

**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**")

**APPLICATION RECORD**

March 8, 2024

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Lawyers for the Applicant

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**TAB 1**

Court File No.

**ONTARIO  
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IN THE MATTER OF THE *COMPANIES' CREDITORS*  
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**NOTICE OF APPLICATION**

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- ☐ In writing
- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location:

330 University Avenue, 9<sup>th</sup> Floor  
Toronto, ON M5G 1R7

(videoconference details to be provided)

On Monday, March 11, 2024, at 11:00 a.m., (*or on a day to be set by the registrar*).

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on

the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar

Address of court office: Superior Court of Justice  
330 University Avenue  
Toronto ON M5G 1R7

TO: THE SERVICE LIST

## APPLICATION

1. Skylink Express Inc. (“**Skylink**” or the “**Applicant**”) brings this application for an initial order (the “**Proposed Initial Order**”) substantially in the form included at Tab 3 of the Application Record, *inter alia*:

- (a) Abridging and validating the time for service of this Notice of Application and the Application Record and dispensing with further service thereof;
- (b) Declaring that the Applicant is a company to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) applies;
- (c) Appointing KSV Restructuring Inc. (“**KSV**”) as court-appointed monitor in these proceedings (in such capacity, the “**Monitor**”) in respect of the business and affairs of the Applicant;
- (d) Staying, for an initial period of not more than ten (10) days (the “**Stay**”), all proceedings and remedies taken or that might be taken in respect of the Applicant, the Monitor or affecting the Applicant’s business or any of their assets, undertakings and properties (the “**Property**”), except with the written consent of the Applicant and the Monitor, or with leave of this Court;
- (e) Authorizing the Applicant to borrow funds pursuant the DIP Facility (as defined below) to be provided to the Applicant pursuant to the DIP Term Sheet (as defined below), in the maximum initial amount of \$1.35 million;
- (f) Granting the following priority charges (the “**Charges**”) on the Property, such Charges to rank in the priority set out in the Proposed Initial Order:

- (i) First, the Administration Charge (as defined below) up to a maximum of \$350,000;
  - (ii) Second, the DIP Lender's Charge (as defined below); and
  - (iii) Third, the Directors' Charge (as defined below) up to a maximum of \$480,000;
- (g) Ordering that the Charges shall rank in priority to all other claims and encumbrances on the Property other than the DIP Lender's Charge and the Directors' Charge shall not rank in priority to the TD Loan Security (defined below); and
- (h) Authorizing, but not directing, the Applicant to make certain pre-filing payments in respect of corporate credit card balances.
2. If the proposed Initial Order is granted, the Applicant intends to seek an amended and restated initial order (an "**ARIO**") within 10 days of the Initial Order being granted,
- (a) Extending the Stay;
  - (b) Increasing the maximum borrowing limit under the DIP Facility to \$2.5 million;
  - (c) Increasing the Administration Charge; and
  - (d) Increasing the Directors' Charge; and
  - (e) Such other relief as may be requested at that time.
3. Such further and other Relief as to this Honourable Court may deem just.

4. The grounds for the application are:

### **Background**

- (a) The Applicant is a company incorporated pursuant to the laws of Ontario;
- (b) Momentum Decisive Solutions Canada Inc. ("**Momentum**") is the sole shareholder of the Applicant;
- (c) TD Bank is the Applicant's senior secured creditor;
- (d) The Applicant's registered office is 55 St. Clair West, Suite 210, Toronto, Ontario;

### ***The Business***

- (e) The Applicant is in the business of providing air cargo delivery services throughout North America, principally to remote locations in Canada (the "**Business**");
- (f) The Applicant has been in business for over 25 years and currently has bases in Vancouver, Winnipeg, Hamilton, Montreal-Mirabel and Québec City;
- (g) The Applicant's primary customer is the United Parcel Service Canada Ltd. ("**UPS**") pursuant to a long-term feeder aircraft agreement (the "**UPS Contract**");
- (h) In late 2022, the Applicant began to experience serious cash flow and liquidity issues, and over the past year, the Applicant has experienced negative operating cash flow, such that it is now facing an imminent liquidity crisis due to a number of internal and external factors including, without limitation, reduction in demand for cargo services, increase in operating costs and turnover in the labour market and significant increase in the costs for aircraft parts and changes in regulatory requirements for aircraft. The UPS contract does not include any escalation



provisions to compensate the Applicant for these costs increases, and accordingly, the Applicant is unable to generate revenue sufficient to cover all costs;

- (i) While the Applicant has taken several steps with a view to restructuring the Business, it has become apparent to me that absent a restructuring of the UPS Contract, it is unlikely to be able to will be able to return to profitability;
- (j) The Applicant's cash forecast indicate that, absent additional funding, it is projected to have insufficient funds to pay its obligations as of March 11, 2024 including, notably, its payroll due on March 15, 2024;
- (k) While Momentum has historically supported the Applicant and the Business in a variety of ways, it has advised that any additional funding is contingent up on the Applicant commencing these CCAA proceedings;

### ***Outstanding Obligations***

- (l) The Applicant has a secured loan facility outstanding to the Toronto-Dominion Bank ("**TD**") in the amount of approximately \$13.7 million (the "**TD Loan Facility**");
- (m) In connection with the TD Loan Facility, the Applicant has granted security over all of its assets pursuant to, among other things, a general security agreement, aircraft security, assignment of insurance and hypothec (the "**TD Loan Security**");
- (n) As of March 8, 2024, the balance of the TD Loan Facility was approximately \$13.8 million and there was a balance of approximately \$300,000 in respect of a line of credit secured by the TD Loan Security;
- (o) Momentum has also provided a limited recourse guarantee of the TD Loan Facility and provided security in connection with its guarantee;

- (p) TD is the Applicant's only secured creditor;
- (q) In addition to outstanding obligations owing to TD, the Applicant has approximately \$1.7 million in trade payables;

### **CCAA Proceedings**

- (r) As noted above, the Applicant is on the verge of an imminent liquidity crisis and has been or will shortly be unable to meet its obligations as they come due;
- (s) The Applicant is requesting a stay of proceedings for an initial period of not more than 10 days (the "**Stay Period**") to be granted to provide it time to pursue its restructuring options in a stabilized environment;

### **Appointment of Monitor**

- (t) The Applicant seeks to appoint KSV as the monitor (in such capacity, the "**Proposed Monitor**") in the CCAA proceedings;
- (u) KSV has consented to act as the Monitor in these proceedings, should the Initial Order be granted;

### **Administration Charge**

- (v) The Proposed Initial Order contemplates a super priority charge over its property, assets and undertaking in the initial maximum amount of \$350,000 to secure the fees and disbursements of the Proposed Monitor, its counsel and counsel to the Applicant incurred both before and during the CCAA proceedings (the "**Administrative Charge**");

- (w) The expertise and participation of the proposed beneficiaries of the Administration Charge are crucial to the completion of the Applicant's restructuring;

### **Directors and Officers**

- (x) To facilitate the ongoing stability of the Applicant's business during the CCAA period and the efficient implementation of these restructuring proceedings, the Applicant requires the continued participation of its directors and officers who oversee the management of the Business and commercial activities of the Applicant;
- (y) Those directors and officers of the Applicant have indicated that they cannot continue their service in this restructuring unless the Proposed Initial Order grants the Directors' Charge (as defined below) to secure the Applicant's indemnity obligations to the directors and officers that arise post-filing;
- (z) The Applicant maintains directors' and officers' liability insurance (the "**D&O Insurance**"), which policies provide a total of up to \$5 million in primary coverage;
- (aa) The Proposed Initial Order contemplates the establishment of a charge in the amount of \$480,000 (the "**Directors' Charge**"), which has been reviewed by the Proposed Monitor;
- (bb) The benefit of the Directors' Charge will only be available to the extent that a liability is not covered by the D&O Insurance;
- (cc) The Applicant is unlikely to have sufficient funds available to satisfy any contractual indemnities to the directors and officers should the directors or officers need to call upon those indemnities;

### **DIP Facility and DIP Lenders' Charge**

- (dd) Momentum has agreed to establish a secured debtor-in-possession financing facility ("**DIP Facility**") in favour of the Applicant to fund working capital, capex and restructuring costs during the CCAA proceedings;
- (ee) The parties have entered into a DIP term sheet dated March 8, 2024 (the "**DIP Term Sheet**") pursuant to which Momentum (in such capacity, the "**DIP Lender**") has agreed to providing DIP funding up to a maximum of \$2.5 million to the Applicant;
- (ff) The DIP Facility is contingent, among other things, upon the granting of a priority charge over the Property of the Applicant in favour of the DIP Lender, which will rank subordinate to the Administration Charge and the TD Loan Security but in priority to the Directors' Charge;
- (gg) The proposed initial borrowing under the DIP Facility is limited to a maximum of \$1.35 million, being the amount projected to be required in the first 10 days of the CCAA proceedings, and is supported by the Proposed Monitor;

### **Priority of Charges**

- (hh) The proposed ranking of the Court-ordered charges as amongst themselves (the "**Charges**") is as follows:
  - (i) First, the Administration Charge (up to a maximum of \$350,000);
  - (ii) Second, the DIP Lender's Charge; and
  - (iii) Third, the Directors' Charge (up to a maximum of \$480,000).

- (ii) It is further proposed that in respect of the TD Loan Security, the Administration Charge would rank in priority to the TD Loan Security but the Directors' Charge and DIP Lender's Charge would rank subordinate to the TD Loan Security;

### **Pre-Filing Payments**

- (jj) The Applicant maintains various American Express and VISA cards for use by its employees for Business related expenses;
  - (kk) The ongoing use of these credit cards is crucial to facilitate the continued operations of the Business as employees (including the Applicant's pilot group) are often traveling and required to incur expenses in the course of their employment;
  - (ll) In order to facilitate the ongoing access to the credit cards, specific relief is being requested to pay the outstanding balances on the pre-filing balances on those credit cards in the estimated amount of \$250,000, subject to the review by the Applicant and the Monitor;
  - (mm) Such further and other grounds as the lawyers may advise.
5. The following documentary evidence will be used at the hearing of the application:
- (a) The Affidavit of Kyle Dennhardt sworn March 8, 2024;
  - (b) The pre-filing report of KSV as proposed Monitor dated March 8, 2024;
  - (c) Consent of KSV to act as monitor in these proceedings; and
  - (d) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

March 8, 2024

**NORTON ROSE FULBRIGHT CANADA LLP**

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Lawyers for the Applicant

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.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**NOTICE OF APPLICATION**

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Lawyers for the Applicant

CAN\_DMS:\1003713547

**TAB 2**



Court File No.

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 KYLE DENNHARDT**  
**(sworn March 8, 2024)**

I, Kyle Dennhardt, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Chief Financial Officer of the Applicant, Skylink Express Inc. ("**Skylink**" or the "**Applicant**"). I am also the Chief Operating Officer of Momentum Decisive Solutions Canada Inc. ("**Momentum**"), the sole shareholder of the Applicant and have been with Momentum since 2016. As such, I have knowledge of the following matters, except where otherwise stated.

2. I swear this affidavit in support of an application by the Applicant for an Order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

**I. INTRODUCTION**

3. Skylink is in the business of providing air cargo delivery services throughout North America, principally to remote locations in Canada (the "**Business**"). It has been in business for over 25 years.

4. Momentum acquired the Applicant in 2020 during a time when the Business was performing well and was forecasting significant growth. Momentum has provided significant

financial and other support including, funding recent expenses of \$1 million and making certain aircraft owned by Momentum available to Skylink at no cost. Momentum employees also support the Skylink Business with no overhead or management fee charged to Skylink. Skylink is in urgent need of capital to continue to operate, as more fully discussed below.

5. The Business generally performed well throughout 2021 and through much of 2022; however, it began to experience serious cash flow and liquidity issues in late 2022 and, as we further discovered, had significantly greater capex requirements than initially forecasted. Additionally, the Business was suffering as a result of mismanagement and other internal and external factors. In early 2023, Skylink also lost a material customer, which further compounded its difficulties. Over the past year, the Applicant has experienced negative operating cash flow, such that it is now facing an imminent liquidity crisis. Factors that have contributed to the decline of the Business include:

- (a) economic factors resulting in less demand for cargo delivery services, which has resulted in the loss of certain routes and customers;
- (b) increase in operating costs and turnover in the labour market, particularly for aircraft maintenance engineers (“**AME**”) and pilots due to changes in regulatory requirements, labour shortages and the recent unionization of the Applicant’s pilot group;
- (c) significant increases in the cost for aircraft parts due to a decline in the availability of same; and

- (d) significant increase in the anticipated future capex requirements of the Business due to, among other things, the cost of the capex (outlined above) and regulatory changes including new software/hardware requirements for aircraft.

6. The Applicant has a secured loan facility outstanding to the Toronto-Dominion Bank (“TD”). As of the date of this Affidavit, the amount owing to TD under this facility was approximately \$13.8 million. The Applicant has committed various defaults under the TD Loan Facility (as defined below) and is currently unable to repay the full amount of the loan.

7. The Applicant has taken several steps with a view to restructuring the Business and/or maximizing its value, which are discussed in greater detail below. However, as is also discussed in greater detail below, it has become apparent to me that absent a restructuring of the Applicant’s key customer contract with United Parcel Service Canada Ltd. (“UPS”), it is unlikely it will be able to return to profitability.

8. The Applicant is on the verge of a liquidity crisis and is projected in the very short term to be unable to fund its expenses as they come due. While Momentum has historically supported the Applicant and the Business in a variety of ways, it has advised that its further support is contingent upon the Applicant commencing CCAA proceedings such that additional funding can be provided within a filing through the proposed DIP Facility (defined and described below).

## **II. SKYLINK**

### ***The Applicant***

9. Skylink is a company incorporated pursuant to the laws of Ontario. Its registered office is located at 55 St. Clair West, Suite 210, Toronto, Ontario.

10. The sole shareholder of Skylink is Momentum. Momentum acquired Skylink in 2020 from a related party, which party had exercised a right of first refusal to buy the shares of the Applicant.

11. Skylink's sole director is Stephen Arbib. A copy of the corporate profile for Skylink is attached hereto as **Exhibit "A"**.

### III. THE BUSINESS

#### *Overview*

12. Skylink has operated for over 25 years providing regional air cargo services throughout North America. Today, Skylink is one of Canada's largest operators, specializing in regional courier feeder operations and time-sensitive, cost effective, air cargo charters throughout North America. Skylink's focus is to provide "last mile" services for major delivery servicers to secondary locations, primarily in Canada. Skylink currently has bases in Vancouver, Winnipeg, Hamilton, Montreal-Mirabel and Québec City.

13. Skylink operates a fleet of 16 aircraft, comprised of 208B (4), 1900C (10) and 1900D (2) all-cargo aircraft, of which 14 are owned by Skylink. The two 1900D aircraft were acquired by Momentum at the request of and for the use of Skylink and require work to be converted to cargo planes before they can be flown by Skylink. Conversion on one of the 1900D aircraft has started but has been paused given these proceedings. Conversion has not started on the other 1900D aircraft. The remaining 14 aircraft of the Skylink-owned aircraft are operational.

14. The primary customer of the Business is UPS. The Applicant and UPS are party to a long-term feeder aircraft charter agreement (the "**UPS Contract**") pursuant to which the Applicant provides charter services for UPS throughout Canada. Presently, the Applicant generates the vast majority of its revenue from the UPS Contract.

### ***Employees***

15. Skylink employs 79 full time employees, 7 part time employees, as well as 11 independent contractors. The Applicant provides certain group benefits to its employees through Manulife. The Applicant does not maintain any registered pension plans. The Applicant is party to a collective agreement with UNIFOR entered into in March 2023 in respect of approximately 37 members of its pilot group. The Applicant is current with respect to payment of wages, vacation pay and remittance of source deductions.

### ***Banking Information***

16. Skylink maintains USD and CAD accounts primarily with the TD. It also maintains two accounts with Royal Bank of Canada ("**RBC**") used principally in connection with RBC credit cards that are used by employees.

## **IV. FINANCIAL INFORMATION**

17. Copies of the Applicant's unaudited financial statements for the fiscal year ended December 31, 2023 (the "**2023 Financial Statements**") are attached hereto as **Exhibit "B"**.

### ***Assets***

18. Skylink's assets consist primarily of its capital assets (its aircraft), accounts receivable, inventory (aircraft parts) and goodwill. As set out in the 2023 Financial Statements, the book value of Skylink's assets were as follows:

<b>Asset</b>	<b>\$</b>
Cash	59,635
Accounts Receivable	2,432,218
Inventory	5,421,535
Prepaid Expenses and deposits	408,970
<b>Total Current Assets</b>	<b>\$8,322,358</b>
Capital Assets	22,470,107

Goodwill	5,617,356
<b>Total:</b>	<b>36,409,821</b>

### ***Liabilities***

19. As set out in the 2023 Financial Statements, the book value of Skylink's liabilities were as follows:

<b>Liabilities</b>	<b>\$</b>
Current Liabilities	7,092,045
Deferred Tax Liabilities	5,577,360
Long Term Portion of Loan Payable	11,371,003
<b>Total:</b>	<b>24,040,408</b>

20. Although the book value of the Applicant's assets is greater than its liabilities, the Applicant is facing a liquidity crisis as the UPS Contract is not sufficiently profitable to fund the Applicant's cost of operations, including its aircraft maintenance costs. In this regard, as of March 8, 2024, the Applicant's line of credit balance was approximately \$300,000 and it had a minimal cash balance and, without further funding, the Applicant is not projected to be able to fund its payroll due March 15, 2024. While Momentum recently provided emergency funding of \$1 million on an unsecured basis, it is not prepared to provide any further funding outside of a DIP Facility (defined below) in a CCAA filing.

## **V. DEBT STRUCTURE**

### ***TD Facility***

21. Pursuant to a commitment letter dated November 2, 2020 given by TD to the Applicant (as amended on October 5, 2022, the "**Commitment Letter**"), TD agreed to establish term and

operating loan facilities in favour of Skylink (the “**TD Loan Facility**”). A copy of the Commitment Letter is attached hereto as **Exhibit “C”**.

22. In connection with the TD Loan Facility, the Applicant granted TD security over all of its assets pursuant to, among other things, a general security agreement, aircraft security, assignment of insurance and hypothec (the “**TD Loan Security**”). Momentum also provided a limited recourse guarantee of the TD Loan Facility in the maximum amount of \$15,000,000 and provided security in connection with its guarantee. The Applicant also maintains a secured line of credit with TD, which is subject to the TD Loan Security.

23. As of the date of this Affidavit, the balance of the TD Loan Facility was approximately \$13.8 million.

***Other***

24. The Applicant maintains various American Express and VISA cards for use by its employees for Business related expenses. The ongoing use of these credit cards is crucial to the Business as employees (including the Applicant’s pilot group) are often traveling and required to incur expenses in the course of their employment. In order to ensure ongoing access to the credit cards, specific relief is being requested to pay the outstanding balances on the pre-filing balances on those credit cards. As of March 8, 2024, the estimated amount was \$250,000. The Applicant intends to continue to make payments in the ordinary course during the CCAA filing to keep the balances on the cards current.

25. The Applicant also has approximately \$1.7 million of aged trade payables and incurs trade liabilities in the ordinary course of its Business.

26. As set out below, other than TD, there are no other parties with personal property security registrations against the Applicant.

## VI. CURRENT FINANCIAL POSITION AND RESTRUCTURING EFFORTS TO DATE

27. As set out above, over the past 15 months the Applicant's cash position has eroded significantly. To address the financial situation and other concerns regarding management, the Applicant and its Board of Directors have taken several restructuring steps to attempt to turn around the Business. Among other things:

- (a) in mid-2023, the Applicant appointed a new President;
- (b) in 2024, it hired additional management, including a new vice president of financing and other team members;
- (c) it took steps to reduce overhead and operating costs, including streamlining its approach and costs in connection with crew travel, crew turnover rates and insurance (without reduction in coverage);
- (d) it reviewed capex initiatives that would result in long term savings; and
- (e) took steps to improve its retention of flight crews and AMEs.

28. Additionally, in September 2023, the Applicant retained a financial advisor, Capital Canada Limited, to solicit interest in the Business and the Applicant. Such efforts did not result in any offers. Skylink has also continued to pursue new business opportunities and consider other alternative financing opportunities, although these efforts have not yielded any material success to-date.

29. The Applicant is almost entirely reliant on UPS to generate revenue. It has become apparent that the UPS Contract is not economically sustainable given, among other things, the changes to the operating environment and inflationary costs, for which adjustments are not provided for in the UPS Contract.



30. An urgent restructuring of the UPS Contract is required for the Applicant to remain viable and to return to profitability. While Momentum is prepared to continue to provide limited support to the Business in the short term to determine whether such negotiations can be successful, it is not prepared to continue to support the Business with the UPS Contract on its current terms. All discussions to date have been preliminary in nature. While the Applicant remains optimistic that its longstanding relationship with UPS will be able to be restructured, it requires the protection of the CCAA court in the meantime given its nominal and eroding cash position and its need for additional liquidity. The Applicant intends to use these proceedings to immediately commence discussions with UPS and, if no resolution can be reached in the short term, it will consider returning to court to seek approval of a sale process for its assets and Business.

## VII. CCAA PROCEEDINGS

31. As a result of the Applicant's imminent liquidity crisis and the Applicant's inability to meet its obligations as they come due, the Applicant is insolvent and, absent the CCAA proceedings and the contemplated borrowings under the proposed DIP Facility (as described below), is currently projected to run out of cash the second full week of March. The Applicant is not projected to be able to fund its payroll on March 15, 2024. It is clear that the Applicant will shortly have no ability to fund its obligations as they come due, nor does it currently have the ability to repay the TD Loan Facility, if such debt were to be accelerated and come due immediately.

32. The Applicant is seeking an initial order (the "**Proposed Initial Order**") pursuant to the CCAA. I am advised by Jennifer Stam of Norton Rose Fulbright Canada LLP ("**NRFC**") that the requested relief is consistent with other initial applications pursuant to the CCAA and is summarized below.

### ***Stay of Proceedings***

33. As set out above, the Applicant is on the verge of a liquidity crisis and has been or will shortly be unable to meet its obligations as they come due.

34. The Applicant is requesting a stay of proceedings for an initial period of not more than 10 days (the “**Stay Period**”) to be granted to provide it time to commence its restructuring options in a stabilized environment.

### ***Appointment of Monitor***

35. The Applicant seeks to appoint KSV Restructuring Inc. (“**KSV**”) as the monitor (in such capacity, the “**Proposed Monitor**”) in the CCAA proceedings. KSV has consented to act as Monitor, subject to court approval, a copy of which is attached hereto as **Exhibit “D”**.

36. I am advised by Bobby Kofman, President of KSV, that KSV is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* and not subject to any of the restrictions set out in Section 11.7(2) of the CCAA.

37. I understand that KSV has extensive experience in restructuring proceedings, including in the airline industry, and is qualified and appropriate for this mandate. KSV has been working with Skylink for several weeks and is familiar with Skylink’s circumstances.

38. I am advised by Mr. Kofman that KSV will be preparing a pre-filing report in respect of the Proposed Initial Order and, if appointed, will file a further report in connection with the Comeback Motion (defined below).

### ***Administration Charge***

39. The Proposed Initial Order contemplates a super priority charge over its property, assets and undertaking in the initial maximum amount of \$350,000 to secure the fees and

disbursements of the Proposed Monitor, its counsel and counsel to the Applicant incurred both before and during the CCAA proceedings (the “**Administration Charge**”).

40. The expertise and participation of the proposed beneficiaries of the Administration Charge are crucial to the completion of the Applicant’s restructuring.

41. The Applicant has worked with the Proposed Monitor to determine the proposed quantum of the Administration Charge. The Applicant and the Proposed Monitor are of the view that the amount of the Administration Charge is reasonable and appropriate as the professional fees have either received no or nominal retainers and they anticipate incurring fees during the initial ten-day period of the CCAA proceedings.

#### ***Directors and Officers***

42. To ensure the ongoing stability of the Applicant’s Business during the CCAA period and the efficient implementation of these restructuring proceedings, including the negotiation of the UPS Contract, the Applicant requires the continued participation of its directors and officers who oversee the management of the Business and commercial activities of the Applicant.

43. The directors and officers of the Applicant have indicated that due to the potential for personal liability, they cannot continue their service in this restructuring unless the Proposed Initial Order grants the Directors’ Charge (as defined below) to secure the Applicant’s indemnity obligations to the directors and officers that arise post-filing.

44. I am advised by Ms. Stam that in certain circumstances directors can be held liable for certain obligations of a company owing to employees and government entities. As at the current date, the Applicant has approximately 100 employees. Wages, vacation pay, and statutory employee deductions are accruing in the ordinary course with no arrears due and unpaid as at the date hereof. I am further advised by Ms. Stam that, as the Applicant is

federally regulated under the Canada Labour Code, directors may be held statutorily liable for certain termination and severance amounts for employees who may be terminated.

45. I am also advised by Ms. Stam, and do verily believe, that in certain circumstances directors can be held liable for certain unremitted excise taxes, if there is a failure to remit such amounts.

46. The Applicant maintains directors' and officers' liability insurance (the "**D&O Insurance**") for the directors and officers of the Applicant. The current D&O Insurance policies provide a total of up to \$5 million in primary coverage.

47. The Proposed Initial Order contemplates the establishment of a charge in the amount of \$480,000 (the "**Directors' Charge**") to protect the directors and officers against obligations and liabilities they may incur as directors and officers of the Applicant after the commencement of the CCAA proceedings, except to the extent that the obligation or liability is incurred as a result of the director's or officer's gross negligence or wilful misconduct. The Directors' Charge was calculated by the Applicant with the assistance of the Proposed Monitor, with reference to (a) the payroll and withholding obligations of the Applicant; and (b) vacation pay, during a period of the length of the proposed initial 10 day Stay Period. I am advised by Ms. Stam that the Directors' Charge also often takes into consideration HST collected in a particular period, but the Applicant is generally in an HST refund position.

48. The benefit of the Directors' Charge will only be available to the extent that a liability is not covered by the D&O Insurance.

49. While the D&O Insurance is available, the directors and officers of the Applicant cannot be certain that the insurance providers will not seek to deny coverage on the basis that the D&O Insurance does not cover a particular claim or that coverage limits have been exhausted.

50. The Applicant is unlikely to have sufficient funds available to satisfy any contractual indemnities to the directors or officers should the directors or officers need to call upon those indemnities.

51. The Applicant worked with the Proposed Monitor in determining the proposed quantum of the Directors' Charge. The Applicant and the Proposed Monitor believes the Directors' Charge is reasonable in the circumstances.

***DIP Facility and DIP Lenders' Charge***

52. As set out above and as is reflected in the Cash Flow Statement (defined below), the Applicant requires additional funding immediately to fund working capital costs within the first 10 days of the CCAA proceedings including, notably, to fund its payroll which is funded to its payroll provider on March 12, 2024 and paid to employees on March 15, 2024.

53. Momentum has agreed to establish a secured debtor-in-possession financing facility ("**DIP Facility**") in favour of Skylink, to fund working capital, capex and restructuring costs during the CCAA period. In that regard, the parties have entered into a DIP Term Sheet dated March 8, 2024 (the "**DIP Term Sheet**") pursuant to which Momentum (in such capacity, the "**DIP Lender**") has agreed to a DIP Facility to the Applicant as follows:

	<b><u>Description</u></b>
Borrower	Skylink
Lender	Momentum
DIP Facility	Non-revolving facility in the maximum aggregate principal amount of \$2.3 million
Permitted Uses	To fund working capital and professional fees in accordance with the Cash Flow Forecast, Recoverable Expenses (defined below) and such other costs and expenses as Skylink and Momentum may agree in writing.
Initial Advance	Up to a maximum of \$1.35 million

	<b><u>Description</u></b>
Comeback Advances	Up to a maximum of \$2.5 million
Interest	15%
Fees	None
Recoverable Expenses	Fees of the Lender as outlined in the DIP Term Sheet including related legal fees.
Security	Super Priority DIP Lender's Charge, subject to the Administration Charge and the TD Loan Security
Maturity	The earliest of: April 30, 2024, the closing of a sale transaction, implementation of a plan, termination of CCAA proceedings or conversion to a bankruptcy; and the occurrence of an Event of Default (defined below).
Conditions Precedent to the Initial Advance and Subsequent Advances	<p>Conditions precedent to the Initial Advance include customary conditions for DIP facilities, including approval of the DIP Term Sheet, granting of the Initial Order and no outstanding Event of Default (defined below).</p> <p>Conditions precedent to subsequent advances include the granting of an amended and restated initial order ("<b>ARIO</b>").</p>
Events of Default	<p>Events of default include events of default customary for DIP facilities and including:</p> <ul style="list-style-type: none"> <li>- If the Initial Order is not granted by no later than March 11, 2024</li> <li>- If the ARIO is not granted by March 21, 2024</li> <li>- Enforcement by TD on any of the TD Loan Security or the Momentum guarantee</li> <li>- Cumulative variance for disbursements in the first month is more than 115% of the budgeted disbursements</li> </ul>

A copy of the DIP Term Sheet is attached hereto as **Exhibit "E"**

54. The DIP Facility is contingent, among other things, upon the granting of a priority charge over the assets, property and undertaking of the Applicant in favour of the DIP Lender, which will rank subordinate to the Administration Charge and the TD Loan Security but in priority to the Directors' Charge.

55. The proposed initial borrowing under the DIP Facility is limited to \$1.35 million being the amount projected to be required in the first 10 days of the CCAA proceedings, and is supported by the Proposed Monitor.

***Priority of the Charges***

56. The proposed ranking of the Court-ordered charges as amongst themselves is as follows:

- (a) First, the Administration Charge (up to a maximum of \$350,000);
- (b) Second, the DIP Lender's Charge; and
- (c) Third, the Directors' Charge (up to a maximum of \$480,000).

57. It is further proposed that in respect of the TD Loan Security, the Administration Charge would rank in priority to the TD Loan Security but the Directors' Charge and DIP Lender's Charge would rank subordinate to the TD Loan Security.

58. NRFC has conducted: (i) Bankruptcy and Insolvency searches with the Office of the Superintendent of Bankruptcy Canada current to February 28, 2024, (ii) Bankruptcy searches with the Ontario Superior Court of Justice in Toronto current to February 29, 2024 (iii) Personal Property Security Registration System searches in Ontario current to February 15, 2024, (iv) Property Registry searches in Manitoba current to February 21, 2024, (v) Personal Property Registry searches in British Columbia current to February 21, 2024, (vi) Registre des droits

personnels et réels mobiliers (RDPRM) searches in Québec current to February 21, 2024, (vii) *Bank Act* security searches current to February 29, 2024, in Ontario, and (viii) International Registry of Mobile Assets searches current to February 29, 2024. Copies of those searches are attached hereto as **Exhibit “F”**.

59. I am advised by Ms. Stam that other than TD, no party has any outstanding registrations against the Applicant.

### ***Credit Card Payments***

60. The Applicant is seeking the entitlement (but not direction) to be able to make payments in respect of its corporate credit cards for pre-filing balances. As set out above, the ongoing use of these credit cards are critical for the operation of the Business and routinely used by Skylink employees for travel and other expenses while working. Any such pre-filing payments would be with the consent of the Monitor in the event that the Monitor and the Applicant determine that such payments are critical to the preservation of the Business.

### ***Cash Flow Forecast***

61. A cash flow forecast (the “**Cash Flow Statement**”) was prepared by the Applicant with the assistance of the Proposed Monitor for the period from March 2, 2024 to April 26, 2024. A copy of the Cash Flow Statement is attached hereto as **Exhibit “G”**.

62. The Cash Flow Statement shows that, subject to the approval of the DIP Facility, the Applicant will be able to fund its operations during the period provided for in the Cash Flow Statement.

### ***Comeback Motion***

63. If the Proposed Initial Order is granted, the Applicant proposes to return to this Court for a comeback hearing (the “**Comeback Motion**”) on or before March 21, 2024.



64. At the Comeback Motion, the Applicant intends to seek the Court's approval of, among other things, an amended and restated initial order which may include, among other things:

- (a) An extension of the Stay Period;
- (b) An increase in the borrowing limit under the DIP Facility; and
- (c) An increase in the Administration Charge and Directors' Charge.

### VIII. CONCLUSION

65. For the reasons set out above, the Applicant requests the relief set out in the Proposed Initial Order. I swear this affidavit in support of the Applicant's application and for no improper purpose.

**SWORN** by Kyle Dennhardt at the City of Toronto, in the Province of Ontario, before me on March 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)

}



\_\_\_\_\_  
Kyle Dennhardt

Viktor Hohlacov, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 15, 2025

This is Exhibit "A" referred to in the Affidavit of Kyle Dennhardt sworn by Kyle Dennhardt before me at the City of Toronto, in the Province of Ontario, on March 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

Viktor Hohlov, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 15, 2025



Ministry of Public and  
Business Service Delivery

## Profile Report

SKYLINK EXPRESS INC. as of March 04, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	SKYLINK EXPRESS INC.
Ontario Corporation Number (OCN)	5040438
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Amalgamation	November 02, 2020
Registered or Head Office Address	55 St. Clair Avenue West, Suite 210, Toronto, Ontario, M4V 2Y7, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Active Director(s)****Minimum Number of Directors**

1

**Maximum Number of Directors**

10

**Name**

STEPHEN ARBIB

**Address for Service**55 St. Clair Avenue West, Suite 210, Toronto, Ontario, M4V  
2Y7, Canada**Resident Canadian**

Yes

**Date Began**

November 02, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

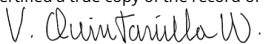
Director/Registrar

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**Active Officer(s)**

<b>Name</b>	STEPHEN ARBIB
<b>Position</b>	Chairman
<b>Address for Service</b>	55 St. Clair Avenue West, Suite 210, Toronto, Ontario, M4V 2Y7, Canada
<b>Date Began</b>	November 02, 2020
<b>Name</b>	KYLE DENNHARDT
<b>Position</b>	Chief Financial Officer
<b>Address for Service</b>	55 St. Clair Avenue West, Suite 210, Toronto, Ontario, M4V 2Y7, Canada
<b>Date Began</b>	November 02, 2020
<b>Name</b>	RICHARD MCDOLE
<b>Position</b>	Chief Executive Officer
<b>Address for Service</b>	8241 Twiss Road, Campbellville, Ontario, L0P 1B0, Canada
<b>Date Began</b>	November 02, 2020
<b>Name</b>	RICHARD MCDOLE
<b>Position</b>	President
<b>Address for Service</b>	8241 Twiss Road, Campbellville, Ontario, L0P 1B0, Canada
<b>Date Began</b>	November 02, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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### Corporate Name History

Name

Effective Date

SKYLINK EXPRESS INC.

November 02, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**Amalgamating Corporations****Corporation Name**  
**Ontario Corporation Number**EXPRESS AVIATION WSA INC.  
2188444**Corporation Name**  
**Ontario Corporation Number**SKYLINK EXPRESS INC.  
1068418**Corporation Name**  
**Ontario Corporation Number**MOMENTUM EXPRESS INC.  
2768789

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

#### Active Business Names

Name	MOMENTUM EXPRESS
Business Identification Number (BIN)	301322046
Registration Date	November 23, 2020
Expiry Date	November 22, 2025

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.



### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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## Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: KYLE DENNHARDT	March 04, 2024
Annual Return - 2023 PAF: KYLE DENNHARDT	January 30, 2024
Annual Return - 2022 PAF: KYLE DENNHARDT	January 16, 2023
Annual Return - 2021 PAF: Kyle DENNHARDT	December 16, 2021
CIA - Initial Return PAF: KYLE DENNHARDT - OFFICER	November 10, 2020
BCA - Articles of Amalgamation	November 02, 2020

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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This is Exhibit "B" referred to in the Affidavit of Kyle Dennhardt sworn by Kyle Dennhardt before me at the City of Toronto, in the Province of Ontario, on March 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

Viktor Hohlov, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 15, 2025

## Skylink Express Inc.

## Statements of Financial Position

As at

*(Expressed in Canadian dollars)*

	Notes	December 31, 2023	December 31, 2022
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		\$ 59,635	\$ 2,015,891
Accounts receivable		1,819,907	2,014,129
Sales taxes recoverable		612,311	233,644
Income taxes recoverable		-	20,370
Prepaid expenses and deposits		408,970	1,231,925
Inventory		5,421,535	3,884,484
<b>Total Current Assets</b>		<b>8,322,358</b>	<b>9,400,443</b>
Equipment, net	3	22,470,107	21,283,910
Goodwill	4	5,617,356	6,439,408
<b>TOTAL ASSETS</b>		<b>\$ 36,409,821</b>	<b>\$ 37,123,761</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued Liabilities		\$ 3,762,665	\$ 1,914,642
Intercompany payables		162,776	-
Deposits		-	46,888
Income taxes payable		228,146	299,831
Current portion of loan payable	5	2,938,458	2,940,696
<b>Total Current Liabilities</b>		<b>7,092,045</b>	<b>5,202,057</b>
Loan payable	5	11,371,003	14,277,731
Deferred tax liability	6	5,577,360	5,436,813
<b>TOTAL LIABILITIES</b>		<b>24,040,408</b>	<b>24,916,601</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares, no par value, unlimited authorized, 7,000,000 common shares issued and outstanding	7	7,000,000	7,000,000
Contributed surplus		647,514	550,414
Retained earnings		4,721,899	4,656,746
<b>Total Shareholders' Equity</b>		<b>12,369,413</b>	<b>12,207,160</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 36,409,821</b>	<b>\$ 37,123,761</b>

## Skylink Express Inc.

## Statements of Income and Comprehensive Income

For the years ended

*(Expressed in Canadian dollars)*

	Notes	December 31, 2023	December 31, 2022
Contract revenue		\$ 24,726,096	\$ 28,943,167
Direct contract costs		(18,823,264)	(20,214,205)
<b>GROSS PROFIT</b>		<b>5,902,832</b>	<b>8,728,962</b>
General and administrative expenses		1,719,291	1,758,624
Depreciation	3	2,624,208	2,480,806
Stock-based compensation	8	97,099	97,099
		<b>4,440,598</b>	<b>4,336,529</b>
<b>INCOME FROM OPERATIONS</b>		<b>1,462,234</b>	<b>4,392,433</b>
Interest income		-	(78)
Interest expense	6	1,349,062	1,051,989
Bad debts expense		224,248	-
Foreign exchange (gain) loss		(7,807)	(1,965)
Gain on sale of equipment		(548,234)	-
		<b>1,017,269</b>	<b>1,049,946</b>
<b>INCOME BEFORE INCOME TAXES</b>		<b>444,965</b>	<b>3,342,487</b>
Income tax expense - current		239,265	1,173,679
Income tax expense (recovery) - deferred		140,547	26,276
		<b>379,812</b>	<b>1,199,955</b>
<b>NET INCOME AND COMPREHENSIVE INCOME</b>		<b>\$ 65,153</b>	<b>\$ 2,142,532</b>

This is Exhibit "C" referred to in the Affidavit of Kyle Dennhardt sworn by Kyle Dennhardt before me at the City of Toronto, in the Province of Ontario, on March 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

Viktor Hohlov, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 15, 2025



Toronto Centre 55 King St W 3rd Floor TD  
Tower Toronto, ON M5K 1A2  
Telephone No.: (416) 982 - 8658

Fax No.: (416) 982 - 4330

November 2, 2020

Skylink Express Inc.  
2000 Argentia Road, Plaza 4, Suite 101,  
Mississauga, ON L5N 1W1

Attention: Stephen Arbib and Kyle Dennhardt

Dear Mr. Arbib and Mr. Dennhardt,

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

#### **BORROWER**

Skylink Express Inc., a corporation resulting from the amalgamation of Momentum Express Inc., Skylink Express Inc. and Express Aviation WSA Inc. (the "Borrower")

#### **LENDER**

The Toronto-Dominion Bank (the "Bank"), through its Toronto Centre branch, in Toronto, ON.

#### **CREDIT LIMIT**

- 1) CAD\$23,900,000
- 2) CAD\$750,000 or its USD\$ Equivalent

#### **TYPE OF CREDIT AND BORROWING OPTIONS**

- 1) Committed Reducing Term Facility (Single Draw) ("Facility #1") available at the Borrower's option by way of:
  - Fixed Rate Term Loan in CAD\$
  - Floating Rate Term Loan available by way of:
    - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")
    - Bankers Acceptances in CAD\$ ("B/As")
- 2) Operating Loan ("Facility #2") available at the Borrower's option by way of:

- Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

- United States Base Rate Loans in USD\$ ("USBR Loans")

## PURPOSE

- 1) To refinance the indebtedness incurred to purchase Skylink Express Inc.
- 2) To finance working capital

## TENOR

- 1, 2) Committed

## CONTRACTUAL TERM

- 1) 60 months from the date of drawdown.
- 2) 60 months from the date of drawdown of Facility #1

## RATE TERM (FIXED RATE TERM LOAN)

- 1) Fixed rate: 12-60 months, but never to exceed the Contractual Term Maturity Date
- 1) Floating rate: No term

## AMORTIZATION

- 1) 96 month(s)

## INTEREST RATES AND FEES

Advances shall bear interest and fees as follows:

- 1) Committed Reducing Term Facility:

Fixed Rate Term Loans: as determined by the Bank, in its sole discretion and accepted by the Borrower for the Rate Term selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.

- Floating Rate Term Loans available by way of:

- Prime Based Loans: Prime Rate + Applicable Margin per annum as outlined in the following Tiered Pricing Schedule:

Level	Leverage Ratio	Applicable Margin for Prime Rate Based Loans	Applicable Margin for Bankers' Acceptances
I	≤2.0x	100 bps	250 bps
II	>2.0x to ≤2.5x	125 bps	275 bps
III	>2.5x	150 bps	300 bps



- B/As: Stamping Fee as per above Tiered Pricing Schedule

The Applicable Margin for each borrowing option will change three (3) Business Days following the receipt of the quarterly compliance certificate.

2) Operating Loan:

- Prime Based Loans: Prime Rate + 1.500% per annum
- USBR Loans: USBR + 1.500% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

Interest on Fixed Rate Term Loans under Facility #1 is compounded monthly and payable monthly in arrears.

#### **ARRANGEMENT FEE**

The Borrower has paid a non-refundable arrangement fee of CAD\$74,000.

#### **COMMITMENT FEE**

On the third Business Day following the last Business Day of March, June, September, and December, in each year, the Borrower shall pay to the Bank a Commitment Fee for the Committed Operating Loan in an amount equal to 0.6000 % per annum calculated on the daily average amount of the undrawn portion of the Committed Operating Loan during the quarter just ended.

#### **ANNUAL REVIEW FEE**

CAD\$4,000 per annum payable on the first anniversary of closing and annually thereafter.

#### **EXCESS MONITORING FEE**

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250.00, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

In addition to the Excess Monitoring Fee, the Borrower will pay upon any occurrence of the following:

- a) Late Reporting ("Late Reporting Fee"): Late provision of any reporting/information required as a condition of credit shall result in the Borrower being charged a Late Reporting Fee of CAD\$250 per month. The Late Reporting Fee does not imply consent to or approval of late reporting or the non- provision of any information as required by the Agreement.
- b) Covenant Default ("Default Fee"): any breach or default of terms and/or conditions as outlined in this Agreement shall be subject to a Default Fee of CAD\$500. Collection of the Default Fee does not imply consent to or approval of a breach in any terms or conditions.

#### **DRAWDOWN**

<b>Assigned Facilities</b>	<b>Description</b>
--------------------------------	--------------------

- 1) One time drawdown prior to December 31, 2020 after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn.
- 2) On a revolving basis

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

## **BUSINESS CREDIT SERVICE**

The Borrower will have access to the Operating Loan (Facility 2) via Loan Account Number 1957-9556024 1020 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 5560245 1020 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$5,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

## **OVERDRAFTS**

The Borrower will have access to United States Base Rate Based Loans under the Operating Loan via overdraft from Account Number 7437448 at Branch 1020 (the "Account") up to the Credit Limit.

## **REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY**

### **Assigned**

#### **Facilities      Description**

- 1) All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The drawdown will be repaid in equal Monthly payments. The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown. Any amounts repaid may not be reborrowed.
- 2) The Borrower will repay amounts outstanding to ensure the amounts drawn do not exceed the Credit Limit on or before the Contractual Term Maturity Date.

## **PREPAYMENT**

### **Assigned**

#### **Facilities      Description**

- 1) Prepayment is permitted on floating rate loans without penalty.

For fixed rate loans, the Borrower has selected the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A.

## SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower, including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a first charge on all the Borrower's present and after acquired personal property;
- b) Share Pledge Agreement from MOMENTUM DECISIVE SOLUTIONS CANADA INC. ("Momentum" or "Limited Guarantor") and any other direct shareholders of the Borrower pertaining to 100% of the outstanding shares of the Borrower (the "Share Pledge") pledged as security for the Borrower's obligations under and in connection with this Agreement and for greater certainty shall not be subject to or limited in any way by the limited amount of Limited Guarantee;
- c) General Security Agreement ("Guarantor GSA") representing a first charge on all the Limited Guarantor's present and after acquired personal property to secure the obligations of the Limited Guarantor under the Limited Guarantee;
- d) Guarantee of Advances ("Limited Guarantee") limited to CAD \$15,000,000 (the "Limited Amount") executed by the Limited Guarantor, it being understood and agreed that no earlier than 2.5 years following closing and provided that the Borrower has demonstrated a Leverage Ratio of  $\leq 2.25x$  for at least two consecutive quarters immediately prior, the Guarantor GSA shall be released and the Limited Guarantee shall be amended or replaced in a manner satisfactory to the Bank to delete the Limited Amount and to limit the liability of the Limited Guarantor thereunder to the extent such liability (if any) is required to permit the Bank to realize upon the Collateral (as defined in the Share Pledge) and to confirm that the sole recourse of the Bank against the Limited Guarantor shall be with respect to the Collateral.
- e) Aircraft Security Agreement representing a first charge on all aircraft, engines and related assets of the Borrower in favour of the Bank (and registration under the *Personal Property Security Act* (Ontario) and under the International Registry on Mobile Assets in respect of all aircraft, engines, and related assets); and
- f) Assignment of insurance in scope and amount satisfactory to the Bank.

All persons and entities required to provide a guarantee, other than the Limited Guarantor, shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

## DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

**Assigned  
Facilities**

**Description**

- All) Borrower to provide copies of fully executed non-complete agreements by the existing shareholders;
- All) at closing, pro-forma compliance certificate including detailed covenant calculations based on the most recent trailing twelve month results prior to closing, and projected debt to be drawn at closing, evidencing a maximum Leverage Ratio not to exceed 2.82x and minimum Adjusted EBITDA of \$8,480,000 at closing;
- All) Bank to complete a site visit at one of the Borrower's leased premises. Site visit to be satisfactory to the Bank. Site visit can be completed virtually;
- All) Borrower to complete the Bank's Standard Environmental and Social Risk Questionnaire. Questionnaire to be satisfactory to the Bank;
- All) Borrower to provide executed Purchase and Sale Agreement between Momentum Express Inc., a predecessor of the Borrower, and Express Aviation WSA Inc., together with any applicable steps memo(s) for closing;
- All) Borrower to provide the employment contract for Richard McDole;
- All) evidence of cash injection in the form of new equity in the minimum amount of \$7,000,000;
- All) management prepared year to date financial statements for Skylink Express Inc. with sufficient supporting detail to distil trailing twelve months analysis prior to closing; and,
- All) satisfactory loan documentation, including all documentation to satisfy the Bank's regulatory requirements (know your customer/anti-money laundering), credit agreement, security, legal opinions, etc., in form and substance satisfactory to the Bank and its counsel.

**REPRESENTATIONS AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

**POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition:

- 1) Borrower to provide notice to the Bank of material events including but not limited to any material amendments to its contract with UPS or Amazon, any loss of a Major Contract, any action taken surrounding annual Controllable Delays as outlined in the UPS contract and any environmental claims; provided that, for the purposes of this covenant, "Major Contract" shall mean any

contracts, the termination of which would cause a material adverse effect on the business, assets or properties of the Borrower, its subsidiaries and the Guarantors taken as a whole, specifically including the Borrower's contracts with each of UPS and Amazon;

- 2) Borrower to ensure required aviation and hazardous materials handling approvals/licenses to be maintained in good standing at all times;
- 3) Borrower to maintain insurance policies in good standing;
- 4) Borrower to immediately advise the Bank should any premises leases not be renewed; and
- 5) Borrower will provide prompt notice of any amounts in excess of \$250,000 in the aggregate at any time which are being contested in good faith under Standard Representations and Warranties 6(g).

## **NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A" and:

- 1) no acquisitions other than Permitted Acquisitions up to an aggregate of \$2,000,000 per fiscal year and an aggregate of \$4,000,000 through the commitment term.

Permitted Acquisitions defined as a company that: i) is in the same industry/business, ii) has accretive EBITDA, iii) where 100% ownership is being acquired, iv) has existing debt at target to be retired and v) security to be provided, and where no default or Event of Default has occurred.

Any other company acquisition requires the prior written consent of the Bank;

- 2) no Distributions if (i) an Event of Default or default is occurring or will occur on a pre- and post-payment basis; or (ii) if the Leverage Ratio is greater than 2.25x on a pre- and post-payment basis, "Distributions" shall mean the payment of dividends, share redemptions/repurchases, repayment of shareholder/related party loans, advances to shareholders/related parties or other forms of shareholder compensation.

## **REPORTING COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will provide:

- 1) annual audited financial statements of the Borrower and accompanying compliance certificate within 120 calendar days of fiscal year end;
- 2) quarterly management prepared financial statements of the Borrower and accompanying compliance certificate within 45 calendar days of fiscal quarter end;
- 3) financial projections for the upcoming fiscal year within 120 calendar days after each fiscal year end. Financial projections are to be completed on a quarterly basis and are to include a balance sheet, income statement, cash flow statements and financial covenant calculations; and,
- 4) annual audited non-consolidated financial statements for Momentum within 120 calendar days of its fiscal year end.

## PERMITTED LIENS

Permitted Liens as referred to in Schedule “A” are:

### Assigned Facilities

### Description

- All) Liens securing indebtedness not to exceed \$1,200,000 to be incurred solely to finance the acquisition of a single aircraft to support new Amazon routes under a Major Contract, provided that the Borrower delivers prior written notice to the Bank of such financing transaction and provided that no Event of Default shall exist or shall result therefrom on a pro forma basis both before and after giving effect to such transaction, including compliance with all financial covenants set forth in this Agreement.

Additional Liens to secure additional aircraft acquisition financing in support of any new Amazon routes shall be subject to the Bank’s prior written consent in all respects and its review, to its sole satisfaction, of a supporting business plan and other information in respect of such acquisition as may be requested by the Bank.

- All) Liens securing indebtedness from Momentum to be used solely to finance capital expenditures, provided that the Borrower delivers prior written notice to the Bank prior of such financing transaction, that no Event of Default shall exist or shall result therefrom on a pro forma basis both before and after giving effect to such transaction, and, provided that Momentum shall have entered into a postponement and subordination agreement in favour of the Bank on terms and conditions satisfactory to the Bank permitting payments of interest only provided that no Default or Event of Default has occurred and is continuing or will result therefrom on a pro forma basis both before and after giving effect to such payment.
- All) With the exception of the foregoing Permitted Liens, Purchase Money Security Interests in equipment which Purchase Money Security Interests not to exceed \$150,000.00 at any time.

## FINANCIAL COVENANTS

The Borrower agrees at all times to:

- 1) maintain a Total Funded Debt to Adjusted EBITDA (“Leverage Ratio”) of no greater than 3.25x, reducing to 3.00x at December 31, 2020 and further reducing to 2.50x at June 30, 2021 and thereafter.

Leverage Ratio is based on the Borrower’s financial statements and tested on a rolling four-quarter basis.

Total Funded Debt is defined as all debts and liabilities for borrowed money including liabilities in respect of banker’s acceptances and letters of credit/guarantee, capital leases, and contingent guarantees.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization

Adjusted EBITDA is defined as EBITDA plus (minus) extraordinary losses/(gains), non-cash losses/(gains) as approved by the Bank.

For clarity, EBITDA to be adjusted for the following add-backs:

- i) one-time legal costs of \$250,000 related to Skylink’s sale to WSA incurred in Q4 F2019 (ended September 30, 2019);

- ii) management salaries of \$107,375 per quarter from Q1 to Q4 F2019 (ended September 30, 2019);
  - iii) management discretionary expenses related to former shareholder Dan Rocheleau of \$7,025 in Q1 F2019, \$5,224 in Q2 F2019, \$7,790 in Q3 F2019, and \$3,461 in Q4 F2019 (ended September 30, 2019);
  - iv) rent expense related to Innotech: a) \$52,832 per quarter from Q1 - Q3 F2019, and b) \$7,953 in Q4 F2019 (ended September 30, 2019);
  - v) legal expense related to Innotech: \$112,828 in Q1 F2019;
  - vi) up to \$300,000 in legal fees relating to the closing in Q3/Q4 F2020.
- 2) maintain a Fixed Charge Coverage ("FCC") ratio of not less than 1.10x to be tested on a rolling four quarters basis.

The FCC ratio is calculated as follows:

$$\frac{(\text{Adjusted EBITDA} - \text{Cash Taxes} - \text{Unfinanced Capital Expenditures} - \text{Distributions})}{(\text{Scheduled Principal and Interest})}$$

Adjusted EBITDA as defined with the Leverage Ratio definition.

Cash Taxes are defined as the twelve (12) month beginning income taxes payable, plus the current period's twelve month income tax expense, less the twelve month ending period income taxes payable.

Unfinanced Capital Expenditures shall be calculated as total capital expenditures, net of debt advanced in support of such expenditures and proceeds from the sale of fixed assets with the exception of:

- i) assets financed via outside shareholders' equity or financial assistance from Momentum; and,
- ii) any portion of capital expenditure for airplane purchases paid via accumulated cash balances exceeding \$1,000,000.

At no time can Unfinanced Capital Expenditures be an increase to the numerator.

Scheduled Principal and Interest shall include all scheduled payments for Facility #1 and are to be annualized for the first year post-closing.

## EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto and after any one of the following additional Events of Default:

### Assigned Facilities      Description

- All) if the Limited Guarantor defaults under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward

foreign exchange transactions, interest rate and currency and/or commodity swaps], there are outstanding monetary obligations thereunder and the default is not cured within the applicable grace period, if any;

- All) if the Borrower defaults under any other agreement for indebtedness secured by Permitted Liens in excess of \$150,000, the default is not cured within the applicable grace period, if any and the lender accelerates repayment of such loan; and
- All) The occurrence of any breach, non-renewal, notice of cancellation or termination of the UPS contract.

## ANCILLARY FACILITIES

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$50,000.

## LANGUAGE PREFERENCE

This Agreement has been drawn up in the English language at the request of all parties. (Cet acte a été rédigé en langue anglaise à la demande de toutes les parties.)

## SCHEDULE "A" - STANDARD TERMS AND CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

## AMENDMENTS TO SCHEDULE "A" TERMS AND CONDITIONS

The following amendments to the Standard Terms and Conditions set forth in Schedule "A" apply:

- *Standard Representations and Warranties 6(g) is hereby deleted in its entirety and replaced with the following:*  
*"All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date except any such deductions, taxes or dues which are being contested in good faith."*
- *Standard Positive Covenant 7(n) is hereby deleted in its entirety and replaced with the following:*  
*"Comply with all applicable laws in all material respects."*
- *Standard Negative Covenant 8(b) is hereby deleted in its entirety and replaced with the following:*  
*"Create, incur, assume or suffer to exist any other indebtedness for borrowed money or guarantee or act as surety or agree to indemnify the debts of any other Person, except for indebtedness resulting from Permitted Liens or, indebtedness comprised of unsecured loans and advances made from time to time by the Limited Guarantor which are subject to a subordination and postponement agreement in favour of the Bank and on terms and conditions satisfactory to the Bank provided that at the time of an such loan or advance there does not exist an Event of Default."*



- *Standard Negative Covenant 8(c) is hereby deleted in its entirety and replaced with the following:*  
*"Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person, except as expressly permitted under this Agreement."*
  
- *Environmental 9, third paragraph is hereby deleted in its entirety and replaced with the following:*  
*"The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security other than any loss, claims, damages and expenses arising as a result of the gross negligence or wilful misconduct of the Bank or, its officers, directors, employees, agents or shareholders."*
  
- *Indemnity 12 is hereby deleted in its entirety and replaced with the following:*  
*"The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement other than any claims, losses and liabilities arising as a result of the gross negligence or willful misconduct of the Bank. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement."*
  
- *Changing the Agreement 15 (a) is hereby deleted in its entirety and replaced with the following:*  
*"The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to an Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower."*
  
- *Changing the Agreement 15 (c) is hereby deleted in its entirety and replaced with the following:*  
*"The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit" is replaced as "The Bank is not required to notify a Guarantor or Limited Guarantor of any change in the Agreement, including any increase in the Credit Limit."*
  
- *Assignment 22 is hereby deleted in its entirety and replaced with the following:*  
*"The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without the Borrower's consent but on notice to the Borrower, provided that such notice shall not be required if an Event of Default has occurred and is continuing."*

*The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement."*

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before November 2, 2020.

Yours truly,

**THE TORONTO-DOMINION BANK**



Shannon Craig Relationship Manager

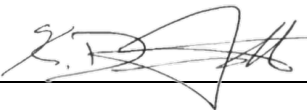


Andrew Ford Manager Commercial Credit

**TO THE TORONTO-DOMINION BANK:**

Skylink Express Inc. hereby accepts the foregoing offer this 2nd day of November, 2020 and confirms that, except as may be set out above, the credit facilities detailed herein shall not be used by or on behalf of any third party.

**SKYLINK EXPRESS INC.**

Per:  \_\_\_\_\_


Signature

Kyle Dennhardt, CFO

Print Name & Position

Momentum Decisive Solutions Canada Inc. hereby acknowledges the foregoing offer and acceptance this 2nd day of November, 2020 and confirms that it will provide the Limited Guarantee, the Guarantor GSA and the Guarantor SPA.

**MOMENTUM DECISIVE SOLUTIONS CANADA INC.**

Per:  \_\_\_\_\_

Signature

Stephen Arbib, Director

Print Name & Position

The Bank is providing the guarantor(s) and limited guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) and limited guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) and limited guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.



Toronto Centre  
55 King St W 3rd Floor TD Tower  
Toronto, ON  
M5K 1A2  
Telephone No.: (416) 982 - 8658  
Fax No.: (416) 982 - 4330

## **SCHEDULE A** **STANDARD TERMS AND CONDITIONS**

### **1. INTEREST RATE DEFINITIONS**

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

### **2. INTEREST CALCULATION AND PAYMENT**

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

### **3. DRAWDOWN PROVISIONS**

#### **Prime Based and USBR Loans**

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

#### **B/As**

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

#### **LIBOR and CDOR**

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. In no event shall the term of the LIBOR or CDOR contract exceed the Contractual Term Maturity Date. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

#### **L/C and/or L/G**

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

**B/A, LIBOR and CDOR - Conversion**

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

**B/A, LIBOR and CDOR – Market Disruption**

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

**Cash Management**

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

**Notice**

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

**4. PREPAYMENT****Fixed Rate Term Loans****10% Prepayment Option Chosen.**

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
  - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity



of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

### **10% Prepayment Option Not Chosen.**

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

### Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

### **5. STANDARD DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
  - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
  - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
  - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
  - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
  - v) All operation of account documentation; and
  - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

### **6. STANDARD REPRESENTATIONS AND WARRANTIES**

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
- h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
  - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
  - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
  - iii) the Borrower's ownership, control and structure.

## **7. STANDARD POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.

- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- n) Comply with all applicable laws.

#### **8. STANDARD NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

#### **9. ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

#### **10. STANDARD EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.
- m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

## **11. ACCELERATION**

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As, CDOR and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding CDOR and LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

## **12. INDEMNITY**

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

## **13. TAXATION ON PAYMENTS**

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

## **14. REPRESENTATION**

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

## **15. CHANGING THE AGREEMENT**

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

## **16. ADDED COST**

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,

- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

#### **17. EXPENSES**

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan, the Agriculture Operating Line or Farm Property Line of Credit.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

#### **18. NON WAIVER**

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

#### **19. EVIDENCE OF INDEBTEDNESS**

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

#### **20. ENTIRE AGREEMENTS**

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

## **21. NON-MERGER**

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

## **22. ASSIGNMENT**

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

## **23. RELEASE OF INFORMATION**

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

## **24. FX CLOSE OUT**

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

## **25. SET-OFF**

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

## **26. SEVERABILITY**

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

## **27. MISCELLANEOUS**

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

## **28. DEFINITIONS**

Capitalized Terms used in this Agreement shall have the following meanings:

*"All-In Rate"* means the greater of the interest rate that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

*"Agreement"* means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

*"Business Day"* means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

*"Branch/Centre"* means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

*"Contractual Term Maturity Date"* means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

*"Cross Default Threshold"* means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

*"Face Amount"* means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

*"Fixed Rate Term Loan"* means any drawdown in Canadian dollars under a Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank at its sole discretion.

*"Floating Rate Loan"* means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.



*"Inventory Value"* means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

*"Letter"* means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

*"Letter of Credit" or "L/C"* means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

*"Letter of Guarantee" or "L/G"* means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

*"Maturity Date"* for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

*"Person"* includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

*"Purchase Money Security Interest"* means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

*"Rate Term"* means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

*"Rate and Payment Terms Notice"* means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown.

*"Receivable Value"* means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

*"Receivables/Inventory Summary"* means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

*"US\$" or "USD Equivalent"* means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.



Toronto Commercial Centre  
 66 Wellington St W., 14th Floor, TD Bank Tower,  
 Toronto, ON  
 M5K 1A2  
 Telephone No.: (416) 982-4337  
 Fax No.: (416) 982-8684

October 5, 2022

Skylink Express Inc.  
 2000 Argentia Road, Plaza 4, Suite 101  
 Mississauga, ON L5N 1W1

Attention: Stephen Arbib and Kyle Dennhardt

Dear Mr. Arbib and Mr. Dennhardt,

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated November 2, 2020.

#### **BORROWER**

SKYLINK EXPRESS INC. (the "Borrower")

#### **LENDER**

**The Toronto-Dominion Bank** (the "Bank"), through its Toronto Commercial Centre branch, in Toronto, ON.

#### **CREDIT LIMIT**

- 1) CAD\$17,773,999 as reduced pursuant to the section headed "Repayment and Reduction of Amount of Credit Facility".

#### **DRAWDOWN**

- 1) Fully drawn. Amounts repaid may not be redrawn.

B/A borrowing availability is subject to a minimum of 30 days and a maximum of 90 days with minimum drawdown of \$1,000,000 and multiples of \$100,000 (or US\$ equivalent) thereafter with 3 days' notice

## **REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY**

- 1) All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The Drawdown will be repaid in monthly payments to effect 12.50% per annum.

The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown. Any amounts repaid may not be reborrowed.

## **PREPAYMENT**

- 1) Prepayment is permitted on floating rate loans without penalty. B/As may not be prepaid.

For fixed rate loans, the Borrower has selected the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A.

## **FINANCIAL COVENANTS**

The Borrower agrees at all times to:

- a) Maintain a Total Funded Debt to Adjusted EBITDA ("Leverage Ratio") of no greater than 2.75x, reducing to 2.50x on December 31, 2023, and thereafter.

Leverage Ratio is based on the Borrower's financial statements and tested on a rolling four-quarter basis.

Total Funded Debt is defined as all debts and liabilities for borrowed money including liabilities in respect of bankers' acceptances and letters of credit/guarantee, capital leases, and contingent guarantees.

EBITDA is defined as earnings before interest, taxes, depreciation, amortization.

Adjusted EBITDA is defined as EBITDA plus (minus) extraordinary losses/(gains), non-cash losses/(gains) as approved by the Bank.

~~For Clarity, EBITDA to be adjusted for the following add-backs:~~

- ~~i) one time legal costs of \$250,000 related to Skylink's sale to WSA incurred in Q4 F2019 (ended September 30, 2019);~~
- ~~ii) management salaries of \$107,375 per quarter from Q1 to Q4 F2019 (ended September 30, 2019);~~
- ~~iii) management discretionary expenses related to former shareholder Dan Rocheleau of \$7,025 in Q1 F2019, \$5,224 in Q2 F2019, \$7,790 in Q3 F2019, and \$3,461 in Q4 F2019 (ended September 30, 2019);~~
- ~~iv) rent expense related to Innotech: a) \$52,832 per quarter from Q1—Q3 F2019, and b) \$7,953 in Q4 F2019 (ended September 30, 2019);~~
- ~~v) legal expense related to Innotech: \$112,828 in Q1 F2019;~~
- ~~vi) up to \$300,000 in legal fees relating to the closing in Q4 F2020.~~

**This Covenant has been amended.**

- b) maintain a Fixed Charge Coverage ("FCC") ratio of not less than 1.10x to be tested on a rolling four-quarter basis.

The FCC ratio is calculated as follows:

(Adjusted EBITDA - Cash Taxes - Unfinanced Capital Expenditures - Distributions) / (Scheduled Principal and Interest)

Adjusted EBITDA as defined with the Leverage Ratio definition.

Cash Taxes are defined as the twelve (12) month beginning income taxes payable, plus the current period's twelve month income tax expense, less the twelve month ending period income taxes payable.

Unfinanced Capital Expenditures shall be calculated as total capital expenditures, net of debt advanced in support of such expenditures and proceeds from the sale of fixed assets with the exception of:

- i) assets financed via outside shareholders' equity or financial assistance from Momentum Decisive Solutions Canada Inc.; and,
- ii) any portion of capital expenditure for airplane purchases paid via accumulated cash balances exceeding \$1,000,000.

At no time can Unfinanced Capital Expenditures be an increase to the numerator.

Scheduled Principal and Interest shall include all scheduled payments for Facility #1 and are to be annualized for the first year post-closing.

#### **SCHEDULE "A" - STANDARD TERMS AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

#### **AMENDMENTS TO SCHEDULE "A" TERMS AND CONDITIONS**

The following amendments to the Standard Terms and Conditions apply:

- *Standard Representations and Warranties 6(g) is hereby deleted in its entirety and replaced with the following:*  
*"All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date except any such deductions, taxes or dues which are being contested in good faith."*
- *Standard Positive Covenant 7(n) is hereby deleted in its entirety and replaced with the following:*  
*"Comply with all applicable laws in all material respects."*
- *Standard Negative Covenant 8(b) is hereby deleted in its entirety and replaced with the following:*  
*"Create, incur, assume or suffer to exist any other indebtedness for borrowed money or guarantee or act as surety or agree to indemnify the debts of any other Person, except for indebtedness resulting from Permitted Liens or, indebtedness comprised of unsecured loans and advances made from time*

to time by the Limited Guarantor which are subject to a subordination and postponement agreement in favour of the Bank and on terms and conditions satisfactory to the Bank provided that at the time of an such loan or advance there does not exist an Event of Default.”

11

- Standard Negative Covenant 8(c) is hereby deleted in its entirety and replaced with the following: “Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person, except as expressly permitted under this Agreement.”

- Environmental 9, third paragraph is hereby deleted in its entirety and replaced with the following: “The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security other than any loss, claims, damages and expenses arising as a result of the gross negligence or wilful misconduct of the Bank or, its officers, directors, employees, agents or shareholders.”

- Indemnity 12 is hereby deleted in its entirety and replaced with the following: “The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement other than any claims, losses and liabilities arising as a result of the gross negligence or wilful misconduct of the Bank. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.”

- Changing the Agreement 15 (a) is hereby deleted in its entirety and replaced with the following: “The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to an Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower’s request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.”

- Changing the Agreement 15 (c) is hereby deleted in its entirety and replaced with the following: “The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit” is replaced as “The Bank is not required to notify a Guarantor or Limited Guarantor of any change in the Agreement, including any increase in the Credit Limit.”

- Assignment 22 is hereby deleted in its entirety and replaced with the following: “The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without the Borrower’s consent but on notice to the Borrower, provided that such notice shall not be required if an Event of Default has occurred and is continuing.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.”

Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

We ask that the Borrower acknowledges agreement to these amendments by signing and returning the attached duplicate copy of this Amending Agreement to the undersigned on or before **November 30, 2022**.

#### **ACCURACY OF INFORMATION**

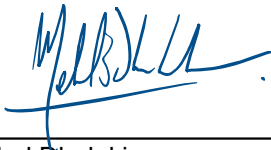
The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

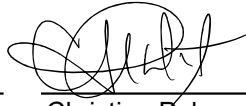
Yours truly,

**THE TORONTO-DOMINION BANK**



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Mehul Dholakia  
Senior Relationship Manager

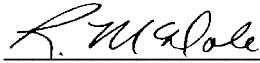


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Christina Palma  
Manager Commercial Credit

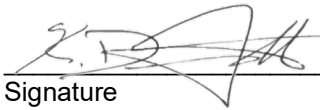
**TO THE TORONTO-DOMINION BANK:**

SKYLINK EXPRESS INC. hereby accepts the foregoing offer this 17th day of October, 2022. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

**SKYLINK EXPRESS INC.**


\_\_\_\_\_  
Signature

Richard McDole, President & CEO  
Print Name & Position

**MOMENTUM DECISIVE SOLUTIONS CANADA INC.**


\_\_\_\_\_  
Signature

Kyle Dennhardt, CFO  
Print Name & Position

This is Exhibit "D" referred to in the Affidavit of Kyle Dennhardt sworn by Kyle Dennhardt before me at the City of Toronto, in the Province of Ontario, on March 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

Viktor Hohlacov, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 15, 2025



Court File No.

**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**")

**CONSENT**

**KSV RESTRUCTURING INC.** hereby consents to act as the court-appointed monitor of the Applicant in connection with its proceedings pursuant to the *Companies' Creditors Arrangement Act* and pursuant to the terms of an order substantially in the form filed.

DATED AT TORONTO, ONTARIO this 5<sup>th</sup> day of March, 2024.

**KSV RESTRUCTURING INC.**

Per: 

Name: Bobby Kofman

Title: President and Managing Director

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.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**CONSENT**

**NORTON ROSE FULBRIGHT CANADA LLP**

222 Bay Street, Suite 3000  
Toronto, ON M5K 1E7  
Fax: 416.216.3930

**Jennifer Stam LSO#: 46735J**

Tel: 416. 202.6707  
jennifer.stam@nortonrosefulbright.com

Lawyers for the Applicant

This is Exhibit "E" referred to in the Affidavit of Kyle Dennhardt sworn by Kyle Dennhardt before me at the City of Toronto, in the Province of Ontario, on March 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

Viktor Hohlov, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 15, 2025

March 8, 2024

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

Attention: David Atkins, President

Re: Debtor-in-Possession Financing of Skylink Express Inc. (the “Borrower”)

A. The Borrower intends to make an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an initial order (the “**Initial Order**”), among other things, commencing proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceedings**”), imposing a stay of proceedings in favour of the Borrower (the “**Initial Stay**”), appointing KSV Restructuring Inc. as monitor of the Borrower (in such capacity, the “**Monitor**”) and approving this Term Sheet and granting the DIP Lender’s Charge (as defined herein) to secure the initial authorized advance of \$1.35 million;

B. In the event that the Initial Order is granted, and prior to the expiry of the Initial Stay, the Borrower will seek an Amended and Restated Initial Order (as may be further amended and restated from time to time in accordance with this Term Sheet, the “**ARIO**”) within the CCAA Proceedings, seeking, in addition to the relief set out in the Initial Order: (i) an extension of the Initial Stay; (ii) approval of a Court-supervised sale and investment solicitation process (the “**SISP**”); (iii) approval of an increase in the authorized limit of the DIP Facility (defined below) secured by the DIP Lender’s Charge to \$2.5 million;

C. The Borrower requires funding for the purposes set out below;

D. Momentum Decisive Solutions Canada Inc. (the “**Lender**”) has agreed to advance a debtor-in-possession loan in the aggregate principal amount of \$2.5 million, subject to and in accordance with the terms and conditions of this term sheet (this “**Term Sheet**”);

**NOW THEREFORE** in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

#### SUMMARY OF TERMS FOR DIP FACILITY

1. **Borrowers:** Skylink Express Inc.
2. **Lender:** Momentum Decisive Solutions Canada Inc.
3. **DIP Facility / Deposit:** Non-revolving facility in the maximum aggregate principal amount of \$2.5 million (the “**DIP Facility**”).
4. **Purpose:** The DIP Facility shall be available to fund: (i) working capital expenses and professional fees and expenses incurred by the Borrower and the Monitor in respect of the CCAA Proceedings, in all cases in accordance with the cash flow projections approved by the Monitor and the Lender (the “**Cash Flow Projections**”); (ii) the Recoverable

Expenses (as defined below); and (iii) such other costs and expenses of the Borrower as may be agreed to by the Lender, in writing.

The amount and purpose of the DIP Facility may be amended by the Borrower and the Lender in writing. The Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrower, except in accordance with the Cash Flow Projections or with the prior written consent of the Lender and the Monitor.

## 5. Advances:

Subject to the funding conditions set out in Section 11 of this Term Sheet, the DIP Facility shall be available by multiple advances (individually, an “**Advance**” and collectively, the “**Advances**”) as follows:

- (a) Upon one or more requests from the Borrower, upon the issuance of the Initial Order, up to a maximum of \$1.35 million, or such lesser amount as may be approved by the Initial Order and secured by the DIP Lender’s Charge (the “**First Advance**”), may be advanced to the Borrower to finance those expenses projected to be incurred in the first 10 days after the issuance of the Initial Order as set out in the Cash Flow Projection; and
- (b) upon the issuance of the ARIIO, the balance of all amounts owing under the DIP Facility that must be approved by the Court and secured by the DIP Lender’s Charge, being \$2.5 million, shall be advanced to the Borrower on not more than a weekly basis (unless otherwise agreed to by the Lender in writing), subject to receipt of a written draw request by the Lender from the Borrower (each a “**Subsequent Advance**”) which draw request may, for greater certainty, be made by email.

The Borrower shall endeavour to provide the Lender with no less than two (2) business days’ written notice for any requested Advance.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless the Borrower are in compliance with the provisions of this Term Sheet.

## 6. Interest:

Interest shall accrue on amounts Advanced under the DIP Facility at a rate equal to the 15% per annum (the “**Interest**”). Interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the Maturity Date (as defined herein).

**7. Recoverable Expenses:**

The Borrowers shall pay all fees and expenses (collectively, the “**Recoverable Expenses**”) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the Initial Order, the ARIO, the DIP Lender’s Charge (as defined below) and with the enforcement of the Lender’s rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender. For greater certainty, “Recoverable Expenses” shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings and all Court attendances in respect thereof. If the Lender has paid any expenses for which the Lender is entitled to reimbursement from the Borrowers, such expenses shall be added to the DIP Facility and shall accrue Interest at the rate set out above. All such fees and expenses and Interest thereon shall be secured by the DIP Lender’s Charge whether or not any funds under the DIP Facility are advanced.

**8. Security:**

All debts, liabilities and obligations of the Borrower to the Lender under or in connection with the DIP Facility (including, without limitation, Interest and Recoverable Expenses), this Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered priority charge (the “**DIP Lender’s Charge**”) granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrower, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the “**Property**”), subject only to:

- (a) an administration charge in the maximum aggregate amount of \$350,000 under the Initial Order and increased to \$500,000 under the ARIO for the payment of the fees and expenses of the Monitor, counsel to the Borrowers and counsel to the Monitor (the “**Administration Charge**”); and
- (b) the security held by the Toronto-Dominion Bank in connection with the loan facility entered into by the Borrower pursuant to a commitment letter dated November 2, 2020 (as amended, the “**TD Commitment Letter**”).

A directors’ charge in the maximum aggregate amount of \$480,000 under the Initial Order and increased to an amount as may be agreed to by the Lender pursuant to the ARIO as security for the indemnity provided to the directors and officers of the Borrower against obligations and liabilities they may incur after the commencement of the CCAA Proceedings (the “**Directors’ Charge**”) shall be permitted but shall rank subordinate to the DIP Lender’s Charge under the terms of the Initial Order and the ARIO. No other charges shall be permitted unless otherwise consented to by the Lender in writing.

**9. Maturity Date:** Unless otherwise agreed to by the Lender and the Borrowers in writing, the term of the DIP Facility shall expire, and the Borrowers shall repay all obligations owing to the Lender under this Term Sheet, on the earliest of (the “**Maturity Date**”):

- (a) April 30 2024;
- (b) the closing of a sale or investment transaction for all or substantially all of the assets or shares of the Borrower, which transaction has been approved by an order of the Court;
- (c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrower’s creditors, and by an order of the Court;
- (d) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the *Bankruptcy and Insolvency Act* (the “**BIA**”); and
- (e) the occurrence of an Event of Default (as defined herein), subject to a cure period of five (5) business days, beginning on the date of the occurrence of such Event of Default.

**10. Repayment:** Upon the occurrence of the Maturity Date, the aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest and Recoverable Expenses. The DIP Facility may be prepaid at any time, without penalty, (provided all accrued and unpaid Interest and Recoverable Expenses are paid in full). If the Borrower chooses to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

**11. Conditions Precedent:** The availability of the First Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the Lender in writing:

- (a) the Court shall have issued the Initial Order, in a form and on notice satisfactory to the Lender, including:
  - i. approving this Term Sheet and the DIP Facility;
  - ii. granting the DIP Lender’s Charge in favour of the Lender;

- iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;
  - iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the obligations of the Borrower to the Lender hereunder, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;
  - v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and
  - vi. provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrower, other than as permitted herein and the DIP Lender's Charge.
- (b) the Initial Order shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the Lender, acting reasonably; and
- (c) no Event of Default shall have occurred.

The availability of each Subsequent Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the Lender in writing:

- (a) the Court shall have issued the ARIO, in a form and on notice satisfactory to the Lender, including:
  - i. approving this Term Sheet and the DIP Facility;
  - ii. granting the DIP Lender's Charge in favour of the Lender;
  - iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;
  - iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the obligations of the Borrower to the Lender hereunder, without the necessity of the making



of any registrations or filings and whether or not any other documents have been executed by the Borrower;

- v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and
  - vi. provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrower, other than as permitted herein and the DIP Lender's Charge.
- (b) the ARIO shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the Lender, acting reasonably; and
- (c) no Event of Default shall have occurred.

## 12. Covenants

The Borrower covenants and agrees with the Lender, so long as any amounts are outstanding by the Borrower to the Lender hereunder, to:

- (a) promptly on the receipt by the Borrower of the same, give the Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order, the ARIO, without limitation, any application to the Court for the granting of new or additional security that will or may have priority over the DIP Lender's Charge, or otherwise for the variation of the priority of the DIP Lender's Charge;
- (b) if requested by the Lender, to provide the Lender with drafts of all materials that the Borrower intends to file in the CCAA Proceedings;
- (c) provide the Lender with any additional financial information reasonably requested by the Lender, to the extent that it is readily available;
- (d) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 4 of this Term Sheet, or such other purposes that may be agreed to by the Lender in writing;
- (e) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both,

would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;

- (f) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (g) pay all property taxes and other claims which, under law, may rank prior to or *pari passu* with the DIP Lender's Charge due and payable from and after the commencement of the CCAA Proceedings, as and when such amounts are due;
- (h) not make any payment to any officer, employee or related party of the Borrower (except salary and wages in the normal course) other than in accordance with any payments authorized under the Director's Charge, without the prior written consent of the Lender;
- (i) keep the Borrower's assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets;
- (j) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the Directors' Charge and the DIP Lender's Charge) over any of the Borrower's Property, whether ranking in priority to or subordinate to the DIP Lender's Charge;
- (k) not sell, transfer, assign, convey or lease any Property unless agreed to by the Lender;
- (l) provide notice of any material communication received by the Borrower to the Lender including any notice of default or termination of any material contract, license or permit;
- (m) provide updates to the Lender, as may be reasonably requested by the Lender from time to time, on the Borrower's cash flows as compared to the Cash Flow Projections for such week and an explanation of any material variances;
- (n) conduct all activities in the ordinary course and in material compliance with the Cash Flow Projections; and
- (o) the Borrower shall be in material compliance in material respects with applicable laws except as may be authorized by the CCAA proceedings.

**13. Events of Default:** The DIP Facility shall be subject to the following events of default (each, an “**Event of Default**”):

- (a) the Borrower’s failure to pay any amount due hereunder when due and payable;
- (b) any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet is not complied with or fulfilled to the satisfaction of the Lender;
- (c) the Initial Order is not obtained in form and substance satisfactory to the Lender on or before March 11, 2024, and the ARIO, in each case in form and substance satisfactory to the Lender, is not obtained on or before March 21, 2024;
- (d) the seeking or support by the Borrower of any Court order (in the CCAA Proceedings or otherwise) to which the Lender, in its sole discretion, does not consent;
- (e) the issuance of any Court order lifting or terminating (in whole or in part) the stay of proceedings in the CCAA Proceedings, or discontinuing, dismissing or otherwise terminating the CCAA Proceeding;
- (f) the issuance of any Court order staying, reversing, vacating or modifying the terms of the Initial Order, the ARIO, the DIP Facility or the DIP Lender’s Charge, in each case without the Lender’s consent;
- (g) the issuance of any Court order (in the CCAA Proceedings or otherwise) to which the Lender, in its sole discretion, does not consent;
- (h) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the Initial Order or the ARIO in each case if the notice of appeal, application for leave to appeal or appeal is not being actively defended by the Borrower or if the appeal is actually granted;
- (i) the occurrence of an event that will, in the opinion of the Lender, materially impair the Borrower’s financial condition, operations or ability to perform under this Term Sheet or any order of the Court;

- (j) the failure by the Borrower to comply with the Initial Order or the ARIO or any other Order issued in the CCAA Proceedings which has been consented to by the Lender;
- (k) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Borrower; (ii) the Property of the Borrower; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrower to perform their obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Borrower's Property or for the obligations of the Borrower to be satisfied from the realization thereof;
- (l) any changes in the composition of the Borrower's board of directors, management, or other change of control of the Borrower not approved by the Lender;
- (m) the Borrower becomes bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of any Borrower, or any Borrower's Property;
- (n) TD enforces on any the security granted by the Borrower pursuant to the TD Commitment Letter including repossession or foreclosure on any aircraft or calls on or demands on the guarantee given by the DIP Lender to TD in connection with the TD Commitment Letter;
- (o) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of the Borrower that has not been approved or consented to by the Lender in writing;
- (p) the filing of any plan of reorganization, arrangement or liquidation to which the Lender does not consent;
- (q) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek, or the result of which would be, to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrower under the DIP Facility, the DIP Lender's Charge or its priority; (ii) for monetary, injunctive or other relief against the Lender or the Borrower's Property; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the Initial Order,

the ARIO or under applicable law, or the enforcement or realization by the Lender against any of its collateral;

- (r) The actual cumulative disbursements of the Borrower are, at any time in the first month greater than 115% of the budgeted disbursements set out in the Cash Flow Projections and thereafter are at any time greater than 115% of the budgeted disbursements set out in the Cash Flow Projections, in each case for the cumulative period from the commencement of the Cash Flow Projections to the then current date.

#### **14. Remedies and Enforcement**

Following the occurrence of an Event of Default, and the expiration of the cure period prescribed in Section 9(e), upon written notice to the Borrower and the Monitor, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the CCAA Proceedings, to:

- (a) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the DIP Facility;
- (b) exercise the rights and powers of a secured lender pursuant to the *Personal Property Security Act* or any legislation of similar effect;
- (c) declare all debts, liabilities and obligations of the Borrower to the Lender under or in connection with the DIP Facility (including, without limitation, Interest and Recoverable Expenses), this Term Sheet and any other documents executed in connection therewith to be immediately due and payable;
- (d) terminate the DIP Facility; and
- (e) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order, the ARIO, any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

**15. Further Assurances** The Borrower will, at its own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to any other provisions set out hereunder.

**16. Assignment:** The Borrower shall not assign this Term Sheet or any of the provisions set out herein. The Lender may assign or sell its rights or obligations

with respect to this Term Sheet to any person without the prior written consent of the Borrower.

**17. Governing Law:** The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.


**18. Currency:** All dollar amounts herein are in Canadian Dollars.

**19. Acceptance:** This Term Sheet is open for acceptance until 5:00 p.m. (Toronto time) on March 8, 2024. The Borrower may accept this Term Sheet by returning a countersigned copy of this Term Sheet to the Lender (by electronic transmission or personal delivery).

***[Signature Page Follows]***

Dated this 8 day of March, 2024

**MOMENTUM DECISIVE SOLUTIONS  
CANADA INC.**

By 

Name: Stephen Arbib

Title: CEO

I have authority to bind the Corporation.

**ACCEPTANCE****TO THE LENDER:**

For good and valuable consideration received, the undersigned accepts and agrees to comply with the provisions of the Term Sheet set out above.

Dated this 8 day of March, 2024.

**SKYLINK EXPRESS INC.**By  \_\_\_\_\_

Name: David Atkins

Title: President

I have authority to bind the Corporation.



This is Exhibit "F" referred to in the Affidavit of Kyle Dennhardt sworn by Kyle Dennhardt before me at the City of Toronto, in the Province of Ontario, on March 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

Viktor Hohlov, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 15, 2025



## Search results - Bankruptcy and Insolvency Records Search

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Search Criteria SKYLINK EXPRESS INC. > Both

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Matches Found : 0



## Bankruptcy and Insolvency Records Search (BIA) search results| Résultats de la recherche dans le Registre des dossiers de faillite et d'insolvabilité (LFI)

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2024-02-28

Search Criteria | Critères de recherche :

Name | Nom = SKYLINK EXPRESS INC.

Reference | Référence :

31223709

A search of the Office of the Superintendent of Bankruptcy records has revealed no information, for the period 1978 to 2024-02-26, based on the search criteria above-mentioned.

Une recherche dans le registre du Bureau du surintendant des faillites n'a révélé aucune information pour la période allant de 1978 à 2024-02-26, selon les critères de recherche susmentionnés.

Date modified: 2024-01-16



Search results - Bankruptcy and Insolvency Records Search

Search Criteria SKYLINK EXPRESS INC. > Both

Matches found: 0

Search results

Name	CCAA File Number	Date of Proceeding	Monitor
No records found			



**Client Reference:** 1001286586  
**Order Number:** 31223697  
**Search Criteria:** SKYLINK EXPRESS INC.  
**Search Type:** Bankruptcy  
**Court Searched:** Superior Court  
**Jurisdiction:** Ontario  
**Municipality/Court Location:** Toronto  
**Search Date:** 2024/02/29 (yyyy/mm/dd)  
**Date From:** 1998/01/01 (yyyy/mm/dd)  
**Date To:** 2024/02/28 (yyyy/mm/dd)

**Message:** *Please be advised, our searcher does not have direct access to the Ministry database and all searches are conducted by Ministry employees, therefore we cannot guarantee the accuracy of the search results.*

*Please be advised, the search results are not current to the date the search was conducted and may be 3 - 6 weeks behind due to processing delays at the Courts.*

**Results: CLEAR**

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## PERSONAL PROPERTY SECURITY SEARCHES

## I. SKYLINK EXPRESS INC.

1. **ONTARIO**

*Personal Property Security Act (Ontario) (File Current February 15, 2024)*

The following abbreviations are used to identify collateral classifications under the *Personal Property Security Act* (Ontario):

A	-	Accounts	I	-	Inventory
CG	-	Consumer Goods	MV	-	Motor Vehicle Included
E	-	Equipment	O	-	Other

	Secured Party(ies)	Debtor(s)	Collateral Classification	General Collateral Description	Reference File No. & Registration Number(s)	Comments
1	THE TORONTO-DOMINION BANK	SKYLINK EXPRESS INC.	I, E, A, O, MV	See below	767158866 20201028 1348 1590 4946 (5 years)	
	<p><u>General Collateral Description</u></p> <p>INCLUDING BUT NOT LIMITED TO 2010 FORD F150, VIN 1FTEX1C89AFD44871, 2010 FORD FOCUS 4961, VIN 1FAHP3FN8AW234961, 2010 FORD FOCUS 3365, VIN 1FAHP3FN6AW283365, 2011 FORD TRUCK F-SERIES, VIN 1FTFW1EF2BFA14056, 2010 CHEVROLET AVEO LS, VIN 3G1TB5DE8AL117283, 2010 CHEVROLET AVEO LS , VIN 3G1TB5DE3AL116946, 2009 PONTIAC WAVE, VIN 3G2TV55E09L121227, 2005 GMC SAVANA VAN, VIN 1GTHG39U851269001, 2013 DODGE GRAND CARAVAN, VIN 2C4RDGBG6DR785781, 2010 TOYOTA YARIS, VIN JTDDBT4K3XA1376036 AND 1999 FORD ECONOLINE, VIN 1FTSS34M3XHC03008.</p> <p>INCLUDING BUT NOT LIMITED TO 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKU, SERIAL NUMBER UB-35, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKN, SERIAL NUMBER UC-54 ,1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKW, SERIAL NUMBER UB-33, 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKA, SERIAL NUMBER UB-32, 1984 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKM, SERIAL NUMBER UB-21, 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK</p>					

	Secured Party(ies)	Debtor(s)	Collateral Classification	General Collateral Description	Reference File No. & Registration Number(s)	Comments
	<p>C-GSKG, SERIAL NUMBER UC-22, 1998 CESSNA 208B, D.O.T. MARK C-FFGA, SERIAL NUMBER 208B-0662, 1988 CESSNA 208B, D.O.T. MARK C-FHGA, SERIAL NUMBER 208B-0047, 1993 CESSNA 208B, D.O.T. MARK C-GEA, SERIAL NUMBER 208B-0379, 1993 CESSNA 208B, D.O.T. MARK C-GLGA, SERIAL NUMBER 208B-0350, 1990 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GKGA, SERIAL NUMBER UC-117, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GTGA, SERIAL NUMBER UC-62, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-FJXL, SERIAL NUMBER UC-102 AND 1990 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-FJXO, SERIAL NUMBER UC-124, INCLUDING WITHOUT LIMITATION PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 17025, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 19226, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 19255, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32014, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32017, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32058, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32130, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32180, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32185, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32292, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32400, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32462, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32464, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32473, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32494, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 97526, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32553, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32595, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 97082, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PP0064, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32552, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32060, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 97526, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PP0234, PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PC0687 ALL GOODS, EQUIPMENT, PARTS, ACCESSORIES THAT MAY BE NOW OR HEREAFTER ACQUIRED BY THE DEBTOR, WHEREVER SITUATED, INCLUDING, BUT NOT LIMITED TO, THE ABOVE DESCRIBED AIRCRAFT AND ENGINES, TOGETHER WITH ALL PURCHASE CONTRACTS, REFURBISHMENT CONTRACTS AND ALL MANUFACTURING WARRANTIES RELATING TO THE ABOVE DESCRIBED COLLATERAL AND ALL ATTACHMENTS, ACCESSIONS, APPURTENANCES, ACCESSORIES, SPARE PARTS, SUBSTITUTIONS, EXCHANGES, TRADE-INS AND REPLACEMENTS THERETO AND THEREFROM AND ALL IDENTIFIABLE OR TRACEABLE PERSONAL PROPERTY IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL OR PROCEEDS THEREFROM INCLUDING ALL GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY AND ALL RIGHTS TO ANY INSURANCE PAYMENT OR ANY OTHER PAYMENT AS INDEMNITY OR COMPENSATION FOR LOSS OF, OR DAMAGE TO SUCH COLLATERAL OR THE PROCEEDS THEREFROM AND ANY LEASES, CHARTERS OR OTHER ARRANGEMENT THE DEBTOR MAY ENTER INTO WITH ANY THIRD PARTY IN RESPECT OF ANY SUCH COLLATERAL OR PROCEEDS AND ALL RIGHTS, INTEREST, BENEFITS, RENTS, PROFITS, MONIES AND PROCEEDS BOTH PRESENT AND FUTURE, OF THE DEBTOR RELATED THERETO.</p>					
					as amended by 20201119 0910 1590 6912	TO REPLACE THE GENERAL

	Secured Party(ies)	Debtor(s)	Collateral Classification	General Collateral Description	Reference File No. & Registration Number(s)	Comments
						COLLATERAL DESCRIPTION FOR FILE NUMBER 767158866 AND ADD ADDITIONAL SERIAL NUMBERED COLLATERAL
					as amended by 20240125 1530 1532 4658	REMOVAL OF CERTAIN DESCRIPTIONS



**PERSONAL PROPERTY SECURITY SEARCHES**

**I. SKYLINK EXPRESS INC.**

**1. MANITOBA**

*Personal Property Security Act (Manitoba) (File Current February 21, 2024)*

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>General Collateral Description</b>	<b>Registration Number(s)</b>	<b>Comments</b>
1	The Toronto-Dominion Bank	Skylink Express Inc.	See below	202017958706 Expiry: 2025-10-08	
	<p><u>General Collateral Description:</u></p> <p>*The security interest is taken in all of the debtor's present and after-acquired personal property.</p> <p>INCLUDING BUT NOT LIMITED TO 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKU, SERIAL NUMBER UB-35, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKN, SERIAL NUMBER UC-54 ,1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKW, SERIAL NUMBER UB-33, 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKA, SERIAL NUMBER UB-32, 1984 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKM, SERIAL NUMBER UB-21, 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKG, SERIAL NUMBER UC-22, 1998 CESSNA 208B, D.O.T. MARK C-FFGA, SERIAL NUMBER 208B-0662, 1988 CESSNA 208B, D.O.T. MARK C-FHGA, SERIAL NUMBER 208B-0047, 1993 CESSNA 208B, D.O.T. MARK C-GEA, SERIAL NUMBER 208B-0379, 1993 CESSNA 208B, D.O.T. MARK C-GLGA, SERIAL NUMBER 208B-0350, 1990 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GKGA, SERIAL NUMBER UC- 117, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GTGA, SERIAL NUMBER UC-62, 1997 CESSNA 208B, D.O.T. MARK C-FAFJ, SERIAL NUMBER 208B-0641, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-FJXL, SERIAL NUMBER UC-102 AND 1990 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-FJXO, SERIAL NUMBER UC-124, INCLUDING WITHOUT LIMITATION 1985 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 17025, 1993 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 19226, 1993 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 19255, 1983 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32014, 1983 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32017, 1984 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32058, 1986 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32130, 1986 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32180, 1986 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32185, 1988 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32292, 1989 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32400, 1989 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32462, 1990 PRATT &amp;</p>				

	Secured Party(ies)	Debtor(s)	General Collateral Description	Registration Number(s)	Comments
	<p>WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32464, 1990 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32473, 1990 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32494, 1990 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 97526, 1990 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32553, 1991 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32595, 1983 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 97082, 2001 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PP0064, 1990 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32552, 1984 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32060, 2014 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PP0234, 1997 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PC0531 AND 1999 PRATT &amp; WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PC0687. INCLUDING BUT NOT LIMITED TO 2010 FORD F150, VIN 1FTEX1C89AFD44871, 2010 FORD FOCUS 4961, VIN 1FAHP3FN8AW234961, 2010 FORD FOCUS 3365, VIN 1FAHP3FN6AW283365, 2011 FORD TRUCK F-SERIES, VIN 1FTFW1EF2BFA14056, 2010 CHEVROLET AVEO LS, VIN 3G1TB5DE8AL117283, 2010 CHEVROLET AVEO LS, VIN 3G1TB5DE3AL116946, 2009 PONTIAC WAVE, VIN 3G2TV55E09L121227, 2005 GMC SAVANA VAN, VIN 1GTHG39U851269001, 2013 DODGE GRAND CARAVAN, VIN 2C4RDGBG6DR785781, 2010 TOYOTA YARIS, VIN JTDBT4K3XA1376036 AND 1999 FORD ECONOLINE, VIN 1FTSS34M3XHC03008. ALL GOODS, EQUIPMENT, PARTS, ACCESSORIES THAT MAY BE NOW OR HEREAFTER ACQUIRED BY THE DEBTOR, WHEREVER SITUATED, INCLUDING, BUT NOT LIMITED TO, THE ABOVE DESCRIBED AIRCRAFT AND ENGINES, TOGETHER WITH ALL PURCHASE CONTRACTS, REFURBISHMENT CONTRACTS AND ALL MANUFACTURING WARRANTIES RELATING TO THE ABOVE DESCRIBED COLLATERAL AND ALL ATTACHMENTS, ACCESSIONS, APPURTENANCES, ACCESSORIES, SPARE PARTS, SUBSTITUTIONS, EXCHANGES, TRADE-INS AND REPLACEMENTS THERETO AND THEREFROM AND ALL IDENTIFIABLE OR TRACEABLE PERSONAL PROPERTY IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL OR PROCEEDS THEREFROM INCLUDING ALL GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY AND ALL RIGHTS TO ANY INSURANCE PAYMENT OR ANY OTHER PAYMENT AS INDEMNITY OR COMPENSATION FOR LOSS OF, OR DAMAGE TO SUCH COLLATERAL OR THE PROCEEDS THEREFROM AND ANY LEASES, CHARTERS OR OTHER ARRANGEMENT THE DEBTOR MAY ENTER INTO WITH ANY THIRD PARTY IN RESPECT OF ANY SUCH COLLATERAL OR PROCEEDS AND ALL RIGHTS, INTEREST, BENEFITS, RENTS, PROFITS, MONIES AND PROCEEDS BOTH PRESENT AND FUTURE, OF THE DEBTOR RELATED THERETO.</p>				
				As amended by 202019288414	Amend general collateral description, business debtors, serial numbered goods.

**PERSONAL PROPERTY SECURITY SEARCHES**

**I. SKYLINK EXPRESS INC.**

**1. BRITISH COLUMBIA**

*Personal Property Security Act (British Columbia) (File Current February 21, 2024)*

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>General Collateral Description</b>	<b>Registration Number(s)</b>	<b>Comments</b>
1	The Toronto-Dominion Bank	Skylink Express Inc	See below	561393M Expiry: October 29, 2025	
<p><u>General Collateral Description:</u></p> <p>ACQUIRED BY THE DEBTOR, WHEREVER SITUATED, INCLUDING, BUT NOT LIMITED TO, THE ABOVE DESCRIBED AIRCRAFT AND ENGINES, TOGETHER WITH ALL PURCHASE CONTRACTS, REFURBISHMENT CONTRACTS AND ALL MANUFACTURING WARRANTIES RELATING TO THE ABOVE DESCRIBED COLLATERAL AND ALL ATTACHMENTS, ACCESSIONS, APPURTENANCES, ACCESSORIES, SPARE PARTS, SUBSTITUTIONS, EXCHANGES, TRADE-INS AND REPLACEMENTS THERETO AND THEREFROM AND ALL IDENTIFIABLE OR TRACEABLE PERSONAL PROPERTY IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL OR PROCEEDS THEREFROM INCLUDING ALL GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY AND ALL RIGHTS TO ANY INSURANCE PAYMENT OR ANY OTHER PAYMENT AND MONEY AND ALL RIGHTS TO ANY INSURANCE PAYMENT OR ANY OTHER PAYMENT AS INDEMNITY OR COMPENSATION FOR LOSS OF, OR DAMAGE TO SUCH COLLATERAL OR THE PROCEEDS THEREFROM AND ANY LEASES, CHARTERS OR OTHER ARRANGEMENT THE DEBTOR MAY ENTER INTO WITH ANY THIRD PARTY IN RESPECT OF ANY SUCH COLLATERAL OR PROCEEDS AND ALL RIGHTS, INTEREST, BENEFITS, RENTS, PROFITS, MONIES AND PROCEEDS BOTH PRESENT AND FUTURE, OF THE DEBTOR RELATED THERETO. ,INCLUDING BUT NOT LIMITED TO 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKU, SERIAL NUMBER UB-35, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKN, SERIAL NUMBER UC-54 , 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKW, SERIAL NUMBER UB-33, 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKA, SERIAL NUMBER UB-32, 1984 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKM, SERIAL NUMBER UB-21, 1985 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GSKG, SERIAL NUMBER UC-22, 1998 CESSNA 208B, D.O.T. MARK C-FFGA, SERIAL NUMBER 208B-0662, 1988 CESSNA 208B, D.O.T. MARK C-FHGA, SERIAL NUMBER 208B-0047, 1993 CESSNA 208B, D.O.T. MARK C-GEA, SERIAL NUMBER 208B-0379, 1993 CESSNA 208B, D.O.T. MARK C-GLGA, SERIAL NUMBER 208B-0379, 1993 CESSNA 208B, D.O.T. MARK C-GLGA, SERIAL NUMBER 208B-0350, 1990 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-GKGA, SERIAL NUMBER UC-117, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T.,SERIES, SERIAL NUMBER 32185, 1988 PRATT &amp; WHITNEY CANADA ENGINE,</p>					

	Secured Party(ies)	Debtor(s)	General Collateral Description	Registration Number(s)	Comments
	PT6A SERIES, SERIAL NUMBER 32292, 1989 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32400, 1989 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32462, 1990 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32464, 1990 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32473, 1990 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32494, 1990 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 97526, 1990 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32553, 1991 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32595, 1983 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 97082, 2001 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 97082, 2001 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PP0064, 1990 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32552, 1984 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32060, 2014 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PP0234, 1997 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PC0531 AND 1999 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER PC0687. INCLUDING BUT NOT LIMITED TO 2010 FORD F150, VIN 1FTEX1C89AFD44871, 2010 FORD FOCUS 4961, VIN 1FAHP3FN8AW234961, 2010 FORD FOCUS 3365, VIN 1FAHP3FN6AW283365, 2011 FORD TRUCK F- SERIES, VIN 1FTFW1EF2BFA14056, 2010 CHEVROLET AVEO LS, VIN 3G1TB5DE8AL117283, 2010 CHEVROLET AVEO LS, VIN 3G1TB5DE3AL116946, 2009 PONTIAC WAVE, VIN 3G2TV55E09L121227, 2005 GMC SAVANA VAN, VIN 1GTHG39U851269001, 2013 DODGE GRAND CARAVAN, VIN 2C4RDGBG6DR785781, 2010 TOYOTA YARIS, VIN JTDBT4K3XA1376036 AND 1999 2C4RDGBG6DR785781, 2010 TOYOTA YARIS, VIN JTDBT4K3XA1376036 AND 1999 FORD ECONOLINE, VIN 1FTSS34M3XHC03008. ALL GOODS, EQUIPMENT, PARTS, ACCESSORIES THAT MAY BE NOW OR HEREAFTER, MARK C-GTGA, SERIAL NUMBER UC-62, 1997 CESSNA 208B, D.O.T. MARK C-FAFJ, SERIAL NUMBER 208B-0641, 1989 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-FJXL, SERIAL NUMBER UC-102 AND 1990 BEECH AIRCRAFT CORPORATION 1900C, D.O.T. MARK C-FJXO, SERIAL NUMBER UC-124, INCLUDING WITHOUT LIMITATION 1985 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 17025, 1993 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 19226, 1993 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 19255, 1983 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32014, 1983 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32017, 1984 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32058, 1986 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32058, 1986 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32130, 1986 PRATT & WHITNEY CANADA ENGINE, PT6A SERIES, SERIAL NUMBER 32180, 1986 PRATT & WHITNEY CANADA ENGINE, PT6A				
				As amended by 603446M	To replace the general collateral description for base registration number 561393M, add additional serial

	Secured Party(ies)	Debtor(s)	General Collateral Description	Registration Number(s)	Comments
					numbered collateral and reflect a change in address of the debtor.

## SCHEDULE A

### I) CORPORATE INFORMATION

#### **SKYLINK EXPRESS INC.**

Constituted pursuant to the *Business Corporations Act* (Ontario) on November 2, 2020, following the amalgamation of Express Aviation WSA Inc., Momentum Express Inc. and Skylink Express Inc. (previously know under the names 1068418 Ontario Ltd. and Quikaire Cargo Inc.). The Quebec corporate profile refers to this amalgamation as being the short-form amalgamation of Express Aviation WSA Inc., Momentum Express Inc. into the original Skylink Express Inc. Therefore, the current Skylink Express Inc. appears registered with the Quebec Enterprise Registrar pursuant to an *Act respecting the legal publicity of enterprises* on October 23, 2019 under number 1174951328, same as its namesake predecessor. According to the corporate profile printed on February 21, 2024, the corporation appears to be in good standing.

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**Notes:** (i) the *Act respecting the legal publicity of enterprises* (Québec) has replaced the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* (Québec) on February 14, 2011;  
(ii) this information was obtained on the websites of (i) the Quebec Enterprise Registrar, and (ii) Ontario Ministry of Public and Business Service Delivery.

#### **NAMES AGAINST WHICH SEARCHES WERE CONDUCTED:**

- **SKYLINK EXPRESS INC.**
- EXPRESS AVIATION WSA INC.
- MOMENTUM EXPRESS INC.
- QUIKAIRE CARGO INC.
- 1068418 ONTARIO LTD.

**II) REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS (THE REGISTER)**

From January 1, 1994 (the date on which the Register became operational) to February 20, 2024 at 01:51 p.m.:

**PART I - MOVABLE HYPOTHECS AND ASSIGNMENTS ONLY**

	SECURITY / REGISTRATION NO. & DATE / ORIGIN	EXTREME DATE OF EFFECT	PARTIES	AMOUNT / INTEREST	DESCRIPTION OF COLLATERAL (SUMMARY):	OTHER MENTIONS / NOTES
1)	Conventional hypothec without delivery  <b>20-1140163-0001</b> November 3, 2020  Deed executed under private signature on November 2, 2020	July 24, 2032	<b>Holder:</b>  The Toronto- Dominion Bank  <b>Grantor:</b>  Skylink Express Inc.	\$29,580,000 <i>including an additional hypothec</i>	The universality of the Grantor's Claims, Documents of Title, Proceeds, Records, Monies, Securities, Insurance, Intangible Property, Inventory, Equipment and all other corporeal and incorporeal movable property, assets, rights and undertakings of any nature and kind, now owned or hereafter acquired.	

**PART II - OTHER RIGHTS**

No registrations found.

## **SCHEDULE B**

On January 1, 1994, the *Civil Code of Quebec* (the **New Code**) came into force repealing in its entirety the *Civil Code of Lower Canada* (the **Old Code**). Among the changes effected by the new legislation, all forms of security against movable (personal) property were replaced by a new system. Consequently, as of January 1, 1994, all security registers and indexes then existing were closed and a new security register created, namely the Register of Personal and Movable Real Rights.

### **1 SECURITY ON MOVABLES AFTER THE COMING INTO FORCE OF THE NEW CODE**

As mentioned above, as of January 1, 1994, a security register for security against movable (personal) property called the Register of Personal and Movable Real Rights was established. Pursuant to An Act respecting the implementation of the reform of the Civil Code (the **Transitional Law**), movable real security created and registered in accordance with the former legislation had to be renewed by registration in the Register, subject to certain delays and subject generally to the provisions of said Transitional Law.

As of January 1, 1994, the principal form of conventional security on movable property is the movable hypothec. Searches in relation thereto and to other registerable rights are conducted at the Register of Personal and Movable Real Rights, centrally kept at the Registration Division of Montreal for the Province of Quebec.

### **2 QUALIFICATIONS**

It is important to note that with respect to searches which may be carried out in Quebec, it is impossible to determine whether a company's property or individual's property is entirely free and clear of all security since the searches we are able to conduct will not disclose information on certain types of security for which no registration procedure is available.

In addition to the charges disclosed, as the case may be, in **Schedule A**, the movable property of the companies against which searches were conducted may be subject to:

- (a) prior claims designated as such under the New Code which are preferred over other creditors, including hypothecary creditors;
- (b) certain legal privileges, priorities and hypothecs established by the statutes of Canada and of the Province of Quebec in favour of the Crown or agencies of the Crown;
- (c) rights which are not required to be registered such as rights in respect of taxes or hypothecs with delivery (pledges);
- (d) hypothecs on properties represented by bills of lading or other negotiable instruments or on claims (provided such hypothecs have been registered or the title thereof is remitted to the creditor of any such hypothec, in each case within ten (10) days of the creditor of any such hypothec having given value to the grantor thereof);
- (e) vendors' hypothecs on properties acquired by a person (provided the vendors of such properties have registered them within fifteen (15) days after the sale);
- (f) rights which may have been registered but have not yet been indexed;
- (g) reservations of ownership arising from instalment sales, rights under leases for a term of more than one year, rights under sales with right of redemption and rights of ownership of the lessor



(provided that the rights are registered by the holder thereof within fifteen (15) days of the creation of said rights);

- (h) inchoate employees', landlords' or other like liens;
- (i) rights registered or filed under the names of parties and date of birth, in the case of an individual, other than those against which the searches were conducted;
- (j) rights inscribed in the Land Register due to the fact that Registrars, prior to the coming into force of the New Code, were not obliged to enter into the Index of Names (an alphabetical index under the Old Code), deeds or documents which contain the description of a lot, as such deeds were noted against the Land Register of the said lot (this would have been the case, for instance, of a Trust Deed of Hypothec, Mortgage and Pledge containing a specific charge on immovable (real) property in addition to a charge on all assets; as we have not carried out searches against any immovable property, we are unable to trace registrations which may have been inscribed against a lot only); and
- (k) rights resulting from agreements, as the case may be, registered in the indexes operational prior to the coming into force of the New Code, which indexes, have not been searched; such agreements could include, as the case may be (a) rights which were not subject to a renewal of registration requirement pursuant to the Transitional Law, including and by way of example, sales and assignments of debts or claims and (b) rights arising, more particularly, from security the registration of which was subject to a renewal of registration requirement pursuant to the Transitional Law within the prescribed thereunder deadlines for such rights to remain enforceable against other creditors or subsequent purchasers in good faith whose claims have been regularly registered; in this connection, it is noteworthy that the Court of Appeal of Quebec has confirmed that the holder of a right the registration of which was not renewed where such right was subject to a renewal of registration requirement under the Transitional Law remains enforceable against a trustee in bankruptcy.

Please also note that the registry systems and indexes where we conducted the searches referred to in **Schedule A** should normally contain a reference to all the instruments, deeds, notices and documents registered against the parties searched; for all purposes hereof, we have assumed that such registry systems and indexes have been kept current by the Registrar and that all certificates and transcripts issued by the Registrar are complete and accurate.

\* \* \* \* \*

## Confirmation Letter / Lettre de confirmation

### Teranet Collateral Management Solutions Corporation / Teranet Solutions de gestion des garanties

Suite 200, 4126 Norland Avenue, Burnaby, BC V5G 3S8

Authorized Section 427 Bank Act Registrar / Bureau d'enregistrement autorisé conformément à l'article 427 de la *Loi sur les banques*.

Lydia Zavala  
ESC Corporate Services Ltd  
595 Bay Street Suite 302  
Toronto, Ontario  
M5G 2C2

2024/02/29 05:05:15 AM PST

Ref / Objet: 05650581 31223706

Tel/Tél: 1-416-595-7177  
Fax/Télécopie: 1-800-667-3146

Acct#: 1606

e-Mail/Courriel: lydia.zavala@eservicecorp.ca

Dear Sir / Madam

Monsieur / Madame

Re: **Bank Act Security - Section 427**

Objet: **Garanties données en vertu de la *Loi sur les banques* - article 427**

We have processed your request(s) and hereby confirm the following results: (\*see below).

Nous avons donné suite à votre (vos) demande(s) et nous vous faisons part des résultats suivants: (\* voir ci-dessous).

#### REFERENCE

(2) A search has been made of the [notices of intention to give security](#) under the Bank Act registered in the province of [Ontario](#). As at the date and time above, our records indicate the following.

#### REFERENCE

(2) Nous avons examiné [les préavis](#) qui se rapportent aux garanties données en vertu de la *Loi sur les banques* et qui sont enregistrés pour la province de: [Ontario](#). À la date et à l'heure indiquées ci-dessus.

#### Your search for the company

[SKYLINK EXPRESS INC.](#)

returns the following results:

#### Votre recherche pour la société

[SKYLINK EXPRESS INC.](#)

révèle les résultats suivants:

Type	Registration Name Enregistrement au nom de	Address Adresse	Date	Number Numéro	Bank Banque
------	-----------------------------------------------	--------------------	------	------------------	----------------

(2) No matches were found / Aucune donnée correspondante au registre



For Registrar / Pour le Régistraire

We acknowledge receipt of fees as follows:

Nous accusons réception des droits prescrits  
dont les montants s'établissent comme suit:

Type	Fee Tarif	GST/HST TPS/TVH	Qty Qté	TOTAL	Receipt No. Numéro du reçu
(2)	\$14.00	\$0.78	1	\$14.78	05650581 - R-R-SN-W

**\$14.78**

GST-HST / TPS-TVH #: **713 901 494 RT0001**

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP  
**Beneficiary of Priority Search Certificate:** Skylink

112

Certificate Number

1853612

Search Criteria	
Manufacturer:	BEECH AIRCRAFT CORPORATION
Model Designation:	1900C
Manufacturer's Serial Number:	UB-21

29 Oct 2020 20:55:11 GMT		File Number: 1809900
Registration	Type:	International Interest
	Fractional or Partial Interest:	100.000000%
	Debtor:	SkyLink Express Inc. ( <a href="mailto:machete@escroair.ca">machete@escroair.ca</a> )
	Creditor:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )
	Right to Discharge Holder:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )

## End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
29 Oct 2020 20:55:11 GMT	International Interest	1809900	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP  
**Beneficiary of Priority Search Certificate:** Skylink

114

Certificate Number

1853613

Search Criteria	
Manufacturer:	BEECH AIRCRAFT CORPORATION
Model Designation:	1900C
Manufacturer's Serial Number:	UB-32

29 Oct 2020 20:54:53 GMT		File Number: 1809898
Registration	Type:	International Interest
	Fractional or Partial Interest:	100.000000%
	Debtor:	SkyLink Express Inc. ( <a href="mailto:machete@escroair.ca">machete@escroair.ca</a> )
	Creditor:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )
	Right to Discharge Holder:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )

## End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
29 Oct 2020 20:54:53 GMT	International Interest	1809898	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP  
**Beneficiary of Priority Search Certificate:** Skylink

116

Certificate Number

1853614

Search Criteria	
Manufacturer:	BEECH AIRCRAFT CORPORATION
Model Designation:	1900C
Manufacturer's Serial Number:	UB-33

29 Oct 2020 20:54:44 GMT		File Number: 1809897
Registration	Type:	International Interest
	Fractional or Partial Interest:	100.000000%
	Debtor:	SkyLink Express Inc. ( <a href="mailto:machete@escroair.ca">machete@escroair.ca</a> )
	Creditor:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )
	Right to Discharge Holder:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )

## End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.



Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
29 Oct 2020 20:54:44 GMT	International Interest	1809897__	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP  
**Beneficiary of Priority Search Certificate:** Skylink

118

Certificate Number

1853615

Search Criteria	
Manufacturer:	BEECH AIRCRAFT CORPORATION
Model Designation:	1900C
Manufacturer's Serial Number:	UB-35

29 Oct 2020 20:54:33 GMT		File Number: 1809896
Registration	Type:	International Interest
	Fractional or Partial Interest:	100.000000%
	Debtor:	SkyLink Express Inc. ( <a href="mailto:machete@escroair.ca">machete@escroair.ca</a> )
	Creditor:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )
	Right to Discharge Holder:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )

## End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
29 Oct 2020 20:54:33 GMT	International Interest	1809896	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP

**Beneficiary of Priority Search Certificate:** Skylink

120

Certificate Number

1853616

## Search Criteria

**Manufacturer:** BEECH AIRCRAFT CORPORATION  
**Model Designation:** 1900C  
**Manufacturer's Serial Number:** UC-102

23 Jun 2015 19:32:01 GMT

File Number: 1195548

**Registration**

<b>Type:</b>	Sale
<b>Fractional or Partial Interest:</b>	100.000000%
<b>Seller:</b>	KEEWATIN AIR LP as represented by its General Partner Keewatin Air GP Inc. (jwishart@eig.ca)
<b>Buyer:</b>	SkyLink Express Inc. (machete@escroair.ca)

23 Jun 2015 19:32:07 GMT

File Number: 1195554

**Registration**

<b>Type:</b>	International Interest
<b>Fractional or Partial Interest:</b>	100.000000%
<b>Debtor:</b>	SkyLink Express Inc. (machete@escroair.ca)
<b>Creditor:</b>	KEEWATIN AIR LP as represented by its General Partner Keewatin Air GP Inc. (jwishart@eig.ca)
<b>Right to Discharge Holder:</b>	KEEWATIN AIR LP as represented by its General Partner Keewatin Air GP Inc. (jwishart@eig.ca)

15 Sep 2020 21:13:01 GMT

File Number: 1792809

**Discharge**

<b>Type:</b>	International Interest
<b>Discharge of File:</b>	1195554
<b>Fractional or Partial Interest:</b>	100.000000%
<b>Remaining Interest:</b>	0.000000%
<b>Date of Discharge:</b>	15 Sep 2020
<b>Debtor:</b>	SkyLink Express Inc. (machete@escroair.ca)
<b>Creditor:</b>	KEEWATIN AIR LP as represented by its General Partner Keewatin Air GP Inc. (jwishart@eig.ca)

29 Oct 2020 20:56:32 GMT

File Number: 1809909

**Registration**

<b>Type:</b>	International Interest
<b>Fractional or Partial Interest:</b>	100.000000%
<b>Debtor:</b>	SkyLink Express Inc. (machete@escroair.ca)
<b>Creditor:</b>	The Toronto-Dominion Bank (jgingras@wvllp.ca)
<b>Right to Discharge Holder:</b>	The Toronto-Dominion Bank (jgingras@wvllp.ca)

## End of List

In conformity with Article 22(3) of the Cape Town Convention "international interest" in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, "assignment" is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, "sale" is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
23 Jun 2015 19:32:01 GMT	Sale	1195548	100.000000%	-	-	-
23 Jun 2015 19:32:07 GMT	International Interest	1195554	100.000000%	YES	1792809	15 Sep 2020
29 Oct 2020 20:56:32 GMT	International Interest	1809909	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP

**Beneficiary of Priority Search Certificate:** Skylink

123

Certificate Number

1853617

## Search Criteria

**Manufacturer:** BEECH AIRCRAFT CORPORATION  
**Model Designation:** 1900C  
**Manufacturer's Serial Number:** UC-117

15 Dec 2010 21:37:50 GMT

File Number: 681132

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))  
**Right to Discharge Holder:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

23 Dec 2014 16:14:22 GMT

File Number: 1149953

Registration

**Type:** Sale  
**Fractional or Partial Interest:** 100.000000%  
**Seller:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Buyer:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Right to Discharge Holder:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))

19 Jan 2015 20:53:16 GMT

File Number: 1155163

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))  
**Right to Discharge Holder:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

23 Jan 2015 22:07:04 GMT

File Number: 1156951

Discharge

**Type:** International Interest  
**Discharge of File:** 681132  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 23 Jan 2015  
**Debtor:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

01 Sep 2020 15:45:17 GMT

File Number: 1788241

Discharge

**Type:** International Interest  
**Discharge of File:** 1155163  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 01 Sep 2020  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

29 Oct 2020 20:56:13 GMT

File Number: 1809907

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))  
**Right to Discharge Holder:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))

### End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.



## Supplementary Priority Search Information

This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. **Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.** In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.

Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
15 Dec 2010 21:37:50 GMT	International Interest	681132__	100.000000%	YES	1156951	23 Jan 2015
23 Dec 2014 16:14:22 GMT	Sale	1149953__	100.000000%	-	-	-
19 Jan 2015 20:53:16 GMT	International Interest	1155163__	100.000000%	YES	1788241	01 Sep 2020
29 Oct 2020 20:56:13 GMT	International Interest	1809907__	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP  
**Beneficiary of Priority Search Certificate:** Skylink

126

Certificate Number

1853619

Search Criteria	
Manufacturer:	BEECH AIRCRAFT CORPORATION
Model Designation:	1900C
Manufacturer's Serial Number:	UC-22

29 Oct 2020 20:55:17 GMT		File Number: 1809901
Registration	Type:	International Interest
	Fractional or Partial Interest:	100.000000%
	Debtor:	SkyLink Express Inc. ( <a href="mailto:machete@escroair.ca">machete@escroair.ca</a> )
	Creditor:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )
	Right to Discharge Holder:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )

## End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
29 Oct 2020 20:55:17 GMT	International Interest	1809901__	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP  
**Beneficiary of Priority Search Certificate:** Skylink

128

Certificate Number

1853620

Search Criteria	
Manufacturer:	BEECH AIRCRAFT CORPORATION
Model Designation:	1900C
Manufacturer's Serial Number:	UC-54

29 Oct 2020 20:55:01 GMT		File Number: 1809899
Registration	Type:	International Interest
	Fractional or Partial Interest:	100.000000%
	Debtor:	SkyLink Express Inc. ( <a href="mailto:machete@escroair.ca">machete@escroair.ca</a> )
	Creditor:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )
	Right to Discharge Holder:	The Toronto-Dominion Bank ( <a href="mailto:jgingras@wvllp.ca">jgingras@wvllp.ca</a> )

## End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
29 Oct 2020 20:55:01 GMT	International Interest	1809899	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP

**Beneficiary of Priority Search Certificate:** Skylink

130

Certificate Number

1853621

## Search Criteria

**Manufacturer:** BEECH AIRCRAFT CORPORATION  
**Model Designation:** 1900C  
**Manufacturer's Serial Number:** UC-62

15 Dec 2010 21:58:06 GMT

File Number: 681168

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** Georgian Aircraft Leasing Corp. (smosen@airalliance.ca)  
**Creditor:** Business Development Bank of Canada (mvestrum@parlee.com)  
**Right to Discharge Holder:** Business Development Bank of Canada (mvestrum@parlee.com)

23 Dec 2014 16:14:24 GMT

File Number: 1149954

Registration

**Type:** Sale  
**Fractional or Partial Interest:** 100.000000%  
**Seller:** Georgian Aircraft Leasing Corp. (smosen@airalliance.ca)  
**Buyer:** SkyLink Express Inc. (machete@escroair.ca)  
**Right to Discharge Holder:** SkyLink Express Inc. (machete@escroair.ca)

19 Jan 2015 20:53:18 GMT

File Number: 1155164

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. (machete@escroair.ca)  
**Creditor:** Business Development Bank of Canada (mvestrum@parlee.com)  
**Right to Discharge Holder:** Business Development Bank of Canada (mvestrum@parlee.com)

23 Jan 2015 22:17:04 GMT

File Number: 1156952

Discharge

**Type:** International Interest  
**Discharge of File:** 681168  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 23 Jan 2015  
**Debtor:** Georgian Aircraft Leasing Corp. (smosen@airalliance.ca)  
**Creditor:** Business Development Bank of Canada (mvestrum@parlee.com)

01 Sep 2020 15:45:21 GMT

File Number: 1788242

Discharge

**Type:** International Interest  
**Discharge of File:** 1155164  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 01 Sep 2020  
**Debtor:** SkyLink Express Inc. (machete@escroair.ca)  
**Creditor:** Business Development Bank of Canada (mvestrum@parlee.com)

29 Oct 2020 20:56:22 GMT

File Number: 1809908

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))  
**Right to Discharge Holder:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))

### End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

## Supplementary Priority Search Information

This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. **Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.** In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.

Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
15 Dec 2010 21:58:06 GMT	International Interest	681168__	100.000000%	YES	1156952	23 Jan 2015
23 Dec 2014 16:14:24 GMT	Sale	1149954__	100.000000%	-	-	-
19 Jan 2015 20:53:18 GMT	International Interest	1155164__	100.000000%	YES	1788242	01 Sep 2020
29 Oct 2020 20:56:22 GMT	International Interest	1809908__	100.000000%	-	-	-



# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP

**Beneficiary of Priority Search Certificate:** Skylink

133

Certificate Number

1853622

## Search Criteria

**Manufacturer:** CESSNA  
**Model Designation:** 208B  
**Manufacturer's Serial Number:** 208B0047

13 Dec 2010 21:40:53 GMT

File Number: 680116

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))  
**Right to Discharge Holder:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

23 Dec 2014 16:14:08 GMT

File Number: 1149944

Registration

**Type:** Sale  
**Fractional or Partial Interest:** 100.000000%  
**Seller:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Buyer:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Right to Discharge Holder:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))

19 Jan 2015 20:53:04 GMT

File Number: 1155155

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))  
**Right to Discharge Holder:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

23 Jan 2015 21:51:04 GMT

File Number: 1156927

Discharge

**Type:** International Interest  
**Discharge of File:** 680116  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 23 Jan 2015  
**Debtor:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

01 Sep 2020 15:45:05 GMT

File Number: 1788238

Discharge

**Type:** International Interest  
**Discharge of File:** 1155155  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 01 Sep 2020  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

29 Oct 2020 20:55:35 GMT

File Number: 1809903

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))  
**Right to Discharge Holder:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))

### End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

## Supplementary Priority Search Information

This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. **Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.** In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.

Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
13 Dec 2010 21:40:53 GMT	International Interest	680116__	100.000000%	YES	1156927	23 Jan 2015
23 Dec 2014 16:14:08 GMT	Sale	1149944__	100.000000%	-	-	-
19 Jan 2015 20:53:04 GMT	International Interest	1155155__	100.000000%	YES	1788238	01 Sep 2020
29 Oct 2020 20:55:35 GMT	International Interest	1809903__	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP

**Beneficiary of Priority Search Certificate:** Skylink

136

Certificate Number

1853623

## Search Criteria

**Manufacturer:** CESSNA  
**Model Designation:** 208B  
**Manufacturer's Serial Number:** 208B0350

13 Dec 2010 21:58:06 GMT

File Number: 680148

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** Georgian Aircraft Leasing Corp. (smosen@airalliance.ca)  
**Creditor:** Business Development Bank of Canada (mvestrum@parlee.com)  
**Right to Discharge Holder:** Business Development Bank of Canada (mvestrum@parlee.com)

23 Dec 2014 16:14:09 GMT

File Number: 1149945

Registration

**Type:** Sale  
**Fractional or Partial Interest:** 100.000000%  
**Seller:** Georgian Aircraft Leasing Corp. (smosen@airalliance.ca)  
**Buyer:** SkyLink Express Inc. (machete@escroair.ca)  
**Right to Discharge Holder:** SkyLink Express Inc. (machete@escroair.ca)

19 Jan 2015 20:53:07 GMT

File Number: 1155157

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. (machete@escroair.ca)  
**Creditor:** Business Development Bank of Canada (mvestrum@parlee.com)  
**Right to Discharge Holder:** Business Development Bank of Canada (mvestrum@parlee.com)

23 Jan 2015 21:53:04 GMT

File Number: 1156929

Discharge

**Type:** International Interest  
**Discharge of File:** 680148  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 23 Jan 2015  
**Debtor:** Georgian Aircraft Leasing Corp. (smosen@airalliance.ca)  
**Creditor:** Business Development Bank of Canada (mvestrum@parlee.com)

01 Sep 2020 15:45:13 GMT

File Number: 1788240

Discharge

**Type:** International Interest  
**Discharge of File:** 1155157  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 01 Sep 2020  
**Debtor:** SkyLink Express Inc. (machete@escroair.ca)  
**Creditor:** Business Development Bank of Canada (mvestrum@parlee.com)

29 Oct 2020 20:55:55 GMT

File Number: 1809905

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))  
**Right to Discharge Holder:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))

### End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

## Supplementary Priority Search Information

This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. **Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.** In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.

Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
13 Dec 2010 21:58:06 GMT	International Interest	680148__	100.000000%	YES	1156929	23 Jan 2015
23 Dec 2014 16:14:09 GMT	Sale	1149945__	100.000000%	-	-	-
19 Jan 2015 20:53:07 GMT	International Interest	1155157__	100.000000%	YES	1788240	01 Sep 2020
29 Oct 2020 20:55:55 GMT	International Interest	1809905__	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP

**Beneficiary of Priority Search Certificate:** Skylink

139

Certificate Number

1853624

## Search Criteria

**Manufacturer:** CESSNA  
**Model Designation:** 208B  
**Manufacturer's Serial Number:** 208B0379

13 Dec 2010 21:50:22 GMT

File Number: 680140

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))  
**Right to Discharge Holder:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

23 Dec 2014 16:14:11 GMT

File Number: 1149946

Registration

**Type:** Sale  
**Fractional or Partial Interest:** 100.000000%  
**Seller:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Buyer:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Right to Discharge Holder:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))

19 Jan 2015 20:53:05 GMT

File Number: 1155156

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))  
**Right to Discharge Holder:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

23 Jan 2015 21:55:07 GMT

File Number: 1156931

Discharge

**Type:** International Interest  
**Discharge of File:** 680140  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 23 Jan 2015  
**Debtor:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

01 Sep 2020 15:45:09 GMT

File Number: 1788239

Discharge

**Type:** International Interest  
**Discharge of File:** 1155156  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 01 Sep 2020  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

29 Oct 2020 20:55:45 GMT

File Number: 1809904

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))  
**Right to Discharge Holder:** The Toronto-Dominion Bank ([jgingras@wvllp.ca](mailto:jgingras@wvllp.ca))

### End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.



Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
13 Dec 2010 21:50:22 GMT	International Interest	680140__	100.000000%	YES	1156931	23 Jan 2015
23 Dec 2014 16:14:11 GMT	Sale	1149946__	100.000000%	-	-	-
19 Jan 2015 20:53:05 GMT	International Interest	1155156__	100.000000%	YES	1788239	01 Sep 2020
29 Oct 2020 20:55:45 GMT	International Interest	1809904__	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP

**Beneficiary of Priority Search Certificate:** Skylink

142

Certificate Number

1853625

## Search Criteria

**Manufacturer:** CESSNA  
**Model Designation:** 208B  
**Manufacturer's Serial Number:** 208B0662

13 Dec 2010 21:05:41 GMT

File Number: 680078

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))  
**Right to Discharge Holder:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

23 Dec 2014 16:14:13 GMT

File Number: 1149947

Registration

**Type:** Sale  
**Fractional or Partial Interest:** 100.000000%  
**Seller:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Buyer:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Right to Discharge Holder:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))

19 Jan 2015 20:53:02 GMT

File Number: 1155154

Registration

**Type:** International Interest  
**Fractional or Partial Interest:** 100.000000%  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))  
**Right to Discharge Holder:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

23 Jan 2015 21:57:05 GMT

File Number: 1156932

Discharge

**Type:** International Interest  
**Discharge of File:** 680078  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 23 Jan 2015  
**Debtor:** Georgian Aircraft Leasing Corp. ([smosen@airalliance.ca](mailto:smosen@airalliance.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

01 Sep 2020 15:45:01 GMT

File Number: 1788237

Discharge

**Type:** International Interest  
**Discharge of File:** 1155154  
**Fractional or Partial Interest:** 100.000000%  
**Remaining Interest:** 0.000000%  
**Date of Discharge:** 01 Sep 2020  
**Debtor:** SkyLink Express Inc. ([machete@escroair.ca](mailto:machete@escroair.ca))  
**Creditor:** Business Development Bank of Canada ([mvestrum@parlee.com](mailto:mvestrum@parlee.com))

29 Oct 2020 20:55:25 GMT		File Number: 1809902
Registration	<div><div>Type: International Interest</div><div>Fractional or Partial Interest: 100.000000%</div><div>Debtor: SkyLink Express Inc. (machete@escroair.ca)</div><div>Creditor: The Toronto-Dominion Bank (jgingras@wvllp.ca)</div><div>Right to Discharge Holder: The Toronto-Dominion Bank (jgingras@wvllp.ca)</div></div>	

End of List

In conformity with Article 22(3) of the Cape Town Convention “international interest” in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, “assignment” is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, “sale” is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

## Supplementary Priority Search Information

This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. **Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.** In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.

Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
13 Dec 2010 21:05:41 GMT	International Interest	680078__	100.000000%	YES	1156932	23 Jan 2015
23 Dec 2014 16:14:13 GMT	Sale	1149947__	100.000000%	-	-	-
19 Jan 2015 20:53:02 GMT	International Interest	1155154__	100.000000%	YES	1788237	01 Sep 2020
29 Oct 2020 20:55:25 GMT	International Interest	1809902__	100.000000%	-	-	-

# PRIORITY SEARCH CERTIFICATE

Issued by the International Registry of Mobile Assets (Aircraft Equipment)

This certificate was created on 29 Feb 2024 at 16:08:17 GMT

**Requested by:** Rebecca Roque of Norton Rose Fulbright Canada LLP

**Beneficiary of Priority Search Certificate:** Skylink

145

Certificate Number

1853618

## Search Criteria

**Manufacturer:** BEECH AIRCRAFT CORPORATION  
**Model Designation:** 1900C  
**Manufacturer's Serial Number:** UC-124

23 Jun 2015 19:32:02 GMT

File Number: 1195549

**Registration**

<b>Type:</b>	Sale
<b>Fractional or Partial Interest:</b>	100.000000%
<b>Seller:</b>	KEEWATIN AIR LP as represented by its General Partner Keewatin Air GP Inc. (jwishart@eig.ca)
<b>Buyer:</b>	SkyLink Express Inc. (machete@escroair.ca)

23 Jun 2015 19:32:08 GMT

File Number: 1195555

**Registration**

<b>Type:</b>	International Interest
<b>Fractional or Partial Interest:</b>	100.000000%
<b>Debtor:</b>	SkyLink Express Inc. (machete@escroair.ca)
<b>Creditor:</b>	KEEWATIN AIR LP as represented by its General Partner Keewatin Air GP Inc. (jwishart@eig.ca)
<b>Right to Discharge Holder:</b>	KEEWATIN AIR LP as represented by its General Partner Keewatin Air GP Inc. (jwishart@eig.ca)

15 Sep 2020 21:16:01 GMT

File Number: 1792813

**Discharge**

<b>Type:</b>	International Interest
<b>Discharge of File:</b>	1195555
<b>Fractional or Partial Interest:</b>	100.000000%
<b>Remaining Interest:</b>	0.000000%
<b>Date of Discharge:</b>	15 Sep 2020
<b>Debtor:</b>	SkyLink Express Inc. (machete@escroair.ca)
<b>Creditor:</b>	KEEWATIN AIR LP as represented by its General Partner Keewatin Air GP Inc. (jwishart@eig.ca)

29 Oct 2020 20:56:40 GMT

File Number: 1809910

**Registration**

<b>Type:</b>	International Interest
<b>Fractional or Partial Interest:</b>	100.000000%
<b>Debtor:</b>	SkyLink Express Inc. (machete@escroair.ca)
<b>Creditor:</b>	The Toronto-Dominion Bank (jgingras@wvllp.ca)
<b>Right to Discharge Holder:</b>	The Toronto-Dominion Bank (jgingras@wvllp.ca)

## End of List

In conformity with Article 22(3) of the Cape Town Convention "international interest" in this certificate denotes an interest which the creditor has acquired or intends to acquire and is not intended to indicate whether what is registered is an international interest or a prospective international interest. Similarly, with reference to Article 19(4) and 19(5) of the Cape Town Convention, "assignment" is not intended to indicate whether what is registered is an assignment or a prospective assignment, and, in conformity with Article III of the Aircraft Protocol, "sale" is not intended to indicate whether what is registered is a sale or a prospective sale.

The International Registry system is designed to use percentages with a maximum of six decimal places when recording fractional and partial interests in aircraft objects e.g. 12.123456%. Please consider that certain fractions cannot be fully represented within six decimal places. Percentages shown are of the full aircraft object.

Supplementary Priority Search Information						
<p>This information table contains supplementary priority search information provided pursuant to Section 7.8 of the Regulations for the International Registry. Supplementary priority search information is provided for information purposes only to assist users in reviewing the registered information contained in the priority search certificate. <b>Users must review all registered information contained in the priority search certificate and not just the information contained in the supplementary priority search information.</b> In the case of inconsistency between the registered information contained in the priority search certificate and the supplementary priority search information, the registered information contained in the priority search certificate shall prevail. Any such inconsistency and any inaccuracy discovered should be reported to the Registrar within 72 hours of receipt of the priority search certificate by the user.</p>						
Date	Type	File Number	Fractional or Partial Interest	Fully Discharged	Discharged by File Number(s)	Date of Full Discharge
23 Jun 2015 19:32:02 GMT	Sale	1195549	100.000000%	-	-	-
23 Jun 2015 19:32:08 GMT	International Interest	1195555	100.000000%	YES	1792813	15 Sep 2020
29 Oct 2020 20:56:40 GMT	International Interest	1809910	100.000000%	-	-	-

This is Exhibit "G" referred to in the Affidavit of Kyle Dennhardt sworn by Kyle Dennhardt before me at the City of Toronto, in the Province of Ontario, on March 8, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

Viktor Hohlacov, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires June 15, 2025



Skylink Express Inc. (the "Company")

**Projected Statement of Cash Flow**

For the Period ended April 26, 2024

(Unaudited; \$C)

Week	Notes	For the weeks ending								Total
		08-Mar-24	15-Mar-24	22-Mar-24	29-Mar-24	05-Apr-24	12-Apr-24	19-Apr-24	26-Apr-24	
		1	2	3	4	5	6	7	8	
<i>Receipts</i>										
UPS revenues	1	417,864	475,864	372,864	475,864	475,864	475,864	475,864	475,864	3,645,909
GST/HST/QST returns	4	-	-	-	-	110,738	-	-	-	110,738
DIP loan	2	-	900,000	450,000	450,000	300,000			400,000	2,500,000
<i>Total Receipts</i>		417,864	1,375,864	822,864	925,864	886,602	475,864	475,864	875,864	6,256,647
<i>Disbursements</i>										
Payroll	5	-	264,755	-	264,755	-	264,755	-	264,755	1,059,021
Capital expenditures	6	60,500	134,841	-	-	182,423	-	74,250	-	452,014
Leases	7	-	-	-	-	117,838	-	-	-	117,838
Insurance	8	-	-	78,073	-	-	-	-	-	78,073
Maintenance	9	57,129	57,129	57,129	57,129	57,129	57,129	57,129	57,129	457,030
Aircraft operating expenses	10	198,420	198,420	198,420	198,420	170,959	170,959	170,959	170,959	1,477,517
Other general expenses	11	31,420	309,920	331,420	9,920	26,045	9,920	9,920	9,920	738,483
GST/HST/QST on expenditures	4	34,747	70,031	66,504	26,547	55,439	23,801	31,226	23,801	332,095
TD Loan - Principal Repayment	12	244,830	-	-	-	244,830	-	-	-	489,660
TD Loan - Interest	12	-	-	96,458	-	-	-	-	101,301	197,759
<i>Total Disbursements</i>		627,046	1,035,096	828,004	556,771	854,663	526,563	343,483	627,864	5,399,490
<i>Net cash flow before the undernoted</i>		(209,182)	340,768	(5,140)	369,093	31,938	(50,700)	132,381	247,999	857,157
Professional fees	3	-	-	-	350,000	-	-	-	375,000	725,000
<i>Net cash flow</i>		(209,182)	340,768	(5,140)	19,093	31,938	(50,700)	132,381	(127,001)	132,157
Opening Cash Balance (line of credit)		(94,757)	(303,939)	36,829	31,689	50,781	82,720	32,020	164,401	(94,757)
Net cash flow		(209,182)	340,768	(5,140)	19,093	31,938	(50,700)	132,381	(127,001)	132,157
Closing Cash Balance (line of credit)		(303,939)	36,829	31,689	50,781	82,720	32,020	164,401	37,400	37,400

Skylink Express Inc. (the "Company")  
**Notes to Projected Statement of Cash Flow**  
 For the Period ended April 26, 2024  
 (Unaudited; \$C)

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#### **Purpose and General Assumptions**

The cash flow projection has been prepared on the assumption that the Company is granted protection under the *Companies' Creditors Arrangement Act* during the week of March 11, 2024.

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

#### **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, as per the contract between the Company and UPS. Exceptions include the week of March 8, 2024 and March 22, 2024 that have been adjusted for route cancellations from past maintenance events.
2. Assumes that the Court approves a debtor-in-possession loan from the Company's shareholder, Momentum Decisive Solutions Canada Inc.
3. Professional fees are estimated.

#### **Probable Assumptions**

4. The Company is typically in an HST/QST refundable position as its revenues are not subject to sales tax.
5. 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.
6. The Company's capital and maintainance cost program has been budgeted per aircraft.
7. Lease expenses are comprised of hangar lease costs, which are payable on the first of each month.
8. Aircraft insurance and aviation general liability insurance is due quarterly on March 23, June 23, September 23 and December 23 of each year. Assumes the March payment is made in the week prior to the due date.
9. Costs include consumable parts, non-consumable parts, outsourced labour, tools and shop supplies.
10. 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.
11. Includes telephone, office expenses, general legal fees, etc., as well as audit fee instalments. Reflects payment of amounts owing on credit cards in the second week of the forecast period.
12. 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. The interest rate is assumed to remain constant.

COURT FILE NO.: \_\_\_\_\_

**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 8<sup>th</sup> day of March, 2024 for the period March 2, 2024 to April 26, 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 8<sup>th</sup> day of March, 2024.

Skylink Express Inc.

  
\_\_\_\_\_  
Kyle Dennhardt

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.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**AFFIDAVIT OF KYLE DENNHARDT**

**NORTON ROSE FULBRIGHT CANADA LLP**

222 Bay Street, Suite 3000  
Toronto, ON M5K 1E7  
Fax: 416.216.3930

**Jennifer Stam LSO#: 46735J**

Tel: 416. 202.6707  
jennifer.stam@nortonrosefulbright.com

Lawyers for the Applicant

**TAB 3**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	MONDAY, THE 11 <sup>TH</sup>
	)	
JUSTICE	)	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**")

**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 "**CCAA**") 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**") 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 and those other parties present although duly served as appears from the affidavit of service of **[NAME]** sworn **[DATE]** 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 and the Application 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.

## POSSESSION OF PROPERTY AND OPERATIONS

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

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

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the 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.

#### **NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY**

9. THIS COURT ORDERS that until and including March 21, 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.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. 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**

11. 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**

12. 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**

13. 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

14. 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

15. 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.

16. 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 \$480,000, as security for the indemnity provided in paragraph 15 of this Order. The Directors' Charge shall have the priority set out in paragraphs 33 and 35 herein.

17. 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 15 of this Order.

## APPOINTMENT OF MONITOR

18. 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.

19. 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) 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;
- (f) 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
- (g) perform such other duties as are required by this Order or by this Court from time to time.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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 33 and 35 hereof.

## **DIP FINANCING**

27. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Momentum Decisive Solutions Canada Inc. (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 \$1.35 million unless permitted by further Order of this Court.

28. 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.

29. 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.

30. 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 33 and 35 hereof.

31. 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.

32. 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**

33. 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 \$480,000).

34. 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.

35. THIS COURT ORDERS that each of the Directors’ Charge, the Administration Charge and the DIP Lender’s Charge (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 other than the DIP Lender’s Charge and the Directors’ Charge 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..

36. 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 Directors’ Charge, the Administration Charge or the DIP Lender’s Charge, 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.

37. THIS COURT ORDERS that the Directors’ Charge, the Administration Charge, the DIP Term Sheet, the Definitive Documents and the DIP Lender’s Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) and/or the 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.

38. 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**

39. 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.

40. 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](http://www.ksvadvisory.com/experience/case/skylink) .

41. 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.

42. 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**

43. 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.

44. 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.

45. 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.

46. 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.

47. 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.

48. 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.

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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.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**INITIAL ORDER**

**NORTON ROSE FULBRIGHT CANADA LLP**  
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Lawyers for the Applicant

**TAB 4**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	<del>WEEKDAY</del> <u>MONDAY</u> , THE <u>#11<sup>TH</sup></u>
	)	
JUSTICE	)	DAY OF <del>MONTH</del> <u>MARCH</u> , <del>20YR</del> <u>2024</u>

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 ~~[APPLICANT'S NAME] (the "~~SKYLINK  
EXPRESS INC. (the "Applicant")

**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 "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Kyle Dennhardt sworn ~~[DATE]~~ 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") 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 ~~[NAMES], no one appearing for [NAME]~~<sup>†</sup> the Applicant and those other parties present although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn ~~[DATE]~~ and on reading the consent of ~~[MONITOR'S NAME]~~ KSV to act as the Monitor,

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<sup>†</sup> ~~Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

## SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated<sup>2</sup> 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 the 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

3. ~~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 to continue to utilize the central cash management system<sup>3</sup> currently in place as described in the Affidavit of [NAME] sworn~~

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~~<sup>2</sup> If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

~~<sup>3</sup> This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to~~

~~[DATE] or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.]~~

4. ~~6.~~ 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 ~~and pension~~ benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~
- (b) the 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.

5. ~~7.~~ 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

~~often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~



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.

6.     ~~8.~~ 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.

7. ~~9.~~ THIS COURT ORDERS that until a real property lease is disclaimed ~~{or resiliated}~~<sup>4</sup> 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.

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

- (a) ~~(a)~~ 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) ~~(b)~~ to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
- (c) ~~(c)~~ to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

~~11. 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 \$● in any one transaction or \$● in the aggregate]~~<sup>5</sup>

<sup>4</sup> The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

<sup>5</sup> Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred

~~(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").~~

~~12. 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 [or resiliates] 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 [or resiliation] of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

~~13. THIS COURT ORDERS that if a notice of disclaimer [or resiliation] is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving *the Applicant and the Monitor* 24 hours' prior written notice, and (b) at the effective time of the disclaimer [or resiliation], the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such~~

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~~36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

~~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

9. ~~14.~~ THIS COURT ORDERS that until and including ~~[DATE—MAX. 30 DAYS]~~ March 21, 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.

## NO EXERCISE OF RIGHTS OR REMEDIES

10. ~~15.~~ 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

11. ~~16.~~ 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

12. ~~17.~~ 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

13. ~~18.~~ 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.<sup>6</sup>

## PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

14. ~~19.~~ 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

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<sup>6</sup> ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

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**

15. ~~20.~~ 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,<sup>7</sup> 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.

16. ~~21.~~ 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")<sup>8</sup> on the Property, which charge shall not exceed an aggregate amount of \$~~400,000~~480,000, as security for the indemnity provided in paragraph ~~{20}~~15 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~{38}~~33 and ~~{40}~~35 herein.

17. ~~22.~~ 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 ~~{20}~~15 of this Order.

## **APPOINTMENT OF MONITOR**

18. ~~23.~~ THIS COURT ORDERS that ~~[MONITOR'S NAME]~~KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and

<sup>7</sup> ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

<sup>8</sup> ~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

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.

19. ~~24.~~ 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 ~~[TIME INTERVAL]~~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, ~~but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- ~~(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;~~
- (e) ~~(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;

(f) ~~(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

(g) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

20. ~~25.~~ 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.

21. ~~26.~~ 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.

22. ~~27.~~ 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.

23. ~~28.~~ 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.

24. ~~29.~~ 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 ~~[TIME INTERVAL] basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$●[, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time~~ monthly basis or as may otherwise be agreed on.

25. ~~30.~~ 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.

26. ~~31.~~ 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 ~~{383}~~ and ~~{40}~~35 hereof.

## DIP FINANCING

27. ~~32.~~ THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~ Momentum Decisive Solutions Canada Inc. (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 \$●1.35 million unless permitted by further Order of this Court.

28. ~~33.~~ THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~ term sheet between the Applicant and the DIP Lender dated as of ~~[DATE]~~ March 8, 2024 (the ~~"Commitment Letter"~~ "DIP Term Sheet"), filed.

29. ~~34.~~ 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 ~~Commitment Letter~~ 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 ~~Commitment Letter~~ 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.

30. ~~35.~~ 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 ~~{383}~~ and ~~{40}~~ 35 hereof.

31. ~~36.~~ 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 ~~Commitment Letter~~ 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 ~~Commitment Letter~~ 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.

32. ~~37.~~ 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**

33. ~~38.~~ 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<sup>9</sup>:

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

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<sup>9</sup> ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

Second – DIP Lender’s Charge; and

Third – Directors’ Charge (to the maximum amount of \$●480,000).

34.     ~~39.~~ 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.

35.     ~~40.~~ THIS COURT ORDERS that each of the Directors’ Charge, the Administration Charge and the DIP Lender’s Charge (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: other than the DIP Lender’s Charge and the Directors’ Charge 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..

36.     ~~41.~~ 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 Directors’ Charge, the Administration Charge or the DIP Lender’s Charge, 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.

37.     ~~42.~~ THIS COURT ORDERS that the Directors’ Charge, the Administration Charge, the ~~Commitment Letter~~DIP Term Sheet, the Definitive Documents and the DIP Lender’s Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “Chargees”) and/or the 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 ~~Commitment Letter~~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 ~~Commitment Letter~~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 ~~Commitment Letter~~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.

38. ~~43.~~ 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

39. ~~44.~~ THIS COURT ORDERS that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~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.

40. ~~45.~~ 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](http://www.ksvadvisory.com/experience/case/skylink) .

41. ~~46.~~ 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.

42. *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**

43. ~~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.

44. ~~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.

45. ~~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.

46. ~~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.

47. ~~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.

48. ~~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.

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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.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at TORONTO

INITIAL ORDER

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Lawyers for the Applicant

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  
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**ONTARIO  
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COMMERCIAL LIST**

Proceeding commenced at TORONTO

**APPLICATION RECORD**

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