



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

May 24, 2024

Contents

	Page
1.0 Introduction	1
1.1 Purposes of this Report.....	3
1.2 Restrictions	4
1.3 Currency	4
2.0 Background	4
2.1 TD.....	6
3.0 UPS Update	7
4.0 Cash Flow	8
4.1 Updated Cash Flow Forecast.....	8
4.2 DIP Facility Recommendation	9
5.0 Sale Process	10
5.1 Sale Process.....	10
5.2 Recommendation.....	12
6.0 Company's Activities	13
7.0 Monitor's Activities.....	13
8.0 Professional Fees.....	14
9.0 Stay Extension	14
10.0 Conclusion and Recommendation	15

Appendices

Appendix	Tab
Amended and Restated Initial Order.....	A
Updated Cash Flow Forecast	B
Company's Report on Cash Flow Forecast	C
Monitor's Report on Cash Flow Forecast.....	D
Background Information regarding Pollock Aviation	E
Pollock Aviation Engagement Letter dated May 23, 2024	F
KSV Restructuring Inc. Fee Affidavit.....	G
Cassels Brock & Blackwell LLP Fee Affidavit	H

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 “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
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Lawyers for the Applicant

Appendix “B”

Skylink Express Inc. (the "Company")

Projected Statement of Cash Flow

For the Period ended July 30, 2024

(Unaudited; \$C)

Week	Notes	For the weeks ended											Total
		24-May-24	31-May-24	07-Jun-24	14-Jun-24	21-Jun-24	28-Jun-24	05-Jul-24	12-Jul-24	19-Jul-24	26-Jul-24	30-Jul-24	
		1	2	3	4	5	6	7	8	9	10	11	
<i>Receipts</i>													
UPS revenues	1	479,058	479,058	363,239	363,239	363,239	363,239	363,239	363,239	345,337	345,337	345,337	4,173,563
GST/HST/QST returns	3	-	-	-	-	-	-	88,440	-	-	-	97,527	185,967
DIP loan		-	-	-	250,000	-	100,000	200,000	400,000	-	50,000	200,000	1,200,000
<i>Total Receipts</i>		<u>479,058</u>	<u>479,058</u>	<u>363,239</u>	<u>613,239</u>	<u>363,239</u>	<u>463,239</u>	<u>651,679</u>	<u>763,239</u>	<u>345,337</u>	<u>395,337</u>	<u>642,864</u>	<u>5,559,530</u>
<i>Disbursements</i>													
Payroll	4	-	292,835	-	213,464	-	238,263	-	212,296	-	254,752	-	1,211,610
Capital expenditures	5	-	-	-	-	-	-	-	-	-	-	-	-
Leases	6	-	-	125,713	-	-	-	125,713	-	-	-	96,720	348,146
Insurance	7	-	-	-	-	66,029	-	-	-	-	-	-	66,029
Maintenance	8	57,129	57,129	43,317	43,317	43,317	43,317	43,317	43,317	41,182	41,182	41,182	497,707
Aircraft operating expenses	9	170,959	170,959	129,627	129,627	129,627	129,627	129,627	129,627	123,239	133,239	123,239	1,499,397
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	114,617
GST/HST/QST on expenditures	3	30,356	30,356	39,813	23,821	59,021	23,821	39,813	23,821	22,798	23,798	34,951	352,367
TD Loan - Principal Repayment	11	-	-	244,830	-	-	-	244,830	-	-	-	244,830	734,490
TD Loan - Interest	11	96,282	-	-	-	97,683	-	-	-	-	92,781	-	286,746
<i>Total Disbursements</i>		<u>365,146</u>	<u>561,699</u>	<u>593,720</u>	<u>420,649</u>	<u>406,097</u>	<u>445,448</u>	<u>593,720</u>	<u>419,481</u>	<u>197,639</u>	<u>556,172</u>	<u>551,342</u>	<u>5,111,110</u>
<i>Net cash flow before the undernoted</i>		<u>113,912</u>	<u>(82,641)</u>	<u>(230,481)</u>	<u>192,591</u>	<u>(42,858)</u>	<u>17,791</u>	<u>57,959</u>	<u>343,759</u>	<u>147,699</u>	<u>(160,834)</u>	<u>91,523</u>	<u>448,420</u>
Professional fees	2	-	-	-	350,000	-	-	-	350,000	-	-	-	700,000
<i>Net cash flow</i>		<u>113,912</u>	<u>(82,641)</u>	<u>(230,481)</u>	<u>(157,409)</u>	<u>(42,858)</u>	<u>17,791</u>	<u>57,959</u>	<u>(6,241)</u>	<u>147,699</u>	<u>(160,834)</u>	<u>91,523</u>	<u>(251,580)</u>
Opening Cash Balance		476,975	590,887	508,246	277,765	120,356	77,498	95,289	153,248	147,007	294,706	133,871	476,975
Net cash flow		113,912	(82,641)	(230,481)	(157,409)	(42,858)	17,791	57,959	(6,241)	147,699	(160,834)	91,523	(251,580)
Closing Cash Balance		<u>590,887</u>	<u>508,246</u>	<u>277,765</u>	<u>120,356</u>	<u>77,498</u>	<u>95,289</u>	<u>153,248</u>	<u>147,007</u>	<u>294,706</u>	<u>133,871</u>	<u>225,394</u>	<u>225,394</u>
DIP Loan advances	Opening 1,800,000	1,800,000	1,800,000	1,800,000	2,050,000	2,050,000	2,150,000	2,350,000	2,750,000	2,750,000	2,800,000	3,000,000	Ending 3,000,000

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 July 30, 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") and is projected to be consistent each week. The cash flow assumes UPS pays all receivables owing to the Company.
2. Professional fees are estimated.

Probable Assumptions

3. The Company is typically in an HST/QST refundable position as its revenues are not subject to sales tax. Receipt of HST/QST refunds for the months of February 2024 to April 2024, inclusive, has been delayed due to an audit being conducted by Canada Revenue Agency initiated during the CCAA proceedings.
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 is paid on the second of each month and interest is paid on the 21st of each month.

Appendix “C”

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 23rd day of May, 2024 for the period May 18, 2024 to July 30, 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 23rd day of May, 2024.

Skylink Express Inc.



Kyle Dennhardt

Appendix “D”

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 23rd day of May, 2024, consisting of a weekly projected cash flow statement for the period May 18 to July 30, 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 in the notes and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 23rd day of May, 2024.

KSV Restructuring Inc.

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

Appendix “E”



POLLOCK AVIATION COMPANY PROFILE

In 2017 Pollock Aviation was formed to become a fully independent aviation sales and marketing entity. With over 25 years of experience working in aviation, Rick Pollock is the Principal and founder of Pollock Aviation. Rick has earned the trust and confidence of his clients, over the years, through transparent transactions and a broad based knowledge of all aspects of aircraft sales and marketing.

Pollock Aviation specializes in worldwide aviation related transactions, with a focus on air ambulance, corporate, commuter, and regional sized aircraft. This includes everything from light aircraft, commuter aircraft, business jets, and larger turbo props such as Dash 8's.

Past experience includes: Field Aviation - Western Canada Sales Manager, Avmax Aircraft Leasing - Business Development Manager, and Charter Sales Manager for R1 Airlines.

All aspects of aircraft sales and support are available to assist Buyers, Sellers, and Lessors that their aircraft are being managed in the most cost effective and timely manner. This type of support includes:

- Asset Appraisal
- Project Management
- Maintenance Auditing (maintenance status, airworthiness, title, parts traceability)
- Global Support in Asset Retrieval and Ferry Flights.
- Import/Export of aircraft including regulatory compliance.
- Acquisition of aircraft in complex legal environments.
- Aircraft Lessor/Lessee support and management.
- Aircraft Storage
- Acquisition
- Aircraft Re-Marketing
- Transaction and closing requirements.
- Delivery

Pollock Aviation and its global network of specialists looks forward to providing the type of support required to see your aviation project to a successful completion. Additional information can be found at www.pollockaviation.com

Appendix “F”



This Agreement (the Agreement) is made on the 23rd day of May, 2024.

BETWEEN:

SKYLINK EXPRESS INC., having its place of business at Suite 210, 55 St. Clair Ave. West, Toronto, ON, L5N1W1 (“Skylink”), c/o David Atkins 250-869-2625 (datkins@skylinkexpress.com)

AND

1262396 ALBERTA LTD. dba POLLOCK AVIATION, having its place of business at 128 Citadel Green NW, Calgary, Alberta, Canada T3G 4G6 (“Pollock”), c/o Rick Pollock, tel: +1 403-554-6772, email: rick@pollockaviation.com

WHEREAS Skylink is the owner of the following:

Aircraft

Model	Manufacturers Serial Number	Canadian Registration
Cessna 208B	208B-0047	C-FHGA
Cessna 208B	208B-0350	C-GLGA
Cessna 208B	208B-0379	C-GE GA
Cessna 208B	208B-0662	C-FFGA
Beechcraft 1900C	UB-21	C-GSKM
Beechcraft 1900C	UB-32	C-GSKA
Beechcraft 1900C	UB-33	C-GSKW
Beechcraft 1900C	UB-35	C-GSKU
Beechcraft 1900C	UC-22	C-GSKG
Beechcraft 1900C	UC-54	C-GSKN
Beechcraft 1900C	UC-62	C-GTGA
Beechcraft 1900C	UC-102	C-FJXL
Beechcraft 1900C	UC-117	C-GKGA
Beechcraft 1900C	UC-124	C-FJXO

collectively the (“Aircraft”);

and associated spare parts for the above aircraft, collectively the (“Spares”);

and the associated Air Operator Certificate for Skylink (the “AOC”);



WHEREAS Skylink wishes to sell one or all of the Aircraft, Spares and AOC (collectively, the “Assets”);

WHEREAS Pollock is in the business of providing advisory services relating to the sale, leasing and acquisition of aircraft and related aviation assets;

WHEREAS parties identified by Pollock as potential purchasers of the Assets during the term of this agreement shall be identified to Skylink as Buyers (each a “Buyer” and more than one, “Buyers”); and

WHEREAS Pollock has agreed to provide aircraft sale and marketing services to Skylink in order to sell the Assets in accordance with the terms and conditions set forth herein, and in accordance with Appendix A – Skylink Liquidation Guideline.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged, the parties agree as follows:

1. Supply of Services

In pursuance of the above, Pollock will provide the following services:

- (a) Subject to the approval and sole discretion of Skylink, in consultation with the Monitor (as defined below), Pollock will endeavour to locate Buyers for the Assets using sales, marketing and networking efforts, and to assist the drafting and negotiation agreements of purchase and sale with any Buyer for the purchase of some or all of the Assets, and to assist in the negotiation of such other documents as may be required for the sale of the Assets by providing advice as and when required by Skylink.

2. No Obligation to Sell

- (a) Nothing contained herein shall create an obligation for Skylink to sell Assets to a Buyer and Skylink, in consultation with the Monitor, shall have the right to accept or reject the sale of Assets to a Buyer based on the terms of the sale process (the “Sale Process”) to be established within Skylink’s *Companies’ Creditors Arrangement Act* (“CCAA”) proceedings and as outlined in the report of KSV Restructuring Inc., in its capacity as the CCAA monitor (the “Monitor”) and provided in Appendix “A” (the “Sale Process”).



3. Terms and Termination

- (a) Pollock will provide the services as described in paragraph 1 for a duration of six (6) months (the "Term"). Any extension to the Term shall be agreed at the time between the parties, in consultation with the Monitor, in writing.
- (b) This Agreement is being entered into on an exclusive basis. All enquiries for the purchase of the Assets during the Term shall be directed to Pollock, with Pollock having the sole right to market the Assets during the Term of this Agreement, unless terminated pursuant to an order of the Court or by agreement between Pollock and Skylink.
- (c) The Agreement shall terminate on the earliest of:
 - i. the expiration of the Term;
 - ii. the date on which Skylink notifies Pollock that the Assets have been withdrawn from the market and are no longer available for sale;
 - iii. the date on which Pollock receives payment from Skylink following the successful sale of all of the Assets (see section 1(a)) (which must be within the Term) for which Pollock is entitled to a selling fee; and
 - iv. an order of the Court terminating the Agreement.
- (d) Other than as set out above, neither party may terminate this Agreement prior to expiry of the Duration without the prior written consent of the other party or order of the Court.
- (e) Should Skylink and any Buyer fail to enter into a Sale and Purchase agreement for any of the Assets during the Term but enter into an agreement to sell the aircraft within six (6) months following the termination of this Agreement, the fee to Pollock will apply as per section 4 below.

4. Fees

In the case of a successful sale of any Assets to a Buyer, a fixed fee of 2% of the net purchase price of such Assets will be payable to Pollock within five (5) business days of the completed sale of the Assets from the proceeds of sale of such Assets.

The fee will be based on the selling price of the sold Assets, before HST, plus reasonable out-of-pocket expenses that will be reimbursed at cost. Any disbursement of more than \$1,000 requires the prior approval of Skylink.



5. Payment of Fee and Expenses

- (a) The fees payable to Pollock for services pursuant to section 4 is net of any applicable transaction taxes.
- (b) Each party shall be responsible for its own expenses relating to their respective performance under this Agreement.

6. Miscellaneous

- (a) This Agreement may only be amended in writing with the consent of the parties hereto or by order of the Court.
- (b) Nothing contained in this Agreement shall be construed as or have the effect as constituting the relationship of employer and employee between Skylink and Pollock.
- (c) This Agreement will be governed by the laws of the Province of Ontario.
- (d) To the extent of any inconsistency between this Agreement and the Sale Process, the Sale Process shall prevail.

Signed for and on behalf of:

SKYLINK EXPRESS INC.

1262396 ALBERTA LTD. dba POLLOCK AVIATION

Name: David Atkins

Title: President

Name: Rick Pollock

Title: President

APPENDIX A
Skylink Liquidation Outline

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Retention of Agent	<ul style="list-style-type: none"> • Skylink Express Inc. (“Skylink” or the “Company”) to retain Pollock Aviation (the “Agent”) to conduct the sale process (the “Sale Process”) for Skylink’s aircraft fleet (the “Fleet”) to be marketed and sold on an en bloc, bulk or individual aircraft basis. • Agent will also market Skylink’s Aircraft Operating Certificate and aircraft inventory owned by Skylink. 	1 Week or less to complete.
Marketing	<ul style="list-style-type: none"> • Agent, with input from Skylink 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 industry websites such as Jetnet, Amstat, Global Air, Planefax, MyAirtrade, and Wingslist among other sites as suitable to this type of aircraft. Agent will contact an established base of clients operating these aircraft and draw on an extensive network of brokers and dealers specializing in these aircraft for other promotion avenue. • Agent, with the assistance of Skylink, to establish a data room, with key information for each aircraft. 	<p>Weekly updates as buyer list is developed.</p> <p>This will take approx. 4 weeks to prepare.</p> <p>Data room will prepared and hosted at the same time.</p> <p>Publication as soon as aircraft specifications are developed.</p> <p>CA will take a week or less to prepare.</p>
Prospect Identification	<ul style="list-style-type: none"> • Interested buyers will execute a confidentiality agreement (“CA”) in order to be provided access to Skylink 	

Summary of Sale Process		
Milestone	Description of Activities	Timeline
	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 Skylink 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. • In order to be a qualified offer, an offer be a binding offer submitted by the party and must include the following (“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; 	

Summary of Sale Process		
Milestone	Description of Activities	Timeline
	<ul style="list-style-type: none"> - provide that the Qualified Offer shall remain irrevocable for _____ 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. 	
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 Bank with respect to any offers received. 	
Sale Approval	<ul style="list-style-type: none"> • Upon acceptance of one or more Qualified Offers, the Company shall seek approval of such transactions from approval of the Court. 	



APPENDIX A (Continued)
Skylink Liquidation Outline

Additional Terms:

- The Agent, Company and Monitor shall not be required to accept Qualified Offers and shall be entitled to seek further clarification or further negotiation of any offer received.
- In the event that multiple Qualified Offers are received for the same Aircraft, the Agent, Company and Monitor may establish further bidding procedures including to hold an auction.
- 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.

Appendix “G”

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 May 22, 2024)

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

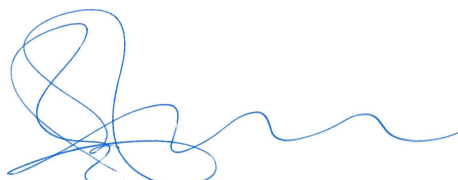
1. I am the President of KSV Restructuring Inc. ("KSV"), the Court-appointed monitor (the "Monitor") under the *Companies' Creditors Arrangement Act* (the "CCAA") of Skylink Express Inc. (the "Company"), and as such, I have knowledge of the matters deposed to herein.
2. Pursuant to a Court order made 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 February 15, 2024 to April 30, 2024 (the "Period"), which includes certain pre-filing activities.
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 158.40 hours on this matter during the Period, resulting in fees totalling \$110,325.00, 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 \$696.50.

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 22nd day of May, 2024)



_____)
Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027



_____)
ROBERT KOFMAN

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF ROBERT KOFMAN

Sworn before me

This 22nd day of May, 2024



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027



ksw advisory inc.

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

kswadvisory.com

INVOICE

Skylink Express Inc.
55 St. Clair Avenue West, Suite 210
Toronto, Ontario

April 5, 2024

Invoice No: 3600
HST #: 818808768RT0001

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

For professional services rendered for the period ended March 31, 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 the Company’s business and operations, issues affecting its viability and a potential filing under the CCAA;
- Reviewing background information provided by the Company including, among other things, historical financial statements, a cash flow forecast, accounts payable listing, capital expenditure plan for its aircraft, collective bargaining agreement with Unifor (for its pilots) and contract (the “UPS Contract”) with United Parcel Service Canada Ltd. (“UPS”);
- Dealing with the 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”) regarding the Company’s planned CCAA proceedings and a responding receivership application filed by TD;
- Dealing extensively with TD’s receivership application from March 8 to 11, 2024 including numerous meetings and discussions with the Company, TD, Fogler, MSI, NRF, Cassels and Paliare, including reviewing TD’s application materials (as more fully detailed below);
- Working with the Company to prepare a CCAA cash flow forecast for the CCAA period, including calls on February 20 and 23 and March 4, 2024 regarding same;

- Corresponding with Momentum, Skylink and NRF regarding the terms of an interim financing facility to be provided by Momentum to fund the Company's operations during the CCAA proceedings, as well as the costs of these proceedings (the "DIP Facility");
- Dealing with TD, Momentum and Skylink concerning the terms of the DIP Facility;
- Drafting the report of the proposed Monitor dated March 8, 2024 (the "Pre-Filing Report");
- Incorporating comments from the Company, NRFC, Cassels and Paliare into the Pre-Filing Report;
- Corresponding with the Company, NRF, Cassels, Paliare, TD and Fogler regarding the sizing and priority of the proposed charges, including the Administration Charge, the DIP Lender's Charge and the Directors' Charge (as each term is defined in the Initial Order issued on March 11, 2024 (the "Initial Order"));
- Preparing a communications plan for the Company, including employee and supplier scripts, an employee letter and script for the Company's town hall meeting with its employees;
- Preparing a frequently-asked-questions document;
- Reviewing and commenting on the Company's CCAA application materials, including:
 - the Company's application record;
 - factum;
 - the affidavit and supplemental affidavit of Kyle Dennhardt sworn on March 8 and 9, 2024, respectively;
 - Momentum's aide memoire dated March 10, 2024;
 - the notice of application; and
 - draft initial order;
- Reviewing the receivership application materials filed by TD, including:
 - the notice of application for the appointment of a receiver;
 - supplementary application record;
 - affidavit of Kathryn Furfaro, a TD representative; and
 - factum;
- Settling with TD on the framework for the CCAA proceedings, including the contemplated negotiation of a forbearance agreement (the "Forbearance Agreement") and an escrow agreement ("Escrow Agreement") to be finalized among Momentum, the Company and TD;
- Attending the initial application on March 11, 2024;
- Reviewing the Court's endorsement dated March 11, 2024 issued in connection with the Initial Order;

March 21, 2024 Motion (the “Comeback Motion”)

- Drafting the Monitor’s first report dated March 18, 2024 (the “First Report”);
- Incorporating comments from the Company, NRF, Cassels and Paliare into the First Report;
- Reviewing and commenting on the Company’s motion materials, including the affidavit of Mr. Dennhardt and the amended and restated initial order (the “ARIO”);
- Sizing an increase in the Directors’ Charge to account for certain potential additional claims against the Directors;
- Attending the Comeback Motion;
- Reviewing the Court’s endorsement dated March 21, 2024 issued in connection with the ARIO;

TD Matters

- Dealing with TD prior to the Comeback Motion regarding the terms of an extension of the stay of proceedings;
- Reviewing drafts of the Forbearance Agreement and the Escrow Agreement and discussing same with Skylink, Momentum, NRF and Cassels;
- Attending calls with TD concerning the status of these proceedings, including the Company’s negotiations with UPS, the Forbearance Agreement and the Escrow Agreement;

UPS Negotiation

- Attending calls on March 14, 20, 24 and 25, 2024 with the Company and/or NRF regarding the UPS Contract, and staying apprised generally concerning these negotiations;
- Corresponding and communicating with Blake, Cassels & Graydon LLP (“Blakes”), legal counsel for UPS, regarding the UPS Contract;
- Corresponding by email with UPS representatives and with Blakes to arrange an all-hands meeting among UPS, Skylink, Momentum and the Monitor (and their respective legal counsel);

Cash Flow Monitoring

- Attending calls with the Company regarding the Company’s cash flow and operations during these proceedings;
- Reviewing the Company’s weekly cash flow reporting and variance analyses;
- Discussing vendor payments terms with the Company, and assisting the Company to deal with certain critical vendors, as discussed below;

Other

- Attending a call on March 18, 2024 with Muskoka Mod Centre regarding a cargo plane in its possession, a lien it's asserting and attending calls with the Company regarding same;
- Corresponding with the Company and Amex Bank of Canada ("Amex") on March 21 and 22, 2024 regarding the Company's use of its Amex credit cards and the suspension placed by Amex on the use of the cards;
- Corresponding with Dentons Canada LLP, Amex's legal counsel, regarding the suspension;
- Corresponding with the Company and NRF regarding the termination of one of the Company's senior employees and the Company's potential termination and severance obligations;
- Preparing the statutory forms 1 and 2 and filing same with the Office of the Superintendent of Bankruptcy;
- Preparing and sending the statutory notice to creditors;
- Arranging for the publication of the CCAA Notice in the Globe and Mail;
- Responding to enquiries received from the Company's creditors;
- Maintaining the Monitor's case website; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	\$	83,260.31
HST		<u>10,823.84</u>
Total Due	\$	<u><u>94,084.15</u></u>

KSV Restructuring Inc.
CCAA of Skylink Express Inc.

Time Summary

For the period ended March 31, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	850	63.45	53,932.50
Jordan Wong	550	49.75	27,362.50
Other Staff and Administration	195-225	8.75	1,961.25
Total Fees			<u>83,256.25</u>
Disbursements (postage)			4.06
Total Fees and Disbursements			<u><u>83,260.31</u></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

May 14, 2024

Invoice No: 3664
HST #: 818808768RT0001

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

For professional services rendered for April 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 and the Company’s negotiations with United Parcel Service Canada Ltd. (“UPS”) regarding the Company’s contract with UPS (the “UPS Contract”);
- Dealing with the 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 Company’s negotiations with UPS, weekly cash flow reporting and the status of these CCAA proceedings generally;

April 25, 2024 Motion (the “Stay Extension Motion”)

- Drafting the Monitor’s second report dated April 22, 2024 (the “Second Report”), including incorporating comments from the Company, NRF, Cassels, Paliare and Fogler;
- Reviewing and commenting on the Company’s motion materials, including the affidavit of Kyle Dennhardt sworn April 20, 2024 and the order (the “Stay Extension Order”);
- Working with the Company to prepare a CCAA cash flow forecast for the proposed extension period;
- Attending the Stay Extension Motion;

TD Matters

- Dealing with NRF, Cassels, TD and MSI prior to the Stay Extension Motion regarding the terms of the extension;
- Working with parties to finalize a forbearance agreement (the “Forbearance Agreement”) and an escrow agreement (“Escrow Agreement”) each of which was finalized on April 19, 2024;
- Attending a call on April 16, 2024 with NRF and TD regarding the Stay Extension Motion, Forbearance Agreement and Escrow Agreement and attending a call on April 17, 2024 with Fogler regarding same;

UPS

- Corresponding with the Company regarding its negotiations with UPS and staying apprised generally concerning these negotiations, including attending calls on April 5, 15, 16 and 17, 2024;
- Corresponding and communicating with Blake, Cassels & Graydon LLP (“Blakes”), legal counsel for UPS, regarding the UPS Contract, including attending a call on April 2, 2024 with Blakes, NRF and Cassels;
- Reviewing a proposal from UPS received on April 15, 2024;

Cash Flow Monitoring

- Reviewing the Company’s weekly cash flow variance reporting and providing same to MSI on April 15, 20 and 26, 2024;

Other

- Attending a call on April 23, 2024 with Muskoka Mod Centre regarding a cargo plane in its possession, a lien it’s asserting, and attending calls with the Company regarding same;
- Maintaining the Monitor’s case website; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$ 27,068.75
HST	3,518.94
Total Due	\$ <u><u>30,587.69</u></u>

KSV Restructuring Inc.
CCAA of Skylink Express Inc.

Time Summary

For the month ended April 30, 2024

Personnel	Rate (\$)	Hours	Amount (\$)
Bobby Kofman	850	21.45	18,232.50
Jordan Wong	550	14.75	8,112.50
Other Staff and Administration	195-225	3.25	723.75
Total Fees			<u>27,068.75</u>

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF ROBERT KOFMAN

Sworn before me

this 22nd day of May, 2024



Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires February 23, 2027

Skylink Express Inc.

Time Summary

For the Period from February 15 to April 30, 2024

Personnel	Title	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	President and Managing Director	84.90	850	72,165.00
Jordan Wong	Director	64.50	550	35,475.00
Other staff and administrative		9.00	195-225	2,685.00
Total fees		<u>158.40</u>		<u>110,325.00</u>
Average hourly rate				<u>\$ 696.50</u>

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. (the "**Applicant**")

**AFFIDAVIT OF MONIQUE SASSI
(SWORN MAY 22, 2024)**

I, Monique Sassi, 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 Partner 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 February 28, 2024, to May 15, 2024, Cassels incurred fees and disbursements of \$67,187.00 and \$653.20, 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 \$76,633.92 (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.


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 \$748.18.

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 May 22, 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.



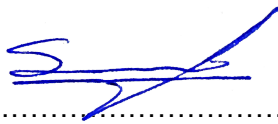
Commissioner for Taking Oaths



MONIQUE SASSI

Commissioner Name: Stephanie
Fernandes
Law Society of Ontario Number: 85819M

This is Exhibit "A" referred to in the affidavit of Monique Sassi, affirmed before me by videoconference on May 22, 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 handwritten signature in blue ink, appearing to be 'Stephanie Fernandes', is written over a white rectangular background.

.....
A Commissioner For Taking Affidavits

Commissioner Name: Stephanie Fernandes
Law Society of Ontario Number: 85819M

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: 2232029
Date: March 25, 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 March 22, 2024

Our Fees	31,855.00
HST @ 13.00%	4,141.15
TOTAL DUE (CAD)	35,996.15

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

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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: 2232029
Matter No.: 050505-00011
Amount: **CAD 35,996.15**

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
Feb-28-24	J. Dietrich	Review of draft affidavit;	0.50
Feb-29-24	J. Dietrich	Add comments to draft affidavit; discussion with J. Stam;	0.70
Mar-01-24	J. Dietrich	Review of notice of application and email regarding same;	0.20
Mar-04-24	J. Dietrich	Review of prefiling report and comments on same;	0.60
Mar-06-24	M. Sassi	Review draft court materials and comment on same;	2.20
Mar-06-24	S. Fernandes	Review precedent Initial CCAA Orders; review draft Order;	0.50
Mar-06-24	J. Dietrich	Review of email; review of revised materials; discussion with M. Sassi;	0.80
Mar-07-24	J. Dietrich	Review of draft factum;	0.40
Mar-07-24	M. Sassi	Review draft court materials and comment on same;	0.40
Mar-08-24	J. Dietrich	Review of notice of application; discussion with B. Kofman; review of email regarding service; review of affidavit; discussion with J. Stam;	1.20
Mar-08-24	S. Fernandes	Review compiled Report; draft Affidavit of Service; draft Service email; update compiled Report; serve Report to Service List;	1.90
Mar-08-24	M. Sassi	Correspondence regarding finalization of report and service of same;	0.30
Mar-09-24	J. Dietrich	Review of draft factum revisions and comment on same; review of email and addition material and respond to same; discussion with B. Kofman; review of supplemental affidavit;	1.00
Mar-10-24	J. Dietrich	Discussion with B. Kofman; discussion with J. Stam; review of email; discussion regarding status and strategy; review of bank factum; review of email; consider issues;	2.30
Mar-10-24	S. Fernandes	Review and update affidavit of service; compile affidavit of service; swear affidavit of service;	0.70
Mar-11-24	J. Dietrich	Review of email; discussion regarding potential resolution; attend hearing and discussions regarding settlement terms;	2.60
Mar-11-24	S. Fernandes	Instruct B. Nasri regarding filing Report and Affidavit of Service; correspondence with K. Parent regarding caselines access; upload Report to caselines;	0.30
Mar-12-24	M. Sassi	Discussion with J. Dietrich regarding update; correspondence regarding website	0.10
Mar-12-24	S. Fernandes	Review Order and Endorsement; correspondence with K. Parent regarding service list;	0.20
Mar-14-24	S. Fernandes	Review updated service list; correspondence with J. Wong regarding posting service list to website;	0.30
Mar-17-24	M. Sassi	Review draft report and comment on same;	1.20
Mar-17-24	J. Dietrich	Review of draft report and provide comments; email exchange with M. Sassi;	0.70
Mar-18-24	S. Fernandes	Draft service email; instruct B. Nasri to draft back-page and affidavit of service; review compiled Report; compile affidavit of service of M. Sassi; commission affidavit of service of M. Sassi;	0.90

Date	Name	Description	Hours
Mar-18-24	L. Grossman	Review application record and security matters; correspondence with M. Sassi regarding same;	0.50
Mar-18-24	C. Vairo	Email from L. Grossman regarding security opinion review regarding Aircraft Security Agreement, brief review of same and reply to same;	0.60
Mar-18-24	M. Sassi	Correspondence regarding comeback hearing motion materials; finalization of report and service of same; correspondence regarding security review;	2.80
Mar-18-24	J. Dietrich	Review of mark up of draft report; review of revised notice of motion and email regarding same; review of revised report and email regarding same;	0.80
Mar-19-24	S. Fernandes	Correspondence with B. Nasri and M. Sassi regarding filing of Report;	0.20
Mar-19-24	L. Grossman	Correspondence with M. Sassi regarding security review; instructions to M. Montana;	0.30
Mar-19-24	M. Sassi	Call regarding escrow and forbearance agreement; correspondence regarding security opinion;	1.40
Mar-19-24	J. Dietrich	Discussion with UPS counsel, KSV and J. Stam; initial review of forbearance; discussion with the company regarding status of forbearance and escrow agreement and comeback hearing;	1.20
Mar-19-24	C. Vairo	Emails from L. Grossman and M. Sassi regarding security opinion review; call with M. Sassi regarding same;	0.40
Mar-19-24	D. Porter	Receive and review instructions; attend to corporate searches; obtain copies of corporate documents; review search results and prepare report with respect to same; email correspondence and discussions with M. Montana;	1.30
Mar-19-24	M. Montana	Discussions with working group regarding security review matters; review application record; correspondence regarding diligence searches	0.60
Mar-19-24	W. Trinh	Review and assist D. Porter for the corporate and security searches for Momentum Decisive Solutions Canada Inc.; provide comments with respect to reporting email;	0.30
Mar-20-24	S. Fernandes	Correspondence with K. Parent regarding attendance for participant information form;	0.10
Mar-20-24	M. Montana	Review diligence searches; correspondence regarding same;	0.40
Mar-20-24	J. Dietrich	Exchange of email regarding status;	0.20
Mar-20-24	M. Sassi	Correspondence regarding court hearing and security opinion; correspondence regarding escrow agreement and forbearance agreement;	0.60
Mar-20-24	C. Vairo	Emails regarding PPSA searches and brief review of same;	0.20
Mar-21-24	L. Grossman	Review loan and security documents;	0.60
Mar-21-24	M. Montana	Review application record; correspondence regarding loan and security documents;	0.70
Mar-21-24	J. Dietrich	Discussion with J. Stam; review of report and preparation for hearing; attend comeback hearing;	1.00

Date	Name	Description	Hours
Mar-21-24	C. Vairo	Call with team regarding security opinion logistics and review;	0.20
Mar-22-24	D. Porter	Attend to obtaining Saskatchewan PPSA and Bank Act searches of Skyline Express Inc. for M. Montana; attend to ordering summary report with respect to previous searches conducted;	0.40
Mar-22-24	P. Seo	Review search summary for Skylink Express Inc.;	0.10
Mar-22-24	L. Grossman	Review loan and security documents; draft security review opinion;	3.40
Mar-22-24	M. Montana	Security review of loan and security documents; draft security review opinion;	3.50
Mar-22-24	J. Dietrich	Review of email regarding credit cards and fuel cards; review of email regarding status;	0.30

FEE SUMMARY					
Name	Title	Hours	Rate	Amount	
Dietrich, Jane	Partner	14.50	1,005.00	14,572.50	
Grossman, Lauren	Partner	4.80	730.00	3,504.00	
Sassi, Monique	Partner	9.00	745.00	6,705.00	
Vairo, Carlo	Partner	1.40	955.00	1,337.00	
Fernandes, Stephanie	Associate	5.10	485.00	2,473.50	
Montana, Melissa	Associate	5.20	485.00	2,522.00	
Porter, Danielle	Law Clerk / Paralegal	1.70	345.00	586.50	
Trinh, Wendy	Law Clerk / Paralegal	0.30	370.00	111.00	
Seo, Paulina	Law Clerk / Paralegal	0.10	435.00	43.50	
Total (CAD)		42.10		31,855.00	

Our Fees 31,855.00

HST @ 13.00% 4,141.15

TOTAL FEES & TAXES (CAD) 35,996.15

TOTAL FEES 31,855.00

TOTAL TAXES 4,141.15

TOTAL FEES & TAXES (CAD) 35,996.15

Cassels

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

Invoice No: 2234615
Date: April 18, 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 April 15, 2024

Our Fees	13,972.00
Disbursements	653.20
Total Fees and Disbursements	14,625.20
HST @ 13.00%	1,875.77
TOTAL DUE (CAD)	16,500.97

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

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

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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: 2234615
Matter No.: 050505-00011
Amount: **CAD 16,500.97**

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
Mar-11-24	M. Sassi	Finalization of report, service and filing of same;	0.30
Mar-14-24	M. Sassi	Correspondence regarding ongoing matters including service list;	0.20
Mar-20-24	A. Scalia	Review correspondence from M. Sassi and C. Vairo in respect of security review opinion; review application record and underlying search results; strategy meeting with C. Vairo regarding same;	0.50
Mar-20-24	M. Sassi	Correspondence regarding security opinion;	0.20
Mar-21-24	A. Scalia	Strategy meeting with C. Vairo, M. Sassi, and L. Grossman in respect of security review opinion; correspond with C. Vairo regarding same;	0.50
Mar-21-24	M. Sassi	Endorsement and orders regarding ARIO;	0.20
Mar-22-24	A. Scalia	Strategy meeting with C. Vairo, J. Trinh and S. Rothery in respect of security review opinion; correspond with S. Rothery regarding same;	0.20
Mar-22-24	J. Trinh	Conference call with working group with respect to work required and review requirements;	0.20
Mar-22-24	M. Sassi	Correspondence regarding security opinion;	0.20
Mar-23-24	J. Dietrich	Review of email regarding outstanding matters;	0.20
Mar-24-24	J. Dietrich	Review and exchange of email regarding call with TD counsel and WEX status;	0.40
Mar-24-24	M. Sassi	Draft correspondence regarding Wex fuel cards;	0.60
Mar-25-24	A. Scalia	Strategy meeting with S. Rothery regarding lien search review; review and revise markup to the form of aviation legal opinion; correspond with C. Vairo regarding same; review international registry registrations and correspondence with C. Vairo regarding same; review granting language within the aircraft security agreement and corresponding general collateral descriptions; strategy meeting with C. Vairo regarding same;	2.90
Mar-25-24	C. Vairo	Review the Aircraft Security and Mortgage Agreement regarding creating a security interest under PPSA and international interest under the Cape Town Convention/Aircraft Protocol; review the standard aviation opinion and advise L. Grossman as to which provisions relating to assumptions, opinions and qualifications should be included for the security opinion; emails regarding further PPSA and other searches against Skylink Express Inc.; emails with S. Rothery regarding review of PPSA registrations; follow up emails regarding same; email from A. Scalia regarding comments on lease and reply to same and provide language for the opinion;	1.70
Mar-25-24	J. Dietrich	Review of revised email and reply; review of comments on draft correspondence and send same to Wex; email regarding deposit agreement;	0.50
Mar-25-24	M. Montana	Review search summaries;	0.30

Date	Name	Description	Hours
Mar-25-24	M. Sassi	Correspondence regarding deposit and Wex fuel cards;	0.20
Mar-25-24	D. Porter	Email correspondence and discussions with agent with respect to searches and search summary; review search summaries with respect to same; email correspondence and discussions with M. Montana;	0.20
Mar-25-24	M. Sassi	Correspondence regarding Wex cards; correspondence regarding security opinion;	0.50
Mar-25-24	P. Seo	Review search summaries for Skyline Express Inc. and Momentum Decisive Solutions Canada Inc.;	0.10
Mar-26-24	A. Scalia	Strategy meeting with S. Rothery regarding lien search review; correspond with M. Montana regarding same; revise legal opinion and circulate draft of same to L. Grossman; strategy meeting with C. Vairo regarding same;	2.00
Mar-26-24	M. Montana	Discussions with working group regarding search summaries and opinion matters;	0.30
Mar-26-24	J. Dietrich	Discussion regarding forbearance and escrow terms;	0.40
Mar-26-24	C. Vairo	Review and discuss opinion with A. Scalia and provide comments on same;	0.20
Mar-27-24	J. Dietrich	Exchange of email regarding hearing;	0.20
Mar-29-24	J. Dietrich	Review of email;	0.10
Apr-01-24	J. Dietrich	Review of email and respond to same;	0.10
Apr-01-24	C. Vairo	Emails with M. Sassi to confirm engines not perfected under Cape Town Convention / IR;	0.10
Apr-01-24	M. Sassi	Correspondence regarding IR searches and engines for security opinion;	0.20
Apr-02-24	J. Dietrich	Discussion with J. Stam and B. Kofman regarding UPS status; discussion with UPS counsel;	0.90
Apr-02-24	M. Sassi	Correspondence regarding security review;	0.20
Apr-03-24	J. Dietrich	Review of escrow agreement mark up and email to M. Sassi;	0.40
Apr-03-24	M. Sassi	Review and comment on escrow agreement; correspondence regarding same;	0.70
Apr-04-24	J. Dietrich	Email exchange regarding escrow agreement; exchange of messages regarding forbearance agreement;	0.10
Apr-04-24	M. Sassi	Correspondence regarding escrow agreement;	0.20
Apr-05-24	M. Sassi	Call with J. Stam regarding security and ongoing CCAA matters;	0.20
Apr-06-24	J. Dietrich	Review of email;	0.10
Apr-09-24	M. Sassi	Correspondence regarding security review and engines;	0.20
Apr-09-24	A. Scalia	Review correspondence from M. Sassi regarding engines; correspond with C. Vairo regarding same;	0.10
Apr-09-24	C. Vairo	Emails with M. Sassi and IATS regarding IR searches for engines;	0.40
Apr-10-24	J. Dietrich	Attend update call with KSV and Norton Rose;	0.60
Apr-10-24	C. Vairo	Emails with M. Sassi and IATS regarding IR searches for engines;	0.20

Date	Name	Description	Hours
Apr-15-24	J. Dietrich	Review of email; discussion with M. Sassi;	0.20

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Vairo, Carlo	Partner	2.60	955.00	2,483.00
Dietrich, Jane	Partner	4.20	1,005.00	4,221.00
Sassi, Monique	Partner	4.10	745.00	3,054.50
Scalia, Anthony	Associate	6.20	600.00	3,720.00
Montana, Melissa	Associate	0.60	485.00	291.00
Trinh, Julia	Law Clerk / Paralegal	0.20	450.00	90.00
Porter, Danielle	Law Clerk / Paralegal	0.20	345.00	69.00
Seo, Paulina	Law Clerk / Paralegal	0.10	435.00	43.50
Total (CAD)		18.20		13,972.00

Our Fees	13,972.00
HST @ 13.00%	1,816.36
TOTAL FEES & TAXES (CAD)	15,788.36

DISBURSEMENT SUMMARY

Non-Taxable Disbursements

Electronic Due Diligence	196.20
Total Non-Taxable Disbursements	196.20

Taxable Disbursements

Search Summary	70.00
Electronic Due Diligence	387.00
Total Taxable Disbursements	457.00
HST @ 13.00%	59.41
Total Taxable Disbursements & Taxes	516.41

TOTAL DISBURSEMENTS & TAXES (CAD)	712.61
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TOTAL FEES	13,972.00
TOTAL DISBURSEMENTS	653.20
TOTAL TAXES	1,875.77
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	16,500.97

OUTSTANDING INVOICES				
Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2232029	03/25/24	35,996.15	0.00	35,996.15
2234615	04/18/24	16,500.97	0.00	16,500.97
Total (CAD)		52,497.12	0.00	52,497.12

Cassels

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

Invoice No: 2238172
Date: May 21, 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 15, 2024

Our Fees	21,360.00
HST @ 13.00%	2,776.80
TOTAL DUE (CAD)	24,136.80

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: 2238172
Matter No.: 050505-00011
Amount: **CAD 24,136.80**

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
Apr-09-24	M. Sassi	Correspondence regarding engine serial numbers;	0.10
Apr-17-24	M. Sassi	Correspondence regarding security over aircrafts;	0.20
Apr-18-24	M. Sassi	Review and comment on escrow agreement and forbearance agreement; review and comment on court materials and correspondence regarding same;	1.50
Apr-18-24	J. Dietrich	Review of revised draft of escrow and forbearance agreement and email regarding comments; discussion regarding status with J. Stam and B. Kofman; review of draft motion material and provide comments; review of comments on draft material and email exchange regarding same;	1.20
Apr-18-24	S. Fernandes	Review and comment on draft motion materials;	1.70
Apr-19-24	J. Dietrich	Review of comments on draft motion material and related email; review of email regarding material and status;	0.40
Apr-19-24	M. Sassi	Correspondence regarding court materials	0.40
Apr-20-24	J. Dietrich	Review of revised affidavit;	0.30
Apr-20-24	M. Sassi	Correspondence and review of final affidavit	0.20
Apr-22-24	M. Sassi	Correspondence and review of report and correspondence regarding same;	0.40
Apr-22-24	A. Scalia	Review updated international registry search results in respect of the airframes and the engines; Correspond with Monique Sassi regarding same;	0.90
Apr-22-24	S. Fernandes	Review and comment on draft Report; create back-page for Report; correspondence with J. Wong regarding status of Report; draft service email; review and finalize Report; serve report to Service List;	1.10
Apr-22-24	J. Dietrich	Review of draft report and provide comments; same;	0.70
Apr-22-24	C. Vairo	Emails from M. Sassi and A. Scalia regarding engine IR searches and review of same;	0.20
Apr-23-24	S. Fernandes	Review and swear affidavit of service; correspondence with J. Wong regarding updated service list for posting;	0.30
Apr-24-24	M. Sassi	Correspondence regarding court hearing;	0.20
Apr-24-24	J. Dietrich	Exchange of email regarding hearing status;	0.10
Apr-25-24	M. Sassi	Preparation for and attending court hearing regarding stay extension; review order and endorsements and correspondence regarding same; correspondence regarding security opinion and engine searches;	1.20
Apr-25-24	A. Scalia	Correspond with M. Sassi regarding international registry discrepancies; coordinate call with counsel to the Applicants;	0.10
Apr-25-24	J. Dietrich	Discussion with M. Sassi;	0.20
Apr-26-24	M. Sassi	Review order and endorsement for stay extension and correspondence regarding same;	0.20
Apr-26-24	A. Scalia	Phone conversation with counsel to the Applicants regarding aircraft collateral and engine serial numbers;	2.10

Date	Name	Description	Hours
		review international registry search results and update security review legal opinion; correspond with Carlo Vairo regarding same;	
Apr-29-24	C. Vairo	Call with internal team regarding IR searches and interpreting same from NRF;	0.60
Apr-29-24	A. Scalia	Strategy meeting with C. Vairo and S. Rothery regarding international registry search results; provide additional instruction to S. Rothery regarding same;	0.80
Apr-30-24	A. Scalia	Review revised legal opinion; correspond with S. Rothery and C. Vairo regarding same;	0.50
May-01-24	J. Dietrich	Review and exchange of email regarding notice of appearance and service list; review of email from TD counsel;	0.20
May-01-24	M. Sassi	Correspondence regarding Notice of Appearance;	0.20
May-02-24	A. Scalia	Correspond with M. Sassi regarding security review; strategy meeting with C. Vairo and S. Rothery regarding same; follow up with counsel to the Debtor's for additional diligence searches;	0.90
May-02-24	C. Vairo	Emails and calls regarding security opinion and discuss IR issues and security issues with A. Scalia and S. Rothery; follow up email to NRF regarding IR searches;	0.80
May-03-24	A. Scalia	Review additional international registry searches; revise security review opinion;	0.90
May-06-24	A. Scalia	Revise security opinion and correspond with C. Vairo regarding same;	0.60
May-07-24	A. Scalia	Review comments to legal opinion from C. Vairo; correspond with C. Vairo regarding same; revise legal opinion and circulate draft of same to M. Sassi;	0.40
May-07-24	C. Vairo	Email from A. Scalia regarding revised opinion and review/revise same; discuss same with A. Scalia; email from A. Scalia sending updated security opinion regarding aviation matters with redline;	0.60
May-08-24	L. Grossman	Attend to and review security review opinion;	1.10
May-08-24	M. Sassi	Correspondence regarding proposal with UPS;	0.20
May-09-24	L. Grossman	Attend to security review opinion; instructions to M. Montana regarding same; attend call with M. Sassi regarding same;	0.40
May-09-24	M. Sassi	Review security opinion and correspondence regarding same;	0.90
May-09-24	M. Montana	Revise security opinion;	0.20
May-09-24	A. Scalia	Review revised security review opinion from M. Sassi; correspond with C. Vairo and M. Sassi regarding same;	0.30
May-10-24	J. Dietrich	Discussion with M. Sassi regarding report; review of email regarding status; review of email regarding security review;	0.40
May-10-24	M. Sassi	Call regarding security opinion; correspondence outstanding issues;	2.20

Date	Name	Description	Hours
May-10-24	A. Scalia	Strategy meeting with C. Vairo and M. Sassi regarding security review opinion; prepare lead in language regarding conflict of laws provision; review and revise draft correspondence to Debtor's counsel and the monitor and correspond with M. Sassi regarding same;	2.00
May-10-24	C. Vairo	Call with M. Sassi to discuss security opinion; follow up emails regarding same;	1.10
May-13-24	J. Dietrich	Discussion with J. Stam; exchange of email with M. Sassi;	0.20
May-13-24	M. Sassi	Correspondence regarding outstanding matters on security review;	0.20
May-13-24	A. Scalia	Correspond with M. Sassi and C. Vairo regarding security review opinion;	0.10

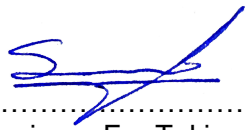
FEE SUMMARY

Name	Title	Hours	Rate	Amount
Vairo, Carlo	Partner	3.30	955.00	3,151.50
Dietrich, Jane	Partner	3.70	1,005.00	3,718.50
Grossman, Lauren	Partner	1.50	730.00	1,095.00
Sassi, Monique	Partner	8.10	745.00	6,034.50
Montana, Melissa	Associate	0.20	485.00	97.00
Scalia, Anthony	Associate	9.60	600.00	5,760.00
Fernandes, Stephanie	Associate	3.10	485.00	1,503.50
Total (CAD)		29.50		21,360.00

Our Fees	21,360.00
HST @ 13.00%	2,776.80
TOTAL FEES & TAXES (CAD)	24,136.80

TOTAL FEES	21,360.00
TOTAL TAXES	2,776.80
TOTAL FEES & TAXES (CAD)	24,136.80

This is Exhibit "B" referred to in the affidavit of Monique Sassi, affirmed before me by videoconference on May 22, 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 handwritten signature in blue ink, appearing to read 'Stephanie Fernandes', is written over a horizontal dotted line.

A Commissioner For Taking Affidavits

Commissioner Name: Stephanie Fernandes
Law Society of Ontario Number: 85819M

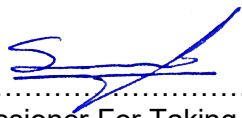
EXHIBIT "B"

Billing Rates of Cassels Brock & Blackwell LLP

For the period from February 28, 2024, to May 15, 2024

Year of Call	Lawyer	Rate (\$)	Total Hours Worked	Total Fees Billed (\$)
1992	Carlo Vairo	955.00	7.30	6,971.50
2004	Jane Dietrich	1,005.00	22.40	22,512.00
2013	Monique Sassi	745.00	21.20	15,794.00
2016	Lauren Grossman	730.00	6.30	4,599.00
2020	Anthony Scalia	600.00	15.80	9,480.00
2022	Stephanie Fernandes	485.00	8.20	3,977.00
2022	Melissa Montana	485.00	6.00	2,910.00
	Danielle Porter (Law Clerk/Paralegal)	345.00	1.70	586.50
	Wendy Trinh (Law Clerk/Paralegal)	370.00	0.30	111.00
	Paulina Seo (Law Clerk/Paralegal)	435.00	0.20	87.00
	Julia Trinh (Law Clerk/Paralegal)	450.00	0.20	90.00
	Danielle Porter (Law Clerk/Paralegal)	345.00	0.20	69.00

This is Exhibit "C" referred to in the affidavit of Monique Sassi, affirmed before me by videoconference on May 22, 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: Stephanie Fernandes
Law Society of Ontario Number: 85819M

EXHIBIT "C"

**Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period February 28, 2024 to May 15, 2024**

Invoice No./ Period	Fees (\$)	Disbursements (\$)	HST (\$)	Total Fees, Disbursements and HST (\$)	Hours Billed	Average Billed Rate (\$)
2232029 Feb-28-24 to Mar-22-24	31,855.00	0.00	4,141.15	35,996.15	42.10	756.65
2234615 Mar-11-24 to Apr-15-24	13,972.00	653.20	1,875.77	16,500.97	18.20	767.69
2238172 Apr-9-24 to May-15-24	21,360.00	0.00	2,776.80	24,136.80	29.50	724.07

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 MONIQUE SASSI

Sworn May 22, 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

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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

THIRD 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

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msassi@cassels.com

Stephanie Fernandes LSO# 85819M

Tel: 416.860.6481
sfernandes@cassels.com

Lawyers for the Monitor