critical vendors, the Sale Process, and other issues;
 - e) corresponding with the Agent regarding the proposed Sale Process;
 - f) communicating with suppliers to secure goods and services during these proceedings and to address payment terms;
 - g) considering cost-saving initiatives;
 - h) reviewing the Company's cash flow forecast and comparing actual results to projected results;
 - i) reporting weekly on its financial performance during these proceedings;
 - j) preparing the Updated Cash Flow Forecast.

7.0 Monitor's Activities

1. Since the date of the Second Report, the Monitor has been, among other things:
 - a) meeting and corresponding regularly with the Company's management team regarding operating issues and CCAA matters;
 - b) monitoring the Company's receipts and disbursements and attending weekly calls with the Company regarding same;
 - c) reviewing the Company's weekly cash flow reporting;
 - d) engaging with Cassels concerning TD, UPS, the Sale Process and this motion;
 - e) corresponding with UPS and its external counsel;
 - f) dealing with Norton Rose regarding all aspects of these proceedings, including UPS, TD and the Sale Process;

- g) considering the Sale Process and the retention of the Agent;
- h) assisting the Company to deal with key suppliers;
- i) reviewing and commenting on the Company's materials to be filed in support of the relief sought at this motion; and
- j) preparing this Report.

8.0 Professional Fees

1. The Monitor's fees (excluding disbursements and HST) from February 15 to April 30, 2024 total approximately \$110,325.
2. Cassels' fees (excluding disbursements and HST) from February 28 to April 30, 2024 total approximately \$67,187.
3. The average hourly rates for the Monitor and Cassels for the referenced billing periods were \$696.50 and \$748.18, respectively.
4. Detailed invoices in respect of the fees and disbursements of the Monitor and Cassels are provided as exhibits to the affidavits (the "Fee Affidavits") sworn by representatives of the Monitor and Cassels, attached as Appendices "G" and "H", respectively.
5. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by law firms practicing corporate insolvency and restructuring in the Toronto market, and that the overall fees charged by Cassels and the Monitor are validly incurred in accordance with the provisions of the Orders in this CCAA proceeding and are reasonable and appropriate in the circumstances.

9.0 Stay Extension

1. The stay of proceedings currently expires on May 31, 2024. The Company is requesting an extension of the stay of proceedings to July 30, 2024.
2. The Monitor supports the request for an extension of the stay of proceedings for the following reasons:
 - a) the Company is acting in good faith and with due diligence;
 - b) the Updated Cash Flow Forecast reflects that the Company is projected to have sufficient liquidity to fund its post-filing obligations;
 - c) it will provide the Company the opportunity to carry out the Sale Process and provide it with additional time to consider whether there is a workable long-term business model for the UPS Contract while concurrently implementing the proposed Sale Process and winding down its business, if necessary;
 - d) TD does not oppose the stay extension and Momentum supports it;

- e) the Monitor believes that the extension is in the best interest of the Company's stakeholders and that no stakeholder will be prejudiced by extending the stay of proceedings; and
- f) as of the date of this Report, neither the Company nor the Monitor is aware of any party opposed to an extension of the stay of proceedings.

10.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that this Honourable Court make an Order granting the relief detailed in Section 1.1(1) (f) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS MONITOR IN THE CCAA PROCEEDINGS OF
SKYLINK EXPRESS INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “C”

AIRCRAFT PURCHASE AGREEMENT

dated as of July 12, 2024

between

SKYLINK EXPRESS INC.,

as Seller,

and

RANDIGO LLC

as Purchaser,

concerning one (1) Cessna Grand Caravan aircraft,
manufacturer's serial number 208B-0379
equipped with one (1) Pratt and Whitney Canada PT6A-114A engine
Canadian registration marks C-GEGA
(the Aircraft)

AIRCRAFT PURCHASE AGREEMENT

This **AIRCRAFT PURCHASE AGREEMENT** (this **Agreement**) is made and entered into as of July 12, 2024 (the **Effective Date**), by and between Skylink Express Inc. (**Seller**), a corporation existing under the laws of Ontario, having its registered address at 55 Clair West, Suite 210, Toronto, Ontario, Canada, and Randigo LLC (**Purchaser**), a corporation existing under the laws of Delaware, United States with its place of business at 3200 Kirkwood hwy #1039, Wilmington DE 19808 United States.

WITNESSETH:

WHEREAS on March 11, 2024, Seller sought and obtained an initial order from the Ontario Superior Court of Justice (Commercial List) (the **Court**) commencing proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **CCAA** and the proceedings under the CCAA, the **CCAA Proceedings**). Pursuant to the Initial Order, KSV Restructuring Inc. has been appointed as the Monitor (the **Monitor**);

WHEREAS, Seller desires to sell the Aircraft to Purchaser, and Purchaser desires to purchase the Aircraft from Seller, upon the terms and subject to the conditions set forth herein and terms customary to CCAA transactions and subject to the Court's approval (as defined herein).

WHEREAS, the parties have executed the LOI (as defined herein), the Purchaser has paid the Deposit to the Escrow Agent and completed the Inspection (as defined in the LOI) of the Aircraft and is satisfied therewith and no Discrepancies (as defined in the LOI) were identified;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in Article 1 hereto.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, obligations and agreements herein contained, the parties, intending to be legally bound hereby, agree as follows:

1. - DEFINITIONS

The following terms shall have the following meanings for all purposes of this Agreement:

Aircraft means (i) that certain Cessna Grand Caravan airframe, manufacturer's serial number 208B-0379 (the **Airframe**), together with one (1) Pratt and Whitney Canada PT6A-114A engine, engine's serial number PC0687 (the **Engine**), (ii) all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories installed thereon or appurtenant thereto as set forth in the Aircraft Specification attached hereto as Exhibit A, and (iii) all Aircraft Documents.

Aircraft Documents means all documents and records relating to and/or required to be maintained with respect to the Aircraft, including, without limitation, all Airframe, Engines and accessory logbooks, manuals, weight and balance manuals, maintenance records, wiring diagrams, drawings and data in the possession of Seller.

Aircraft Protocol means official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on 16 November 2001 at a diplomatic conference held in Cape Town, as adopted by Canada and the province of Ontario, and as the same may be amended or modified from time to time.

Aircraft Specification means the Aircraft Specification attached hereto as Exhibit A, which are provided as information and without warranty or representation of exactitude from Seller whatsoever and are strictly subject to Purchaser's duty of diligent verification during Purchaser's Inspection of the Aircraft and Aircraft Documents.

Approval and Vesting Order means an order by the Court, approving and authorizing the transaction contemplated by this Agreement and vesting in Purchaser all the right, title and interest of the Seller in and to the Aircraft, free and clear from any Liens.

Bill of Sale means a Bill of Sale for the Aircraft in the form of Exhibit B attached hereto.

Business Day means any day of the year in which (i) banks are not authorized or required to close in Toronto, Ontario, and (ii) Transport Canada is open for filing documents.

Cape Town Convention means, collectively, the Convention and the Aircraft Protocol.

CCAA has the meaning ascribed to this term in the Recitals.

CCAA Proceedings has the meaning ascribed to this term in the Recitals.

Closing means the consummation of the purchase and sale transaction contemplated by this Agreement, as described in Section 3.5.

Closing Date means the date the Closing occurs.

Convention means the official English language text of the Convention on International Interests in Mobile Equipment, adopted on 16 November 2001 at a diplomatic conference held in Cape Town, South Africa, as adopted by Canada and the province of Ontario and as may be amended or modified from time to time.

Court has the meaning ascribed to this term in the Recitals.

Court's Approval means the Court shall have issued the Approval and Vesting Order.

Damage Election has the meaning ascribed to this term in Section 7.1.2.

Delivery Location means Seller's designated facility at Vancouver International Airport (C-YVR) unless otherwise agreed in writing by the parties.

Delivery Receipt means an Aircraft Delivery Receipt in the form of Exhibit C attached hereto.

Deposit means the total amount of [REDACTED] held by the Escrow Agent and includes any interest earned thereon from time to time while such amount is held by the Escrow Agent.

Escrow Agent means the Monitor.

Final Payment means the Purchase Price plus applicable taxes, including sales taxes, if applicable, minus the Deposit.

International Interest has the meaning given to it in the Convention.

International Registry means the International Registry of Mobile Assets located in Dublin, Ireland, established pursuant to the Cape Town Convention.

International Registry Procedures means the official English language text of the Procedures of the International Registry issued by the supervisory authority thereof pursuant to the Cape Town Convention.

International Registry Regulations means the official English language text of the Regulations of the International Registry issued by the supervisory authority thereof pursuant to the Cape Town Convention.

Lien means any lien, mortgage, security interest, lease, or encumbrance.

LOI means the Letter of Intent for the sale/purchase of the Aircraft dated June 24, 2024 entered into between the parties.

Monitor has the meaning ascribed to this term in the Recitals.

Monitor's Certificate has the meaning ascribed to this term in Section 3.5.6.

Purchase Price means the amount of [REDACTED]

2. - AGREEMENT TO BUY AND SELL

2.1. Agreement. For and in consideration of the Purchase Price, on the Closing Date, Seller shall sell and deliver the Aircraft to Purchaser, and Purchaser shall purchase and accept delivery of the Aircraft from Seller, on and subject to the terms and conditions set forth herein. Purchaser shall accept to purchase the Aircraft without any warranty whatsoever, express or implied, in an "as is where is" condition, at its sole risks and perils.

2.2. Deposit.

2.2.1. Upon execution of this Agreement, the Deposit, or any part thereof currently held by the Escrow Agent, becomes immediately non-refundable and shall be applied towards the Purchase Price, except as specifically provided in this Agreement.

2.2.2. The Deposit shall be applied to the Purchase Price at Closing and is considered non-refundable to Purchaser, except as otherwise specifically provided herein.

2.2.3. The Deposit shall be held by the Escrow Agent in an interest bearing account, interest bearing investment certificate or term deposit, with a Canadian Schedule I chartered bank pending completion of the transactions contemplated under this Agreement or earlier termination of this Agreement.

2.2.4. Except as expressly provided in this Agreement, if the transactions contemplated by this Agreement are not completed for any reason, without limiting any other rights or remedies available to the Seller under this Agreement or applicable law, the Deposit shall be forfeited to the Seller as liquidated damages, in full and final satisfaction of any and all losses that the Seller may sustain as a result thereof or otherwise pursuant to this Agreement.

2.2.5. The provisions of this Section 2.2 shall survive termination of this Agreement.

3. - CLOSING PROCEDURES

3.1. Final Payment. At least one (1) business day before the Closing Date, Purchaser shall deliver the Final Payment to the Escrow Agent by way of a wire transfer of immediately available funds to the account designated in writing by the Escrow Agent. The Escrow Agent shall confirm receipt of the Final Payment via email to Seller and Purchaser.

3.2. Pre-Closing Obligations. On or before the Closing Date, Seller shall, (i) deliver the Aircraft to the Delivery Location, and (ii) deliver or cause to be pre-delivered with the Escrow Agent:

3.2.1. An undated, but otherwise fully executed Bill of Sale conveying title from Seller to Purchaser;

3.2.2. A copy of the Approval and Vesting Order;

- 3.2.3. A copy of the International Registry's draft pre-registration report to discharge any Liens published on the International Registry and register the sale as contemplated in paragraph 7.17.4; and
- 3.2.4. Any other documentation from the Seller required to request the deregistration of the Aircraft from the register of civil aircraft maintained by Transport Canada.

3.3. Conditions Precedent to Seller's Obligations. Seller's obligation to sell and deliver the Aircraft to Purchaser on the Closing Date shall be subject to the following conditions precedent:

- 3.3.1. All of Purchaser's representations set forth in Section 4.2 shall be true and accurate as of the time of Closing;
- 3.3.2. Purchaser shall have delivered the Final Payment to the Escrow Agent in advance of the Final Payment deadline;
- 3.3.3. Purchaser shall have delivered to the Escrow Agent an executed but undated Aircraft Delivery Receipt along with or before the Final Payment;
- 3.3.4. the Court's Approval shall have been received; and
- 3.3.5. Purchaser shall have performed and complied with all the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.

3.4. Conditions Precedent to Purchaser's Obligations. Purchaser's obligation to purchase and accept delivery of the Aircraft from Seller on the Closing Date shall be subject to the following conditions precedent:

- 3.4.1. All of Seller's representations set forth in Section 4.1 shall be true and accurate as of the time of Closing;
- 3.4.2. Seller shall have delivered or caused to be delivered the items identified in Section 3.2 required to be delivered by it; and
- 3.4.3. the Court's Approval shall have been received; and
- 3.4.4. at the moment of Closing, Seller shall have performed and complied with all of the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.

3.5. Closing. Closing shall occur on the date that is five (5) Business Days following the Court's Approval, or such later date as may be agreed by the parties in writing. It is Purchaser's obligation to have all financing in place before Closing. The Closing is not conditional upon and will not be delayed due to financing issues. On the Closing Date, the parties shall perform the following actions which shall be coordinated via e-mail, in the order presented, and which collectively shall constitute the Closing:

- 3.5.1. Seller shall confirm to Purchaser and Escrow Agent that the conditions precedent to Seller's obligations as set forth in Section 3.4 have been satisfied or waived;
- 3.5.2. Purchaser shall confirm to Seller and Escrow Agent that the conditions precedent to Purchaser's obligations as set forth in Section 3.3 have been satisfied or waived;
- 3.5.3. The Escrow Agent shall date and release the Bill of Sale to Purchaser;

- 3.5.4. Seller shall tender the Aircraft to Purchaser at the Delivery Location;
- 3.5.5. Purchaser shall accept delivery of the Aircraft from Seller at the Delivery Location, and the Escrow Agent shall simultaneously deliver to Seller a fully executed and completed Delivery Receipt; and
- 3.5.6. The Monitor shall provide an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the **Monitor's Certificate**) confirming that all conditions to Closing have either been satisfied or waived by both the Purchaser and the Seller and that the sale transaction has been completed.

3.6. Post Closing Covenants. As soon as reasonably practical after Closing:

- 3.6.1. The Seller or the Escrow Agent shall file or cause to be filed any necessary mortgage/ Lien release documents to discharge any remaining Liens/International Interests on the Aircraft;
- 3.6.2. The Escrow Agent shall wire the Purchase Price plus applicable taxes, including sales taxes, if applicable, then held by the Escrow Agent less the payable commission, all in United States dollars currency, to Toronto-Dominion Bank (the **Lender**) in satisfaction of that amount of outstanding indebtedness payable by the Seller to the Lender or as may otherwise be agreed by the Seller, the Escrow Agent and the Lender in writing; and
- 3.6.3. The Escrow Agent or Seller shall file the request for the deregistration of the Aircraft from the register of civil aircraft maintained by Transport Canada and provide to the Purchaser a copy of the notice of deregistration from Transport Canada to the Federal Aviation Administration (**FAA**).

3.7. Purchaser Post Closing Covenants. Following Closing, Purchaser shall:

- 3.7.1. export the Aircraft from Canada as soon as is reasonable and, in any event, no later than 60 days following Closing;
- 3.7.2. not process, transform or alter the Aircraft in Canada prior to Purchaser exporting the Aircraft from Canada, except to the extent necessary or incidental to the transportation of the Aircraft to export the Aircraft from Canada; and.
- 3.7.3. provide to Seller within 90 days following Closing evidence of registration of the Aircraft with the United States FAA or other evidence of export of the Aircraft from Canada acceptable to the Seller, acting reasonably.

4. - REPRESENTATIONS AND WARRANTIES

4.1. Seller's Representations and Warranties. Seller hereby represents and warrants that, as of the date hereof, and as of the Closing:

- 4.1.1. Seller is duly formed, validly existing, and in good standing under the laws of Ontario having the capacity to sue and be sued in its own name, having full power, legal right and authority to carry on its business as currently conducted, and to execute, deliver and perform the provisions of this Agreement subject to the Court's Approval;
- 4.1.2. Subject to the Court's Approval, the execution, delivery, and performance by Seller of this Agreement, and the sale of the Aircraft, has been duly authorized by all necessary action on behalf of Seller and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Seller is a party; and

4.1.3. This Agreement constitutes the legal, valid and binding obligations of Seller and is enforceable against Seller in accordance with its terms subject only to obtaining the Court's Approval.

4.2. Purchaser's Representations and Warranties. Purchaser hereby represents and warrants that, as of the date hereof, and as of the Closing:

4.2.1. Purchaser is duly formed, validly existing, and in good standing under the laws of Delaware, having the capacity to sue and be sued in its own name, having full power, legal right and authority to carry on its business as currently conducted, and to execute, deliver and perform the provisions of this Agreement;

4.2.2. The execution, delivery, and performance by Purchaser of this Agreement, and the acquisition of the Aircraft, has been duly authorized by all necessary action on behalf of Purchaser and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Purchaser is a party;

4.2.3. This Agreement constitutes the legal, valid and binding obligations of Purchaser and is enforceable against Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting the enforceability of contractual obligations and creditors' rights generally and by the application of equitable principles by courts of competent jurisdiction, sitting at law or in equity; and

4.2.4. Purchaser is not a "consumer" for purposes of Part IX of the *Excise Tax Act* (Canada) (**ETA**) and is not acquiring the Aircraft for consumption, use or supply in Canada, within the meaning of the ETA, before exportation of the Aircraft by the Purchaser from Canada.

5. - DISCLAIMER

5.1. DISCLAIMER AND LIMITATION OF LIABILITY. THE AIRCRAFT AND EACH PART THEREOF IS BEING SOLD AND DELIVERED TO PURCHASER IN "**AS IS, WHERE IS, WITH ALL FAULTS**" CONDITION, WITHOUT ANY REPRESENTATION, WARRANTY OR GUARANTY OF ANY KIND BEING MADE OR GIVEN BY SELLER, ITS DIRECT AND INDIRECT SHAREHOLDERS, PARTNERS, DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES OR ATTORNEYS, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE AND SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT OR IN TORT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF TITLE NOR EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL NOT BE LIABLE OR RESPONSIBLE TO PURCHASER FOR ANY DEFECTS, EITHER PATENT OR LATENT IN THE AIRCRAFT OR FOR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTIES RESULTING THEREFROM OR FOR PURCHASER'S LOSS OF USE OF OR A DIMINUTION IN VALUE OF THE AIRCRAFT OR FOR ANY INTERRUPTION IN PURCHASER'S BUSINESS CAUSED BY PURCHASER'S INABILITY TO USE THE AIRCRAFT FOR ANY REASON WHATSOEVER.

5.2. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR LOST PROFITS, LOSS OF BUSINESS, LOSS OF USE OR ANY OTHER INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF OR RELATED TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DELAY IN CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND EACH PARTY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO SUCH DAMAGES.

6.

- TAXES

6.1. **Calculation of Taxes.** The parties acknowledge that sales taxes payable by the Purchaser are calculated on the Purchase Price as converted into Canadian dollars at the rate published by the Bank of Canada for the date of execution of the Bill of Sale.

6.2. **Taxes.** Purchaser shall pay Seller on demand and indemnify and hold Seller harmless from and against on an after-tax basis, any and all sales, use, value added, excise and other similar taxes (including excise-equivalent customs duty), and any taxes, fees, duties, interest, penalties, charges, invoices, claims and statements relating thereto, assessed (or reassessed), which may be imposed by any federal, state, county, local, foreign or other governmental authority (a "**Governmental Authority**") and Seller's reasonable expenses (including legal and advisor fees) incurred or relating thereto:

6.2.1. as a result of the sale, delivery or transfer of the Aircraft to Purchaser, or the ownership, possession, use or storage of the Aircraft on or after the Closing, except to the extent (i) imposed on or measured by Seller's income or (ii) related to a period (or portion thereof) ending prior to the Closing which are not a result of any action or omission of Purchaser; or

6.2.2. arising as a consequence of a breach by the Purchaser of a representation and warranty set out in Section 4.2.4, or failure to satisfy the covenant set out at Section 3.7.

In the event Seller receives written notice of any audit, claim, assessment or proposed assessment in respect of any such amounts for which Purchaser may be responsible under Section 6.2, Seller shall notify Purchaser within ten (10) Business Days thereof, and Purchaser shall reasonably cooperate with Seller in respect of the management and/or defense of any such audit, claim, assessment or proposed assessment. Without limiting the foregoing, a certificate of the Seller as to the amount payable, together with copies of the relevant assessment (or reassessment), shall be conclusive of such amount absent manifest error.

7.

- MISCELLANEOUS

7.1. **Risk of Loss, Damage or Destruction of Aircraft.**

7.1.1. **Risk of Loss.** Title to, and risk of loss, injury, destruction or damage to the Aircraft, shall pass from Seller to Purchaser at the time of Closing.

7.1.2. **Destruction or Damage.** Notwithstanding any contrary provision of this Agreement, if at any time prior to the Closing the Aircraft is destroyed, (i) the Escrow Agent shall confirm that the Inspection Facility has been paid in full for any work commissioned for Purchaser's expense, then shall refund the Deposit, immediately to Purchaser, and (ii) this Agreement shall terminate and be of no further force or effect and the parties shall have no further obligations or liabilities with respect to this Agreement except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination. In the event of any Material Damage to the Aircraft following the date of this Agreement and prior to Closing, Seller shall promptly notify Purchaser in writing of such damage and Purchaser shall, within ten (10) Business Days, notify Seller in writing (such notice, the **Damage Election**) whether it desires (i) that the Aircraft be repaired by Seller in anticipation of the Closing with costs to be agreed between the parties in writing or (ii) to terminate this Agreement. In the event that Purchaser elects to terminate this Agreement as a result of damage in accordance with this Section 7.1.2, Seller refuses to repair the damage, the parties cannot agree on costs for repairing any such damages or the Monitor refuses that the damage be repaired, at its sole discretion, (i) the Escrow Agent shall refund the Deposit (less any amounts owed by Purchaser) immediately to Purchaser, and (ii) this Agreement shall terminate and be of no further force or effect and neither party shall have any further obligations to the other arising out of this Agreement subject to any provisions that survive their termination

except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.

7.2. Default/Termination.

7.2.1. **Seller's Default.** This Agreement may be terminated by Purchaser in the event of a breach by Seller of any material provision of this Agreement (provided that Purchaser is in compliance with its material obligations under this Agreement), which breach is not cured within fifteen (15) Business Days following the delivery to Seller of written notice thereof from Purchaser or which breach by its nature cannot be cured prior to Closing. If Purchaser elects to terminate this Agreement under this Section 7.2.1, within two (2) Business Days following Purchaser's written demand for same, and as Purchaser's sole remedy hereunder, the Escrow Agent shall refund the Deposit to Purchaser, Seller shall reimburse Purchaser for its Inspection costs pursuant to this transaction and the parties shall have no further obligations or liabilities with respect to this Agreement except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.

7.2.2. **Purchaser's Default.** This Agreement may be terminated by Seller in the event of a breach by Purchaser of any material provision of this Agreement (provided that Seller is in compliance with its material obligations under this Agreement) which breach is not cured within seven (7) Business Days of the delivery to Purchaser of written notice thereof from Seller or which breach by its nature cannot be cured prior to Closing. If Seller elects to terminate this Agreement under this Section 7.2.2, without limiting any other rights or remedies available to the Seller under this Agreement or applicable law, Seller shall be entitled to be paid the Deposit as liquidated damages, and the Escrow Agent shall pay the Deposit to Seller within two (2) Business Days of written demand by Seller, and this Agreement shall be of no further force or effect except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.

7.3. **Force Majeure.** The term **Force Majeure** means any cause beyond a party's reasonable control that prevents a party from meeting its obligations under this Agreement, including, but not limited to, acts of God or the public enemy, acts of terrorism, war or other outbreak of hostilities, civil commotion, strikes, lockouts, and labor disputes (but excludes events described in Section 7.1.2 above, the remedies for which are described therein). A party shall promptly notify the other party that it will be unable to perform its obligations hereunder, other than payment obligations, due to a Force Majeure. In such event, the time for such party's performance shall be extended for the pendency of such event, provided, however, that should such non-performance extend beyond thirty (30) days, the unaffected party may at its option terminate this Agreement upon written notice to the other party. In such event, the Escrow Agent shall remit the balance of the Deposit to Purchaser. Thereafter, neither party shall have any obligation or liability to the other with respect to the subject matter of this Agreement subject to any provisions that survive their termination. Notwithstanding the foregoing, Force Majeure shall not excuse the failure to make timely payment pursuant to this Agreement.

7.4. **Amendments.** The provisions of this Agreement may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by both parties hereto.

7.5. **Severability.** Any provision of this Agreement that may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.6. **Assignment.** This Agreement may not be assigned by any party without the prior written consent of the other party. In the case of an authorized assignment, the assignor shall remain primarily

obligated for its assignee's payment and performance of assignor's obligations hereunder, including warranting title to the Aircraft (if applicable). Any assignment of this Agreement by Purchaser shall include an express assignment of the Deposit.

- 7.7. Successor and Assigns.** This Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.
- 7.8. Headings and References.** The division of this Agreement into Sections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 7.9. Notices.** All communications, declarations, demands, consents, directions, approvals, instructions, requests and notices required or permitted by this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered personally or transmitted electronically by email, facsimile, receipt acknowledged, or in the case of documented overnight delivery service or registered or certified mail, return receipt requested, delivery charge or postage prepaid, on the date shown on the receipt therefor, in each case at the address set forth below:

If to Seller: Skylink Express Inc.
55 Clair West, Suite 210,
Toronto, Ontario, Canada

Attention: David Atkins, President/COO
E-mail: datkins@skylinkexpress.com

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 2000
PO Box 53, Toronto, Ontario M5K 1E7

Attention: Eric Reither and Jennifer Stam
Email: eric.reither@nortonrosefulbright.com
and Jennifer.stam@nortonrosefulbright.com

If to Purchaser: Randigo LLC
3200 Kirkwood hwy #1093
Wilmington DE 19808 United States

Attention: Paul Rossouw
Email: paul@revolutionflight.com

If to Monitor/Escrow Agent:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20,
Toronto, Ontario, M5J 2W4

Attention: Bobby Kofman
Email: bkofman@ksvadvisory.com

- 7.10. Non-Waiver.** Any failure at any time of either party to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice the right of such party to enforce such provision at any subsequent time.
- 7.11. Entire Agreement.** The parties agree that the terms and conditions of this Agreement (and the confidentiality provisions of the LOI) constitute the entire agreement between the parties with

respect to the subject matter hereof. This Agreement supersedes all prior agreements between the parties, express or implied. To the extent of any conflict between the terms of this Agreement and the terms of any other invoice or other standard form document delivered by the parties under this Agreement, the terms of this Agreement shall govern.

- 7.12. Transaction Costs and Expenses.** Except as otherwise set forth herein, each party to this Agreement shall bear its own transaction costs and expenses, including, without limitation, any brokers' commissions and/or attorneys' fees.
- 7.13. Survival.** The representations, warranties and certifications of the Seller and the Purchaser contained in this Agreement and in any documents to be delivered pursuant to this Agreement shall merge on Closing and not survive following Closing.
- 7.14. Further Assurances.** Each of the parties hereto covenants and agrees to execute such other and further documents relating to the matters set forth herein and to take or cause to be taken such other and further actions, as may be reasonably necessary or appropriate to carry out the purposes and intent of this Agreement, and to consummate the transactions contemplated hereby.
- 7.15. Governing Law/Jurisdiction.** This Agreement is deemed to have been concluded in Toronto, Ontario, Canada and is governed by the laws of Ontario and those of Canada applicable therein, without regard to conflict of law provisions.
- 7.16. Submission to Jurisdiction.** Each of the parties irrevocably and unconditionally submits and attorns to the exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by applicable Law, each of the parties:
- 7.16.1. irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province, or that the subject matter of this Agreement may not be enforced in those courts; and
- 7.16.2. irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 8.21, of the substantive merits of any suit, action or proceeding.
- 7.17. Cape Town Convention**
- 7.17.1. Prior to Closing, Seller shall, and Purchaser shall, become a "transacting user entity" with the International Registry. Each party shall bear their own expense in doing so.
- 7.17.2. Seller and Purchaser shall provide to each other, as a condition precedent to Closing, evidence that they have been approved by the International Registry as a "transacting user entity" and have duly registered with, are authorized to make filings with and have received all approvals from the International Registry, and have appointed an "administrator" (as such term is defined and used in the International Registry Procedures and International Registry Regulations).
- 7.17.3. Seller shall and Purchaser shall, as a condition precedent to Closing, authorize Norton Rose Fulbright Canada LLP to act as, and shall designate Norton Rose Fulbright Canada LLP or another mutually agreed party as, their "professional user entity" (as such term is defined and used in the International Registry Procedures and International Registry Regulations) to effect, amend, discharge and consent to registrations with respect to the Airframe and the Engines on their behalf. No party shall revoke such authorization until after the earlier to occur of (i) the discharge of any International Interests and registration of a Contract of Sale of the Airframe and Engines with the International Registry following

the release of the Bill of Sale conveying the Aircraft to Purchaser (**Transfer of Title**) or (ii) termination of this Agreement in accordance with its terms. Neither Purchaser, nor anyone claiming by or through Purchaser, shall effect or cause to effect a prospective International Interest on the Airframe or the Engines. Should any such registration(s) be made, such shall be a material breach of this Agreement and Purchaser shall take all necessary actions to discharge or cause to discharge such registration(s).

- 7.17.4. Seller and Purchaser shall cause Norton Rose Fulbright Canada LLP, as a professional user entity, to register a Contract of Sale of the Airframe and Engines with the International Registry immediately after Transfer of Title. Seller and Purchaser each hereby expressly consents to the registration of the International Interest arising from the Contract of Sale with respect to the Airframe and the Engines.
- 7.18. **Agreement Negotiated.** The parties to this Agreement are sophisticated and have been represented or had the opportunity to be represented in connection with the negotiation and performance of this Agreement. The parties agree that no presumptions relating to the interpretation of contracts against the drafter of any particular clause should or may be applied in this case and, therefore, waive their effects.
- 7.19. **Confidentiality.** The terms and conditions of this Agreement, and all writings, discussions, and negotiations in connection with the transaction contemplated by this Agreement (including, without limitation, the fact that discussions and negotiations have been conducted by the parties), shall remain strictly confidential and shall not be disclosed by either party, without the prior written consent of the other party, except that each party shall be entitled to disclose the terms and conditions of this Agreement (i) as may be required by law or legal process; (ii) to such party's attorneys, accountants, consultants, lenders, and other advisors performing services for such party with respect to or affected by the transaction contemplated by this Agreement including Escrow Agent and Inspection Facility and their personnel; (iii) to each party's employees with a need to know; (iv) as may be required to permit such party to pursue all available remedies for breach of this Agreement by the other party; (v) to any entity that may provide financing to Purchaser in connection with the acquisition of the Aircraft; and (vi) in connection with the CCAA Proceedings. For greater certainty, the Purchaser acknowledges that this the transaction shall be subject to approval by the Court and the Seller shall be entitled to disclose whatever terms of this Aircraft Purchase Agreement are required in order to seek such approval.
- 7.20. **Payment and Currency.** Any money to be advanced, paid or tendered by one Party to another under this Agreement must be advanced, paid or tendered by bank draft, certified cheque or wire transfer of immediately available funds payable to the Person to whom the amount is due. Unless otherwise specified, the word "dollar" and the "\$" sign refer to United States currency, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in United States currency.
- 7.21. **Monitor's Certificate.** The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.
- 7.22. **Monitor's Capacity.** In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in the CCAA Proceedings, the Seller and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Seller and not in its personal

capacity, will have no liability, in its personal capacity or otherwise, in connection with this Agreement or the transactions contemplated herein whatsoever as Monitor.

- 7.23. Language.** The Parties confirm their express wish that this Agreement and all related documents be drafted in the English language. Les Parties confirment leur volonté expresse que la présente convention et tous les documents s'y rattachant soient rédigés en langue anglaise.
- 7.24. Counterparts.** This Agreement may be fully executed in two or more counterparts by each of the parties hereto, such counterparts together constituting but one and the same instrument. Such counterparts may be exchanged via facsimile or other electronic transmission.

[Remainder of this page intentionally left blank. Signature Page follows.]

IN WITNESS WHEREOF, the undersigned parties have caused this Aircraft Purchase Agreement to be executed, delivered and effective as of the date first above written.

SKYLINK EXPRESS INC.

By: 

Printed Name: DAVID ATKINS

Title: PRESIDENT / COO

RANDIGO LLC

By: _____

Printed Name: _____

Title: _____

IN WITNESS WHEREOF, the undersigned parties have caused this Aircraft Purchase Agreement to be executed, delivered and effective as of the date first above written.


SKYLINK EXPRESS INC.

By: _____

Printed Name: _____

Title: _____

RANDIGO LLC

By:  _____

Printed Name: Paul Rossouw _____

Title: Member _____

EXHIBIT A

AIRCRAFT SPECIFICATION

These Aircraft Specifications are provided as information only, without any warranty or representation of exactitude from Seller whatsoever and are strictly subject to Purchaser's duty of diligent verification during Purchaser's Inspection of the Aircraft and Aircraft Documents.

Airframe:

Information as of: April 30, 2024
Year of Manufacture: 1993
Serial Number: 208B-0379
TTSN: 21,699.0
Landings: 31,701

Engine:

Pratt & Whitney: PT6A-114A ESN: PC0687
Operator TBO: 8000 hrs.
TSO: 6,889.9 hrs.
SHSI: 657.8 hrs.

Propeller:

McCauley: 3GFR34C703-B Prop S/N: 180555
Operator TBO: 4000 hrs or 6 years.
TSPOH: 1602.2 hrs.
O/H Due: Oct. 7, 2025

Avionics

KFC-150 Autopilot	KRA-10A RadAlt	KMA-24H Audio
Dual KX-165 Nav/Coms	KR-87 ADF	KT-70 Transponder
KN-63 DME	RDS 81 Radar	KLN-89 GPS

Equipment

Garmin USB charger Cargo Pod De-Ice

Interior

Currently in Cargo Configuration

Exterior

Blue and White

Notes

Aircraft based at Vancouver, British Columbia, Canada (CYVR)

EXHIBIT B

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, for \$10.00 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Skylink Express Inc. (**Seller**), an Ontario corporation, hereby grants, conveys, transfers, delivers and sets over all right, title and interest in and to the Aircraft and the Aircraft Documents unto Randigo LLC (**Purchaser**), a Delaware (United States) corporation, and unto Purchaser's successors and assigns forever, the following tangible personal property.

1. that certain one (1) Cessna Grand Caravan aircraft, manufacturer's serial number 208B-0379 (the **Airframe**) equipped with one (1) Pratt and Whitney Canada PT6-114A engine, engine's serial number PC0687 (the **Engine**) and all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories and tool kits installed thereon or appurtenant thereto (collectively, the **Aircraft**); and
2. all documents and records relating to or required to be maintained with respect to the Aircraft, including, without limitation, all Airframe, Engines and accessory logbooks, manuals, weight and balance manuals, tags, technical records, traceability records, task cards, information, overhaul records, maintenance records, wiring diagrams, drawings, data, completion manuals and any and all other records related to the Aircraft and delivered with the Aircraft and in the possession of Seller (collectively, the **Aircraft Documents**).

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Bill of Sale to be executed, delivered and effective as of this ____ day of _____, 2024.

SKYLINK EXPRESS INC.

By: _____

Printed Name: _____

Title: _____

EXHIBIT C

AIRCRAFT DELIVERY RECEIPT

RANDIGO LLC (**Purchaser**) hereby acknowledges delivery and acceptance of that certain one (1) Cessna Grand Caravan aircraft, manufacturer's serial number 208B-0379 (the **Airframe**) equipped with one (1) Pratt and Whitney Canada PT6A-114A engine, engine's serial number PC0687 (the **Engine**) and all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories and tool kits installed thereon or appurtenant thereto (collectively, the **Aircraft**) from Skylink Express inc. (**Seller**), at _____ o'clock (am / pm) local time on the ____ day of _____, 2024, at the Delivery Location, pursuant to the terms and conditions of the Aircraft Purchase Agreement dated as of July _____, 2024, between Purchaser and Seller (the **Agreement**). Purchaser hereby acknowledges that the Aircraft satisfies all the requirements, terms and conditions of the Purchase Agreement. By reason of the execution and delivery by Purchaser of this Aircraft Delivery Receipt, it is conclusively stated that (i) Purchaser has approved and accepted the Aircraft and the Aircraft Documents (as defined in the Agreement) "**as is**" in its then-current technical condition and state of repair, with all faults, limitations and defects (whether hidden or apparent), regardless of cause; and (ii) Seller has not made, with respect to the title and condition of the Aircraft, any representation, warranty or guaranty of any kind, express or implied, whether arising in law, in equity, in contract, or in tort, including, without limitation, any implied warranty of merchantability, airworthiness, design, condition, or fitness for a particular use.

TOTAL TIME AIRFRAME: _____ hours / _____ cycles

TOTAL TIME ENGINES:

Engine _____: _____ hours

Purchaser:

RANDIGO LLC

By: _____

Name:

Title:

Appendix “D”

AIRCRAFT PURCHASE AGREEMENT

dated as of July 12, 2024

between

SKYLINK EXPRESS INC.,

as Seller,

and

RANDIGO LLC

as Purchaser,

concerning one (1) Cessna Grand Caravan aircraft,
manufacturer's serial number 208B-0350
equipped with one (1) Pratt and Whitney Canada PT6A-114A engine
Canadian registration marks C-GLGA
(the Aircraft)

AIRCRAFT PURCHASE AGREEMENT

This **AIRCRAFT PURCHASE AGREEMENT** (this **Agreement**) is made and entered into as of July 12, 2024 (the **Effective Date**), by and between Skylink Express Inc. (**Seller**), a corporation existing under the laws of Ontario, having its registered address at 55 Clair West, Suite 210, Toronto, Ontario, Canada, and Randigo LLC (**Purchaser**), a corporation existing under the laws of Delaware, United States with its place of business at 3200 Kirkwood hwy #1039, Wilmington DE 19808 United States.

WITNESSETH:

WHEREAS on March 11, 2024, Seller sought and obtained an initial order from the Ontario Superior Court of Justice (Commercial List) (the **Court**) commencing proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **CCAA** and the proceedings under the CCAA, the **CCAA Proceedings**). Pursuant to the Initial Order, KSV Restructuring Inc. has been appointed as the Monitor (the **Monitor**);

WHEREAS, Seller desires to sell the Aircraft to Purchaser, and Purchaser desires to purchase the Aircraft from Seller, upon the terms and subject to the conditions set forth herein and terms customary to CCAA transactions and subject to the Court's approval (as defined herein).

WHEREAS, the parties have executed the LOI (as defined herein), the Purchaser has paid the Deposit to the Escrow Agent and completed the Inspection (as defined in the LOI) of the Aircraft and is satisfied therewith and no Discrepancies (as defined in the LOI) were identified;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in Article 1 hereto.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, obligations and agreements herein contained, the parties, intending to be legally bound hereby, agree as follows:

1. - DEFINITIONS

The following terms shall have the following meanings for all purposes of this Agreement:

Aircraft means (i) that certain Cessna Grand Caravan airframe, manufacturer's serial number 208B-0350 (the **Airframe**), together with one (1) Pratt and Whitney Canada PT6A-114A engine, engine's serial number 17025 (the **Engine**), (ii) all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories installed thereon or appurtenant thereto as set forth in the Aircraft Specification attached hereto as Exhibit A, and (iii) all Aircraft Documents.

Aircraft Documents means all documents and records relating to and/or required to be maintained with respect to the Aircraft, including, without limitation, all Airframe, Engines and accessory logbooks, manuals, weight and balance manuals, maintenance records, wiring diagrams, drawings and data in the possession of Seller.

Aircraft Protocol means official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on 16 November 2001 at a diplomatic conference held in Cape Town, as adopted by Canada and the province of Ontario, and as the same may be amended or modified from time to time.

Aircraft Specification means the Aircraft Specification attached hereto as Exhibit A, which are provided as information and without warranty or representation of exactitude from Seller whatsoever and are strictly subject to Purchaser's duty of diligent verification during Purchaser's Inspection of the Aircraft and Aircraft Documents.

Approval and Vesting Order means an order by the Court, approving and authorizing the transaction contemplated by this Agreement and vesting in Purchaser all the right, title and interest of the Seller in and to the Aircraft, free and clear from any Liens.

Bill of Sale means a Bill of Sale for the Aircraft in the form of Exhibit B attached hereto.

Business Day means any day of the year in which (i) banks are not authorized or required to close in Toronto, Ontario, and (ii) Transport Canada is open for filing documents.

Cape Town Convention means, collectively, the Convention and the Aircraft Protocol.

CCAA has the meaning ascribed to this term in the Recitals.

CCAA Proceedings has the meaning ascribed to this term in the Recitals.

Closing means the consummation of the purchase and sale transaction contemplated by this Agreement, as described in Section 3.5.

Closing Date means the date the Closing occurs.

Convention means the official English language text of the Convention on International Interests in Mobile Equipment, adopted on 16 November 2001 at a diplomatic conference held in Cape Town, South Africa, as adopted by Canada and the province of Ontario and as may be amended or modified from time to time.

Court has the meaning ascribed to this term in the Recitals.

Court's Approval means the Court shall have issued the Approval and Vesting Order.

Damage Election has the meaning ascribed to this term in Section 7.1.2.

Delivery Location means Seller's designated facility at Vancouver International Airport (C-YVR) unless otherwise agreed in writing by the parties.

Delivery Receipt means an Aircraft Delivery Receipt in the form of Exhibit C attached hereto.

Deposit means the total amount of [REDACTED] held by the Escrow Agent and includes any interest earned thereon from time to time while such amount is held by the Escrow Agent.

Escrow Agent means the Monitor.

Final Payment means the Purchase Price plus applicable taxes, including sales taxes, if applicable, minus the Deposit.

International Interest has the meaning given to it in the Convention.

International Registry means the International Registry of Mobile Assets located in Dublin, Ireland, established pursuant to the Cape Town Convention.

International Registry Procedures means the official English language text of the Procedures of the International Registry issued by the supervisory authority thereof pursuant to the Cape Town Convention.

International Registry Regulations means the official English language text of the Regulations of the International Registry issued by the supervisory authority thereof pursuant to the Cape Town Convention.

Lien means any lien, mortgage, security interest, lease, or encumbrance.

LOI means the Letter of Intent for the sale/purchase of the Aircraft dated June 24, 2024 entered into between the parties.

Monitor has the meaning ascribed to this term in the Recitals.

Monitor's Certificate has the meaning ascribed to this term in Section 3.5.6.

Purchase Price means the amount of [REDACTED]

2. - AGREEMENT TO BUY AND SELL

2.1. Agreement. For and in consideration of the Purchase Price, on the Closing Date, Seller shall sell and deliver the Aircraft to Purchaser, and Purchaser shall purchase and accept delivery of the Aircraft from Seller, on and subject to the terms and conditions set forth herein. Purchaser shall accept to purchase the Aircraft without any warranty whatsoever, express or implied, in an "as is where is" condition, at its sole risks and perils.

2.2. Deposit.

2.2.1. Upon execution of this Agreement, the Deposit, or any part thereof currently held by the Escrow Agent, becomes immediately non-refundable and shall be applied towards the Purchase Price, except as specifically provided in this Agreement.

2.2.2. The Deposit shall be applied to the Purchase Price at Closing and is considered non-refundable to Purchaser, except as otherwise specifically provided herein.

2.2.3. The Deposit shall be held by the Escrow Agent in an interest bearing account, interest bearing investment certificate or term deposit, with a Canadian Schedule I chartered bank pending completion of the transactions contemplated under this Agreement or earlier termination of this Agreement.

2.2.4. Except as expressly provided in this Agreement, if the transactions contemplated by this Agreement are not completed for any reason, without limiting any other rights or remedies available to the Seller under this Agreement or applicable law, the Deposit shall be forfeited to the Seller as liquidated damages, in full and final satisfaction of any and all losses that the Seller may sustain as a result thereof or otherwise pursuant to this Agreement.

2.2.5. The provisions of this Section 2.2 shall survive termination of this Agreement.

3. - CLOSING PROCEDURES

3.1. Final Payment. At least one (1) business day before the Closing Date, Purchaser shall deliver the Final Payment to the Escrow Agent by way of a wire transfer of immediately available funds to the account designated in writing by the Escrow Agent. The Escrow Agent shall confirm receipt of the Final Payment via email to Seller and Purchaser.

3.2. Pre-Closing Obligations. On or before the Closing Date, Seller shall, (i) deliver the Aircraft to the Delivery Location, and (ii) deliver or cause to be pre-delivered with the Escrow Agent:

3.2.1. An undated, but otherwise fully executed Bill of Sale conveying title from Seller to Purchaser;

3.2.2. A copy of the Approval and Vesting Order;

- 3.2.3. A copy of the International Registry's draft pre-registration report to discharge any Liens published on the International Registry and register the sale as contemplated in paragraph 7.17.4; and
 - 3.2.4. Any other documentation from the Seller required to request the deregistration of the Aircraft from the register of civil aircraft maintained by Transport Canada.
- 3.3. Conditions Precedent to Seller's Obligations.** Seller's obligation to sell and deliver the Aircraft to Purchaser on the Closing Date shall be subject to the following conditions precedent:
- 3.3.1. All of Purchaser's representations set forth in Section 4.2 shall be true and accurate as of the time of Closing;
 - 3.3.2. Purchaser shall have delivered the Final Payment to the Escrow Agent in advance of the Final Payment deadline;
 - 3.3.3. Purchaser shall have delivered to the Escrow Agent an executed but undated Aircraft Delivery Receipt along with or before the Final Payment;
 - 3.3.4. the Court's Approval shall have been received; and
 - 3.3.5. Purchaser shall have performed and complied with all the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.
- 3.4. Conditions Precedent to Purchaser's Obligations.** Purchaser's obligation to purchase and accept delivery of the Aircraft from Seller on the Closing Date shall be subject to the following conditions precedent:
- 3.4.1. All of Seller's representations set forth in Section 4.1 shall be true and accurate as of the time of Closing;
 - 3.4.2. Seller shall have delivered or caused to be delivered the items identified in Section 3.2 required to be delivered by it; and
 - 3.4.3. the Court's Approval shall have been received; and
 - 3.4.4. at the moment of Closing, Seller shall have performed and complied with all of the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.
- 3.5. Closing.** Closing shall occur on the date that is five (5) Business Days following the Court's Approval, or such later date as may be agreed by the parties in writing. It is Purchaser's obligation to have all financing in place before Closing. The Closing is not conditional upon and will not be delayed due to financing issues. On the Closing Date, the parties shall perform the following actions which shall be coordinated via e-mail, in the order presented, and which collectively shall constitute the Closing:
- 3.5.1. Seller shall confirm to Purchaser and Escrow Agent that the conditions precedent to Seller's obligations as set forth in Section 3.4 have been satisfied or waived;
 - 3.5.2. Purchaser shall confirm to Seller and Escrow Agent that the conditions precedent to Purchaser's obligations as set forth in Section 3.3 have been satisfied or waived;
 - 3.5.3. The Escrow Agent shall date and release the Bill of Sale to Purchaser;
 - 3.5.4. Seller shall tender the Aircraft to Purchaser at the Delivery Location;

- 3.5.5. Purchaser shall accept delivery of the Aircraft from Seller at the Delivery Location, and the Escrow Agent shall simultaneously deliver to Seller a fully executed and completed Delivery Receipt; and
- 3.5.6. The Monitor shall provide an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the **Monitor's Certificate**) confirming that all conditions to Closing have either been satisfied or waived by both the Purchaser and the Seller and that the sale transaction has been completed.

3.6. Post Closing Covenants. As soon as reasonably practical after Closing:

- 3.6.1. The Seller or the Escrow Agent shall file or cause to be filed any necessary mortgage/ Lien release documents to discharge any remaining Liens/International Interests on the Aircraft;
- 3.6.2. The Escrow Agent shall wire the Purchase Price plus applicable taxes, including sales taxes, if applicable, then held by the Escrow Agent less the payable commission, all in United States dollars currency, to Toronto-Dominion Bank (the **Lender**) in satisfaction of that amount of outstanding indebtedness payable by the Seller to the Lender or as may otherwise be agreed by the Seller, the Escrow Agent and the Lender in writing; and
- 3.6.3. The Escrow Agent or Seller shall file the request for the deregistration of the Aircraft from the register of civil aircraft maintained by Transport Canada and provide to the Purchaser a copy of the notice of deregistration from Transport Canada to the Federal Aviation Administration (**FAA**).

3.7. Purchaser Post Closing Covenants. Following Closing, Purchaser shall:

- 3.7.1. export the Aircraft from Canada as soon as is reasonable and, in any event, no later than 60 days following Closing;
- 3.7.2. not process, transform or alter the Aircraft in Canada prior to Purchaser exporting the Aircraft from Canada, except to the extent necessary or incidental to the transportation of the Aircraft to export the Aircraft from Canada; and
- 3.7.3. provide to Seller within 90 days following Closing evidence of registration of the Aircraft with the United States FAA or other evidence of export of the Aircraft from Canada acceptable to the Seller, acting reasonably.

4. - REPRESENTATIONS AND WARRANTIES

4.1. Seller's Representations and Warranties. Seller hereby represents and warrants that, as of the date hereof, and as of the Closing:

- 4.1.1. Seller is duly formed, validly existing, and in good standing under the laws of Ontario having the capacity to sue and be sued in its own name, having full power, legal right and authority to carry on its business as currently conducted, and to execute, deliver and perform the provisions of this Agreement subject to the Court's Approval;
- 4.1.2. Subject to the Court's Approval, the execution, delivery, and performance by Seller of this Agreement, and the sale of the Aircraft, has been duly authorized by all necessary action on behalf of Seller and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Seller is a party; and

4.1.3. This Agreement constitutes the legal, valid and binding obligations of Seller and is enforceable against Seller in accordance with its terms subject only to obtaining the Court's Approval.

4.2. Purchaser's Representations and Warranties. Purchaser hereby represents and warrants that, as of the date hereof, and as of the Closing:

4.2.1. Purchaser is duly formed, validly existing, and in good standing under the laws of Delaware, having the capacity to sue and be sued in its own name, having full power, legal right and authority to carry on its business as currently conducted, and to execute, deliver and perform the provisions of this Agreement;

4.2.2. The execution, delivery, and performance by Purchaser of this Agreement, and the acquisition of the Aircraft, has been duly authorized by all necessary action on behalf of Purchaser and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Purchaser is a party;

4.2.3. This Agreement constitutes the legal, valid and binding obligations of Purchaser and is enforceable against Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting the enforceability of contractual obligations and creditors' rights generally and by the application of equitable principles by courts of competent jurisdiction, sitting at law or in equity; and

4.2.4. Purchaser is not a "consumer" for purposes of Part IX of the *Excise Tax Act* (Canada) (**ETA**) and is not acquiring the Aircraft for consumption, use or supply in Canada, within the meaning of the ETA, before exportation of the Aircraft by the Purchaser from Canada.

5. - DISCLAIMER

5.1. DISCLAIMER AND LIMITATION OF LIABILITY. THE AIRCRAFT AND EACH PART THEREOF IS BEING SOLD AND DELIVERED TO PURCHASER IN "**AS IS, WHERE IS, WITH ALL FAULTS**" CONDITION, WITHOUT ANY REPRESENTATION, WARRANTY OR GUARANTY OF ANY KIND BEING MADE OR GIVEN BY SELLER, ITS DIRECT AND INDIRECT SHAREHOLDERS, PARTNERS, DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES OR ATTORNEYS, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE AND SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT OR IN TORT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF TITLE NOR EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL NOT BE LIABLE OR RESPONSIBLE TO PURCHASER FOR ANY DEFECTS, EITHER PATENT OR LATENT IN THE AIRCRAFT OR FOR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTIES RESULTING THEREFROM OR FOR PURCHASER'S LOSS OF USE OF OR A DIMINUTION IN VALUE OF THE AIRCRAFT OR FOR ANY INTERRUPTION IN PURCHASER'S BUSINESS CAUSED BY PURCHASER'S INABILITY TO USE THE AIRCRAFT FOR ANY REASON WHATSOEVER.

5.2. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR LOST PROFITS, LOSS OF BUSINESS, LOSS OF USE OR ANY OTHER INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF OR RELATED TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DELAY IN CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND EACH PARTY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO SUCH DAMAGES.

6.

- TAXES

6.1. **Calculation of Taxes.** The parties acknowledge that sales taxes payable by the Purchaser are calculated on the Purchase Price as converted into Canadian dollars at the rate published by the Bank of Canada for the date of execution of the Bill of Sale.

6.2. **Taxes.** Purchaser shall pay Seller on demand and indemnify and hold Seller harmless from and against on an after-tax basis, any and all sales, use, value added, excise and other similar taxes (including excise-equivalent customs duty), and any taxes, fees, duties, interest, penalties, charges, invoices, claims and statements relating thereto, assessed (or reassessed), which may be imposed by any federal, state, county, local, foreign or other governmental authority (a “**Governmental Authority**”) and Seller’s reasonable expenses (including legal and advisor fees) incurred or relating thereto:

6.2.1. as a result of the sale, delivery or transfer of the Aircraft to Purchaser, or the ownership, possession, use or storage of the Aircraft on or after the Closing, except to the extent (i) imposed on or measured by Seller’s income or (ii) related to a period (or portion thereof) ending prior to the Closing which are not a result of any action or omission of Purchaser; or

6.2.2. arising as a consequence of a breach by the Purchaser of a representation and warranty set out in Section 4.2.4, or failure to satisfy the covenant set out at Section 3.7.

In the event Seller receives written notice of any audit, claim, assessment or proposed assessment in respect of any such amounts for which Purchaser may be responsible under Section 6.2, Seller shall notify Purchaser within ten (10) Business Days thereof, and Purchaser shall reasonably cooperate with Seller in respect of the management and/or defence of any such audit, claim, assessment or proposed assessment. Without limiting the foregoing, a certificate of the Seller as to the amount payable, together with copies of the relevant assessment (or reassessment), shall be conclusive of such amount owing absent manifest error.

7.

- MISCELLANEOUS

7.1. **Risk of Loss, Damage or Destruction of Aircraft.**

7.1.1. **Risk of Loss.** Title to, and risk of loss, injury, destruction or damage to the Aircraft, shall pass from Seller to Purchaser at the time of Closing.

7.1.2. **Destruction or Damage.** Notwithstanding any contrary provision of this Agreement, if at any time prior to the Closing the Aircraft is destroyed, (i) the Escrow Agent shall confirm that the Inspection Facility has been paid in full for any work commissioned for Purchaser’s expense, then shall refund the Deposit, immediately to Purchaser, and (ii) this Agreement shall terminate and be of no further force or effect and the parties shall have no further obligations or liabilities with respect to this Agreement except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination. In the event of any Material Damage to the Aircraft following the date of this Agreement and prior to Closing, Seller shall promptly notify Purchaser in writing of such damage and Purchaser shall, within ten (10) Business Days, notify Seller in writing (such notice, the **Damage Election**) whether it desires (i) that the Aircraft be repaired by Seller in anticipation of the Closing with costs to be agreed between the parties in writing or (ii) to terminate this Agreement. In the event that Purchaser elects to terminate this Agreement as a result of damage in accordance with this Section 7.1.2, Seller refuses to repair the damage, the parties cannot agree on costs for repairing any such damages or the Monitor refuses that the damage be repaired, at its sole discretion, (i) the Escrow Agent shall refund the Deposit (less any amounts owed by Purchaser) immediately to Purchaser, and (ii) this Agreement shall terminate and be of no further force or effect and neither party shall have any further obligations to the other arising out of this Agreement subject to any provisions that survive their termination

except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.

7.2. Default/Termination.

7.2.1. **Seller's Default.** This Agreement may be terminated by Purchaser in the event of a breach by Seller of any material provision of this Agreement (provided that Purchaser is in compliance with its material obligations under this Agreement), which breach is not cured within fifteen (15) Business Days following the delivery to Seller of written notice thereof from Purchaser or which breach by its nature cannot be cured prior to Closing. If Purchaser elects to terminate this Agreement under this Section 7.2.1, within two (2) Business Days following Purchaser's written demand for same, and as Purchaser's sole remedy hereunder, the Escrow Agent shall refund the Deposit to Purchaser, Seller shall reimburse Purchaser for its Inspection costs pursuant to this transaction and the parties shall have no further obligations or liabilities with respect to this Agreement except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.

7.2.2. **Purchaser's Default.** This Agreement may be terminated by Seller in the event of a breach by Purchaser of any material provision of this Agreement (provided that Seller is in compliance with its material obligations under this Agreement) which breach is not cured within seven (7) Business Days of the delivery to Purchaser of written notice thereof from Seller or which breach by its nature cannot be cured prior to Closing. If Seller elects to terminate this Agreement under this Section 7.2.2, without limiting any other rights or remedies available to the Seller under this Agreement or applicable law, Seller shall be entitled to be paid the Deposit as liquidated damages, and the Escrow Agent shall pay the Deposit to Seller within two (2) Business Days of written demand by Seller, and this Agreement shall be of no further force or effect except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.

7.3. **Force Majeure.** The term **Force Majeure** means any cause beyond a party's reasonable control that prevents a party from meeting its obligations under this Agreement, including, but not limited to, acts of God or the public enemy, acts of terrorism, war or other outbreak of hostilities, civil commotion, strikes, lockouts, and labor disputes (but excludes events described in Section 7.1.2 above, the remedies for which are described therein). A party shall promptly notify the other party that it will be unable to perform its obligations hereunder, other than payment obligations, due to a Force Majeure. In such event, the time for such party's performance shall be extended for the pendency of such event, provided, however, that should such non-performance extend beyond thirty (30) days, the unaffected party may at its option terminate this Agreement upon written notice to the other party. In such event, the Escrow Agent shall remit the balance of the Deposit to Purchaser. Thereafter, neither party shall have any obligation or liability to the other with respect to the subject matter of this Agreement subject to any provisions that survive their termination. Notwithstanding the foregoing, Force Majeure shall not excuse the failure to make timely payment pursuant to this Agreement.

7.4. **Amendments.** The provisions of this Agreement may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by both parties hereto.

7.5. **Severability.** Any provision of this Agreement that may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.6. **Assignment.** This Agreement may not be assigned by any party without the prior written consent of the other party. In the case of an authorized assignment, the assignor shall remain primarily

obligated for its assignee's payment and performance of assignor's obligations hereunder, including warranting title to the Aircraft (if applicable). Any assignment of this Agreement by Purchaser shall include an express assignment of the Deposit.

- 7.7. Successor and Assigns.** This Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.
- 7.8. Headings and References.** The division of this Agreement into Sections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 7.9. Notices.** All communications, declarations, demands, consents, directions, approvals, instructions, requests and notices required or permitted by this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered personally or transmitted electronically by email, facsimile, receipt acknowledged, or in the case of documented overnight delivery service or registered or certified mail, return receipt requested, delivery charge or postage prepaid, on the date shown on the receipt therefor, in each case at the address set forth below:

If to Seller: Skylink Express Inc.
55 Clair West, Suite 210,
Toronto, Ontario, Canada

Attention: David Atkins, President/COO
E-mail: datkins@skylinkexpress.com

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 2000
PO Box 53, Toronto, Ontario M5K 1E7

Attention: Eric Reither and Jennifer Stam
Email: eric.reither@nortonrosefulbright.com
and Jennifer.stam@nortonrosefulbright.com

If to Purchaser: Randigo LLC
3200 Kirkwood hwy #1093
Wilmington DE 19808 United States

Attention: Paul Rossouw
Email: paul@revolutionflight.com

If to Monitor/Escrow Agent:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20,
Toronto, Ontario, M5J 2W4

Attention: Bobby Kofman
Email: bkofman@ksvadvisory.com

- 7.10. Non-Waiver.** Any failure at any time of either party to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice the right of such party to enforce such provision at any subsequent time.
- 7.11. Entire Agreement.** The parties agree that the terms and conditions of this Agreement (and the confidentiality provisions of the LOI) constitute the entire agreement between the parties with

respect to the subject matter hereof. This Agreement supersedes all prior agreements between the parties, express or implied. To the extent of any conflict between the terms of this Agreement and the terms of any other invoice or other standard form document delivered by the parties under this Agreement, the terms of this Agreement shall govern.

- 7.12. Transaction Costs and Expenses.** Except as otherwise set forth herein, each party to this Agreement shall bear its own transaction costs and expenses, including, without limitation, any brokers' commissions and/or attorneys' fees.
- 7.13. Survival.** The representations, warranties and certifications of the Seller and the Purchaser contained in this Agreement and in any documents to be delivered pursuant to this Agreement shall merge on Closing and not survive following Closing.
- 7.14. Further Assurances.** Each of the parties hereto covenants and agrees to execute such other and further documents relating to the matters set forth herein and to take or cause to be taken such other and further actions, as may be reasonably necessary or appropriate to carry out the purposes and intent of this Agreement, and to consummate the transactions contemplated hereby.
- 7.15. Governing Law/Jurisdiction.** This Agreement is deemed to have been concluded in Toronto, Ontario, Canada and is governed by the laws of Ontario and those of Canada applicable therein, without regard to conflict of law provisions.
- 7.16. Submission to Jurisdiction.** Each of the parties irrevocably and unconditionally submits and attorns to the exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by applicable Law, each of the parties:
- 7.16.1. irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province, or that the subject matter of this Agreement may not be enforced in those courts; and
- 7.16.2. irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 8.21, of the substantive merits of any suit, action or proceeding.
- 7.17. Cape Town Convention**
- 7.17.1. Prior to Closing, Seller shall, and Purchaser shall, become a "transacting user entity" with the International Registry. Each party shall bear their own expense in doing so.
- 7.17.2. Seller and Purchaser shall provide to each other, as a condition precedent to Closing, evidence that they have been approved by the International Registry as a "transacting user entity" and have duly registered with, are authorized to make filings with and have received all approvals from the International Registry, and have appointed an "administrator" (as such term is defined and used in the International Registry Procedures and International Registry Regulations).
- 7.17.3. Seller shall and Purchaser shall, as a condition precedent to Closing, authorize Norton Rose Fulbright Canada LLP to act as, and shall designate Norton Rose Fulbright Canada LLP or another mutually agreed party as, their "professional user entity" (as such term is defined and used in the International Registry Procedures and International Registry Regulations) to effect, amend, discharge and consent to registrations with respect to the Airframe and the Engines on their behalf. No party shall revoke such authorization until after the earlier to occur of (i) the discharge of any International Interests and registration of a Contract of Sale of the Airframe and Engines with the International Registry following

the release of the Bill of Sale conveying the Aircraft to Purchaser (**Transfer of Title**) or (ii) termination of this Agreement in accordance with its terms. Neither Purchaser, nor anyone claiming by or through Purchaser, shall effect or cause to effect a prospective International Interest on the Airframe or the Engines. Should any such registration(s) be made, such shall be a material breach of this Agreement and Purchaser shall take all necessary actions to discharge or cause to discharge such registration(s).

- 7.17.4. Seller and Purchaser shall cause Norton Rose Fulbright Canada LLP, as a professional user entity, to register a Contract of Sale of the Airframe and Engines with the International Registry immediately after Transfer of Title. Seller and Purchaser each hereby expressly consents to the registration of the International Interest arising from the Contract of Sale with respect to the Airframe and the Engines.
- 7.18. Agreement Negotiated.** The parties to this Agreement are sophisticated and have been represented or had the opportunity to be represented in connection with the negotiation and performance of this Agreement. The parties agree that no presumptions relating to the interpretation of contracts against the drafter of any particular clause should or may be applied in this case and, therefore, waive their effects.
- 7.19. Confidentiality.** The terms and conditions of this Agreement, and all writings, discussions, and negotiations in connection with the transaction contemplated by this Agreement (including, without limitation, the fact that discussions and negotiations have been conducted by the parties), shall remain strictly confidential and shall not be disclosed by either party, without the prior written consent of the other party, except that each party shall be entitled to disclose the terms and conditions of this Agreement (i) as may be required by law or legal process; (ii) to such party's attorneys, accountants, consultants, lenders, and other advisors performing services for such party with respect to or affected by the transaction contemplated by this Agreement including Escrow Agent and Inspection Facility and their personnel; (iii) to each party's employees with a need to know; (iv) as may be required to permit such party to pursue all available remedies for breach of this Agreement by the other party; (v) to any entity that may provide financing to Purchaser in connection with the acquisition of the Aircraft; and (vi) in connection with the CCAA Proceedings. For greater certainty, the Purchaser acknowledges that this the transaction shall be subject to approval by the Court and the Seller shall be entitled to disclose whatever terms of this Aircraft Purchase Agreement are required in order to seek such approval.
- 7.20. Payment and Currency.** Any money to be advanced, paid or tendered by one Party to another under this Agreement must be advanced, paid or tendered by bank draft, certified cheque or wire transfer of immediately available funds payable to the Person to whom the amount is due. Unless otherwise specified, the word "dollar" and the "\$" sign refer to United States currency, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in United States currency.
- 7.21. Monitor's Certificate.** The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.
- 7.22. Monitor's Capacity.** In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in the CCAA Proceedings, the Seller and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Seller and not in its personal

capacity, will have no liability, in its personal capacity or otherwise, in connection with this Agreement or the transactions contemplated herein whatsoever as Monitor.

- 7.23. Language.** The Parties confirm their express wish that this Agreement and all related documents be drafted in the English language. Les Parties confirment leur volonté expresse que la présente convention et tous les documents s'y rattachant soient rédigés en langue anglaise.
- 7.24. Counterparts.** This Agreement may be fully executed in two or more counterparts by each of the parties hereto, such counterparts together constituting but one and the same instrument. Such counterparts may be exchanged via facsimile or other electronic transmission.

[Remainder of this page intentionally left blank. Signature Page follows.]

IN WITNESS WHEREOF, the undersigned parties have caused this Aircraft Purchase Agreement to be executed, delivered and effective as of the date first above written.

SKYLINK EXPRESS INC.

RANDIGO LLC

By: 

By: _____

Printed Name: DAVID ATKINS

Printed Name: _____

Title: PRESIDENT / COO

Title: _____

IN WITNESS WHEREOF, the undersigned parties have caused this Aircraft Purchase Agreement to be executed, delivered and effective as of the date first above written.


SKYLINK EXPRESS INC.

By: _____

Printed Name: _____

Title: _____

RANDIGO LLC

By:  _____

Printed Name: Paul Rossouw _____

Title: Member _____

EXHIBIT A

AIRCRAFT SPECIFICATION

These Aircraft Specifications are provided as information only, without any warranty or representation of exactitude from Seller whatsoever and are strictly subject to Purchaser's duty of diligent verification during Purchaser's Inspection of the Aircraft and Aircraft Documents.

Airframe:

Information as of: May 1, 2024
Year of Manufacture: 1993
Serial Number: 208B-0350
TTSN: 20,616.1
Landings: 31,851

Engine:

Pratt & Whitney: PT6A-114A ESN: 17025
Operator TBO: 8000 hrs.
TSO: 3,303.6 hrs.
SHSI: 1,328.2 hrs.

Propeller:

McCauley: 3GFR34C703-B Prop S/N: 912959
Operator TBO: 4000 hrs or 6 years.
TSPOH: tba.
O/H Due: tba.

Avionics

KFC-150 Autopilot	KRA-10A RadAlt	KMA-24H Audio
Dual KX-165 Nav/Coms	KR-87 ADF	KT-70 Transponder
KN-63 DME	RDS 81 Radar	Garmin G430W/G530W

Equipment

Garmin USB charger Cargo Pod De-Ice

Interior

Currently in Cargo Configuration

Exterior

Blue/White

Notes

Aircraft based at Vancouver, British Columbia, Canada (CYVR)

EXHIBIT B

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, for \$10.00 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Skylink Express Inc. (**Seller**), an Ontario corporation, hereby grants, conveys, transfers, delivers and sets over all right, title and interest in and to the Aircraft and the Aircraft Documents unto Randigo LLC (**Purchaser**), a Delaware (United States) corporation, and unto Purchaser's successors and assigns forever, the following tangible personal property.

1. that certain one (1) Cessna Grand Caravan aircraft, manufacturer's serial number 208B-0350 (the **Airframe**) equipped with one (1) Pratt and Whitney Canada PT6A-114A engine, engine's serial number 17025 (the **Engine**) and all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories and tool kits installed thereon or appurtenant thereto (collectively, the **Aircraft**); and
2. all documents and records relating to or required to be maintained with respect to the Aircraft, including, without limitation, all Airframe, Engines and accessory logbooks, manuals, weight and balance manuals, tags, technical records, traceability records, task cards, information, overhaul records, maintenance records, wiring diagrams, drawings, data, completion manuals and any and all other records related to the Aircraft and delivered with the Aircraft and in the possession of Seller (collectively, the **Aircraft Documents**).

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Bill of Sale to be executed, delivered and effective as of this ____ day of _____, 2024.

SKYLINK EXPRESS INC.

By: _____

Printed Name: _____

Title: _____

EXHIBIT C

AIRCRAFT DELIVERY RECEIPT

RANDIGO LLC (**Purchaser**) hereby acknowledges delivery and acceptance of that certain one (1) Cessna Grand Caravan aircraft, manufacturer's serial number 208B-0350 (the **Airframe**) equipped with one (1) Pratt and Whitney Canada PT6-114A engine, engine's serial number 17025 (the **Engine**) and all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories and tool kits installed thereon or appurtenant thereto (collectively, the **Aircraft**) from Skylink Express inc. (**Seller**), at _____ o'clock (am / pm) local time on the ____ day of _____, 2024, at the Delivery Location, pursuant to the terms and conditions of the Aircraft Purchase Agreement dated as of July _____, 2024, between Purchaser and Seller (the **Agreement**). Purchaser hereby acknowledges that the Aircraft satisfies all the requirements, terms and conditions of the Purchase Agreement. By reason of the execution and delivery by Purchaser of this Aircraft Delivery Receipt, it is conclusively stated that (i) Purchaser has approved and accepted the Aircraft and the Aircraft Documents (as defined in the Agreement) "**as is**" in its then-current technical condition and state of repair, with all faults, limitations and defects (whether hidden or apparent), regardless of cause; and (ii) Seller has not made, with respect to the title and condition of the Aircraft, any representation, warranty or guaranty of any kind, express or implied, whether arising in law, in equity, in contract, or in tort, including, without limitation, any implied warranty of merchantability, airworthiness, design, condition, or fitness for a particular use.

TOTAL TIME AIRFRAME: _____ hours / _____ cycles

TOTAL TIME ENGINES:

Engine _____: _____ hours

Purchaser:

RANDIGO LLC

By: _____

Name:

Title:

Appendix “E”

AIRCRAFT PURCHASE AGREEMENT

dated as of July 10, 2024

between

SKYLINK EXPRESS INC.,

as Seller,

and

GINGRAS ÉQUIPEMENT INC.,

as Purchaser,

concerning one (1) Cessna Grand Caravan aircraft,
manufacturer's serial number 208B-0047
equipped with one (1) Pratt and Whitney Canada PT6A-114A engine
(the **Aircraft**)

AIRCRAFT PURCHASE AGREEMENT

This **AIRCRAFT PURCHASE AGREEMENT** (this **Agreement**) is made and entered into as of July 10, 2024 (the **Effective Date**), by and between Skylink Express Inc. (**Seller**), a corporation existing under the laws of Ontario, having its registered address at 55 Clair West, Suite 210, Toronto, Ontario, Canada, and Gingras Équipement Inc. (**Purchaser**), a corporation existing under the laws of Quebec with its place of business at 607 6e Avenue de l'Aéroport, Québec City, Quebec, G2G 2T4, Canada.

WITNESSETH:

WHEREAS on March 11, 2024, Seller sought and obtained an initial order from the Ontario Superior Court of Justice (Commercial List) (the **Court**) commencing proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **CCAA** and the proceedings under the CCAA, the **CCAA Proceedings**). Pursuant to the Initial Order, KSV Restructuring Inc. has been appointed as the Monitor (the **Monitor**);

WHEREAS, Seller desires to sell the Aircraft to Purchaser, and Purchaser desires to purchase the Aircraft from Seller, upon the terms and subject to the conditions set forth herein and terms customary to CCAA transactions and subject to the Court's approval (as defined herein).

WHEREAS, the parties have executed the LOI (as defined herein), the Purchaser has paid the Deposit to the Escrow Agent and completed the Inspection (as defined in the LOI) of the Aircraft and is satisfied therewith and no Discrepancies (as defined in the LOI) were identified;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in Article 1 hereto.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, obligations and agreements herein contained, the parties, intending to be legally bound hereby, agree as follows:

ARTICLE 1 - DEFINITIONS

The following terms shall have the following meanings for all purposes of this Agreement:

Aircraft means (i) that certain Cessna Grand Caravan airframe, manufacturer's serial number 208B-0047 (the **Airframe**), together with one (1) Pratt and Whitney Canada PT6A-114A engine, engine's serial number 19226 (the **Engine**), (ii) all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories installed thereon or appurtenant thereto as set forth in the Aircraft Specification attached hereto as Exhibit A, (iii) a spare (uninstalled) co-pilot windshield, and (iv) all Aircraft Documents.

Aircraft Documents means all documents and records relating to and/or required to be maintained with respect to the Aircraft, including, without limitation, all Airframe, Engines and accessory logbooks, manuals, weight and balance manuals, maintenance records, wiring diagrams, drawings and data in the possession of Seller.

Aircraft Protocol means official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, adopted on 16 November 2001 at a diplomatic conference held in Cape Town, as adopted by Canada and the province of Ontario, and as the same may be amended or modified from time to time.

Aircraft Specification means the Aircraft Specification attached hereto as Exhibit A, which are provided as information and without warranty or representation of exactitude from Seller whatsoever and are strictly

subject to Purchaser's duty of diligent verification during Purchaser's Inspection of the Aircraft and Aircraft Documents.

Approval and Vesting Order means an order by the Court, approving and authorizing the transaction contemplated by this Agreement and vesting in Purchaser all the right, title and interest of the Seller in and to the Aircraft, free and clear from any Liens.

Bill of Sale means a Bill of Sale for the Aircraft in the form of Exhibit B attached hereto.

Business Day means any day of the year in which (i) banks are not authorized or required to close in Toronto, Ontario, and (ii) Transport Canada is open for filing documents.

Cape Town Convention means, collectively, the Convention and the Aircraft Protocol.

CCAA has the meaning ascribed to this term in the Recitals.

CCAA Proceedings has the meaning ascribed to this term in the Recitals.

Closing means the consummation of the purchase and sale transaction contemplated by this Agreement, as described in Section 3.5.

Closing Date means the date the Closing occurs.

Convention means the official English language text of the Convention on International Interests in Mobile Equipment, adopted on 16 November 2001 at a diplomatic conference held in Cape Town, South Africa, as adopted by Canada and the province of Ontario and as may be amended or modified from time to time.

Court has the meaning ascribed to this term in the Recitals.

Court's Approval means the Court shall have issued the Approval and Vesting Order.

Damage Election has the meaning ascribed to this term in Section 7.1.2.

Delivery Location means Seller's designated facility at Vancouver International Airport (C-YVR) unless otherwise agreed in writing by the parties.

Delivery Receipt means an Aircraft Delivery Receipt in the form of Exhibit C attached hereto.

Deposit the total amount of [REDACTED] held by the Escrow Agent and includes any interest earned thereon from time to time while such amount is held by the Escrow Agent.

Escrow Agent means the Monitor.

Final Payment means the Purchase Price plus applicable taxes minus the Deposit.

International Interest has the meaning given to it in the Convention.

International Registry means the International Registry of Mobile Assets located in Dublin, Ireland, established pursuant to the Cape Town Convention.

International Registry Procedures means the official English language text of the Procedures of the International Registry issued by the supervisory authority thereof pursuant to the Cape Town Convention.

International Registry Regulations means the official English language text of the Regulations of the International Registry issued by the supervisory authority thereof pursuant to the Cape Town Convention.

Lien means any lien, mortgage, security interest, lease, or encumbrance.

LOI means the Letter of Intent for the sale/purchase of the Aircraft dated June 25, 2024 entered into between the parties.

Monitor has the meaning ascribed to this term in the Recitals.

Monitor's Certificate has the meaning ascribed to this term in Section 3.5.3.

Purchase Price means the amount of [REDACTED], plus applicable taxes .

ARTICLE 2- AGREEMENT TO BUY AND SELL

2.1 Agreement. For and in consideration of the Purchase Price, on the Closing Date, Seller shall sell and deliver the Aircraft to Purchaser, and Purchaser shall purchase and accept delivery of the Aircraft from Seller, on and subject to the terms and conditions set forth herein. Purchaser shall accept to purchase the Aircraft without any warranty whatsoever, express or implied, in an "as is where is" condition, at its sole risks and perils.

2.2 Deposit.

2.2.1 Upon execution of this Agreement, the Deposit, or any part thereof currently held by the Escrow Agent, becomes immediately non-refundable and shall be applied towards the Purchase Price, except as specifically provided in this Agreement.

2.2.2 The Deposit shall be applied to the Purchase Price at Closing and is considered non-refundable to Purchaser, except as otherwise specifically provided herein.

2.2.3 The Deposit shall be held by the Escrow Agent in an interest bearing account, interest bearing investment certificate or term deposit, with a Canadian Schedule I chartered bank pending completion of the transactions contemplated under this Agreement or earlier termination of this Agreement.

2.2.4 Except as expressly provided in this Agreement, if the transactions contemplated by this Agreement are not completed for any reason, without limiting any other rights or remedies available to the Seller under this Agreement or applicable law, the Deposit shall be forfeited to the Seller as liquidated damages, in full and final satisfaction of any and all losses that the Seller may sustain as a result thereof or otherwise pursuant to this Agreement.

2.2.5 The provisions of this Section 2.2 shall survive termination of this Agreement.

ARTICLE 3- CLOSING PROCEDURES

3.1 Final Payment. At least one (1) business day before the Closing Date, Purchaser shall deliver the Final Payment to the Escrow Agent by way of a wire transfer of immediately available funds to the account designated in writing by the Escrow Agent. The Escrow Agent shall confirm receipt of the Final Payment via email to Seller and Purchaser.

3.2 Pre-Closing Obligations. On or before the Closing Date, Seller shall, (i) deliver the Aircraft to the Delivery Location, and (ii) deliver or cause to be pre-delivered with the Escrow Agent:

- 3.2.1 An undated, but otherwise fully executed Bill of Sale conveying title from Seller to Purchaser;
- 3.2.2 A copy of the Approval and Vesting Order;
- 3.2.3 A copy of the International Registry's draft pre-registration report to discharge any Liens published on the International Registry; and
- 3.2.4 Any other documentation as may be required to deregister the Aircraft from the register of civil aircraft maintained by Transport Canada or to transfer registration of the Aircraft to the Purchaser, as applicable.

3.3 Conditions Precedent to Seller's Obligations. Seller's obligation to sell and deliver the Aircraft to Purchaser on the Closing Date shall be subject to the following conditions precedent:

- 3.3.1 All of Purchaser's representations set forth in Section 4.2 shall be true and accurate as of the time of Closing;
- 3.3.2 Purchaser shall have delivered the Final Payment to the Escrow Agent in advance of the Final Payment deadline;
- 3.3.3 Purchaser shall have delivered to the Escrow Agent an executed but undated Aircraft Delivery Receipt along with or before the Final Payment;
- 3.3.4 the Court's Approval shall have been received; and
- 3.3.5 Purchaser shall have performed and complied with all the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.

3.4 Conditions Precedent to Purchaser's Obligations. Purchaser's obligation to purchase and accept delivery of the Aircraft from Seller on the Closing Date shall be subject to the following conditions precedent:

- 3.4.1 All of Seller's representations set forth in Section 4.1 shall be true and accurate as of the time of Closing;
- 3.4.2 Seller shall have delivered or caused to be delivered the items identified in Section 3.2 required to be delivered by it; and
- 3.4.3 the Court's Approval shall have been received; and
- 3.4.4 at the moment of Closing, Seller shall have performed and complied with all of the terms, conditions and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing.

3.5 Closing. Closing shall occur on the date that is five (5) Business Days following the Court's Approval, or such later date as may be agreed by the parties in writing. It is Purchaser's obligation to have all financing in place before Closing. The Closing is not conditional upon and will not be delayed due to financing issues. On the Closing Date, the parties shall perform the following actions which shall be coordinated via e-mail, in the order presented, and which collectively shall constitute the Closing:

- 3.5.1 Seller shall confirm to Purchaser and Escrow Agent that the conditions precedent to Seller's obligations as set forth in Section 3.4 have been satisfied or waived;

- 3.5.2 Purchaser shall confirm to Seller and Escrow Agent that the conditions precedent to Purchaser's obligations as set forth in Section 3.3 have been satisfied or waived;
- 3.5.3 The Escrow Agent shall date and release the Bill of Sale to Purchaser as well as any other document necessary to be executed by Seller under paragraph 3.2.4 and to be filed by Purchaser with the register of civil aircraft maintained by Transport Canada.
- 3.5.4 Seller shall tender the Aircraft to Purchaser at the Delivery Location.
- 3.5.5 Purchaser shall accept delivery of the Aircraft from Seller at the Delivery Location, and the Escrow Agent shall simultaneously deliver to Seller a fully executed and completed Delivery Receipt.
- 3.5.6 The Monitor shall provide an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the **Monitor's Certificate**) confirming that all conditions to Closing have either been satisfied or waived by both the Purchaser and the Seller and that the sale transaction has been completed.

3.6 Post Closing Covenants

As soon as reasonably practicable after Closing:

- 3.6.1 The Seller or the Escrow Agent shall file or cause to be filed any necessary mortgage/Lien release documents to discharge any remaining Liens/International Interests on the Aircraft; and
- 3.6.2 The Escrow Agent shall wire the Purchase Price plus applicable taxes then held by the Escrow Agent less the payable commission, all in United States dollars currency, to Toronto-Dominion Bank (the **Lender**) in satisfaction of that amount of outstanding indebtedness payable by the Seller to the Lender or as may otherwise be agreed by the Seller, the Escrow Agent and the Lender in writing.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

4.1 Seller's Representations and Warranties. Seller hereby represents and warrants that, as of the date hereof, and as of the Closing:

- 4.1.1 Seller is duly formed, validly existing, and in good standing under the laws of Ontario having the capacity to sue and be sued in its own name, having full power, legal right and authority to carry on its business as currently conducted, and to execute, deliver and perform the provisions of this Agreement subject to the Court's Approval;
- 4.1.2 Subject to the Court's Approval, the execution, delivery, and performance by Seller of this Agreement, and the sale of the Aircraft, has been duly authorized by all necessary action on behalf of Seller and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Seller is a party; and
- 4.1.3 This Agreement constitutes the legal, valid and binding obligations of Seller and is enforceable against Seller in accordance with its terms subject only to obtaining the Court's Approval.

4.2 Purchaser's Representations and Warranties. Purchaser hereby represents and warrants that, as of the date hereof, and as of the Closing:

- 4.2.1 Purchaser is duly formed, validly existing, and in good standing under the laws of Quebec, having the capacity to sue and be sued in its own name, having full power, legal right and authority to carry on its business as currently conducted, and to execute, deliver and perform the provisions of this Agreement;
- 4.2.2 The execution, delivery, and performance by Purchaser of this Agreement, and the acquisition of the Aircraft, has been duly authorized by all necessary action on behalf of Purchaser and do not conflict with or result in any breach of any of the terms or constitute a default under any document, instrument, or agreement to which Purchaser is a party;
- 4.2.3 This Agreement constitutes the legal, valid and binding obligations of Purchaser and is enforceable against Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting the enforceability of contractual obligations and creditors' rights generally and by the application of equitable principles by courts of competent jurisdiction, sitting at law or in equity; and
- 4.2.4 The Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

ARTICLE 5- DISCLAIMER

- 5.1 **DISCLAIMER AND LIMITATION OF LIABILITY.** THE AIRCRAFT AND EACH PART THEREOF IS BEING SOLD AND DELIVERED TO PURCHASER IN "**AS IS, WHERE IS, WITH ALL FAULTS**" CONDITION, WITHOUT ANY REPRESENTATION, WARRANTY OR GUARANTY OF ANY KIND BEING MADE OR GIVEN BY SELLER, ITS DIRECT AND INDIRECT SHAREHOLDERS, PARTNERS, DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES OR ATTORNEYS, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE AND SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES WHETHER ARISING IN LAW, IN EQUITY, IN CONTRACT OR IN TORT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF TITLE NOR EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, AIRWORTHINESS, DESIGN, CONDITION, OR FITNESS FOR A PARTICULAR USE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL NOT BE LIABLE OR RESPONSIBLE TO PURCHASER FOR ANY DEFECTS, EITHER PATENT OR LATENT IN THE AIRCRAFT OR FOR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTIES RESULTING THEREFROM OR FOR PURCHASER'S LOSS OF USE OF OR A DIMINUTION IN VALUE OF THE AIRCRAFT OR FOR ANY INTERRUPTION IN PURCHASER'S BUSINESS CAUSED BY PURCHASER'S INABILITY TO USE THE AIRCRAFT FOR ANY REASON WHATSOEVER.
- 5.2 UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR LOST PROFITS, LOSS OF BUSINESS, LOSS OF USE OR ANY OTHER INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES ARISING OUT OF OR RELATED TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DELAY IN CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND EACH PARTY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO SUCH DAMAGES.

ARTICLE 6 - TAXES

- 6.1 **Calculation of Taxes.** The parties acknowledge that sales taxes payable by the Purchaser are calculated on the Purchase Price as converted into Canadian dollars at the rate published by the Bank of Canada for the date of execution of the Bill of Sale.
- 6.2 **Taxes.** Purchaser shall pay when due, and shall defend, indemnify and hold Seller harmless from and against any and all sales, use, value added, excise and other similar taxes (including excise-equivalent customs duty), and any taxes, fees, duties, interest, penalties, charges, invoices, claims

and statements relating thereto, which may be imposed by any federal, state, county, local, foreign or other governmental authority as a result of the sale, delivery or transfer of the Aircraft to Purchaser, or the ownership, possession, use or storage of the Aircraft on or after the Closing, except to the extent (i) imposed on or measured by Seller's income or (ii) related to a period (or portion thereof) ending prior to the Closing which are not a result of any action or omission of Purchaser. In the event Seller receives written notice of any audit, claim, assessment or proposed assessment of any tax for which Purchaser may be responsible under this Section 6.1, Seller shall notify Purchaser within ten (10) Business Days thereof, and Seller and Purchaser shall reasonably cooperate to manage and/or defend any such audit, claim, assessment or proposed assessment.

ARTICLE 7- MISCELLANEOUS

7.1 Risk of Loss, Damage or Destruction of Aircraft.

7.1.1 **Risk of Loss.** Title to, and risk of loss, injury, destruction or damage to the Aircraft, shall pass from Seller to Purchaser at the time of Closing.

7.1.2 **Destruction or Damage.** Notwithstanding any contrary provision of this Agreement, if at any time prior to the Closing the Aircraft is destroyed, (i) the Escrow Agent shall confirm that the Inspection Facility has been paid in full for any work commissioned for Purchaser's expense, then shall refund the Deposit, immediately to Purchaser, and (ii) this Agreement shall terminate and be of no further force or effect and the parties shall have no further obligations or liabilities with respect to this Agreement except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination. In the event of any Material Damage to the Aircraft following the date of this Agreement and prior to Closing, Seller shall promptly notify Purchaser in writing of such damage and Purchaser shall, within ten (10) Business Days, notify Seller in writing (such notice, the **Damage Election**) whether it desires (i) that the Aircraft be repaired by Seller in anticipation of the Closing with costs to be agreed between the parties in writing or (ii) to terminate this Agreement. In the event that Purchaser elects to terminate this Agreement as a result of damage in accordance with this Section 7.1.2, Seller refuses to repair the damage, the parties cannot agree on costs for repairing any such damages or the Monitor refuses that the damage be repaired, at its sole discretion, (i) the Escrow Agent shall refund the Deposit (less any amounts owed by Purchaser) immediately to Purchaser, and (ii) this Agreement shall terminate and be of no further force or effect and neither party shall have any further obligations to the other arising out of this Agreement subject to any provisions that survive their termination except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.

7.2 Default/Termination.

7.2.1 **Seller's Default.** This Agreement may be terminated by Purchaser in the event of a breach by Seller of any material provision of this Agreement (provided that Purchaser is in compliance with its material obligations under this Agreement), which breach is not cured within fifteen (15) Business Days following the delivery to Seller of written notice thereof from Purchaser or which breach by its nature cannot be cured prior to Closing. If Purchaser elects to terminate this Agreement under this Section 7.2.1, within two (2) Business Days following Purchaser's written demand for same, and as Purchaser's sole remedy hereunder, the Escrow Agent shall refund the Deposit to Purchaser, Seller shall reimburse Purchaser for its Inspection costs pursuant to this transaction and the parties shall have no further obligations or liabilities with respect to this Agreement except that termination of this

Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.

- 7.2.2 **Purchaser's Default.** This Agreement may be terminated by Seller in the event of a breach by Purchaser of any material provision of this Agreement (provided that Seller is in compliance with its material obligations under this Agreement) which breach is not cured within seven (7) Business Days of the delivery to Purchaser of written notice thereof from Seller or which breach by its nature cannot be cured prior to Closing. If Seller elects to terminate this Agreement under this Section 7.2.2, without limiting any other rights or remedies available to the Seller under this Agreement or applicable law, Seller shall be entitled to be paid the Deposit as liquidated damages, and the Escrow Agent shall pay the Deposit to Seller within two (2) Business Days of written demand by Seller, and this Agreement shall be of no further force or effect except that termination of this Agreement shall not release a party in respect of any breaches of this Agreement arising prior to such termination.
- 7.3 **Force Majeure.** The term **Force Majeure** means any cause beyond a party's reasonable control that prevents a party from meeting its obligations under this Agreement, including, but not limited to, acts of God or the public enemy, acts of terrorism, war or other outbreak of hostilities, civil commotion, strikes, lockouts, and labor disputes (but excludes events described in Section 7.1.2 above, the remedies for which are described therein). A party shall promptly notify the other party that it will be unable to perform its obligations hereunder, other than payment obligations, due to a Force Majeure. In such event, the time for such party's performance shall be extended for the pendency of such event, provided, however, that should such non-performance extend beyond thirty (30) days, the unaffected party may at its option terminate this Agreement upon written notice to the other party. In such event, the Escrow Agent shall remit the balance of the Deposit to Purchaser. Thereafter, neither party shall have any obligation or liability to the other with respect to the subject matter of this Agreement subject to any provisions that survive their termination. Notwithstanding the foregoing, Force Majeure shall not excuse the failure to make timely payment pursuant to this Agreement.
- 7.4 **Amendments.** The provisions of this Agreement may not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by both parties hereto.
- 7.5 **Severability.** Any provision of this Agreement that may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- 7.6 **Assignment.** This Agreement may not be assigned by any party without the prior written consent of the other party. In the case of an authorized assignment, the assignor shall remain primarily obligated for its assignee's payment and performance of assignor's obligations hereunder, including warranting title to the Aircraft (if applicable). Any assignment of this Agreement by Purchaser shall include an express assignment of the Deposit.
- 7.7 **Successor and Assigns.** This Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.
- 7.8 **Headings and References.** The division of this Agreement into Sections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 7.9 **Notices.** All communications, declarations, demands, consents, directions, approvals, instructions, requests and notices required or permitted by this Agreement shall be in writing and shall be

deemed to have been duly given or made when delivered personally or transmitted electronically by email, facsimile, receipt acknowledged, or in the case of documented overnight delivery service or registered or certified mail, return receipt requested, delivery charge or postage prepaid, on the date shown on the receipt therefor, in each case at the address set forth below:

If to Seller: Skylink Express Inc.
55 Clair West, Suite 210,
Toronto, Ontario, Canada

Attention: David Atkins, President/COO
E-mail: datkins@skylinkexpress.com

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 2000
PO Box 53, Toronto, Ontario M5K 1E7

Attention: Eric Reither and Jennifer Stam
Email: eric.reither@nortonrosefulbright.com
and jennifer.stam@nortonrosefulbright.com

If to Purchaser: Gingras Équipement Inc.
6e Avenue de l'Aéroport
607 Québec City, Quebec G2G 2T4

Attention: Mathieu Gingras
Email: Mathieu.gingras@autobus.qc.ca

If to Monitor/Escrow Agent:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20,
Toronto, Ontario, M5J 2W4

Attention: Bobby Kofman
Email: bkofman@ksvadvisory.com

- 7.10 Non-Waiver.** Any failure at any time of either party to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice the right of such party to enforce such provision at any subsequent time.
- 7.11 Entire Agreement.** The parties agree that the terms and conditions of this Agreement (and the confidentiality provisions of the LOI) constitute the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements between the parties, express or implied. To the extent of any conflict between the terms of this Agreement and the terms of any other invoice or other standard form document delivered by the parties under this Agreement, the terms of this Agreement shall govern.
- 7.12 Transaction Costs and Expenses.** Except as otherwise set forth herein, each party to this Agreement shall bear its own transaction costs and expenses, including, without limitation, any brokers' commissions and/or attorneys' fees.

- 7.13 Survival.** The representations, warranties and certifications of the Seller and the Purchaser contained in this Agreement and in any documents to be delivered pursuant to this Agreement shall merge on Closing and not survive following Closing.
- 7.14 Further Assurances.** Each of the parties hereto covenants and agrees to execute such other and further documents relating to the matters set forth herein and to take or cause to be taken such other and further actions, as may be reasonably necessary or appropriate to carry out the purposes and intent of this Agreement, and to consummate the transactions contemplated hereby.
- 7.15 Governing Law/Jurisdiction.** This Agreement is deemed to have been concluded in Toronto, Ontario, Canada and is governed by the laws of Ontario and those of Canada applicable therein, without regard to conflict of law provisions.
- 7.16 Submission to Jurisdiction.** Each of the parties irrevocably and unconditionally submits and attorns to the exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by applicable Law, each of the parties:
- 7.16.1 irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province, or that the subject matter of this Agreement may not be enforced in those courts; and
- 7.16.2 irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 8.21, of the substantive merits of any suit, action or proceeding.
- 7.17 Cape Town Convention**
- 7.17.1 Prior to Closing, Seller shall, and Purchaser shall, become a “transacting user entity” with the International Registry. Each party shall bear their own expense in doing so.
- 7.17.2 Seller and Purchaser shall provide to each other, as a condition precedent to Closing, evidence that they have been approved by the International Registry as a “transacting user entity” and have duly registered with, are authorized to make filings with and have received all approvals from the International Registry, and have appointed an “administrator” (as such term is defined and used in the International Registry Procedures and International Registry Regulations).
- 7.17.3 Seller shall and Purchaser shall, as a condition precedent to Closing, authorize Norton Rose Fulbright Canada LLP to act as, and shall designate Norton Rose Fulbright Canada LLP or another mutually agreed party as, their “professional user entity” (as such term is defined and used in the International Registry Procedures and International Registry Regulations) to effect, amend, discharge and consent to registrations with respect to the Airframe and the Engines on their behalf. No party shall revoke such authorization until after the earlier to occur of (i) the discharge of any International Interests and registration of a Contract of Sale of the Airframe and Engines with the International Registry following the release of the Bill of Sale conveying the Aircraft to Purchaser (**Transfer of Title**) or (ii) termination of this Agreement in accordance with its terms. Neither Purchaser, nor anyone claiming by or through Purchaser, shall effect or cause to effect a prospective International Interest on the Airframe or the Engines. Should any such registration(s) be made, such shall be a material breach of this Agreement and Purchaser shall take all necessary actions to discharge or cause to discharge such registration(s).

- 7.17.4 Seller and Purchaser shall cause Norton Rose Fulbright Canada LLP, as a professional user entity, to register a Contract of Sale of the Airframe and Engines with the International Registry immediately after Transfer of Title. Seller and Purchaser each hereby expressly consents to the registration of the International Interest arising from the Contract of Sale with respect to the Airframe and the Engines.
- 7.18 Agreement Negotiated.** The parties to this Agreement are sophisticated and have been represented or had the opportunity to be represented in connection with the negotiation and performance of this Agreement. The parties agree that no presumptions relating to the interpretation of contracts against the drafter of any particular clause should or may be applied in this case and, therefore, waive their effects.
- 7.19 Confidentiality.** The terms and conditions of this Agreement, and all writings, discussions, and negotiations in connection with the transaction contemplated by this Agreement (including, without limitation, the fact that discussions and negotiations have been conducted by the parties), shall remain strictly confidential and shall not be disclosed by either party, without the prior written consent of the other party, except that each party shall be entitled to disclose the terms and conditions of this Agreement (i) as may be required by law or legal process; (ii) to such party's attorneys, accountants, consultants, lenders, and other advisors performing services for such party with respect to or affected by the transaction contemplated by this Agreement including Escrow Agent and Inspection Facility and their personnel; (iii) to each party's employees with a need to know; (iv) as may be required to permit such party to pursue all available remedies for breach of this Agreement by the other party; (v) to any entity that may provide financing to Purchaser in connection with the acquisition of the Aircraft; and (vi) in connection with the CCAA Proceedings. For greater certainty, the Purchaser acknowledges that this the transaction shall be subject to approval by the Court and the Seller shall be entitled to disclose whatever terms of this Aircraft Purchase Agreement are required in order to seek such approval.
- 7.20 Payment and Currency.** Any money to be advanced, paid or tendered by one Party to another under this Agreement must be advanced, paid or tendered by bank draft, certified cheque or wire transfer of immediately available funds payable to the Person to whom the amount is due. Unless otherwise specified, the word "dollar" and the "\$" sign refer to United States currency, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in United States currency.
- 7.21 Monitor's Certificate.** The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.
- 7.22 Monitor's Capacity.** In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in the CCAA Proceedings, the Seller and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Seller and not in its personal capacity, will have no liability, in its personal capacity or otherwise, in connection with this Agreement or the transactions contemplated herein whatsoever as Monitor.
- 7.23 Language.** The Parties confirm their express wish that this Agreement and all related documents be drafted in the English language. Les Parties confirment leur volonté expresse que la présente convention et tous les documents s'y rattachant soient rédigés en langue anglaise.

7.24 Counterparts. This Agreement may be fully executed in two or more counterparts by each of the parties hereto, such counterparts together constituting but one and the same instrument. Such counterparts may be exchanged via facsimile or other electronic transmission.

[Remainder of this page intentionally left blank. Signature Page follows.]

IN WITNESS WHEREOF, the undersigned parties have caused this Aircraft Purchase Agreement to be executed, delivered and effective as of the date first above written.

SKYLINK EXPRESS INC.

By: 

Printed Name: David Atkins

Title: President / COO

GINGRAS ÉQUIPEMENT INC.

By: _____

Printed Name: Mathieu Gingras

Title: _____

IN WITNESS WHEREOF, the undersigned parties have caused this Aircraft Purchase Agreement to be executed, delivered and effective as of the date first above written.


SKYLINK EXPRESS INC.

By: _____

Printed Name: David Atkins

Title: _____

GINGRAS ÉQUIPEMENT INC.

By:  _____

Printed Name: Mathieu Gingras

Title: président _____

EXHIBIT A

AIRCRAFT SPECIFICATION

These Aircraft Specifications are provided as information only, without any warranty or representation of exactitude from Seller whatsoever and are strictly subject to Purchaser's duty of diligent verification during Purchaser's Inspection of the Aircraft and Aircraft Documents.

Airframe:

Information as of: May 1, 2024
Year of Manufacture: 1998
Serial Number: 208B-0047
TTSN: 22,343.8
Landings: 31,173

Engine:

Pratt & Whitney: PT6A-114A ESN: 19226
Operator TBO: 8000 Hrs.
TSO: 3,511.9
SHSI: 1,544.5 hrs

Propeller:

McCauley: 3GFR34C703-B Prop S/N: 14027
Operator TBO: 4000 hrs or 6 years.
TSPOH: tba

Avionics

KFC-150 Autopilot	KRA-I0A RadAlt	KMA-24H Audio
Dual KX-165 Nav/Coms	KR-87 ADF	KT-70 Transponder
KN-63 DME	RDS 81 Radar	KLN-89 GPS

Equipment

Garmin USB charger Cargo Pod De-Ice

Interior

Cargo Configuration

Exterior

N/A

Notes

Aircraft based at Vancouver, British Columbia, Canada (CYVR)

EXHIBIT B

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, for \$10.00 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Skylink Express Inc. (**Seller**), an Ontario corporation, hereby grants, conveys, transfers, delivers and sets over all right, title and interest in and to the Aircraft and the Aircraft Documents unto Gingras Équipement Inc. (**Purchaser**), a Quebec corporation, and unto Purchaser's successors and assigns forever, the following tangible personal property.

1. that certain one (1) Cessna Grand Caravan aircraft, manufacturer's serial number 208B-0047 (the **Airframe**) equipped with one (1) Pratt and Whitney Canada PT6A-114A engine, engine's serial number 19226 (the **Engine**) and all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories and tool kits installed thereon or appurtenant thereto (collectively, the **Aircraft**); and
2. all documents and records relating to or required to be maintained with respect to the Aircraft, including, without limitation, all Airframe, Engines and accessory logbooks, manuals, weight and balance manuals, tags, technical records, traceability records, task cards, information, overhaul records, maintenance records, wiring diagrams, drawings, data, completion manuals and any and all other records related to the Aircraft and delivered with the Aircraft and in the possession of Seller (collectively, the **Aircraft Documents**).

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Bill of Sale to be executed, delivered and effective as of this ____ day of _____, 2024.

SKYLINK EXPRESS INC.

By: _____

Printed Name: _____

Title: _____

EXHIBIT C

AIRCRAFT DELIVERY RECEIPT

GINGRAS EQUIPEMENT INC. (**Purchaser**) hereby acknowledges delivery and acceptance of that certain one (1) Cessna Grand Caravan aircraft, manufacturer's serial number 208B-0047 (the **Airframe**) equipped with one (1) Pratt and Whitney Canada PT6A-114A engine, engine's serial number 19226 (the **Engine**) and all appurtenances, appliances, parts, avionics, instruments, components, accessions, furnishings, items of equipment and accessories and tool kits installed thereon or appurtenant thereto (collectively, the **Aircraft**) from Skylink Express inc. (**Seller**), at _____ o'clock (am / pm) local time on the ____ day of _____, 2024, at the Delivery Location, pursuant to the terms and conditions of the Aircraft Purchase Agreement dated as of July 10, 2024, between Purchaser and Seller (the **Agreement**). Purchaser hereby acknowledges that the Aircraft satisfies all the requirements, terms and conditions of the Purchase Agreement. By reason of the execution and delivery by Purchaser of this Aircraft Delivery Receipt, it is conclusively stated that (i) Purchaser has approved and accepted the Aircraft and the Aircraft Documents (as defined in the Agreement) "**as is**" in its then-current technical condition and state of repair, with all faults, limitations and defects (whether hidden or apparent), regardless of cause; and (ii) Seller has not made, with respect to the title and condition of the Aircraft, any representation, warranty or guaranty of any kind, express or implied, whether arising in law, in equity, in contract, or in tort, including, without limitation, any implied warranty of merchantability, airworthiness, design, condition, or fitness for a particular use.

TOTAL TIME AIRFRAME: _____ hours / _____ cycles

TOTAL TIME ENGINE:

Engine _____: _____ hours _____ cycles

Purchaser:

GINGRAS ÉQUIPEMENT INC.

By: _____

Name: Mathieu Gingras

Title: President and secretary

Appendix “F”

Skylink Express Inc. (the "Company")
Projected Statement of Cash Flow
For the Period ended October 31, 2024
(Unaudited; \$C)

Week	Notes	19-Jul-24	26-Jul-24	02-Aug-24	09-Aug-24	16-Aug-24	23-Aug-24	30-Aug-24	06-Sep-24	13-Sep-24	20-Sep-24	27-Sep-24	04-Oct-24	11-Oct-24	18-Oct-24	25-Oct-24	31-Oct-24	Total
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<i>Receipts</i>																		
UPS revenues	1	303,154	253,866	253,866	253,866	-	-	-	-	-	-	-	-	-	-	-	-	1,064,752
GST/HST/QST returns	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP loan		-	-	150,000	-	300,000	50,000	300,000	350,000	350,000	-	150,000	450,000	350,000	50,000	-	250,000	2,750,000
Total Receipts		303,154	253,866	403,866	253,866	300,000	50,000	300,000	350,000	350,000	-	150,000	450,000	350,000	50,000	-	250,000	3,814,752
<i>Disbursements</i>																		
Payroll	4	-	304,201	-	-	101,725	-	232,046	-	71,499	-	127,830	-	76,616	-	-	274,003	1,187,919
Capital expenditures	5	20,000	-	-	-	-	-	-	10,000	-	-	-	60,500	-	-	-	-	90,500
Leases	6	-	-	127,020	-	-	-	-	50,200	-	-	-	50,636	-	-	-	1,742	229,598
Insurance	7	-	-	-	-	-	-	-	-	-	14,793	18,086	-	-	-	-	-	32,878
Maintenance	8	35,987	35,987	35,987	35,987	5,713	8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	243,923
Aircraft operating expenses	9	123,483	90,596	90,596	90,596	15,000	15,000	15,000	-	-	-	-	-	-	-	-	-	440,271
Other general expenses	10	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	10,420	166,715
GST/HST/QST on expenditures	3	22,136	16,847	32,970	16,847	3,128	3,414	3,414	9,401	1,914	3,837	4,173	14,494	1,914	1,914	1,914	2,088	140,406
TD Loan - Principal Repayment	11	-	-	244,830	-	-	-	-	244,830	-	-	-	244,830	-	-	-	-	734,490
TD Loan - Interest	11	-	-	79,698	-	-	-	-	52,274	-	-	-	48,888	-	-	-	-	180,859
Total Disbursements		212,026	458,051	621,520	153,850	135,986	37,403	269,449	385,694	92,402	37,619	169,078	438,337	97,519	20,903	20,903	296,822	3,447,560
<i>Net cash flow before the undernoted</i>		91,128	(204,185)	(217,654)	100,016	164,014	12,597	30,551	(35,694)	257,598	(37,619)	(19,078)	11,663	252,481	29,097	(20,903)	(46,822)	367,192
Professional fees	2	-	30,000	-	-	250,000	-	-	-	250,000	-	-	-	250,000	-	-	-	780,000
<i>Net cash flow</i>		91,128	(234,185)	(217,654)	100,016	(85,986)	12,597	30,551	(35,694)	7,598	(37,619)	(19,078)	11,663	2,481	29,097	(20,903)	(46,822)	(412,808)
Opening Cash Balance		432,211	523,339	289,155	71,501	171,517	85,531	98,128	128,680	92,985	100,583	62,965	43,887	55,550	58,031	87,128	66,225	432,211
Net cash flow		91,128	(234,185)	(217,654)	100,016	(85,986)	12,597	30,551	(35,694)	7,598	(37,619)	(19,078)	11,663	2,481	29,097	(20,903)	(46,822)	(412,808)
Closing Cash Balance		523,339	289,155	71,501	171,517	85,531	98,128	128,680	92,985	100,583	62,965	43,887	55,550	58,031	87,128	66,225	19,403	19,403
DIP Loan advances	Opening 1,800,000	1,800,000	1,800,000	1,950,000	1,950,000	2,250,000	2,300,000	2,600,000	2,950,000	3,300,000	3,300,000	3,450,000	3,900,000	4,250,000	4,300,000	4,300,000	4,550,000	4,550,000

Purpose and General Assumptions

The cash flow projection assumes that the Company continues to be afforded protection under the *Companies' Creditors Arrangement Act* ("CCAA") to October 31, 2024.

The cash flow projection has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

The cash flow does not reflect the sale of any aircraft due to the uncertain timing of these transactions. The net proceeds of sale of each aircraft will be paid to TD Bank.

Hypothetical Assumptions

1. Revenue is based on the Company's contract with United Parcel Services Canada Ltd. ("UPS"). The cash flow assumes UPS pays all receivables owing to the Company on 15-day payment terms.
2. Professional fees are estimated.

Probable Assumptions

3. The Company is typically in an HST/QST refundable position. Receipt of HST/QST refunds for the months of February 2024 to May 2024 have been delayed pending completion of an audit being conducted by Canada Revenue Agency.
4. Payroll is paid on the 15th and last day of each month and is assumed to be paid three business days in advance of the payroll payment date.
5. The Company's capital and maintenance program has been budgeted per aircraft.
6. Lease expenses are comprised of hangar lease costs, which are payable on the first of each month.
7. Aircraft insurance and aviation general liability insurance is due quarterly on March 23, June 23, September 23 and December 23 of each year.
8. Costs include consumable parts, non-consumable parts, outsourced labour, tools and shop supplies.
9. Aircraft operating costs include fuel, navigation, landing fees, crew travel costs and are generally incurred evenly throughout the month. These costs exclude crew payroll, aircraft insurance and hangar fees, which are reflected separately.
10. Includes telephone, office expenses, non-restructuring legal fees, annual audit instalments, etc.
11. Represents principal and interest repayments on the Company's TD Bank term facility. Principal of \$244,830 and interest is paid on the 1st of each month.

Appendix “G”

COURT FILE NO.: CV-24-00716267-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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.

APPLICANT

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)

The management of Skylink Express Inc. (the "Applicant") has developed the assumptions and prepared the attached statement of projected cash flow as of the 18th day of July, 2024 for the period July 15, 2024 to October 31, 2024 (the "Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.


The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in the notes to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicant and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual events will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in the Cash Flow using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 19th day of July, 2024.

Skylink Express Inc.



Kyle Dennhardt

Appendix “H”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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.

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Skylink Express Inc. (the "Applicant") as of the 18th day of July, 2024, consisting of a weekly projected cash flow statement for the period July 15 to October 31, 2024 (the "Cash Flow") has been prepared by management of the Applicant for the purpose described in the notes, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by management. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in the notes and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 18th day of July, 2024.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
SKYLINK EXPRESS INC.
AND NOT IN ANY OTHER CAPACITY**

Appendix “I”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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.

AFFIDAVIT OF ROBERT KOFMAN
(sworn July 19th, 2024)

I, **ROBERT KOFMAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the President of KSV Restructuring Inc. ("KSV"), the Court-appointed monitor (the "Monitor") under the *Companies' Creditors Arrangement Act* (the "CCAA") of Skylink Express Inc. (the "Company"), and as such, I have knowledge of the matters deposed to herein.
2. Pursuant to a Court order made on March 11, 2024, the Companies were granted protection under the CCAA and KSV was appointed as the Monitor in these proceedings.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements for the period May 1, 2024 to June 30, 2024 (the "Period").
4. The Monitor's invoices for the Period disclose: the nature of the services rendered; the time expended by each person and their hourly rates; the total charges for the services rendered; and the disbursements charged. Copies of the Monitor's invoices are attached hereto as Exhibit "A" and the billing summary is attached hereto as Exhibit "B".
5. The Monitor spent a total of 101.35 hours on this matter during the Period, resulting in fees totalling \$67,940.75, excluding disbursements and HST, as summarized in Exhibit "B".
6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$670.36.

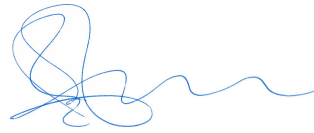
7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

SWORN before me at the City of
Toronto, in the Province of Ontario
this 19th day of July, 2024



Catherine Anne Stuyck-Therault, a Commissioner, etc.,
Province of Ontario for KSV Advisory Inc. and
KSV Restructuring Inc.
Expires February 19, 2025

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)
)



ROBERT KOFMAN

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ROBERT KOFMAN

Sworn before me

This 19th day of July, 2024

A handwritten signature in blue ink, appearing to read 'Catherine Anne Stuyck-Therault', is written above a horizontal line.

Catherine Anne Stuyck-Therault, a Commissioner, etc.,
Province of Ontario for KSV Advisory Inc. and
KSV Restructuring Inc.
Expires February 19, 2025



ksv advisory inc.

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

Skylink Express Inc.
55 St. Clair Avenue West, Suite 210
Toronto, ON M4V 2Y7

July 9, 2024

Invoice No: 3760
HST #: 818808768RT0001

Re: Skylink Express Inc. (the “Company”)

For professional services rendered in June 2024 by KSV Restructuring Inc. (“KSV”), in its capacity as Court-appointed Monitor (the “Monitor”) in connection with the Company’s proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

General Activities

- Corresponding with the Company, Norton Rose Fulbright (Canada) LLP (“NRF”), the Company’s legal counsel, Cassels, Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, Momentum Decisive Solutions Canada Inc. (“Momentum”), the Company’s sole shareholder, and Paliare Roland Rosenberg Rothstein LLP (“Paliare”), Momentum’s legal counsel, regarding these CCAA proceedings generally, the Company’s dealings with United Parcel Service Canada Ltd. (“UPS”) and a sale process for the Company’s aircraft fleet and other assets (the “Sale Process”);
- Dealing with TD Bank (“TD”), the Company’s senior secured creditor, Fogler Rubinoff LLP (“Fogler”), TD’s legal counsel, and TD’s financial advisor, Mandelbaum Spergel Inc. (“MSI”), to provide updates regarding the status of these CCAA proceedings and the Sale Process;

TD Matters

- Providing weekly variance reporting to MSI, as required pursuant to the forbearance agreement dated April 19, 2024 among the Company, Momentum and TD;
- Keeping TD and MSI apprised of the status of the Company’s dealings with UPS;
- Keeping TD and MSI apprised of the status of the Sale Process;
- Reviewing Cassels’ opinion regarding dated June 27, 2024 regarding TD’s security, as well as several emails regarding same;

UPS

- Reviewing and commenting on a draft wind-down agreement between the Company and UPS and corresponding with NRF regarding same;
- Staying apprised of the status of wind-down discussions with UPS;

Sale Process

- Corresponding with the sales agent, 262396 Alberta Ltd. dba Pollock Aviation (the "Agent"), the Company, NRF and Cassels regarding the Sale Process;
- Reviewing and commenting on a template letter of intent (the "Template LOI") and template aircraft purchase and sale agreement to be used by potential purchasers in the Sale Process, and corresponding with NRF and Cassels regarding same;
- Attending a call on June 4, 2024 with the Company, NRF and the Agent regarding the Template LOI;
- Reviewing and commenting on a marketing brochure prepared by the Agent with respect to the Company's aircraft fleet;
- Reviewing letters of intent to purchase various aircraft and discussing same with the Agent, the Company, NRF and Cassels;
- Providing MSI with copies of all offers received, in accordance with the Sale Process, and corresponding with MSI regarding same;
- Seeking TD's approval in respect of certain letters of intent to purchase aircraft;

July 5, 2024 Motion

- Drafting the Monitor's fourth report dated June 28, 2024 (the "Fourth Report") in support of the Company's relief seeking, *inter alia*, approval of the sale of an aircraft pursuant to an aircraft purchase agreement between the Company and LAD Inc. (the "Purchaser") dated June 24, 2024 (the "Transaction");
- Corresponding with the Company, NRF, Cassels, Paliare and Fogler regarding the Fourth Report;
- Reviewing several versions of the Purchaser's letter of intent and aircraft purchase agreement and discussing the Transaction with the Agent, the Company, NRF and Cassels;
- Reviewing and commenting on the Company's motion materials, including the affidavit of Kyle Dennhardt sworn June 27, 2024 and the draft order;
- Seeking TD's approval of the Transaction;

Cash Flow Monitoring

- Reviewing the Company's weekly cash flow variance reporting and providing same to MSI on June 4, 8, 18, 21 and 28, 2024;

Other

- Corresponding with the Company and NRF regarding Muskoka Mod Centre (“Muskoka Mod”), which is in possession of an aircraft and claims a lien on same;
- Attending a call on June 23, 2024 with the Company, NRF and Cassels regarding the Muskoka MOD issue;
- Maintaining the Monitor’s case website; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	31,758.25
HST		<u>4,128.57</u>
Total Due	\$	<u>35,886.82</u>

KSV Restructuring Inc.
CCAA of Skylink Express Inc.

Time Summary

For the month ended June 30, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	850	22.45	19,082.50
Jordan Wong	550	15.75	8,662.50
Other Staff and Administration	225	10.95	4,013.25
Total Fees			<u>31,758.25</u>



ksv advisory inc.

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

Skylink Express Inc.
55 St. Clair Avenue West, Suite 210
Toronto, ON M4V 2Y7

June 11, 2024

Invoice No: 3702
HST #: 818808768RT0001

Re: Skylink Express Inc. (the “Company”)

For professional services rendered in May 2024 by KSV Restructuring Inc. (“KSV”), in its capacity as Court-appointed Monitor (the “Monitor”) in connection with the Company’s proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

Pre-CCAA Activities

- Corresponding with the Company, Norton Rose Fulbright (Canada) LLP (“NRF”), the Company’s legal counsel, Cassels, Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, Momentum Decisive Solutions Canada Inc. (“Momentum”), the Company’s sole shareholder, and Paliare Roland Rosenberg Rothstein LLP (“Paliare”), Momentum’s legal counsel, regarding these CCAA proceedings generally, the Company’s dealings with United Parcel Service Canada Ltd. (“UPS”) and a sale process for the Company’s aircraft fleet and other assets (the “Sale Process”);
- Dealing with TD Bank (“TD”), the Company’s senior secured creditor, Fogler Rubinoff LLP (“Fogler”), TD’s legal counsel, and TD’s financial advisor, Mandelbaum Spergel Inc. (“MSI”), to provide updates regarding the the status of these proceedings and the pending Sale Process;

May 30, 2024 Motion

- Drafting the Monitor’s third report dated May 24, 2024 (the “Third Report”) in support of the Company’s relief seeking, *inter alia*, an extension of the stay of proceedings and approval of the Sale Process;
- Corresponding with the Company, NRF, Cassels, Paliare and Fogler regarding the Third Report;
- Reviewing and commenting on the Company’s motion materials, including the affidavit of Kyle Dennhardt sworn May 24, 2024 and the draft order;

- Working with the Company to prepare a CCAA cash flow forecast for the proposed extension period;
- Attending the Stay Extension and Sale Process Motion on May 30, 2024;

TD Matters

- Dealing with NRF, Cassels, TD and MSI regarding the stay extension and the Sale Process;
- Keeping TD and MSI apprised of the Company's dealings with UPS, including sending MSI an update on May 11, 2024 and attending a call on May 15, 2024 with Fogler and MSI regarding same;

UPS

- Corresponding with the Company regarding its negotiations with UPS, including attending calls with the Company and NRF on May 9 and 14, 2024;
- Reviewing and commenting on a draft wind-down agreement between the Company and UPS;

Sale Process

- Corresponding with the sales agent, 262396 Alberta Ltd. dba Pollock Aviation (the "Agent") regarding the Sale Process;
- Reviewing and commenting on draft Sale Process materials, including background information regarding the Agent, the Company's engagement letter with the Agent dated May 23, 2024 and the Sale Process;
- Attending calls on May 6, 9 and 31 2024 with the Agent, the Company and/or NRF regarding the Sale Process;
- Providing TD with draft Sale Process materials and background information concerning the Agent;

Cash Flow Monitoring

- Reviewing the Company's weekly cash flow variance reporting and providing same to MSI on May 4, 11, 18 and 28, 2024;

Other

- Corresponding with the Company and NRF regarding Muskoka Mod Centre ("Muskoka Mod"), which is in possession of an aircraft and claims a lien on same;
- Assisting the Company to address the return of certain parts in the possession of a vendor and attending calls on May 22, 27 and 29, 2024 with the Company regarding same;
- Corresponding with the Company regarding employee matters and reviewing and commenting on draft letter to employees in connection with the wind-down of the business;
- Attending a call on May 20, 2024 with the Company regarding the draft employee letter;

- Maintaining the Monitor's case website; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$ 36,182.50
HST	<u>4,703.73</u>
Total Due	<u>\$ 40,886.23</u>

KSV Restructuring Inc.
CCAA of Skylink Express Inc.

Time Summary

For the month ended May 31, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	850	28.70	24,395.00
Jordan Wong	550	20.00	11,000.00
Other Staff and Administration	225	3.50	787.50
Total Fees			<u>36,182.50</u>

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF ROBERT KOFMAN

Sworn before me

this 19th day of July, 2024

A handwritten signature in blue ink, appearing to read "Chalk", is written over a horizontal line.

Catherine Anne Stuyck-Therault, a Commissioner, etc.,
Province of Ontario for KSV Advisory Inc. and
KSV Restructuring Inc.
Expires February 19, 2025

Skylink Express Inc.

Time Summary

For the Period from May 1, 2024 to June 30, 2024

Personnel	Title	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	President and Managing Director	51.15	850	43,477.50
Jordan Wong	Director	35.75	550	19,662.50
Tony Trifunovic	Manager	7.00	450	3,150.00
Other staff and administrative		7.45	195-225	1,650.75
Total fees		<u>101.35</u>		<u>67,940.75</u>
Average hourly rate				<u>\$ 670.36</u>

Appendix “J”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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**")

**AFFIDAVIT OF JANE OLIVE DIETRICH
(SWORN JULY 17, 2024)**

I, Jane Olive Dietrich, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a lawyer qualified to practice law in Ontario and a Partner¹ in the law firm of Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for KSV Restructuring Inc. in its capacity as the court-appointed monitor of Skylink Express Inc. (the "**Applicant**") in the Applicant's proceedings under the *Companies' Creditors Arrangement Act* (in such capacity, the "**Monitor**"). As such, I have knowledge of the matters hereinafter to which I depose.
2. For the period from May 16, 2024, to June 30, 2024, Cassels incurred fees and disbursements of \$30,908.50 and \$794.72, respectively exclusive of HST, in connection with acting as counsel to the Monitor. Particulars of the work performed by Cassels are contained in the Cassels' invoices which totals \$35,721.33 (inclusive of HST), true copies of the Cassels' invoices are attached hereto as **Exhibit "A"**.
3. Attached hereto and marked as **Exhibit "B"** is a summary of the individuals whose services are reflected on the invoices, including year of call, billing rate, and a summary of the total fees and hours billed for each individual.

¹ My services are provided through a professional corporation.

4. Attached hereto and marked as **Exhibit "C"** is a summary of the invoices in Exhibit "A", including the total billable hours charged per invoice and the average hourly rate charged per invoice. The average hourly billed rate charged by Cassels for this period of the engagement is \$741.21.

5. To the best of my knowledge, the rates charged by Cassels are comparable to the rates charged for the provision of similar services by other legal firms in the Toronto market.

6. This affidavit is sworn in support of a motion for, *inter alia*, approval of the fees and disbursements of counsel to the Monitor, and for no other or improper purpose.

AFFIRMED BEFORE ME by videoconference on July 17, 2024 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Oaths

Commissioner Name: Monique Sassi
Law Society of Ontario Number: 63638L



JANE OLIVE DIETRICH

This is Exhibit "A" referred to in the affidavit of Jane Olive Dietrich, affirmed before me by videoconference on July 17, 2024 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.



.....
A Commissioner For Taking Affidavits

Commissioner Name: Monique Sassi
Law Society of Ontario Number: 63638L

EXHIBIT "A"

**True Copies of the Invoices issued to the Monitor
for fees and disbursements incurred by
Cassels Brock & Blackwell LLP**

Cassels

Attn: Robert Kofman
KSV Advisory Inc.
220 Bay Street, 13th Floor, PO Box 20
Toronto, ON M5J 2W4

Invoice No: 2240091
Date: June 06, 2024
Matter No.: 050505-00011
GST/HST No.: R121379572
Lawyer: Dietrich, Jane
Tel.: (416) 860-5223
E-mail: JDietrich@cassels.com

Re: Potential Insolvency of Skylink Express Inc.

Fees for professional services rendered up to and including May 31, 2024

Our Fees	10,923.00
HST @ 13.00%	1,419.99
TOTAL DUE (CAD)	12,342.99

We are committed to protecting the environment.

Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: Email payment details to payments@cassels.com

CAD EFT and Wire:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2240091
Matter No.: 050505-00011
Amount: **CAD 12,342.99**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

Cassels Brock Blackwell LLP | cassels.com

Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
May-16-24	M. Sassi	Correspondence regarding court hearing and return of aircraft;	0.20
May-18-24	J. Dietrich	Review and exchange of email regarding status; review of draft sale process and related engagement letter;	0.40
May-18-24	M. Sassi	Review liquidation proposal; correspondence regarding same;	0.40
May-20-24	J. Dietrich	Review of comments on draft affidavit and order and provide further comments on same; review of draft report and provide comments on same; exchange of email regarding motion material;	0.70
May-20-24	M. Sassi	Review draft order, affidavit and report; correspondence regarding same;	2.20
May-21-24	S. Fernandes	Review and update Fee Affidavit;	0.20
May-21-24	M. Sassi	Correspondence regarding fee affidavit and court materials;	0.80
May-22-24	S. Fernandes	Review and commission fee affidavit;	0.20
May-22-24	M. Sassi	Review Pollack engagement letter; preparation of matters pertaining o report; correspondence regarding filing matters;	0.60
May-22-24	M. Sassi	Correspondence regarding security opinion;	0.20
May-22-24	J. Dietrich	Review of draft engagement letter and provide comments;	0.30
May-22-24	C. Vairo	Email from and to M. Sassi regarding call with NRF regarding IR matters and security opinion;	0.20
May-23-24	C. Vairo	Emails with M. Sassi regarding timing of call with NRF and reply to same;	0.20
May-23-24	M. Sassi	Correspondence regarding report;	0.20
May-23-24	J. Dietrich	Review of draft report and email regarding comments on same;	0.40
May-24-24	S. Fernandes	Review and comment on draft report; emails with J. Wong regarding finalizing and compiling report; instruct B. Nasri to create report back-page and draft affidavit of service; draft service email; review service list; correspondence with K. Parent regarding same; review affidavit of service; emails regarding draft Report with client; serve report; correspondence with R. Moses regarding blackline of report; swear affidavit of service;	2.30
May-24-24	M. Sassi	Finalization of report for service and filings; correspondence regarding court materials;	2.60
May-24-24	J. Dietrich	Review of email regarding revised report; exchange of messages regarding finalization of report and service issues;	0.60
May-28-24	M. Sassi	Correspondence regarding UPS agreement;	0.20
May-28-24	J. Dietrich	Discussion with J. Stam regarding hearing; review of winddown agreement and comments on same; review of material on caselines;	0.60
May-30-24	J. Dietrich	Preparation for and attend at motion;	0.70

FEE SUMMARY					
Name	Title	Hours	Rate	Amount	
Dietrich, Jane	Partner	3.70	1,005.00	3,718.50	
Sassi, Monique	Partner	7.40	745.00	5,513.00	
Vairo, Carlo	Partner	0.40	955.00	382.00	
Fernandes, Stephanie	Associate	2.70	485.00	1,309.50	
Total (CAD)		14.20		10,923.00	

Our Fees	10,923.00	
HST @ 13.00%	1,419.99	
TOTAL FEES & TAXES (CAD)		12,342.99

TOTAL FEES	10,923.00
TOTAL TAXES	1,419.99
TOTAL FEES & TAXES (CAD)	12,342.99

OUTSTANDING INVOICES				
Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2238172	05/21/24	24,136.80	0.00	24,136.80
2240091	06/06/24	12,342.99	0.00	12,342.99
Total (CAD)		36,479.79	0.00	36,479.79

Cassels

Attn: Robert Kofman
KSV Advisory Inc.
220 Bay Street, 13th Floor, PO Box 20
Toronto, ON M5J 2W4

Invoice No: 2244480
Date: July 17, 2024
Matter No.: 050505-00011
GST/HST No.: R121379572
Lawyer: Dietrich, Jane
Tel.: (416) 860-5223
E-mail: JDietrich@cassels.com

Re: Insolvency proceedings re: Skylink Express Inc.

Fees for professional services rendered up to and including June 30, 2024

Our Fees	19,985.50
Disbursements	794.72
Total Fees and Disbursements	20,780.22
HST @ 13.00%	2,598.12
TOTAL DUE (CAD)	23,378.34

We are committed to protecting the environment.

Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: *Email payment details to payments@cassels.com*

CAD EFT and Wire:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 Canada

Online Bill Payments:

Vendor name is **Cassels Brock Blackwell LLP** and
you are required to enter the first six digits of the
matter #

Invoice No: 2244480
Matter No.: 050505-00011
Amount: **CAD 23,378.34**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

Cassels Brock Blackwell LLP | cassels.com

Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Jun-11-24	C. Vairo	Emails and long call with A. Scalia to review information provided by NRF and Skylink and revise security review chart and footnotes;	1.40
Jun-11-24	A. Scalia	Review additional disclosure provided by counsel to the debtors; correspond with M. Sassi regarding same; review and revise security review opinion; strategy meeting with C. Vairo regarding same; circulate revised schedule to security review opinion to M. Sassi;	2.20
Jun-13-24	M. Sassi	Correspondence regarding aircraft security opinion with A. Scalia; review LAD Inc, offer and purchase agreement and recommendation from Monitor regarding same;	0.60
Jun-17-24	A. Scalia	Discussions with M. Sassi and C. Vairo regarding security review opinion;	0.50
Jun-17-24	M. Sassi	Call with lending team regarding aircraft security opinion correspondence with borrower regarding same;	0.70
Jun-17-24	J. Dietrich	Review of email regarding security review; review of email regarding winddown agreement status;	0.60
Jun-17-24	C. Vairo	Call with M. Sassi to discuss revised aircraft security review chart and information provided by Skylink/NRF;	0.30
Jun-18-24	C. Vairo	Email from M. Sassi to NRF regarding missing information for security review opinion;	0.20
Jun-19-24	J. Dietrich	Review of email regarding purchase of aircraft; review of revisions to wind-down agreement;	0.30
Jun-19-24	C. Vairo	Email from M. Sassi regarding to verify security on airframe and engine; discuss with A. Scalia; reply by A. Scalia regarding same;	0.20
Jun-19-24	M. Sassi	Correspondence regarding security over specific aircraft for potential purchase agreement;	0.30
Jun-21-24	M. Sassi	Correspondence sale and scheduling;	0.20
Jun-21-24	J. Dietrich	Email exchange regarding court approval and timing;	0.20
Jun-23-24	M. Sassi	Correspondence regarding aircraft security;	0.10
Jun-25-24	C. Vairo	Review emails from M. Sassi regarding IR searches and court order; revise and mark up court order provisions provided by M. Sassi and respond to email for IR searches by including Kelli Schmidt; review of the IR searches and review changes to security registrations chart and modify same; emails with M. Sassi regarding same;	0.80
Jun-25-24	M. Sassi	Review draft order and comment on same; correspondence with C. Varlo regarding aircraft security and related matters; review report and comment on same; review draft report and comments on same; correspondence regarding court materials; correspondence regarding IR searches;	2.50
Jun-25-24	J. Dietrich	Review of draft order and comment on same; email regarding purchase agreements; discussion regarding sale approval material with M. Sassi; review of comments on	1.40

Date	Name	Description	Hours
		draft report and email regarding same; review of email regarding court material;	
Jun-26-24	C. Vairo	Review emails from M. Sassi and M. Montana regarding security opinion and court order regarding sale of one airframe and engine; discuss wording of order with M. Sassi regarding IR language;	0.60
Jun-26-24	M. Montana	Revise approval and vesting order; revise security review opinion; compile final executed security review opinion; discussions with working group regarding security review matters;	2.30
Jun-26-24	M. Sassi	Review affidavit and comments on same; review order and comments on same; call and correspondence regarding registration; finalization of security opinion and correspondence regarding same; correspondence with Company counsel regarding draft order and related matters; review NOM and comments on same; review case law regarding aircraft provisions and amendments to order;	2.40
Jun-26-24	L. Grossman	Review final opinion;	0.30
Jun-26-24	J. Dietrich	Review of amended order and draft affidavit and email regarding same; review of security review and provide comments on same; review of email;	1.00
Jun-27-24	S. Fernandes	Review draft Report; correspondence with J. Wong regarding finalizing Report for service;	0.90
Jun-27-24	M. Montana	Revise security review opinion; discussions with working group regarding aircraft security matters; finalize security review opinion;	2.10
Jun-27-24	M. Sassi	Finalization of security opinion; correspondence regarding court materials; review notice of motion and comments on same;	1.10
Jun-27-24	L. Grossman	Review finalized security opinion;	0.60
Jun-27-24	J. Dietrich	Review and exchange of messages regarding motion material;	0.40
Jun-28-24	S. Fernandes	Review and finalize Report; review confidential appendix; correspondence with Court regarding delivery of confidential appendix to judge; update and finalize compiled Report; draft service email; serve Report to Service List; review and swear affidavit of service; send confidential appendix to court;	2.00
Jun-28-24	M. Sassi	Review of Factum; correspondence regarding aircraft matters; review final report; correspondence regarding filing and service of report and confidential appendix;	1.10
Jun-28-24	J. Dietrich	Review of comments on draft factum;	0.20

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	4.10	1,005.00	4,120.50
Vairo, Carlo	Partner	3.50	955.00	3,342.50
Sassi, Monique	Partner	9.00	745.00	6,705.00
Grossman, Lauren	Partner	0.90	730.00	657.00
Scalia, Anthony	Associate	2.70	600.00	1,620.00
Fernandes, Stephanie	Associate	2.90	485.00	1,406.50
Montana, Melissa	Associate	4.40	485.00	2,134.00
Total (CAD)		27.50		19,985.50

Our Fees	19,985.50	
HST @ 13.00%	2,598.12	
TOTAL FEES & TAXES (CAD)		22,583.62

DISBURSEMENT SUMMARY

Non-Taxable Disbursements

Agency Fees and Disbursements	794.72
Total Non-Taxable Disbursements	794.72

TOTAL DISBURSEMENTS & TAXES (CAD)	794.72
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TOTAL FEES	19,985.50
TOTAL DISBURSEMENTS	794.72
TOTAL TAXES	2,598.12
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	23,378.34

This is Exhibit "B" referred to in the affidavit of Jane Olive Dietrich, affirmed before me by videoconference on July 17, 2024 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.



.....
A Commissioner For Taking Affidavits

Commissioner Name: Monique Sassi
Law Society of Ontario Number: 63638L

EXHIBIT "B"

Billing Rates of Cassels Brock & Blackwell LLP

For the period from May 16, 2024, to June 30, 2024

Year of Call	Lawyer	Rate (\$)	Total Hours Worked	Total Fees Billed (\$)
1992	Carlo Vairo	955.00	3.9	3724.50
2004	Jane Dietrich	1,005.00	7.8	7,839.00
2013	Monique Sassi	745.00	16.4	12,218.00
2016	Lauren Grossman	730.00	0.90	657.00
2020	Anthony Scalia	600.00	2.70	1,620.00
2022	Stephanie Fernandes	485.00	5.6	2,716.00
2022	Melissa Montana	485.00	4.40	2,134.00

This is Exhibit "C" referred to in the affidavit of Jane Olive Dietrich, affirmed before me by videoconference on July 17, 2024 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.



.....
A Commissioner For Taking Affidavits

Commissioner Name: Monique Sassi
Law Society of Ontario Number: 63638L

EXHIBIT "C"

**Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period May 16, 2024 to June 30, 2024**

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
2240091 May 16-24 To May 31-24	10,923.00	0.00	1,419.99	12,342.99	14.20	769.23
2244480 June 11-24 To June 30-24	19,985.50	794.72	2,598.12	23,378.34	27.50	726.75

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

AFFIDAVIT OF JANE OLIVE DIETRICH

Sworn July 17, 2024

CASSELS BROCK & BLACKWELL LLP

Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, Ontario M5H 0B4

Jane Dietrich LSO#: 49302U

Tel: 416.860.5223
jdietrich@cassels.com

Monique Sassi LSO#: 63638L

Tel: 416.860.6886
msassi@cassels.com

Stephanie Fernandes LSO# 85819M

Tel: 416.860.6481
sfernandes@cassels.com

Lawyers for the Monitor

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

FIFTH REPORT OF THE MONITOR

CASSELS BROCK & BLACKWELL LLP

Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, Ontario M5H 0B4

Jane Dietrich LSO#: 49302U

Tel: 416.860.5223
jdietrich@cassels.com

Monique Sassi LSO#: 63638L

Tel: 416.860.6886
msassi@cassels.com

Stephanie Fernandes LSO#: 85819M

Tel: 416.860.6481
sfernandes@cassels.com

Lawyers for the Monitor