

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF
SKYSERVICE AIRLINES INC.**

BETWEEN:

THOMAS COOK CANADA INC.

Applicant

- and -

SKYSERVICE AIRLINES INC.

Respondent

(Application under s. 243(1) of the *Bankruptcy and Insolvency Act*
for a national receiver and s. 101 of the *Courts of Justice Act* for a receiver)

APPLICATION RECORD

March 31, 2010

OSLER, HOSKIN & HARCOURT LLP
P.O. Box 50
1 First Canadian Place
Toronto, ON M5X 1B8

John MacDonald (LSUC # 25884R)
Tel: (416) 862-5672
Mary Paterson (LSUC # 51572P)
Tel: (416) 862-4924
Fax: (416) 862-6666

Lawyers for the applicant, Thomas Cook
Canada, Ltd.

TO: THORNTONGROUTFINNIGAN LLP
Suite 3200, Canadian Pacific Tower
100 Wellington St. West, P.O. Box 329,
Toronto-Dominion Centre
Toronto, ON M5K 1K7

Robert I. Thornton
Tel: (416) 304-0560
rthornton@tgf.ca

Seema Aggarwal
Tel: (416) 304-0603
Fax: (416) 304-1313
saggarwal@tgf.ca

Lawyers for Skyservice Airlines Inc.

AND TO: BENNETT JONES LLP
One First Canadian Place
Suite 3400
100 King Street West
P.O. Box 130
Toronto ON M5X 1A4

Mark S. Laugesen
Tel: (416) 777-4802
Fax: (416) 863-1716
laugesenm@bennettjones.ca

Lawyers for Gibralt Capital Corporation

AND TO: MCCARTHY TÉTRAULT LLP
Suite 5300, TD Bank Tower
Toronto Dominion Centre
66 Wellington Street West
Toronto ON M5K 1E6

James D. Gage
Tel: (416) 601-7539
Fax: (416) 868-0673
jgage@mccarthy.ca

Lawyers for FTI Consulting Canada Inc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE RECEIVERSHIP OF
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF
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- and -

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**(Application under s. 243(1) of the *Bankruptcy and Insolvency Act* for a national receiver
and s. 101 of the *Courts of Justice Act* for a receiver)**

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 on a date and time to be fixed by the Commercial List Office, at 330 University Avenue, Toronto, Ontario.

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 two 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 DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: March 31, 2010

Issued by:

Local registrar

Address of court office 393 University Avenue, 7th Floor
Toronto, Ontario

TO: **ThorntonGroutFinnigan LLP**
Suite 3200, Canadian Pacific Tower
100 Wellington St. West, P.O. Box 329,
Toronto-Dominion Centre
Toronto, ON M5K 1K7

Attn: Robert I. Thornton
Tel: (416) 304-0560
rthornton@tgf.ca

Attn: Seema Aggarwal
Tel: (416) 304-0603
Fax: (416) 304-1313
saggarwal@tgf.ca
Solicitors for Skyservice Airlines Inc.

AND: **Bennett Jones LLP**
One First Canadian Place
Suite 3400
100 King Street West
P.O. Box 130
Toronto ON M5X 1A4

Attn: Mark S. Laugesen
Tel: (416) 777-4802
Fax: (416) 863-1716
laugesenm@bennettjones.ca
Solicitors for Gibralt Capital Corporation

AND: **McCarthy Tétrault LLP**
Suite 5300, TD Bank Tower
Toronto Dominion Centre
66 Wellington Street West
Toronto ON M5K 1E6

Attn: James D. Gage
Tel: (416) 601-7539
Fax: (416) 868-0673
jgage@mccarthy.ca

Solicitors for FTI Consulting Canada Inc.

APPLICATION

1. The applicant, Thomas Cook Canada, Ltd. ("TCCI") makes application for:
 - (a) An Order, if necessary, abridging the time for service of the Notice of Application and the Application Record and directing that any further service of the Notice of Application and the Application Record be dispensed with such that this application is properly returnable on a date and time to be fixed by the Commercial List Office;
 - (b) An Order appointing FTI Consulting Canada Inc. ("FTI") as national receiver, without security, of all of the assets, undertakings and properties of Skyservice Airlines Inc. ("Skyservice" or the "Debtor") acquired for or used in relation to a business carried on by Skyservice under section 243(1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act* substantially in the form of the Order attached hereto as Schedule "A", including abridgment of time for and validation of service; and
 - (c) Such further and other relief as counsel may request and this Honourable Court may permit.

2. **The grounds for the application are:**
 - (a) TCCI is a company incorporated under the laws of Ontario, is headquartered in Toronto, and is a Canadian tour operator licensed under the *Travel Industry Act*;

- (b) TCCI is responsible for the Canadian operations of the North American division of Thomas Cook Group, PLC (“Thomas Cook”), a publicly held company with head offices in London, England;
- (c) TCCI offers its customers a “one-stop shopping” experience for holidays and leisure travel. Among many other services, TCCI charters flights for travellers under the Sunquest brand;
- (d) Skyservice is a Canadian commercial charter airline that operates principally out of Toronto;
- (e) TCCI uses Skyservice to charter flights for TCCI’s Sunquest customers;
- (f) TCCI is a secured creditor of Skyservice and Skyservice owes TCCI approximately \$8.6 million that was secured on substantially all of the assets of Skyservice (the “Secured Debt”);
- (g) The Secured Debt was due and payable on March 30, 2010. TCCI demanded repayment;
- (h) Skyservice notified TCCI that it might not be able to both continue operations and repay the Secured Debt;
- (i) TCCI served a notice under section 244(1) of the *Bankruptcy and Insolvency Act* and Skyservice waived the 10-day period referred to in section 244(2) of the BIA;
- (j) FTI is a licensed trustee;

- (k) The appointment of a receiver is necessary to ensure an orderly wind-down of the operations of Skyservice, including the sale or realization of any assets, the development of communications strategies with Skyservice's passengers, customers and employees, and other stakeholders; and to better ensure the fair treatment of all such stakeholders;
- (l) TCCI gave notice to Skyservice and Skyservice's other major secured creditor;
- (m) Sections 243, 244 of the *Bankruptcy and Insolvency Act*;
- (n) Sections 101 and 106 of the *Courts of Justice Act*;
- (o) Rules 2.03, 3.02, 16.08, and 38 of the *Rules of Civil Procedure*; and
- (p) Such further and other grounds as counsel may advise and this Court may permit.

3. **The following documentary evidence will be used at the hearing:**

- (a) The affidavit of Karim Nensi sworn on March 31, 2010;
- (b) The consent of FTI to act as receiver; and
- (c) Such further and other documentary evidence as counsel may advise and this Court may permit.

March 31, 2010

OSLER, HOSKIN & HARCOURT LLP
P.O. Box 50
1 First Canadian Place
Toronto, ON M5X 1B8

John A. MacDonald (LSUC# 25884R)
(416) 862-5672
jmacdonald@osler.com

Mary Paterson (LSUC# 51572P)
(416) 862-4924
mpaterson@osler.com
(416) 862-6666 (fax)

Lawyers for the applicant, Thomas Cook
Canada, Ltd.

TAB 1A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 31st
JUSTICE) DAY OF MARCH, 2010

**IN THE MATTER OF THE RECEIVERSHIP OF
SKYSERVICE AIRLINES INC.**

BETWEEN:

THOMAS COOK CANADA INC.

Applicant

- and -

SKYSERVICE AIRLINES INC.

Respondent

**(Application under s. 243(1) of the *Bankruptcy and Insolvency Act* for a national receiver
and s. 101 of the *Courts of Justice Act* for a receiver)**

ORDER

THIS APPLICATION made by the Applicant, Thomas Cook Canada Inc. ("TCCI"), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and sections 101 and 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing FTI Consulting Canada Inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, Skyservice Airlines Inc. (the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 361 University Avenue, Toronto, Ontario.

ON READING the affidavit of Karim Nensi sworn March 31, 2010, and the Exhibits thereto; and on hearing the submissions of counsel for TCCI, the Debtor, Gibralt Capital Corporation ("Gibralt"), and FTI Consulting Canada Inc.; and on reading the Pre-Appointment Report to the Court Submitted by FTI Consulting Canada Inc., in its capacity as proposed Receiver; and on reading the consent of FTI Consulting Canada Inc. to act as the Receiver:

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, FTI Consulting Canada Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property in respect of the preservation, protection, collection and realization thereof and, without in any way limiting the generality of the foregoing (but subject to the limitations in clause (d) below), the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) in the case of Property consisting of airframes, aircraft engines and related accessories, parts, equipment, manuals, records and other property ("Aircraft Objects"), to permit any owner or lessor of, or other person with an interest in, any such Aircraft Objects to take possession or control thereof, whether the Receiver has or has not taken prior possession or control thereof, on such terms (if any) as the Receiver considers appropriate;
- (d) to wind-down but not operate the business and realize on the Property of the Debtor, including the powers to enter into any agreements, incur and pay any obligations in the ordinary course of winding-down the business and realizing on the Property, cease to carry on the business, or cease to perform any contracts of the Debtor;
- (e) to enter into arrangements to assist employees of the Debtor, who have travelled and remain outside of Canada in the course of their employment, to return to Canada, including the power to incur and pay reasonable accommodation, transportation and meal costs and to reimburse such costs;

- (f) to confirm the continuation of employment by the Debtor of employees pursuant to letters from the Receiver on behalf of the Debtor and of union employees (if any) in respect of whom the applicable union or local has entered into an agreement with the Receiver, in each case on terms satisfactory to the Receiver, all with a view to facilitating a wind-down of the business and realization of the Property;
- (g) to confirm the permanent layoff and/or termination of employment by the Debtor of employees pursuant to letters from the Receiver on behalf of the Debtor;
- (h) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons (including, without limitation, affiliates of the Receiver) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (i) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets as the Receiver considers necessary or desirable to facilitate the wind-down of the business of the Debtor and the realization on the Property;
- (j) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (k) to settle, extend or compromise any indebtedness owing to the Debtor;

- (l) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (m) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (n) to continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (o) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (p) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$750,000, provided that the aggregate consideration for all such transactions does not exceed \$3,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (q) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (r) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (s) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including the real property described in Schedule B hereto;
- (t) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (u) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (v) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (w) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records,

or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or

with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA to the same extent that counterparties are entitled to exercise remedies thereunder pursuant to section 65.1 of the BIA in proposal proceedings, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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 THE RECEIVER

10. THIS COURT ORDERS that 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 Debtor 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current 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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of any or all such employees. In this regard, the Receiver may confirm the continuation of the employment, by the Debtor, of employees pursuant to a letter from the

Receiver on behalf of the Debtor. The Receiver shall not be liable for any employee-related liabilities, including any successor or other employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay on behalf of the Debtor, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed or construed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge

(the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, and subject to any validly registered mortgage, lien or charge on the real property of the Debtor (other than any registrations in favour of TCCI or Gibralt) or to any validly attached and perfected security interest in a specific identified asset of the Debtor identified on the PPSA register.

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

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time

as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subordinate to any validly registered mortgage, lien or charge on the real property of the Debtor (other than any registrations in favour of TCCI or Gibralt) or to any validly attached and perfected security interest in a specific identified asset of the Debtor identified on the PPSA register.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. THIS COURT ORDERS that the Receiver 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 Receiver 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.

28. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$500,000

THIS IS TO CERTIFY that FTI Consulting Canada Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Skyservice Airlines Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 31st day of March, 2010 (the "Order") made in an action having Court file number ___ - CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

FTI Consulting Canada Inc. solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"**31 Fasken Drive, Toronto, ON**

PIN: 07420-0020 (LT)

PT BLK B, PL 7994, PART 1, 64R8871, T/W EB367331; ETOBICOKE, CITY OF TORONTO.

6932 Vanguard Drive, Mississauga, ON

PIN: 13526-0009 (LT)

LT 9, REGISTRAR'S COMPILED PLAN 1006; T/W EASEMENTS DESCRIBED IN R01129884; BRAMPTON/MISSISSAUGA; T/W EASEMENT AS IN PR361078; T/W EASEMENT OVER PT LOT 5 CON 7 EHS TT, DESG PTS 35 TO 38, PLAN 43R32426, AS IN PR1523019.

IN THE MATTER OF THE RECEIVERSHIP OF SKYSERVICE AIRLINES INC.

THOMAS COOK CANADA INC. SKYSERVICE AIRLINES INC.

Applicant and Respondent

Court file # CV-10-8647-00CL

Ontario

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Appoint National Receiver)**

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

John A. MacDonald (LSUC# 25884R)
(416) 862-5672

Mary Paterson (LSUC# 51572P)

(416) 862-4924

(416) 862-6666 (fax)

Lawyers for the applicant, Thomas Cook Canada,
Inc.

F. 1121143

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF
SKYSERVICE AIRLINES INC.**

BETWEEN:

THOMAS COOK CANADA INC.

Applicant

- and -

SKYSERVICE AIRLINES INC.

Respondent

**(Application under s. 243(1) of the *Bankruptcy and Insolvency Act* for a national receiver
and s. 101 of the *Courts of Justice Act* for a receiver)**

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 on a date and time to be fixed by the Commercial List Office, at 330 University Avenue, Toronto, Ontario.

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 two 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 DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Christina Irwin
Registrar, Superior Court of Justice

Date: March 31, 2010

Issued by:

Local registrar

Address of court office ~~393 University Avenue, 7th Floor~~
~~Toronto, Ontario~~

TO: **ThorntonGroutFinnigan LLP**
Suite 3200, Canadian Pacific Tower
100 Wellington St. West, P.O. Box 329,
Toronto-Dominion Centre
Toronto, ON M5K 1K7

Attn: Robert I. Thornton
Tel: (416) 304-0560
rthornton@tgf.ca

Attn: Seema Aggarwal
Tel: (416) 304-0603
Fax: (416) 304-1313
saggarwal@tgf.ca
Solicitors for Skyservice Airlines Inc.

**SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE
BANKRUPTCY / COMMERCIAL
COURTS
330 UNIVERSITY AVENUE
7TH FLOOR
TORONTO, ONTARIO M5G 1R7**

AND: **Bennett Jones LLP**
One First Canadian Place
Suite 3400
100 King Street West
P.O. Box 130
Toronto ON M5X 1A4

Attn: Mark S. Laugesen
Tel: (416) 777-4802
Fax: (416) 863-1716
laugesenm@bennettjones.ca
Solicitors for Gibralt Capital Corporation

AND: McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Toronto Dominion Centre
66 Wellington Street West
Toronto ON M5K 1E6

Attn: James D. Gage
Tel: (416) 601-7539
Fax: (416) 868-0673
jgage@mccarthy.ca

Solicitors for FTI Consulting Canada Inc.

APPLICATION

1. The applicant, Thomas Cook Canada, Ltd. ("TCCI") makes application for:
 - (a) An Order, if necessary, abridging the time for service of the Notice of Application and the Application Record and directing that any further service of the Notice of Application and the Application Record be dispensed with such that this application is properly returnable on a date and time to be fixed by the Commercial List Office;
 - (b) An Order appointing FTI Consulting Canada Inc. ("FTI") as national receiver, without security, of all of the assets, undertakings and properties of Skyservice Airlines Inc. ("Skyservice" or the "Debtor") acquired for or used in relation to a business carried on by Skyservice under section 243(1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act* substantially in the form of the Order attached hereto as Schedule "A", including abridgment of time for and validation of service; and
 - (c) Such further and other relief as counsel may request and this Honourable Court may permit.

2. **The grounds for the application are:**
 - (a) TCCI is a company incorporated under the laws of Ontario, is headquartered in Toronto, and is a Canadian tour operator licensed under the *Travel Industry Act*;

- (b) TCCI is responsible for the Canadian operations of the North American division of Thomas Cook Group, PLC (“Thomas Cook”), a publicly held company with head offices in London, England;
- (c) TCCI offers its customers a “one-stop shopping” experience for holidays and leisure travel. Among many other services, TCCI charters flights for travellers under the Sunquest brand;
- (d) Skyservice is a Canadian commercial charter airline that operates principally out of Toronto;
- (e) TCCI uses Skyservice to charter flights for TCCI’s Sunquest customers;
- (f) TCCI is a secured creditor of Skyservice and Skyservice owes TCCI approximately \$8.6 million that was secured on substantially all of the assets of Skyservice (the “Secured Debt”);
- (g) The Secured Debt was due and payable on March 30, 2010. TCCI demanded repayment;
- (h) Skyservice notified TCCI that it might not be able to both continue operations and repay the Secured Debt;
- (i) TCCI served a notice under section 244(1) of the *Bankruptcy and Insolvency Act* and Skyservice waived the 10-day period referred to in section 244(2) of the BIA;
- (j) FTI is a licensed trustee;

- (k) The appointment of a receiver is necessary to ensure an orderly wind-down of the operations of Skyservice, including the sale or realization of any assets, the development of communications strategies with Skyservice's passengers, customers and employees, and other stakeholders; and to better ensure the fair treatment of all such stakeholders;
- (l) TCCI gave notice to Skyservice and Skyservice's other major secured creditor;
- (m) Sections 243, 244 of the *Bankruptcy and Insolvency Act*;
- (n) Sections 101 and 106 of the *Courts of Justice Act*;
- (o) Rules 2.03, 3.02, 16.08, and 38 of the *Rules of Civil Procedure*; and
- (p) Such further and other grounds as counsel may advise and this Court may permit.

3. **The following documentary evidence will be used at the hearing:**

- (a) The affidavit of Karim Nensi sworn on March 31, 2010;
- (b) The consent of FTI to act as receiver; and
- (c) Such further and other documentary evidence as counsel may advise and this Court may permit.

March 31, 2010

OSLER, HOSKIN & HARCOURT LLP
P.O. Box 50
1 First Canadian Place
Toronto, ON M5X 1B8

John A. MacDonald (LSUC# 25884R)
(416) 862-5672
jmacdonald@osler.com

Mary Paterson (LSUC# 51572P)
(416) 862-4924
mpaterson@osler.com
(416) 862-6666 (fax)

Lawyers for the applicant, Thomas Cook
Canada, Ltd.

SCHEDULE A

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE

)
)

WEDNESDAY, THE 31st
DAY OF MARCH, 2010

**IN THE MATTER OF THE RECEIVERSHIP OF
SKYSERVICE AIRLINES INC.**

B E T W E E N:

THOMAS COOK CANADA INC.

Applicant

- and -

SKYSERVICE AIRLINES INC.

Respondent

**(Application under s. 243(1) of the *Bankruptcy and Insolvency Act* for a national receiver
and s. 101 of the *Courts of Justice Act* for a receiver)**

ORDER

THIS APPLICATION made by the Applicant, Thomas Cook Canada Inc. ("TCCI"), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and sections 101 and 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing FTI Consulting Canada Inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondent, Skyservice Airlines Inc. (the "Debtor"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 361 University Avenue, Toronto, Ontario.

ON READING the affidavit of Karim Nensi sworn March 31, 2010, and the Exhibits thereto; and on hearing the submissions of counsel for TCCI, the Debtor, Gibralt Capital Corporation (“Gibralt”), and FTI Consulting Canada Inc.; and on reading the Pre-Appointment Report to the Court Submitted by FTI Consulting Canada Inc., in its capacity as proposed Receiver; and on reading the consent of FTI Consulting Canada Inc. to act as the Receiver:

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, FTI Consulting Canada Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “Property”).

RECEIVER’S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property in respect of the preservation, protection, collection and realization thereof and, without in any way limiting the generality of the foregoing (but subject to the limitations in clause (d) below), the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) in the case of Property consisting of airframes, aircraft engines and related accessories, parts, equipment, manuals, records and other property ("Aircraft Objects"), to permit any owner or lessor of, or other person with an interest in, any such Aircraft Objects to take possession or control thereof, whether the Receiver has or has not taken prior possession or control thereof, on such terms (if any) as the Receiver considers appropriate;
- (d) to wind-down but not operate the business and realize on the Property of the Debtor, including the powers to enter into any agreements, incur and pay any obligations in the ordinary course of winding-down the business and realizing on the Property, cease to carry on the business, or cease to perform any contracts of the Debtor;
- (e) to enter into arrangements to assist employees of the Debtor, who have travelled and remain outside of Canada in the course of their employment, to return to Canada, including the power to incur and pay reasonable accommodation, transportation and meal costs and to reimburse such costs;

- (f) to confirm the continuation of employment by the Debtor of employees pursuant to letters from the Receiver on behalf of the Debtor and of union employees (if any) in respect of whom the applicable union or local has entered into an agreement with the Receiver, in each case on terms satisfactory to the Receiver, all with a view to facilitating a wind-down of the business and realization of the Property;
- (g) to confirm the permanent layoff and/or termination of employment by the Debtor of employees pursuant to letters from the Receiver on behalf of the Debtor;
- (h) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons (including, without limitation, affiliates of the Receiver) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (i) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets as the Receiver considers necessary or desirable to facilitate the wind-down of the business of the Debtor and the realization on the Property;
- (j) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (k) to settle, extend or compromise any indebtedness owing to the Debtor;

- (l) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (m) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (n) to continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (o) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (p) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$750,000, provided that the aggregate consideration for all such transactions does not exceed \$3,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (q) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (r) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (s) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including the real property described in Schedule B hereto;
- (t) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (u) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (v) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (w) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records,

or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or

with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA to the same extent that counterparties are entitled to exercise remedies thereunder pursuant to section 65.1 of the BIA in proposal proceedings, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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 THE RECEIVER

10. THIS COURT ORDERS that 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 Debtor 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current 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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of any or all such employees. In this regard, the Receiver may confirm the continuation of the employment, by the Debtor, of employees pursuant to a letter from the

Receiver on behalf of the Debtor. The Receiver shall not be liable for any employee-related liabilities, including any successor or other employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay on behalf of the Debtor, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed or construed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge

(the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, and subject to any validly registered mortgage, lien or charge on the real property of the Debtor (other than any registrations in favour of TCCI or Gibralt) or to any validly attached and perfected security interest in a specific identified asset of the Debtor identified on the PPSA register.

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

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time

as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subordinate to any validly registered mortgage, lien or charge on the real property of the Debtor (other than any registrations in favour of TCCI or Gibralt) or to any validly attached and perfected security interest in a specific identified asset of the Debtor identified on the PPSA register.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. THIS COURT ORDERS that the Receiver 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 Receiver 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.

28. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$500,000

THIS IS TO CERTIFY that FTI Consulting Canada Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Skyservice Airlines Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 31st day of March, 2010 (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$500,000 which the Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

FTI Consulting Canada Inc. solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

31 Fasken Drive, Toronto, ON

PIN: 07420-0020 (LT)

PT BLK B, PL 7994, PART 1, 64R8871, T/W EB367331; ETOBICOKE, CITY OF TORONTO.

6932 Vanguard Drive, Mississauga, ON

PIN: 13526-0009 (LT)

LT 9, REGISTRAR'S COMPILED PLAN 1006; T/W EASEMENTS DESCRIBED IN R01129884; BRAMPTON/MISSISSAUGA; T/W EASEMENT AS IN PR361078; T/W EASEMENT OVER PT LOT 5 CON 7 EHS TT, DESG PTS 35 TO 38, PLAN 43R32426, AS IN PR1523019.

IN THE MATTER OF THE RECEIVERSHIP OF SKYSERVICE AIRLINES INC.

Court File No:

THOMAS COOK CANADA INC. **SKYSERVICE AIRLINES INC.**
Applicant and Respondent

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF APPLICATION
(Appoint National Receiver)**

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

John A. MacDonald (LSUC# 25884R)
(416) 862-5672
Mary Paterson (LSUC# 51572P)
(416) 862-4924
(416) 862-6666 (fax)

Lawyers for the applicant, Thomas Cook Canada,
Inc.

F. 1121143

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF
SKYSERVICE AIRLINES INC.**

BETWEEN:

THOMAS COOK CANADA INC.

Applicant

- and -

SKYSERVICE AIRLINES INC.

Respondent

(Application under s. 243(1) of the *Bankruptcy and Insolvency Act* and s. 101 of the *Courts of Justice Act* for a national receiver)

**AFFIDAVIT OF KARIM NENSI
(sworn March 31, 2010)**

I, Karim Nensi, of the City of Brampton, in the Region of Peel, MAKE OATH
AND SAY:

1. I am the Chief Financial Officer for Thomas Cook Canada, Inc. ("TCCI") and have been personally involved in the contractual relationship between TCCI and Skyservice Airlines Inc. ("Skyservice"), a provider of chartered aircraft service. I therefore have personal knowledge of the matters hereinafter deposed to. Where my information is stated to be on information and belief, I believe this information to be true.

2. This affidavit is sworn in support of an application requesting an order to appoint a receiver of the assets, property, and undertakings of Skyservice under section 243(1) of the *Bankruptcy and Insolvency Act* ("BIA") and section 101 of the *Courts of Justice Act* ("CJA").

TCCI and Skyservice

3. TCCI is a company incorporated under the laws of Ontario and is headquartered in Toronto. It is an indirect subsidiary of Thomas Cook Group, PLC ("Thomas Cook"), a publicly held company with head offices in London, England. Thomas Cook is a leading international leisure travel group and is organized into five geographical divisions: the UK and Ireland, Continental Europe, Northern Europe, German Airlines, and North America.

4. TCCI is responsible for the Canadian operations of the North American division of Thomas Cook. It is a Canadian tour operator licensed under the *Travel Industry Act*. It has more than 1,000 employees in Canada and a network of tour operators, wholesalers and travel agencies throughout Canada operating under several brands. TCCI offers its customers a "one-stop shopping" experience for holidays and leisure travel: it charters flights under the Sunquest brand, arranges accommodations, travel insurance, and rental cars, and provides a complete array of related services. For the year 2009, TCCI made holiday arrangements for approximately 1.3 million customers for travel to destinations around the world. Approximately 305,000 of these customers flew on planes operated by Skyservice under the Sunquest brand during TCCI's winter season.

5. Skyservice is a Canadian commercial charter airline that operates principally out of Toronto. TCCI uses Skyservice to charter flights for TCCI's Sunquest customers; Skyservice leases commercial aircraft and provides the personnel to operate the aircraft. Skyservice has more than 1,000 employees and operates approximately 20 commercial aircraft for destinations

to Canada, the United States, the Caribbean, Mexico, and Europe. Because the industry is seasonal, the planes used by Skyservice during TCCI's winter season for Sunquest passengers departing from North America are used in Europe by Thomas Cook during the summer season.

6. Skyservice's majority shareholder is Gibralt Capital Corporation ("Gibralt"), which indirectly acquired a majority interest in the Skyservice chartered airline business on October 19, 2007. Gibralt is a private investment company headquartered in Vancouver, British Columbia.

7. In addition to being one of Skyservice's two primary customers, TCCI is also a significant secured creditor of Skyservice. As such, it has two roles: customer and lender.

Contracts between TCCI and Skyservice

(a) Term Sheet

8. TCCI has various contractual relationships with Skyservice to meet the travel requirements of TCCI's Sunquest customers. A term sheet dated February 6, 2002, (the "Term Sheet") sets out the objectives of the relationship between TCCI and Skyservice. The Term Sheet is signed by Skyservice and My Travel Canada Holidays Inc., a predecessor company of TCCI. It became effective on November 1, 2002, and terminates in accordance with its terms on April 30, 2011. The Term Sheet is not attached to this affidavit because it contains commercially sensitive information relating to the role of TCCI as Skyservice's customer.

9. The Term Sheet contemplates the parties entering into Charter Agreements whereby, subject to certain exceptions, Skyservice would be TCCI's air carrier for the operation of dedicated aircraft, with a right of first refusal for any additional aircraft. Skyservice is entitled to three principal sources of compensation under the Term Sheet including: (i) an aircraft tail fee

(base compensation and aircraft months); (ii) commission on ad hoc flights on dedicated aircraft; and (iii) bonuses for achieving certain performance objectives.

(b) Aircraft Sublease Agreements and Charter Agreements

10. To meet its obligations to TCCI, Skyservice entered into Aircraft Sublease Agreements with various parties including Thomas Cook Airlines Limited (“Thomas Cook Airlines”), a related TCCI company. Skyservice and TCCI then entered into a Charter Agreement for each plane subleased by Skyservice and chartered by TCCI.

11. Thomas Cook Airlines and Skyservice entered into six Aircraft Sublease Agreements for three A320 Aircraft and three B757 Aircraft. They also entered into a number of agreements related to the Aircraft, such as Engine Sub-Lease Agreements, Airframe Sub-Lease Agreements, Intermediate Aircraft Lease Agreements, and Maintenance Agreements. Under the Maintenance Agreements, all of which are substantially similar, Skyservice, as the sub-lessee, agreed to be responsible for certain maintenance costs.

12. The parties entered into seven Charter Agreements, six corresponding to the Aircraft Sublease Agreements with Thomas Cook Airlines and one related to an aircraft subleased from another party. With the exception of the latter Charter Agreement, which was effective as November 1, 2001, and expires March 7, 2011, the remaining Charter Agreements were effective as of November 4, 2009, and expire between March 27 and April 26, 2010. The material terms of the Charter Agreements are as follows:

- (a) TCCI agreed to pay Skyservice a Charter Fee on a weekly basis at least seven days in advance of each flight;
- (b) Skyservice agreed to operate the Aircraft in accordance with the winter and summer programs set out in Schedule C of the Charter Agreement;

- (c) Skyservice agreed to deploy the Aircraft as may be requested by TCCI for flights to any destinations that may be served by such Aircraft type from Toronto or other Canadian departure points as may be agreed;
- (d) Skyservice agreed to provide all of the personnel, services and facilities associated with flights under the Charter Agreement and agreed to be responsible for placing hull and liability insurance for the subject Aircraft; and
- (e) Skyservice agreed to pay: (i) all costs related to operation of the Aircraft; (ii) all costs related to any interruption of any flight once the Aircraft was airborne; and (iii) salaries and all other expenses, including lodging and transportation to and from airports, for the flight crew and other personnel furnished in respect of the Aircraft.

13. The monies payable by TCCI to Skyservice under the Term Sheet and Charter Agreements fluctuate over the course of the year because the travel industry is seasonal. As of the date of the swearing of this affidavit, TCCI has made all payments owing to Skyservice under the various contractual arrangements.

(c) Charter Transportation Agreements

14. TCCI and Skyservice formalized the requirements for the winter and summer flight programs in various charter transportation agreements (the "Charter Transportation Agreements"). Each Charter Transportation Agreement sets out the data, origin, destination, number of seats, baggage allowance, and Charter Fee for the flight(s). The Agreements can relate to a flight that takes place once or to a flight that repeats over multiple rotations.

15. Skyservice concurrently followed a similar process with its other primary customer, Signature Vacations (the former Canadian subsidiary of TUI Travel PLC that is now amalgamated with Sunwing Vacations), to ensure that it had the ability to meet both TCCI's and Signature Vacations's needs. I estimate that TCCI and Signature Vacations represent 52% and 48% respectively of Skyservice's business.

Skyservice's financial problems and TCCI's purchase of Skyservice's secured debt

16. Over the past few months, Skyservice encountered financial problems and therefore approached TCCI with a view to amending the existing financial arrangements. In September 2009, one of Skyservice's principal customers, Signature Vacations, announced a proposed combination with Sunwing Vacations (an entity that has access to a fleet of Sunwing planes) that was completed in January 2010. Furthermore, I am informed by ~~Skyservice~~ that ^{Rob Giguere (President and CEO of Skysen)} Skyservice believed that Signature Vacations would likely seek to exit the relationship with Skyservice as a result of this combination.

17. This possibility was also implied to the public. In an article published in a French-language trade magazine, Colin Hunter, President of Sunwing, when speaking about the future of Signature Vacations and Sunwing in Quebec, said:

I don't believe this will take place in the context of harmonious business relationships. Continuing my reply to your question, Signature is still contractually bound to Skyservice for two years, in the rest of Canada. We were contacted by this carrier's management to explore our intentions. We will see what will come out of these discussions [translated].

The article is attached hereto as Exhibit "A".

18. In January 2010, Skyservice's principal secured lenders were Roynat Inc. and Integrated Private Debt Fund LP (the "Lenders") under a credit agreement (the "Credit Agreement"). Skyservice notified the Lenders that it was or would be in breach of certain financial covenants under the Credit Agreement. The Lenders took the view that the Signature Vacations merger with Sunwing Vacations called into question Skyservice's ability to remain a going concern over the long term such that there was an event of default under the Credit Agreement. I am also informed that there were further events of default. ^{by Johnny Ciampi (Director of the Board of Directors of Skyservice)}

by Johnny Ciampi / JMC

19. In and around February 1, 2010, I was advised in a meeting attended by Rob Giguere (President and CEO of Skyservice) and Johnny Ciampi (Director on the Board of Skyservice) (together, the "Skyservice Representatives") and Jamie Farrar (Executive Vice President of Gibralt) that Skyservice would likely not be in a position to continue operations beyond February 5, 2010, without some financial assistance from TCCI.

20. I am informed by ^{Johnny Ciampi} ~~the Skyservice Representatives~~ that Skyservice told the Lenders that it was engaging in negotiations with TCCI whereby TCCI would provide funding to Skyservice. I am also informed that ^{by Johnny Ciampi} on January 29, 2010, the Lenders and Skyservice entered into a forbearance agreement to provide Skyservice with time to restructure its business and affairs.

21. TCCI is a significant stakeholder and would have been seriously impacted if Skyservice's financial position deteriorated to the point that it stopped providing services to TCCI for its Sunquest charters mid-season. For example, TCCI had more than 165,000 seats allocated for Sunquest passengers scheduled to travel between February 5 and April 30, 2010. TCCI's primary objectives were, therefore, to protect these passengers from any Skyservice operational disruption, to allow Skyservice and TCCI the opportunity to consider new arrangements for a working relationship that would mutually benefit both parties, and to give Skyservice time to restructure the operations and find alternative financing.

22. TCCI therefore purchased the debt obligations (the "Secured Debt") owed by Skyservice to the Lenders and all security granted by Skyservice in connection therewith through an Assignment and Assumption Agreement effective February 12, 2010. Approximately \$8.6 million is due and payable under the Secured Debt on March 30, 2010. A copy of the Assignment and Assumption Agreement is attached as Exhibit "B".

23. Simultaneously, TCCI and Skyservice entered into an Amended and Restated Credit Agreement reflecting the change in TCCI's role to secured lender. A copy of the Amended and Restated Credit Agreement, excluding commercially sensitive schedules, is attached as Exhibit "C".

24. Article 2.07 of the Amended and Restated Credit Agreement states that all guarantees and security granted by Skyservice listed in Schedule A to the Agreement would continue in full force and effect as security for the Secured Debt. In Article 2.11, Skyservice confirms that the security remains in place.

25. Schedule A of the Amended and Restated Credit Agreement sets out the security granted by Skyservice in favour of TCCI in respect of the Secured Debt (the "Security Documents"). These include:

- (a) A General Security Agreement given by Skyservice granting a security interest in all of Skyservice's property and assets (the "Skyservice GSA"). A copy of the Skyservice GSA is attached as Exhibit "D";
- (b) A Debenture (the "Building Debenture") granting security over a low-rise building in an industrial complex near Pearson International Airport in the GTA ("Pearson") that Skyservice purchased from the estate of Canada 3000 Airlines Ltd. A copy of the Building Debenture is attached as Exhibit "E";
- (c) A Debenture (the "Hangar Debenture") granting security over real and leasehold property at two hangars Skyservice leases from the Greater Toronto Airports Authority. A copy of the Hangar Debenture is attached as Exhibit "F";
- (d) An Intellectual Property Security Agreement given by Skyservice granting security over Skyservice's intellectual property (the "IP Security Agreement");
- (e) Guarantees of all obligations given by (i) 6761551 Canada Inc. ("676"), the shareholder of Skyservice, (the "676 Guarantee"); and (ii) 6806929 Canada Inc. ("680"), a predecessor by amalgamation to Skyservice (the "680 Guarantee"), among others; and
- (f) General Security Agreements given by (i) Skyservice's predecessor (the "675 GSA") granting a security interest in all of Skyservice's property and assets; (ii)

676 granting a security interest in all of 676's property and assets; and (iii) 680 granting a security interest in all of 680's property and assets, among others.

26. The Lenders registered their security documents under the PPSA. The registration dates are September 26 and October 9, 2007. TCCI preserved the dates of registration when it assumed the Secured Debt and the related security; it also registered the change in secured party under the PPSA.

27. One of the remedies of TCCI under the Skyservice GSA and other Security Documents is to apply to any court of competent jurisdiction for the appointment of a receiver for all or any portion of the Skyservice property and assets charged.

28. The Amended and Restated Credit Agreement is governed by the laws of Ontario and Canada as applicable (Article 3.07). In Article 3.08, the parties irrevocably attorn to the jurisdiction of the courts of Ontario, which will have non-exclusive jurisdiction over any matter arising out of the Agreement.

29. The Amended and Restated Credit Agreement contains a strict confidentiality provision that prevented TCCI from disclosing the fact that the agreement had been entered into as well as the terms of the agreement. In addition, as a significant secured creditor of Skyservice, TCCI could not disclose that Skyservice was experiencing financial difficulties: to do so would have been a breach of the lender-borrower confidential relationship. Also, such a disclosure would have the potential of seriously destabilizing Skyservice's existing operations and its attempts to structure its affairs with a view to continuing in the long term.

30. The Amended and Restated Credit Agreement required Skyservice to continue to retain FTI Consulting Canada Inc. ("FTI") to monitor the cash and payables position of Skyservice. FTI had been retained by Skyservice in January to report to the Lenders and provide

weekly monitoring of cash and payables. The scope of FTI's retainer included providing financial, strategic, and restructuring advice; assisting Skyservice in negotiating with customers and creditors; and providing a weekly report to TCCI, among others.

31. In addition, TCCI agreed to pay its tariffs to Skyservice without any set-off against the Secured Debt (article 2.05 of the Amended and Restated Credit Agreement). The parties entered into the First Amending Agreement on March 12, 2010, adjusting the tariff payable on March 23, 2010, to reflect a change to the flight schedule. The First Amending Agreement, excluding commercially sensitive schedules, is attached as Exhibit "G".

32. Finally, TCCI agreed to subordinate (the "Subordination Agreement") its security to that of Gibralt to a cap of \$7,087,500 plus enforcement expenses. Both parties agreed that Skyservice would not repay either Gibralt or TCCI before March 30, 2010, without prior written consent.

33. On March 30, 2010, Skyservice had a positive cash position with more than sufficient funds to repay the amount owing to Gibralt in full. I am informed by Jamie Farrar (Executive Vice President of Gibralt), that on March 30, 2010, as it was clear that Skyservice would not be able to reach an agreement with any other party to secure the necessary working capital or to achieve the cost structure required for a long-term viable model for continued operations, Gibralt sent a demand letter and a notice of intent to enforce security ("NOI") under section 244 of the BIA to Skyservice. The demand letter and NOI are attached hereto as Exhibits "H" and "I", respectively. I am informed by Graham Bailey, Skyservice's CFO, that on March 30, 2010, Skyservice transferred \$7,151,311.62 to Gibralt to repay the secured indebtedness owing to Gibralt.

34. Through these arrangements, TCCI supported Skyservice and not only permitted Skyservice to continue business in the short term but also afforded Skyservice more time to look for a longer term solution to its financial difficulties.

Skyservice's efforts to preserve its business

35. Article 2.09 of the Amended and Restated Credit Agreement required Skyservice and TCCI to "negotiate in good faith toward a long-term renewal of the existing business relationship between [Skyservice] and [TCCI]". Skyservice and TCCI have engaged in good faith negotiations and various proposals have been tabled; however, no agreement establishing a long-term renewal of the business has been reached.

36. Unfortunately, over the past few weeks, it became increasingly clear that Skyservice would not be able to reach an agreement with any other party to secure the necessary working capital or to achieve the cost structure required for a long-term viable model for continued operations.

Appointing a Receiver

37. TCCI was confronted with some very difficult decisions arising from Skyservice's financial problems. TCCI was dependent on Skyservice for its chartered aircraft requirements to satisfy existing Sunquest travel commitments and was advised that Skyservice could cease operations as early as February 5, 2010, unless TCCI was prepared to transition from the role of Skyservice's customer to Skyservice's lender. The eventual agreement to do so was only made after considerable deliberation and after concluding that the proposed agreement represented the only opportunity for Skyservice to make new arrangements that would allow continued operations on a longer term basis.

38. The urgency of this situation is illustrated by the fact that TCCI negotiated and concluded the Assignment and Assumption Agreement and related documentation within a two-week period. Had these negotiations failed, Skyservice would have stopped operating at a much earlier date with the resulting adverse consequences to its customers and other stakeholders.

39. TCCI continued its negotiations with Skyservice following completion of the revised lending documentation; both parties recognized that a lot was at stake including the continuing employment of Skyservice's employees. Regrettably, Skyservice could not secure the additional working capital or requisite cost structure for continued operations that might have facilitated the negotiations of revised agreements with TCCI and possibly other customers. However, I believe that TCCI and Skyservice exhausted all potential avenues to address Skyservice's financial problems, including that TCCI has not withdrawn any capital from Skyservice other than payments in the ordinary course of business. Unfortunately, Skyservice's economic and financial hurdles were ultimately too great to overcome.

40. On March 29, 2010, I was informed by ~~Skyservice~~ ^{Robert Thornton, counsel to Skyservice} that all of Skyservice's directors and officers intended to resign on March 30, 2010. I am informed by my counsel, Mary Paterson, that the directors and officers resigned at approximately 5:30 p.m. on March 30, 2010.

41. TCCI sent a demand letter and a NOI under section 244 of the BIA to Skyservice dated March 30, 2010. The demand letter and NOI are attached hereto as Exhibits "J" and "K", respectively.

42. The Skyservice Representatives ^(Rob Giguere and Johnny Ciampi) informed me that it will not be able to both repay the Secured Debt and continue operations after March 30, 2010, as it will not have sufficient working capital. I believe that Skyservice is insolvent. It no longer has directors or officers. A Court-appointed receiver is necessary to ensure an orderly wind-down of Skyservice's business

and to protect stakeholders as well as to properly and efficiently dispose of Skyservice's real and leasehold property and other assets for the benefit of Skyservice's creditors.

43. Skyservice has acknowledged receipt of the demand and NOI, that the Secured Debt is due and owing, that it is unable to make payment of the Secured Debt, and has consented to the immediate enforcement of the security described in the NOI, and waived the 10-day period referred to in section 244(2) of the BIA. This acknowledgement and consent to earlier enforcement of security is attached hereto as Exhibit "L".

Impact of the Receivership

44. Skyservice currently has two primary customers: TCCI and Signature Vacations. If a receiver is appointed, then the operations of Skyservice will cease and passengers on TCCI's and Signature Vacations's tours must travel to and from their destinations on planes operated by a different provider.

45. When service is disrupted mid-season and travellers are stranded at their destination, the *Travel Industry Act* and regulations obliges tour operators like TCCI to offer the customer the choice of a full and immediate refund or comparable alternate travel services acceptable to the customer. TCCI does not have a fleet of aircraft to transport its Sunquest customers and therefore has purchased capacity on other providers' aircraft to ensure that travellers will return home with minimal disruption. As of the date of swearing this affidavit, comparable alternatives have been located for all TCCI Sunquest travellers, including the 3,050 travellers who will be at their holiday destination on March 31 and the approximately 7,000 travellers leaving for vacation after March 31, 2010.

46. I am not aware of the extent, if any, of discussions between Signature Vacations and Skyservice relating to Skyservice's financial problems and the fact that Skyservice is

financially unable to continue operations beyond March 30, 2010. If Signature Vacations is not aware of these circumstances, it will be confronted with a 'hard stop' and will have to immediately take steps to address the travel requirements of its customers. The tour operation business often has to confront operational issues such as this as the economic prospects of airline carriers have been uncertain in recent years and tour operators have gained experience in dealing with this type of situation, including the 'hard stop' of Jetsgo, CanJet, and Canada 3000. The recent merger between Signature Vacations and Sunwing Vacations will likely assist in providing solutions to Signature Vacations through Sunwing Airlines. Otherwise, Signature Vacations will have to access the available capacity of other Canadian airlines as its destinations are served by multiple carriers.

47. I have been advised by Rob Giguere (President and CEO of Skyservice) that Skyservice is scheduled to operate one flight for another tour operator on Wednesday, March 31, with approximately 180 outbound passengers and 190 inbound passengers. I have also been advised that Skyservice is scheduled to operate five flights on Thursday and seven flights on Friday for another tour operator. TCCI has arranged for the availability of selected flight capacity that will be made available to assist other tour operators, if they so choose, in the ordinary course of making arrangements for alternative transportation for passengers in the 48 hours after the Receiver is appointed (or longer if necessary and possible).

48. Skyservice also has other European customers that use Skyservice during the summer months, including the European related company of TCCI. As far as I am aware, none of those customers have passengers currently at their destination; thus, no passengers will be stranded. In addition, as far as I am aware, these European customers will have some time to find a different service provider so the travellers may go on their vacations with minimal disruption.

49. Notwithstanding that TCCI has been able to transition the travel requirements of its customers, TCCI will suffer financially when Skyservice ceases operations. TCCI pays Skyservice in advance for flights based on estimates of costs. However, costs change and, by the end of the flight season, there is a variance between the amount the tour operator paid to Skyservice and the amount that should have been paid. This variance can be owed by or to Skyservice. As of the date of swearing this affidavit, Skyservice owes TCCI approximately \$12 million.

Role of the Receiver¹

(a) Preserving and realizing on assets

50. The role of the Receiver will be to realize on Skyservice's assets and manage creditor and stakeholder concerns in an efficient and orderly fashion. The Receiver will not operate Skyservice's business. A court-ordered stay will be necessary to assist the Receiver in ensuring that creditors are paid in the proper priority. Furthermore, I have been informed by ~~Skyservice~~ *Graham Bailey, the Chief Financial Officer of Skyservice, and Jamie Farrar* that they will have in excess of \$8 million in cash as of the close of business on March 30, 2010. The appointment of a Receiver is therefore required to ensure that no creditors of Skyservice take precipitous steps to get control of the cash to the prejudice of other stakeholders who may also have claims to such monies. In this manner, the rights of the stakeholders will be safeguarded and the Receiver will have some breathing space to assess any competing claims asserted against Skyservice's assets.

51. As mentioned above, Skyservice owns a low-rise industrial building near Pearson. In addition, Skyservice owns hangar(s) at Pearson on land subleased from the Greater Toronto Airports Authority. Skyservice may have other physical assets and certainly leases space at

¹ Much of the information I set out in this affidavit about Skyservice's financial affairs I learned from FTI's reports. See paragraph 27 above.

airports across the country and around the world. The Receiver will also realize on Skyservice's accounts receivable and any other assets, including intellectual property.

(b) Managing stakeholder concerns

52. Skyservice has five categories of operationally important stakeholders: navigation fees, handling fees, fuel, landing fees, and other.

53. Skyservice pays navigation fees to Nav Canada and the Federal Aviation Administration for overflight fees. As of March 22, 2010, the accrual account payable is \$1,426,404. In addition, Skyservice pays handling fees to GlobeGround, Ogden Aviation Mexico, and others for other services received at the respective airports. As of March 22, 2010, the accrual account payable is \$700,716.

54. Skyservice prepays Imperial Oil and World Fuel Services Inc. for its fuel. Skyservice prepays landing fees to the Greater Toronto Airports Authority. It also prepays ground handling and passenger taxes in Cuba, Mexico, and the Dominican Republic and for tourist cards in Cuba and the Dominican Republic. As a result, I believe that none of these stakeholders are creditors.

55. As described above, Skyservice leases certain of its planes from Thomas Cook Airlines. In the ordinary course of Skyservice's business, the planes would return to Europe to provide flights in Europe during the summer. Thomas Cook Airlines requested that the planes be returned to Europe by the end of March to prepare for the summer season; I believe that all of Thomas Cook Airlines' planes will be in Europe on or before March 31. Thomas Cook Airlines was also aware of Skyservice's financial difficulties and the likelihood that Skyservice would not have the funds to operate after March 30, 2010.

56. I have no information about the location of the other planes leased by Skyservice and the Receiver will have to co-ordinate any issues with the lessors of such planes.

57. I am informed by ^{Rob Giguere} Skyservice and believe that Skyservice has paid all of its employees' wages, vacation pay and overtime, as well as employee overtime and employee/employer deductions on payroll and vacation pay such that no money is currently owing to any of the employees. Skyservice also paid other statutory priority payables, including GST and PST. Skyservice made these payments with money that it set aside approximately three months ago. I understand that this step was taken by the officers and directors of Skyservice to ensure that all such obligations were satisfied in full in the event that Skyservice was ultimately unable to continue operations after March 30, 2010.

Requirements in section 243(1) of the BIA

58. TCCI is a secured creditor of Skyservice. Although due and payable, Skyservice has not paid the amount owing to TCCI under the Amended and Restated Credit Agreement. Skyservice's failure to pay is an event of default under article 2.06(a) of the Amended and Restated Credit Agreement.

59. TCCI is committed to ensuring that the best steps are taken for the benefit of all stakeholders in a situation that is recognized as being difficult and, because of the nature of Skyservice's business, urgent. In this regard, it has approached FTI, which already has an understanding of Skyservice's assets and obligations, to act as Receiver and a copy of the executed consent of FTI is attached as Exhibit "M". FTI is a licensed trustee.

Receiver's Charge

60. I am informed by my counsel, Mary Paterson, that the model order for receiverships grants the Receiver a charge on the Property as security for fees and disbursements

incurred before and after the Court appoints the Receiver (the "Receiver's Charge"). I am informed ^{✓ by her} that the Court can order that the Receiver's charge be in priority to other validly attached and perfected security interests subject to the Court being satisfied that such a priority is appropriate in the circumstances.

61. This application for an order appointing FTI as Receiver of Skyservice is being brought without notice to several secured creditors. I am informed by my counsel, Mary Paterson, that the PPSA search for Skyservice (and its French names) fills a banker's box. I am informed ^{✓ by her} that the summary of this PPSA search is 757 pages long. The vast majority of the registrations relate to specific assets (such as aircraft or aircraft leases).

62. TCCI does not intend to seek a Court order that would place the Receiver's Charge ahead of any validly registered mortgage, lien or charge on the real property of the Debtor or ahead of any validly attached and perfected security interest in a specific identified asset of the Debtor identified on the PPSA register.

63. Only four secured creditors have registrations set out in the PPSA Register that do not appear to relate to a specific asset. On March 29, 2010, I was informed by Sabah Mirza, Skyservice's former general counsel, that, to the best of her knowledge, she believes that one of these secured creditors (PNC Bank, National Association) in fact only has security over specified aircraft components and not general security. Another secured creditor (IOS Financial Services) only has security over specific photocopiers and printers that are leased by Skyservice and not general security. The third registration, that of CBSC Capital, relates to a lease of photocopier and printing equipment that is no longer in place such that the PPSA registration should have been discharged. The final secured creditor (Royal Bank of Canada) registered security related to letters of credit; however, I am informed ^{✓ by her} that these letters of credit are cash collateralized.


Confidential information

64. The tour operator industry is a highly competitive industry. Some of the schedules to the exhibits attached to this affidavit contain sensitive pricing information. TCCI and its senior management have developed significant expertise in negotiating agreements that are particular to its operating business model and are always kept confidential. Disclosing the sensitive pricing information contained in the exhibits would therefore be prejudicial to TCCI's future operations as competitors will know TCCI's pricing sensitivities and will gain unfair advantage in negotiations with airline carriers and customer pricing. TCCI therefore did not include these schedules in the exhibits to this affidavit and, if requested, will produce them for inspection by this Honourable Court together with a request for a sealing order.


Conclusion

65. A receiver appointed under section 243(1) of the BIA will be able to ensure an orderly wind-down of Skyservice's operations: it will address the concerns of passengers, tour operators, and other stakeholders and creditors and ensure fair treatment of all such stakeholders.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, on
March 31, 2010.



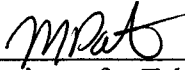
Commissioner for Taking Affidavits
(Mary Paterson)



Karim Nensi

TAB 2A

This is Exhibit "A" to the
Affidavit of Karim Nensi
sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson



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Accueil > Articles

Actualités du vendredi 12 mars 2010

Colin Hunter, président de Sunwing :

Y a-t-il un avenir pour la marque *Signature* au Québec?

Y a-t-il un avenir pour la marque *Signature*, au Québec? Nous avons posé la question à **Colin Hunter**, chef de la direction du **Groupe Sunwing**. Sa réponse : à Toronto et dans l'Ouest canadien, où il s'agit encore d'une marque forte, c'est certain! Mais c'est loin d'être sûr au Québec, où *Signature* est devenu un joueur bien marginal!

Le président de Sunwing nous parle des pertes de *Signature*, des objectifs pour la marque, et de sa détermination de devenir un joueur important sur l'Europe. Et il émet des prédictions surprenantes, mais logiques...

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SUN

Pourquoi les dirigeants de TUI ont-ils contracté ce partenariat avec vous et pourquoi vous ont-ils confié le contrôle de Vacances Signature?



Parce que *Signature* perdait beaucoup d'argent et que leurs parts de marché s'effritaient continuellement depuis 15 ans.

Les gens de **TUI** nous ont approchés, voici deux ans, mais nous n'étions pas vraiment intéressés. Voici un an, cependant, nous avons réalisé que nous avions besoin de ressources supplémentaires, si nous voulions continuer à

- Associations
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orchestrer notre expansion au même rythme que les dernières années.

Les négociations ont été longues, parce que nous avons impliqué **Scotia Capital**, la division de la **Banque Scotia** qui s'occupe de fusions et acquisitions : une compagnie publique comme TUI a besoin de la caution d'une grande institution financière pour justifier ce genre de transactions auprès de ses actionnaires.

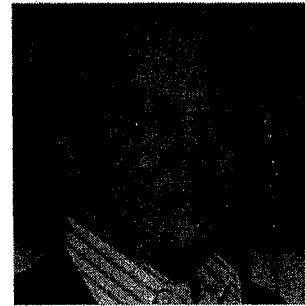
TUI savait que nous avançons rapidement des parts de marché au Canada, alors que leur filiale, Signature, perdait continuellement du terrain. En 1995, Signature faisait voyager 800 000 clients. L'an dernier, ils n'en traitaient plus que 300 000 et, au cours des 15 dernières années, ils avaient accumulé des pertes de 60 M\$.

Au Royaume-Uni, les t.o. n'ont pas changé leurs méthodes pour s'adapter à la concurrence des transporteurs à bas tarifs : ils continuent à vendre des forfaits de sept ou 14 jours, alors que la demande pour des forfaits plus souples croît rapidement. Cela pousse les consommateurs à se tourner vers les *low cost*...

De la même manière, les dirigeants de Signature, au Canada, ne s'adaptent pas aux nouvelles contraintes du marché. Nous avons tiré les leçons de l'expérience européenne : nous avons introduit des forfaits de trois, quatre, 10 et 11 jours, voici quatre ans, et nous en vendons de plus en plus.

« Au Québec, où ils ne faisaient plus voyager que 25 000 personnes en hiver, la marque Vacances Signature ne signifie plus grand-chose! »

Oui, mais les *low cost* sont moins agressifs en Amérique du Nord! Cela ne suffit pas à expliquer les déboires de Signature!



Ils sont moins agressifs, c'est vrai. Mais lorsqu'**Air Canada** ou **WestJet** annoncent des ventes de sièges sur le Sud, nous le sentons passer. Même si, lorsqu'on rajoute les taxes et frais, leurs tarifs ne sont pas si intéressants que ça, il y a des milliers de consommateurs qui s'y laissent prendre.

Combien de personnes Vacances Signature employait-elle et combien en récupérez-vous sur le nombre?

Signature employait environ 300 personnes, dont une trentaine au Québec. Ici, nous en avons gardé un, aux groupes. Pour le reste du Canada, je ne peux pas vous répondre, parce que la restructuration est toujours en cours.

Vous avez annoncé que vous alliez conserver la marque. N'est-ce pas difficile de commercialiser deux marques de front? Transat le fait avec Vacances Transat et Nolitours, mais tout le monde sait bien qu'en fait, il s'agit de la même compagnie...

Les agents de voyages et les membres de l'industrie le savent, mais la majorité des consommateurs l'ignorent. Dans la mesure où Signature est une marque qui signifie encore quelque chose aux yeux des consommateurs, nous serions fous de la saborder. Par contre, nous veillerons à bien différencier les portefeuilles de produits de Sunwing et de Signature.

Et si nous sommes déterminés à conserver la marque, ce n'est pas nécessairement le cas au Québec. Nous la conserverons dans le reste du Canada, où la marque est encore bien implantée. Mais au Québec, où ils ne faisaient plus voyager que 25 000 personnes en hiver, la marque *Vacances Signature* ne signifie plus grand-chose. Il n'est donc pas dit que nous la conservions pour le marché francophone.

« On savait bien que WestJet



*Vacations allait
tenter d'augmenter ses parts de marché,
mais personne ne s'attendait
à ce qu'ils frappent aussi fort. »*

Signature faisait voyager 300 000 consommateurs au Canada et Sunwing 600 000. Quels sont vos objectifs pour les prochaines années?

J'aimerais bien vous dire que notre objectif sera de 1 million de voyageurs pour 2011. Mais on sait que dans le cas de fusions, 2 + 2, ça ne donne pas nécessairement 4. Donc, 600 000 plus 300 000, ça risque de donner 800 000 plutôt que 900 000 ou 1 million. Nous essayerons de faire en sorte que cela donne 1 million, mais cela dépendra de la conjoncture et d'un tas d'autres facteurs.

Continuerez-vous à faire affaire avec d'autres transporteurs que Sunwing Airlines pour acheminer les clients de Signature?

La saison achève et le contrat qui liait Signature à **Air Transat** arrive à terme. Dès cet été, tous les passagers qui achèteront un forfait de Signature voyageront sur **Sunwing Airlines**.

Lorsque vous achetez des sièges à votre principal concurrent, vous jouez avec le danger. Il est normal que ce concurrent soit porté à vous revendre ses sièges à des conditions moins intéressantes qu'il ne le fait à sa filiale grossiste. Cela ne peut pas déboucher sur une relation commerciale heureuse.

Tours Mont-Royal le fait bien depuis des années, tout en restant un joueur important!

Je ne crois pas que cela se fasse dans le cadre d'une relation commerciale heureuse. Pour finir de répondre à votre question, Signature est encore liée pour deux ans à **Skyservice**, dans le reste du Canada. Les dirigeants de ce transporteur nous ont approchés pour nous sonder. Nous allons voir ce que nos discussions avec eux vont donner.

Croyez-vous qu'on verra d'autres consolidations sur le marché canadien?

Thomas Cook perd de l'argent. Ils ne pourront pas continuer longtemps au même rythme. Si j'étais un des dirigeants européens de **Thomas Cook**, j'approcherais **Transat** pour réaliser une fusion et un partenariat du même type que celui que nous venons de finaliser avec **TUI**.

Vous venez de lancer un programme de vols vers l'Europe avec Corsairfly, qui est une des nombreuses filiales de TUI. Mais il s'agit d'un programme relativement modeste, si on le compare à votre opération Sud. Avez-vous l'intention de frapper plus fort l'été prochain et, aussi, de proposer des vols vers l'Europe au départ de Toronto?

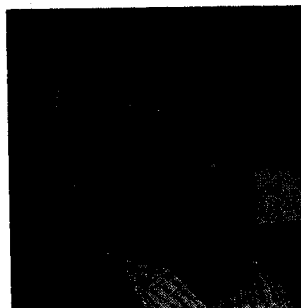
Il s'agit effectivement d'un programme modeste. **Corsairfly** a d'autres bons clients au Québec, notamment **Tours Mont-Royal** et **Skylink**, si bien qu'ils ne pouvaient pas nous attribuer autant de sièges que nous l'aurions voulu.

Nous ne commercialisons pas de vols vers l'Europe au départ de Toronto, cette année, mais cela pourrait changer dès l'an prochain. Le Canada et l'Union européenne viennent de signer un nouvel accord sur le transport aérien, qui prévoit que l'Union européenne sera considérée comme un seul pays. Cela permettra, par exemple, à une compagnie allemande de voler vers le Canada au départ de la France, du Royaume-Uni ou d'un autre pays de la Communauté européenne. Bref, cela confèrera beaucoup plus de souplesse à notre partenaire **TUI** dans le déploiement des flottes de ses différentes compagnies aériennes.

D'ici la fin de l'été, nous aurons une vision plus claire de ce qu'il nous sera permis de faire. Chose certaine, nous sommes déterminés à devenir un joueur important sur l'Europe. Est-ce que ce sera dès l'an prochain? Nous

l'espérons, mais nous voulons nous donner le temps de mettre les choses en place correctement.

« Thomas Cook ne pourra pas continuer à perdre autant d'argent au Canada. Si j'étais un des dirigeants européens de Thomas Cook, j'approcherais Transat pour réaliser une fusion et un partenariat du même type que celui que nous venons de finaliser avec TUI. »



Transat vient de déclarer une perte nette de 13,9 M\$ et une baisse de revenus de l'ordre de 9,7 % pour le trimestre clos le 31 janvier. Avez-vous également enregistré une baisse de revenus pour la même période?

La baisse a affecté nos marges, mais nous n'avons pas enregistré de perte. Nous avons limité les dégâts parce que nous exerçons un contrôle très serré sur nos coûts et que nous avons anticipé une baisse de la demande. Ainsi, nous avons réduit la flotte qui est passée de 14 à 12 appareils pour l'hiver.

La perte essuyée par Transat – et le recul de la demande chez nous – est attribuable, non seulement à une baisse de la demande, mais aussi à un *joker* que personne n'avait vu venir, du moins pas avec une telle vigueur : **WestJet Vacations.**

S'ils ont maintenu un profil plutôt bas au Québec, cela n'a pas été le cas en Ontario et dans l'Ouest canadien où ils ont matraqué le marché à coup d'annonces insérées dans les grands quotidiens et dans les magazines. On savait bien que WestJet Vacations allait tenter d'augmenter ses parts de marché, mais personne ne s'attendait à ce qu'ils frappent aussi fort.

Entretenez-vous des projets d'expansion dans d'autres pays?

Pas en ce moment. Du temps où je travaillais pour **Adventure Tours**, nous avions une antenne à Dallas où nous vendions un hôtel des Bahamas, qui faisait un tabac, aussi bien sur le marché texan qu'au Canada : le **Jack Tarr Village**, sur Grand Bahama.

Le marché de Dallas présente un potentiel intéressant, tout comme d'autres grandes villes du sud des États-Unis, notamment Atlanta et Miami. Mais en ce moment, nous avons largement de quoi nous occuper au Canada, alors il n'est pas question de lancer une offensive à l'étranger. Nous voulons d'abord continuer à prendre de l'expansion au Canada.

Pour prendre encore beaucoup d'expansion, vous aurez besoin de capitaux... Envisagez-vous de devenir une compagnie publique cotée en bourse?

Je n'en vois pas la nécessité actuellement. Notre partenariat avec TUI va nous donner accès à suffisamment de ressources pour que nous ne soyons pas obligés d'aller chercher des capitaux en bourse. Ils ont des avions, des hôtels, des navires de croisières...

André Désiront

Mots clés : Signature , Sunwing , TUI , Hunter ,

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TAB 2B

This is Exhibit "B" to the
Affidavit of Karim Nensi
sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson

ASSIGNMENT AND ASSUMPTION

This "Assignment and Assumption" (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between Roynat Inc. and Integrated Private Debt Fund LP, as Lenders, and Roynat Inc. as Agent (the "Assignors") and Thomas Cook Canada Inc. (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the \$27,250,000 Credit Agreement dated 19 October 2007 among Skyservice Airlines Inc. (formerly 6756140 Canada Inc.) (the "Borrower") as Borrower, the Lenders party thereto as Lenders and Roynat Inc. as Agent (as amended, the "Credit Agreement"). The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration,

- (A) the Assignors hereby irrevocably sell and assign to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignors, subject to and in accordance with the Standard Terms and Conditions, as of the Effective Date (defined below) (i) all of the Assignors' rights and obligations in their capacities as Lenders under the Credit Agreement, including, without limitation, the debt obligations owing by the Borrower to the Assignors under the Credit Agreement (bring \$8,598,919.95 in principal amount), and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Lenders under the facility identified below, (including without limitation any guarantees included in such facility) (ii) all of the Agent's rights and obligations in its capacity as Agent under the Credit Agreement and any other documents or instruments delivered pursuant thereto (including without limitation any guarantees included in such facility) to the extent related to the Agent's rights and obligations as Agent under the Credit Agreement, and (iii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignors (in their capacities as Lenders and Agent, as applicable) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan-transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"), and
- (B) the Assignee hereby, (i) acknowledges and agrees that such sale and assignment is without recourse to the Assignors and, except as expressly provided in this Assignment and Assumption, is made on an "as is - where is" basis and without representation or

- 2 -

warranty, express or implied, statutory or otherwise, made by or on behalf of the Assignors or their officers, directors, employees, agents or representatives, (ii) agrees, concurrently with the execution of this Assignment and Assumption, to pay or cause to be paid to the Assignors by way of bank draft, certified cheque, wire transfer or as the Assignors may direct, the sum of \$8,598,919.95, (iii) acknowledges and agrees that any enforcement of the Assigned Interest shall be carried out in the name of the Assignee only and shall not be carried out in the name of, the Assignors, and (iv) acknowledges and agrees that it is not entitled to rely on any legal opinions or legal advice delivered to the Assignors in connection with the Credit Agreement or the transactions contemplated thereby or on any internal communication between the Assignors other than the opinion delivered by Cassels Brock & Blackwell LLP dated October 19, 2007.

As of the Effective Date, the Agent hereby transfers and assigns to the Assignee all of its rights in its capacity as Agent under the Credit Agreement and the other Loan Documents, including the security documents attached hereto as Schedule A; (b) Roynat Inc. hereby resigns as Agent; and (c) the Assignor is hereby appointed as Agent for all purposes under the Credit agreement and the other Loan Documents and shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Agent and hereby accepts such appointment as Agent. The parties hereto agree that any requirement under the Credit Agreement that the assigning Agent provide prior notice of its resignation as Agent is hereby waived.

Coincident with the execution and delivery of Assignment and Assumption, the Assignors shall, at the sole cost of the Borrower, cause to be effected any and all required registrations to record the assignment of the Assigned Interest including without limitation, (a) the registration of financing change statements under the *Personal Property Security Act* (Ontario), and (b) the registration of a transfer of collateral mortgage under the *Land Registration Reform Act* (Ontario).

In addition, the parties shall execute and deliver any and all such further documents, in registerable form, where required or appropriate as the other party reasonably requests in order to give further effect to this Assignment and Assumption provided that any such further documents executed by or on behalf of the Assignors shall be at the sole expense of the Borrower.

Each of the parties acknowledges and agrees that as of the Effective Date, the Assignors shall no longer be responsible for the performance of any of their respective obligations contained in the Credit Agreement or any document delivered under or in connection therewith.

This Assignment and Assumption shall be binding and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

By executing this Assignment and Assumption, the Borrower consents to the foregoing.

Effective Date: February 12, 2010

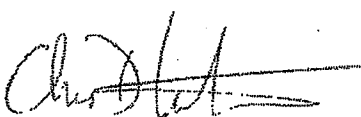
The terms set forth in this Assignment and Assumption are hereby agreed to:

Address for Notice

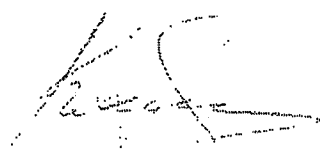
Roynat Inc.
5160 Yonge Street
Suite 1000
Toronto, Ontario
M2N 6L9

Attention: _____
Fax No.: 416-229-4760

ROYNAT INC., as Agent

By: 

Name: CHRIS LENTHWAIT
Position: ASSOCIATE DIRECTOR



KEN KNEPP
DIRECTOR, RISK MANAGEMENT

Address for Notice

Roynat Inc.
5160 Yonge Street
Suite 1000
Toronto, Ontario
M2N 6L9

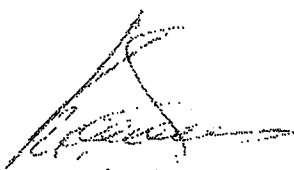
Attention: _____
Fax No.: 416-229-4760

ROYNAT INC., as Lender

By: 

Name: CHRIS LEWTYNAITE

Position: ASSOCIATE DIRECTOR



KEN FARROW

DIRECTOR, FISE MANAGEMENT

Address for Notice

Integrated Private Debt Fund
LP

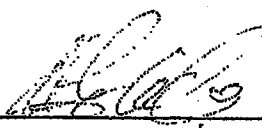
70 University Avenue
Suite 1200
Toronto, Ontario
M5J 2M4

Attention: Michael McClair
Fax No.: 416-367-2594

INTEGRATED PRIVATE DEBT FUND
LP, by its general partner, Integrated Private
Debt Fund GP Inc., as Lender

By:  _____

Name: P.S. Robson
Position: A.S.O.

By:  _____

Name: Michael McClair
Position: A.S.O.

Address for Notice

Thomas Cook Canada Inc.
75 Eglinton Avenue East
Toronto, ON
M4P 3A4

THOMAS COOK CANADA INC.

By: _____

Name:

Position:

[Handwritten Signature]
Karim Nensi
CFO

Attention: Karim Nensi, CFO
Fax No.: 416-482-5926

By: _____

Name:

Position:

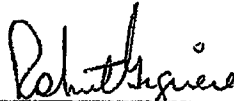
For agreed consideration, each of the undersigned hereby acknowledges and agrees to the foregoing Assignment and Assumption and agrees that, as of the Effective Date, it absolutely and irrevocably releases each of the Assignors, its officers, directors, employees, agents and representatives (the "Releasees") of and from any and all claims which they may now or hereafter have in respect of the Releasees including, without limitation, any actions taken by the Assignors in dealing with the Borrower, the Guarantors or the Credit Agreement.

Address for Notice

31 Fasken Drive
Toronto, ON M9W 1K6

SKYSERVICE AIRLINES INC.

By:



Attention: Legal Department

Fax No.: (416) 679-5912

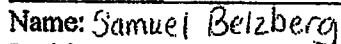
Name: Robert Enguere

Position: President & CEO

Address for Notice

6761551 CANADA INC.

By:



Attention:

Fax No.:

Name: Samuel Belzberg

Position:

Address for Notice

SKYSERVICE AIRLINES LIMITED

By:



Attention:

Fax No.:

Name: Sabah Hirza

Position: Secretary

Address for Notice

SKYSERVICE AIRLINES INC.

By:

Attention:
Fax No.:

Name:
Position:

Address for Notice

6761551 CANADA INC.

By:

Attention:
Fax No.:

Name: Samuel Beitzberg
Position:

Address for Notice

SKYSERVICE AIRLINES LIMITED

By:

Attention:
Fax No.:

Name:
Position:

ANNEX 1 to Assignment and Assumption
STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.
 - 1.1 Assignors. Each of the Assignors (a) represents and warrants that (i) it is the legal and beneficial owner of its Assigned Interest, (ii) its Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.
 - 1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become the sole Lender and Agent under the Credit Agreement, (ii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement (as such agreement may be amended, modified, supplemented or modified from time to time, including immediately after the effective time of this Assignment and Assumption) as the sole Lender and Agent thereunder and shall have the obligations of the sole Agent and Lender thereunder, (iii) it has received a copy of the Credit Agreement, together with copies of all such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any Lender; and (b) agrees that (i) it will, independently and without reliance on the Assignors, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as the sole Lender and Agent.
2. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

Schedule "A" - Security to Remain in Place

SCHEDULE "A"**SECURITY**

(all documents are dated on or as of 19 October 2007 unless otherwise noted)

1. General Security Agreement given by 6756140 Canada Inc. (a predecessor by amalgamation to SAI "Holdco") in favour of the Agent
2. Guarantee of debts, liabilities and obligations of Holdco given by 6761551 Canada Inc. ("676") in favour of the Administrative Agent
3. General Security Agreement given by 676 in favour of the Administrative Agent
4. Guarantee of debts, liabilities and obligations of Holdco given by 6806929 Canada Inc. (a predecessor by amalgamation to SAI "629") in favour of the Administrative Agent
5. General Security Agreement given by 629 in favour of the Administrative Agent
6. Guarantee of debts, liabilities and obligations of Holdco given by Skyservice Airlines Inc. ("SAI") in favour of the Administrative Agent
7. Demand Debenture in the principal amount of \$27,500,000 given by SAI in favour of the Administrative Agent charging real property located at 31 Fasken Drive, Toronto, excluding leasehold property located at 6932 Vanguard Drive, Mississauga (excluding Hangars 6 and 6A at Pearson International Airport)
8. Demand Debenture in the principal amount of \$27,500,000 given by SAI in favour of the Administrative Agent charging real and leasehold property located at 6932 Vanguard Drive, Mississauga (Hangars 6 and 6A at Pearson International Airport)
9. General Security Agreement given by SAI in favour of the Administrative Agent
10. Intellectual Property Security Agreement given by SAI in favour of the Administrative Agent
11. Assignment of Material Contracts given by SAI in favour of the Administrative Agent
12. Agreement to Assign Life Insurance between Rob Giguere as Insured, SAI as Grantor and the Administrative Agent
13. Pledge Agreement given by SAI in favour of the Administrative Agent with respect to shares of Skyservice Airlines Limited ("SAL") and 4366794 Canada Inc. ("436")
14. Guarantee of debts, liabilities and obligations of Holdco given by SAL in favour of the Administrative Agent
15. Guarantee of debts, liabilities and obligations of Holdco given by 436 in favour of the Administrative Agent

- 2 -

16. **General Security Agreement given by 436 in favour of the Administrative Agent**
17. **Consent from GTAA dated 27 September 2007**
18. **Tri-Party Agreement among Greater Toronto Airports Authority ("GTAA"), SAI and the Administrative Agent**
19. **Acknowledgment and Confirmation by SAI in favour of the Administrative Agent and the Lenders**
20. **Pledge Agreement given by 676 in favour of the Administrative Agent with respect to shares of SAI**
21. **Confirmation of Security Interest in Trade-Marks dated 1 November 2007 by SAI to the Canadian Intellectual Property Office in favour of the Administrative Agent**
22. **Acknowledgement Letter Re: Royal Bank of Canada Letters of Credit**

TAB 2C

This is Exhibit "C" to the
Affidavit of Karim Nensi
sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson

AMENDED AND RESTATED CREDIT AGREEMENT

Dated February 12, 2010

BETWEEN:

SKYSERVICE AIRLINES INC. (the "Borrower")

- and -

THOMAS COOK CANADA INC. (the "Lender" and the Agent)

RECITALS:

- A. The Borrower (formerly 6756140 Canada Inc.), Roynat Inc. and Integrated Private Debt Fund LP, as lenders, and Roynat Inc. as agent are party to a credit agreement dated as of October 19, 2007 (as amended, varied, supplemented, restated, renewed or replaced to the date hereof, the "Original Credit Agreement");
- B. The rights of Roynat Inc. and Integrated Private Debt Fund LP, as lenders, and Roynat Inc. as agent under the Credit Agreement have been assigned to the Lender and the Agent, as the case may be immediately prior to the execution and delivery of this agreement, on February 12, 2010 (the "Assignment");
- C. The parties hereto wish to amend and restate the Credit Agreement pursuant to the terms hereof.

The parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.01 Definitions

In this agreement, in addition to the terms defined above, the following definitions apply:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such first-mentioned Person. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise; provided that, in any event for purposes of this definition, any Person that owns, directly or indirectly, 25% or more of the securities having the ordinary voting power for the election of directors or governing body of a corporation or 25% or more of the partnership or other ownership interests of any other Person (other than as a limited

- 2 -

partner of such other Person) will be deemed to control such corporation or other Person.

"Business Day" means a day other than a Saturday, a Sunday or any other day on which the principal chartered banks located in Toronto, Ontario are not open for business.

"Escrow Funds" has the meaning given thereto in the Forbearance Agreement.

"Forbearance Agreement" means the forbearance agreement entered into on January 29, 2010 by the Borrower, Roynat Inc. and Integrated Private Debt Fund LP, as lenders, and Roynat Inc. as agent, Gibralt, 6761551 Canada Inc. and Skyservice Airlines Limited.

"Gibralt" means Gibralt Capital Corporation.

"Guarantors" means 6761551 Canada Inc and Skyservice Airlines Limited

"Identified Persons" means any of Johnny Ciampi, Robert Giguere, Graham Bailey, Sabah Mirza or Jamie Farrar.

"Loan Document" means this Agreement, the Security, the Subordination Agreement and any other agreement entered into in connection with this Agreement.

"Notice" means any notice, request, direction or other document that a party can or must make or give under this agreement.

"Obligor" means the Borrower and the Guarantors.

"Person" includes any individual, corporation, company, partnership, governmental body, joint venture, association, trust or any other entity.

"Priority Payables" means, with respect to any Obligor, any amount payable by such Obligor which is secured by a lien in favour of a governmental authority which ranks or is capable of ranking prior to or pari passu with the liens in favour of the Secured Parties created by the Security, including amounts owing for wages, vacation pay, severance pay, employee deductions, sales tax, excise tax, workers compensation, government royalties, pension fund obligations, real property tax and other statutory or other claims that have or may have priority over, or rank pari passu with, such liens created by the Security.

"Related Party" means any direct or indirect shareholder (including for greater certainty the direct shareholders of 6761551 Canada Inc.) of the Borrower or any Affiliate of any such shareholder, together with the respective directors, officers, employees, agents and advisors of such shareholders and Affiliates.

"Secured Parties" means the Lender and the Agent.

"Tui" means Sunwing Travel Group Inc. TUI Travel PLCTUI Canada Holdings Inc. and Sunwing Tours Inc.

1.02 Headings; Internal References

The headings used in this agreement, and its division into articles, sections, schedules, and other subdivisions, do not affect its interpretation. References in this agreement to articles, sections, schedules, and other subdivisions are to those parts of this agreement.

1.03 Number and Gender

Unless the context requires otherwise, words importing the singular number include the plural and *vice versa*; words importing gender include all genders.

1.04 Calculation of Time

In this agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. Toronto, Ontario time on the last day of the period. If any period of time is to expire, or any action or event is to occur, on any day that is not a Business Day, the period expires, or the action or event is considered to occur, at 5:00 p.m. Toronto, Ontario time on the next Business Day.

1.05 Schedules

The following are the schedules to this agreement:

Schedule A	-	Security to Remain in Place
Schedule B	-	Form of Subordination Agreement
Schedule C	-	Agreed Payments
Schedule D	-	Flight Schedule
Schedule E	-	Corporate Structure
Schedule F	-	Closing Items

ARTICLE 2

2.01 Indebtedness.

The Borrower acknowledges itself indebted and agrees to pay to the Lender the sum of Eight million five hundred and ninety-eight thousand, nine hundred and nineteen Dollars and ninety-five cents (\$8,598,919.95) (the "Principal Sum") in lawful money of Canada, being the amount of all Obligations (as defined in the Original Credit Agreement), owing as of the date hereof, at the office of the Lender at the address noted in Section 3.03 or such other place as the Lender may designate in writing. The Principal Sum shall be payable to the Lender on the earlier of: (a) March 30, 2010; and (b) the date the indebtedness of the Borrower to the Lender otherwise becomes due and payable as provided herein (the "Maturity Date"). As of the date hereof, the Principal Sum is the only amount owing by the Borrower to the Lender under this Agreement. The Principal Sum and other amounts that may be owing from time to time hereunder by the

- 4 -

Borrower to the Lender, including all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to the Lender arising under the Loan Documents, (collectively, the "Obligations") shall not bear interest at any time. The Borrower may not prepay the Principal Sum in whole or in part at any time prior to the Maturity Date unless it has the prior written consent of the Lender.

2.02 Discharge.

Upon irrevocable and indefeasible payment in full by the Borrower of all Obligations, without any reduction or abatement, this agreement shall terminate and the Lender shall, on request therefor by the Borrower, forthwith discharge all registrations in respect of this agreement or any security or other agreement delivered in connection herewith, but until that time this agreement shall remain in full force and effect despite the repayment or satisfaction from time to time of any part of the Obligations. If the Lender is required under applicable law to turn over or otherwise pay to the Borrower or any other Person, or to the estate of the Borrower any amount received by the Lender from the Borrower in payment of the Obligations, then the Obligations shall be reinstated to the extent of such amount and the Lender shall have all rights and remedies under this Agreement and the Loan Documents in respect of such amounts and this Agreement shall be reinstated in full force and effect so as to permit the Lender to exercise its rights and remedies with respect to such amount.

2.03 Representations and Warranties

The Borrower represents and warrants

(a) The execution, delivery and performance of this Agreement is within its constitutive powers, has been duly authorized by all necessary constitutive action, and do not (i) contravene its constitutive documents, (ii) violate any applicable law, order, writ, judgment, injunction, decree, determination or award. This Agreement is a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms;

(b) The Borrower (i) is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, (ii) is duly qualified and in good standing in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed, and (iii) has all requisite power and authority (including, without limitation, all governmental licenses, permits and other approvals) to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted. Attached hereto as Schedule E is a corporate chart setting out the direct and indirect subsidiaries as well as the sole direct shareholder of the Borrower and the direct shareholders of the Borrower's shareholder; and

(c) the Security creates a legal, valid and enforceable security interest in favour of the Secured Parties subject to the qualifications and assumptions of the legal opinion of Cassels Brock & Blackwell LLP dated October 19, 2007, delivered to the Agent and Lenders (as defined in the Original Credit Agreement), as security for the Obligations, subject only to Permitted Liens (as defined in the Original Credit Agreement).

2.04 Covenants.

Provided the Lender has not defaulted in making any of the Agreed Payments as required hereunder, and so long as any Obligations remain outstanding, the Borrower agrees:

- 5 -

- (a) not to make any distributions, transfer any property, pay any dividends, pay any bonuses or any management, consulting or similar fee or make any other type of payment, loan or advance to any other Obligor or any Related Party prior to March 31, 2010 save for (i) salary payments made to Rob Giguere in the ordinary course and (ii) payments made to GLC Holdings Inc. on account of management fees and in accordance with past practice, not to exceed \$16,667 in any calendar month;
- (b) to engage FTI Consulting Canada Inc. (the "Independent Consultant") to monitor the cash and payables position of the Borrower (provided that the scope of the Independent Consultant's engagement may be expanded at the request of the Lender acting reasonably). The Borrower will cooperate with the Independent Consultant and provide to the Independent Consultant in a timely manner all information reasonably required by the Independent Consultant for such purpose. The Borrower will permit the Lender to have full access to all information delivered to, or obtained or created by the Independent Consultant in connection with such engagement, provided that the Lender shall (in consultation with the Borrower prior to an Event of Default), also be entitled to appoint its own financial advisor, at the expense of the Lender;
- (c) the Borrower shall ensure that the Independent Consultant, its other advisors and the Borrower's management are available to meet with and respond to enquiries and information requests from the Lender and its advisors and consultants, as reasonably required (but no less frequently than [once per week]) to discuss and provide them with updates as to the business and affairs of the Borrower and to provide information or commentary on such other matters as the Lender may reasonably request;
- (d) to ensure that the Lender receives at least twenty-four (24) hours prior notice of, and is invited to attend as an observer, all meetings of the board of directors of the Borrower, and that the Lender will receive copies of all materials provided to the board of directors in advance of such meetings, and copies of all written consent resolutions not later than 2 Business Days following execution thereof;
- (e) the Borrower shall ensure that the Lender is given prompt notice of any discussions with Borrower's counsel or its advisors with respect to any proposed or contemplated proceedings described in Section 2.06(b) or (c) together with copies of any draft orders, affidavits or other materials in connection with such proposed proceedings to be provided to the Lender contemporaneously with any such drafts provided to the Borrower; and
- (f) Borrower shall ensure that no information or reports furnished by or on behalf of the Borrower (including by senior management of the Borrower, but excluding by the Independent Consultant) to the Lender from time to time shall contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances in which any such statements were made, not misleading.

2.05 Payment of Tariffs

The Lender has agreed to pay its tariffs to the Borrower in the amounts and at such times as set out in Schedule C hereto (the "Agreed Payments") without (and free and clear of any deduction for) any set-off or counterclaim against the Obligations.

2.06 Default

The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

- (a) if default occurs in payment when due of any principal or other amounts payable under this agreement;
- (b) a decree or order of a court is entered, or a proceeding, petition, application or motion is instituted, a step is taken by or against the Borrower or any Obligor (collectively referred to in this section as the "Borrower") (including any action taken by any shareholder of the Borrower) seeking, or a corporate resolution is passed that would authorize, consent to or approve, or the Borrower consents to, acquiesces to or approves of, such step, proceeding, petition, application, motion decree or order:
 - (i) adjudging the Borrower bankrupt under the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or a bankruptcy order issuing under the BIA,
 - (ii) making of an assignment in bankruptcy, filing a notice of intention to file a proposal or a proposal under the BIA,
 - (iii) seeking or permitting a winding up or liquidation of the Borrower under the *Winding-Up and Restructuring Act* (Canada),
 - (iv) becoming a company to which the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") applies, seeks relief or otherwise takes any protection of or has an order made under the CCAA,
 - (v) admits in writing its inability to pay its debts generally as they become due,
 - (vi) having a sequestration or process of execution against all or substantially all of or a material portion of rights, property, assets or undertaking of the Borrower (the "Property"), including any aircraft, aircraft engine or related parts;
 - (vii) the appointment of a trustee, provisional liquidator, liquidator, custodian, private or court appointed receiver, receiver and manager, interim receiver, interim receiver and manager (or any other officer or agent with similar powers) of the Borrower, or of all or substantially all of the Property,
 - (viii) makes an assignment for the general benefit of creditors,

- (ix) applies, files, proposes or makes an arrangement, reorganization, or dissolution under any corporate statute,
- (x) seeks relief, protection or application under any Provincial, Federal or other statute or law in respect of relief from creditors, bankruptcy, insolvency, winding up, liquidation or analogous laws

provided however, that it shall not be an Event of Default hereunder if the Borrower (i) take any steps in furtherance of any event enumerated in this paragraph (b), so long as (1) the Lender is given prior notice of any such steps and (2) such steps are not taken in furtherance of the implementation, prior to March 31, 2010, of any such events.

- (c) if any act, matter or thing is done toward, or any action or proceeding is launched or taken to terminate the corporate existence of the Borrower, whether by winding-up, surrender of charter or otherwise;
- (d) if any Identified Person threatens that the Borrower will cease to carry on its business, or if the Borrower ceases to carry on its business or makes or proposes to make any sale of its assets in bulk; and if the Borrower sells or otherwise dispose of any assets out of the ordinary course of business;
- (e) the Borrower (1) fails to pay its obligations arising in the ordinary course when due (other than a failure to make a payment which does not negatively impact the operation of the business of the Borrower and provided that such failure to pay is disclosed in the weekly cash flows provided to the Lender) or (2) fails to pay and discharge promptly all Priority Payables when due and all payments in respect of aircraft leases and maintenance reserves for aircraft operated by an Obligor on behalf of the Lender when due, and in each case under sub paragraphs (1) and (2), such failure continues unremedied for more than 1 Business Day;
- (f) the Borrower fails to return or redeliver any aircraft, aircraft engines or related parts or equipment in accordance with the terms of the leasing agreements to which the Borrower is party (as such agreements may be amended from time to time) in respect of the aircraft having the following tail numbers: 757/FAN, 757/FLA, 757/ULD, 320/ZAZ, 320/OJZ, 320/UEW, unless such failure results from an inability to return or redeliver such aircraft, aircraft engines or related parts or equipment due to a bona fide maintenance problem and so long as the Borrower is actively and diligently addressing such maintenance problem and completes the return forthwith following resolution of such maintenance problem;
- (g) subject to the terms of the charter agreements then in effect between the Borrower and the Lender, Borrower fails to maintain flights in accordance with Schedule D attached hereto;
- (h) if the Borrower enters into or consents to any merger, amalgamation, consolidation, reorganization, recapitalization, sale or any other transaction that would result in any change of control or ownership of the Borrower, except with the prior written consent of the Lender;

- 8 -

- (i) any representation or warranty made by the Borrower (or any of its officers) in this Agreement or any Loan Document shall prove to have been incorrect in any material respect when made or deemed made; or
- (j) any challenge is made by any Obligor to the validity of any Loan Document or the applicability or enforceability of any Loan Document or which seeks to void, avoid, limit, or otherwise adversely affect the security interest created by or in any Loan Document or any payment made pursuant thereto.

The parties agree that notwithstanding the terms of any of the Security, the foregoing will be the only events of default in respect of the Obligations and the Security. Subject to the terms of the Subordination Agreement, if an Event of Default occurs, then the whole of the Obligations remaining unpaid shall be immediately due and payable, without any further requirement for notice or demand.

2.07 Security and Escrow Funds

The parties hereto acknowledge and agree that all guarantees and security granted by the Borrower or any other Obligor, including without limitation the security listed in Schedule "A" hereto (the "Security") will continue in full force and effect as security for the Obligations of the Borrower or the Obligors, as the case may be. The Forbearance Agreement, shall, from and after the date hereof, be terminated and of no further force or effect. The Escrow Funds transferred to Thornton Grout Finnigan LLP (the "Escrow Agent") in escrow pursuant to Section 11 of the Forbearance Agreement shall (i) be released to the Lender on the occurrence of a Termination of Subordination Event, as defined in the Subordination Agreement, or (ii) be released to Gibralt on March 31, 2010 provided the Escrow Funds have not been previously released pursuant to Section 2.07(i) hereof. If the Escrow Funds are to be released pursuant to Section 2.07(i) hereof, the Escrow Agent shall release such funds upon receipt of a written direction jointly signed by Gibralt and Lender. The Lender, the Borrower and Gibralt agree to sign (or cause to be signed) all further documents or do (or cause to be done) all further acts and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to the release of the Escrow Funds as contemplated herein.

2.08 Subordination

The Lender has agreed to execute and deliver a Subordination Agreement in the form attached hereto as Schedule "B" (the "Subordination Agreement") contemporaneously with the execution and delivery of this amended and restated credit agreement.

2.09 Good Faith Negotiations

The parties agree to negotiate in good faith toward a long-term renewal of the existing business relationship between the Borrower and the Lender, which may include an equity investment by the Lender in the capital of the Borrower, all on terms mutually satisfactory to each party.

2.10 Confidentiality

The parties agrees to maintain the confidentiality of Information, except that Information may be disclosed (a) to the extent requested by any regulatory authority that has jurisdiction over it, (b) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (c) in connection with the exercise of any remedies hereunder or under any Security,

- 9 -

or (d) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Lender on a non-confidential basis from a source other than the Borrower. For purposes of this Section, "Information" means all information received in connection with this agreement from the Borrower or its affiliates relating to the Borrower or any of its subsidiaries or any of their respective businesses or prospects, and includes the terms of this agreement as well as the fact that this agreement has been entered into and that Lender has taken an assignment of the Credit Agreement. The Lender agrees that so long as there is no Event of Default, it will not without the consent of the Borrower take any action, directly or indirectly, to encourage, initiate or engage in discussions or negotiations with, or provide any information to Tui, or any Affiliate of Tui, concerning the business or affairs of the Borrower (other than as required by law in connection with any enforcement of security or remedies hereunder or under the Loan Documents). The Borrower agrees that it will advise the Lender of any action taken by or on behalf of the Borrower, directly or indirectly, to encourage, initiate or engage in discussions or negotiations with, or provide any information to Tui, or any Affiliate of Tui, concerning the business or affairs of the Borrower other than in the ordinary course of business.

2.11 Confirmation and Acknowledgment

The Borrower and the Guarantors confirm and acknowledge that the obligations and liabilities of the Borrower owing to the original lenders under the Original Credit Agreement have been assigned to the Lender, that such obligations and liabilities remain obligations of the Borrower (and that the Lender has no obligation to advance further funds to the Borrower) and that the security and other Loan Documents granted by the Borrower and Guarantors have been assigned to Thomas Cook Canada Inc. as Agent for itself as Lender.

Without limiting the generality of the foregoing the Guarantors confirm and agree that the guarantees granted by them:

- (a) Have not been released, discharged or otherwise affected by the Assignment or the execution, delivery or performance of this Agreement;
- (b) remain in full force and effect as a legal, valid and binding obligation of such Guarantor and shall not be subject to any set-off or counterclaim; and
- (c) are hereby ratified and reaffirmed as continuing guarantees of payment and performance of all Obligations of the Borrower to the Lender and the Agent.

Each Obligor further confirms and agrees that the Security granted by it:

- (d) has not been released, discharged otherwise affected by the Assignment execution, delivery or performance of this Agreement;
- (e) remains in full force and effect as a legal, valid and binding obligation of such Obligor and that no Obligor shall take any steps or actions to challenge the validity, enforceability or priority of the Security, and
- (f) secures, without interruption or impairment of any kind, all indebtedness, liabilities and obligations owing to the Agent and Lender by such Obligor under

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this Agreement and the Guarantees, as applicable, and any other Loan Document.

The parties agree that all references in the Security or any other Loan Document to (i) the "Credit Agreement" shall be deemed to include references to this Agreement and (ii) to the "Secured Parties", the "Lenders" or the "Agent" shall mean Thomas Cook Canada Inc., together with its successors and assigns, in such capacities.

ARTICLE 3 MISCELLANEOUS

3.01 Conditions to Effectiveness

The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

- (a) this Agreement shall have been executed and delivered by a duly authorized officer of each Obligor;
- (b) delivery of the documents and completion of the other deliveries set forth in the agenda attached hereto as schedule F, in connection with the Assignment.

3.02 Entire Agreement; Amendment

From and after the date hereof, this agreement is and shall for all purposes be deemed to be an amendment and restatement of the provisions of the Credit Agreement. This agreement and the Security shall, from and after the date hereof, supersede all prior agreements, undertakings, declarations, commitments, representations, written or oral, in respect thereof. All such other agreements, undertakings, declarations, commitments, representations, written or oral, shall be terminated and of no force or effect. This agreement does not constitute a novation of the Credit Agreement. The Lender and the Borrower agree and acknowledge that they are (and may be) party to other commercial agreements and arrangements with one another, apart from this Credit Agreement and the Obligations hereunder, including aircraft charter arrangements and, leasing arrangements, and this Agreement shall not affect or impact such other agreements and arrangements, or the parties rights and remedies thereunder.

3.03 Notice

In order to be effective, any Notice must be in writing. A Notice is effective if it is delivered (i) personally, either to the individual designated below for such party, or to an individual having apparent authority to accept deliveries on behalf of such individual at its address set out below; (ii) by fax, or (iii) by registered mail, at or to the applicable addresses set out opposite the party's name below or at or to such other address for a party as such party from time to time designates to the other parties in the same manner:

if to the Lender:

Thomas Cook Canada Inc.
75 Eglinton Avenue East
Toronto, ON
M4P 3A4

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Attention: Karim Nensi, Chief Financial Officer
Telecopier: (416) 482-5926

With a copy to:
Osler Hoskin & Harcourt, LLP
100 King Street West
1 First Canadian Place
Suite 6100, P.O. Box 50
Toronto, Ontario
M5X 1B8
Attention: Terrence Burgoyne
Telecopier: (416) 862-6666

and if to the Borrower:
Skyservice Airlines Inc.
31 Fasken Drive
Etobicoke, Ontario
M9W 1K6
Attention: Legal Department
Telecopier: (416) 679-5912

With a copy to:
Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3C2
Attention: Lawrence Wilder
Telecopier: (416) 350-6904

Any Notice is effective (i) if personally delivered as described above, on the day of delivery if that day is a Business Day, and it was delivered before 5:00 p.m. local time in the place of delivery or receipt, and otherwise on the next Business Day; or (ii) if sent by fax, on the day of transmission, if that day is a Business Day and the fax transmission was made before 5:00 p.m. local time in the place of delivery or receipt, and otherwise on the next Business Day; or (iii) if by registered mail, on the fourth Business Day following the day on which it is mailed, except that if at any time between the date of mailing and the fourth Business Day thereafter there is a general discontinuance or disruption of postal service, Notice must be given by means other than mail.

3.04 Severability

The invalidity or unenforceability of any particular provision of this agreement will not affect or limit the validity or enforceability of the remaining provisions.

3.05 Binding Effect; Assignment

This agreement enures to the benefit of and binds the parties' respective successors and permitted assigns. This agreement may not be assigned by any of the parties without the consent of the other parties.

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3.06 Further Assurances

Each party, upon request by another party, shall sign (or cause to be signed) all further documents or do (or cause to be done) all further acts and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to the transactions contemplated by this agreement.

3.07 Governing Law

This agreement is governed by, and is to be interpreted, construed and enforced in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario, excluding any rule or principle of conflicts of law that may provide otherwise.

3.08 Jurisdiction

The parties irrevocably attorn to the jurisdiction of the courts of Ontario, which will have non-exclusive jurisdiction over any matter arising out of this agreement.

3.09 Waiver

No waiver of satisfaction of a condition or non-performance of an obligation under this agreement is effective unless it is in writing and signed by the party granting the waiver. No waiver under this section affects the exercise of any other rights under this agreement.

3.10 Effective Date

This agreement is effective as of the date shown at the top of the first page, even if any signatures are made after that date.

3.11 Counterparts

This agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document. Counterparts may be transmitted by fax or in electronically scanned form. Parties transmitting by fax or electronically will also deliver the original counterpart to the other parties, but failure to do so does not invalidate this agreement.

This agreement has been executed by the parties.

[Intentionally Left Blank]

SKYSERVICE AIRLINES INC., as Borrower

By:

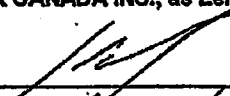
Robert Giguere
Name: Robert Giguere
Title: President & CEO

THOMAS COOK CANADA INC., as Lender

By:

Name:

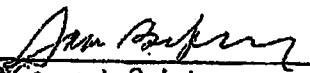
Title:



Hassan Nandi
CFO

6781651 CANADA INC., as Guarantor

By:



Name: Samuel Belzberg

Title: President.

**SKYSERVICE AIRLINES LIMITED, as
Guarantor**

By:



Name: Sabah Mirza

Title: Secretary

Schedule "A" - Security to Remain in Place

SCHEDULE "A"**SECURITY**

(all documents are dated on or as of 19 October 2007 unless otherwise noted)

1. General Security Agreement given by 6756140 Canada Inc. (a predecessor by amalgamation to SAI "Holdco") in favour of the Agent
2. Guarantee of debts, liabilities and obligations of Holdco given by 6761551 Canada Inc. ("676") in favour of the Administrative Agent
3. General Security Agreement given by 676 in favour of the Administrative Agent
4. Guarantee of debts, liabilities and obligations of Holdco given by 6806929 Canada Inc. (a predecessor by amalgamation to SAI "629") in favour of the Administrative Agent
5. General Security Agreement given by 629 in favour of the Administrative Agent
6. Guarantee of debts, liabilities and obligations of Holdco given by Skyservice Airlines Inc. ("SAI") in favour of the Administrative Agent
7. Demand Debenture in the principal amount of \$27,500,000 given by SAI in favour of the Administrative Agent charging real property located at 31 Fasken Drive, Toronto, excluding leasehold property located at 6932 Vanguard Drive, Mississauga (excluding Hangars 6 and 6A at Pearson International Airport)
8. Demand Debenture in the principal amount of \$27,500,000 given by SAI in favour of the Administrative Agent charging real and leasehold property located at 6932 Vanguard Drive, Mississauga (Hangars 6 and 6A at Pearson International Airport)
9. General Security Agreement given by SAI in favour of the Administrative Agent
10. Intellectual Property Security Agreement given by SAI in favour of the Administrative Agent
11. Assignment of Material Contracts given by SAI in favour of the Administrative Agent
12. Agreement to Assign Life Insurance between Rob Giguere as Insured, SAI as Grantor and the Administrative Agent
13. Pledge Agreement given by SAI in favour of the Administrative Agent with respect to shares of Skyservice Airlines Limited ("SAL") and 4366794 Canada Inc. ("436")
14. Guarantee of debts, liabilities and obligations of Holdco given by SAL in favour of the Administrative Agent
15. Guarantee of debts, liabilities and obligations of Holdco given by 436 in favour of the Administrative Agent

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16. General Security Agreement given by 436 in favour of the Administrative Agent
17. Consent from GTAA dated 27 September 2007
18. Tri-Party Agreement among Greater Toronto Airports Authority ("GTAA"), SAI and the Administrative Agent
19. Acknowledgment and Confirmation by SAI in favour of the Administrative Agent and the Lenders
20. Pledge Agreement given by 676 in favour of the Administrative Agent with respect to shares of SAI
21. Confirmation of Security Interest in Trade-Marks dated 1 November 2007 by SAI to the Canadian Intellectual Property Office in favour of the Administrative Agent
22. Acknowledgement Letter Re: Royal Bank of Canada Letters of Credit

Schedule "B" – Form of Subordination Agreement

REMOVED

518 519

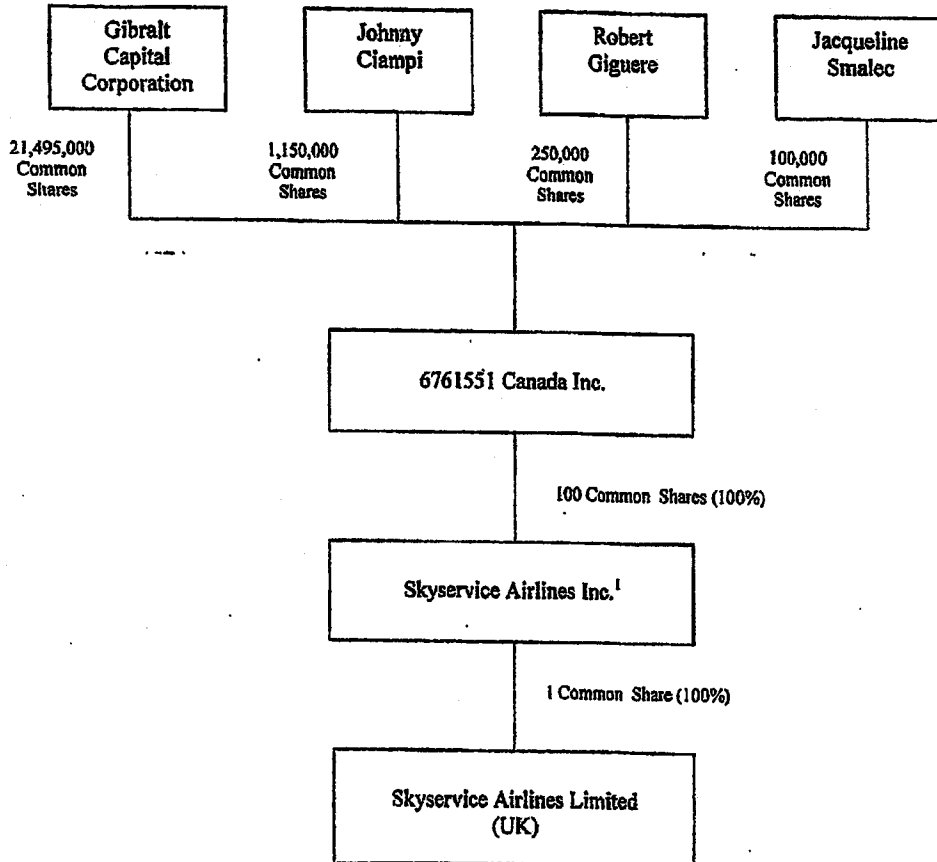
Schedule "C" - Agreed Payments

REMOVED

Schedule "D" - Flight Schedule

REMOVED

Schedule "E" – Corporate Structure



¹ formed by amalgamation of 6756140 Canada Inc. and Skyservice Airlines Inc. (previously formed by amalgamation of 6806929 Canada Inc. and Skyservice Airlines Inc. per plan of arrangement)

Schedule "F" - Closing Items

CLOSING AGENDA

**ASSIGNMENT AND ASSUMPTION BY THOMAS COOK CANADA INC. OF DEBT
AND SECURITY RELATING TO \$27,250,000 CREDIT FACILITY BETWEEN
ROYNAT INC. AND SKYSERVICE AIRLINES INC.**

February 12 , 2010

PARTIES:

Skyservice Airlines Inc. ("Skyservice")

6761551 Canada Inc. ("6761551")

Roynat Inc. ("Roynat")

Integrated Private Debt Fund LP ("Integrated")

Gibralt Capital Corporation ("Gibralt")

Thomas Cook Canada Inc. ("Thomas Cook")

Cassels Brock & Blackwell LLP, Counsel to Skyservice and 6761551 ("CBB")

Borden Ladner Gervais LLP ("BLG"), Counsel to Roynat and Integrated

Osler, Hoskin & Harcourt, Counsel to Thomas Cook ("Osler")

	Document	Responsibility	Executed By	Status
1.	Amended and Restated Credit Agreement	CBB	Skyservice Thomas Cook 6761551	Complete
2.	Assignment and Assumption Agreement	CBB	Skyservice 6761551 Roynat Integrated Thomas Cook	Complete
3.	Payment for the Assigned Loan	Thomas Cook	N/A	Complete

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	Document	Responsibility	Executed By	Status
4.	Receipt / Confirmation of Funds	Roynat Integrated	N/A	Complete
5.	Subordination Agreement	CBB	Skyservice Thomas Cook Gibralt	Complete
6.	[Direction Re: Escrow Funds]	CBB		Post-Closing
7.	Delivery of Share Certificates representing pledged shares and associated transfer powers executed in blank	Roynat	N/A	Post-Closing
8.	Certificate of Insurance	CBB	Insurers	Post-Closing
9.	Registered transfer of the mortgage on the owned property registered as Instrument No. AT1610265	Osler / CBB	N/A	Post-Closing
10.	Registered transfer of the notice of charge of lease registered as Instrument No. PR1357827	Osler / CBB	N/A	Post-Closing, provided such registration will not result in a breach of the lease
11.	Financing Change Statements to reflect Thomas Cook as the Secured Party for each of the registrations in Schedule A	Osler	N/A	Post-Closing
12.	Officer's Certificate of Skyservice certifying: (i) Articles and By-Laws (ii) Resolution (iii) Incumbency	CBB	Skyservice	Complete
13.	Officer's Certificate of Guarantors certifying: (i) Articles and By-Laws (ii) Resolution (iii) Incumbency	CBB	Guarantors	Complete

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	Document	Responsibility	Executed By	Status
14.	Ontario Opinion of CBB	CBB	CBB	Complete
15.	Canadian Intellectual Property Office Filings (if applicable)	Osler	N/A	Post-Closing

Thomas Cook Canada Inc. has agreed that items designated "post-closing" will be completed post closing and the fact that these items were not completed at closing does not impact the effectiveness of the amended and restated credit agreement.

Schedule A**Registrations****6761551 Canada Inc.**

Ontario: 639410103

B.C. : 944205D

Skyservice Airlines Inc.Ontario: 639747585
639410076
639410085B.C.: 969869D
944190D
944204D

Saskatchewan: 300234221

Manitoba: 200718831805

Alberta: 07100926539

TAB 2D

This is Exhibit "D" to the

Affidavit of Karim Nensi

sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson

SECURITY AGREEMENT

To:

ROYNAT INC. in its capacity as administrative agent (the "Agent") for and on behalf of and for the benefit of the Secured Parties (as defined below)

Address: 40 King Street West, 26th Floor, Toronto, Ontario, M5H 1H1

Facsimile No. (416) 229-4760

Debtor's Name: SKYSERVICE AIRLINES INC. (the "Debtor")

Chief Executive Office Address: 31 Fasken Drive, Etobicoke, Ontario M9W 1K6

Facsimile No. (416) 679-5920

1. **Definitions.** In this Security Agreement, unless otherwise defined herein, capitalized terms used herein have the meanings defined in the Credit Agreement (as defined below) and, unless something in the subject matter or context is inconsistent therewith:
 - (a) "Credit Agreement" means the credit agreement made as of the date hereof among 6756140 Canada Inc., as borrower, certain affiliates of 6756140 Canada Inc., as guarantors, the Agent and the Lenders, as amended, supplemented, restated or replaced from time to time;
 - (b) "Obligations" means all present and future indebtedness, liabilities and obligations of the Debtor to the Secured Parties, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of (i) the Credit Agreement, and (ii) any other Loan Document including, but not limited to, this Security Agreement; and
 - (c) "Secured Parties" means all persons from time to time defined as a "Lender" or as the "Agent" under the Credit Agreement and any reference herein to the "Secured Parties" shall be interpreted as referring to "the Secured Parties or any of them".

2. **General Security Interest.** As security for the payment and performance of the Obligations to the Secured Parties, the Debtor hereby assigns, charges, pledges, mortgages and grants to the Agent a security interest in all of the undertaking, property and assets of the Debtor, both real and personal, immovable and moveable, tangible and intangible, legal and equitable, of whatsoever nature and kind and wheresoever situate, now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest (all of which is hereinafter called the "Collateral"), including without limitation:
 - (a) **Intangibles** - all intangible property including without limitation book debts and accounts, all contractual rights and insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
 - (b) **Books & Records** - all of the Debtor's, manuals, publications, letters, deeds, documents, writings, papers, invoices, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (c) **Equipment** - all of the Debtor's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than Inventory (as defined below), (collectively, the "Equipment");
 - (d) **Inventory** - all of the Debtor's tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession (collectively, the "Inventory");
 - (e) **Real Property** - all of the Debtor's real and immovable property, both freehold and leasehold, now or hereafter owned, acquired or occupied by the Debtor, together with all buildings, erections, improvements and fixtures situate upon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (collectively, the "Real Property") provided, however, the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Debtor, is excepted out of the Real Property charged by this Security Agreement, but should such charge become enforceable the Debtor shall thereafter stand possessed of the last day of such leasehold interest upon trust to assign and dispose thereof as the Agent may direct;

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- (f) **Other Property** - the Debtor's undertaking and all of the Debtor's other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, money and investment property (as those terms are defined in the Personal Property Security Act (Ontario)); and
- (g) **Proceeds** - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral (collectively, the "Proceeds").

3. **Attachment.** The security interest given hereunder will attach immediately upon the execution of this Security Agreement. The security interest granted hereby has not been postponed and will attach to any particular Collateral as soon as the Debtor has rights in such Collateral.
4. **Representations and Warranties of the Debtor.** The Debtor represents and warrants to the Agent that none of the Collateral consists of consumer goods.
5. **General Covenants.** The Debtor hereby declares, covenants and agrees that it:
- (a) **Use and Maintenance** - shall cause the Equipment and Inventory to be operated in accordance with any applicable manufacturer's manuals or instructions, by competent and duly qualified personnel. Any and all additions and accessions to and parts and replacements for the Equipment or Inventory shall immediately become subject to the security interest created hereby;
- (b) **Location of Collateral** - shall keep the Collateral at the locations set forth in Schedule "A" hereto, except for goods in transit to such locations, or Inventory on lease or consignment, or with the prior written consent of the Agent;
- (c) **Further Assurances** - The Debtor shall promptly do, execute and deliver all such further acts, documents, agreements or assurances as the Agent may reasonably require for giving effect to the intent of this Security Agreement and shall register such notice or documents against the title to such premises as the Agent may reasonably request to protect its interests hereunder; and
- (d) **Not to Remove** - prior to moving any of the Collateral from any location indicated in Schedule "A" hereto, the Debtor shall effect such further registrations and obtain such other consents and give such other security, at the sole cost and expense of the Debtor, as may be required or desirable to protect or preserve the security hereby created and to maintain the priority intended to be granted to the Agent hereunder as against all others including landlords, and the Debtor shall forthwith notify the Agent of the intended removal and the action proposed to be taken.
6. **Collection of Debts.** Upon the occurrence of an Event of Default that is continuing, the Agent may, without exercising any of its other rights or remedies hereunder, give notice of the security interest in, and the assignment to, the Agent of any debt or liability forming part of the Collateral and may direct such notice recipient to make all payments on account of any such debt or liability to the Agent.
7. **Waiver of Covenants.** The Agent may waive in writing any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, provided that no such waiver or any other act, failure to act or omission by the Agent shall extend to or be taken in any manner to affect any subsequent breach or default or the rights of the Agent resulting therefrom.
8. **Performance of Covenants by the Agent.** If the Debtor shall fail to perform any covenant on its part herein contained, the Agent may in its absolute discretion perform any such covenant capable of being performed by it, but the Agent shall be under no obligation to do so. If any such covenant requires the payment of money or if the Collateral or any part thereof shall become subject to any charge, lien, security interest or encumbrance ranking in priority to the security interest created hereby, the Agent may in its absolute discretion make such payment and/or pay or discharge such charge, lien, security interest or encumbrance, but the Agent shall be under no obligation to do so. All sums so paid by the Agent, together with interest at the highest rate chargeable by the Agent from time to time on the Obligations, shall be payable by the Debtor on demand and shall constitute a charge upon the Collateral. No such performance or payment shall relieve the Debtor from any default hereunder or any consequences of such default.
9. **Appointment of Monitor.** If in the opinion of the Agent, acting reasonably, a material adverse change has occurred in the financial condition of the Debtor, or if the Agent in good faith believes that the ability of the Debtor to pay any of its obligations to the Agent or to perform any other covenant contained herein has become impaired or if an Event of Default has occurred and is continuing, the Agent may by written notice to the Debtor, appoint a monitor (the "Monitor") to investigate

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any or a particular aspect of the Collateral, the Debtor or its business and affairs for the purpose of reporting to the Agent. The Debtor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Debtor and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Debtor nor shall it participate in the management of the Debtor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Debtor, its business and affairs or the Collateral. The Monitor shall act solely on behalf of the Agent and shall have no contractual relationship with the Debtor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Security Agreement. All reasonable fees and expenses of the Monitor (including legal fees and disbursements on a solicitor and own client basis) shall be paid by the Debtor upon submission to it of a written invoice therefor. The Agent may at its option upon the occurrence of an Event of Default that is continuing appoint or seek to have appointed the Monitor as receiver, receiver and manager, liquidator, or trustee in bankruptcy of the Debtor or the Collateral or any part thereof.

10. **Application of Insurance Proceeds.** Any insurance moneys received by the Agent may at the option of the Agent be applied to rebuilding or repairing the Collateral, or be paid to the Debtor, or any such moneys may be applied in the sole discretion of the Agent, in whole or in part, to the repayment of the Obligations or any part thereof whether then due or not, with any partial payments to be credited against principal instalments payable thereunder in inverse order of their maturity dates.
11. **No Merger or Novation.** The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Debtor to perform its obligations hereunder or to pay the Obligations hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of the Agent to interest in effect from time to time hereunder and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Security Agreement or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or indebtedness of the Debtor to the Agent or under the Credit Agreement.
12. **Security in Addition.** The security hereby constituted is in addition to any other security now or hereafter held by the Agent or any of the Secured Parties. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the security created hereby.
13. **Partial Discharges.** The Secured Parties may in their sole discretion grant partial discharges or releases of security in respect of any of the Collateral on such terms and conditions as the Secured Parties shall deem fit and no such partial discharges or releases shall affect the remainder of the security created hereby nor shall it alter the obligations of the Debtor under the Obligations.
14. **Notice of Change.** The Debtor shall immediately notify the Agent in writing of any proposed change and any actual change in the Debtor's name or address or the location of the Collateral. The Debtor agrees to execute at the Debtor's expense, any instruments, notices or other documents required to effect any registration which the Agent deems necessary to protect its interest in the Collateral in any jurisdiction.
15. **Enforcement.** Upon the occurrence of an Event of Default that is continuing, the security granted herein shall become immediately enforceable and the Agent may at its option declare this Security Agreement to be in default and may exercise any rights, powers or remedies available to the Agent at law or in equity or under the Personal Property Security Act or other applicable legislation and, in addition, may exercise one or more of the following rights, powers or remedies, which rights, powers and remedies are cumulative:
 - (a) to declare the full amount of the Obligations to be immediately due and payable;
 - (b) to terminate the Debtor's right to possession of the Collateral, cause the Debtor to immediately assemble and deliver the Collateral at such place or places as may be specified by the Agent, and enter upon the premises where the Collateral is located and take immediate possession thereof, whether it is affixed to the realty or not, and remove the Collateral without liability to the Agent for or by reason of such entry or taking of possession, whether for damage to property caused by taking such or otherwise;
 - (c) to enter upon and hold, possess, use, repair, preserve and maintain all or any part of the Collateral and make such replacements thereof and additions thereto as the Agent shall deem advisable;
 - (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon the whole of any part of the Collateral whether by public or private sale as the Agent in its absolute discretion may determine without notice to the Debtor or advertisement and after deducting from the proceeds of sale (including reasonable legal fees and disbursements on a solicitor and his own client basis) incurred in the repossession, sale, lease or other

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disposition of the Collateral apply the proceeds thereof to the Obligations in the manner and order to be determined by the Agent, provided however that the Agent shall only be liable to account to the Debtor, any subsequent encumbrancers and others for money actually received by the Agent and provided that the Debtor shall pay any deficiency forthwith;

- (e) to appoint by instrument in writing any person or persons to be a receiver or receiver and manager of all or any portion of the Collateral, to fix the receiver's remuneration and to remove any receiver so appointed and appoint another or others in its stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a receiver or receiver and manager for all or any portion of the Collateral;
- (g) to retain the Collateral in satisfaction of the Obligations.

16. **Powers of Receiver.**

- (a) Any receiver (which term includes a receiver and manager) shall have all of the powers of the Secured Parties set forth in this Security Agreement and, in addition, shall have the following powers:
 - (i) to lease all or any portion of the Collateral and for this purpose execute contracts in the name of the Debtor, which contracts shall be binding upon the Debtor and the Debtor hereby irrevocably constitutes such receiver as its attorney for such purposes;
 - (ii) to take possession of the Collateral, collect all rents, issues, incomes and profits derived therefrom and realize upon any additional or collateral security granted by the Debtor to the Agent and for that purpose may take any proceedings in the name of the Debtor or otherwise; and

to carry on or concur in carrying on the business which the Debtor is conducting and for that purpose the receiver may borrow money on the security of the Collateral in priority to this Security Agreement;

- (b) Any receiver appointed pursuant to the provisions hereof shall be deemed to be the agent of the Debtor for the purposes of:
 - (i) carrying on and managing the business and affairs of the Debtor, and
 - (ii) establishing liability for all of the acts or omissions of the receiver while acting in any capacity hereunder and the Agent shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Debtor irrevocably authorizes the Agent to give instructions to the receiver relating to the performance of its duties as set out herein.

17. **Application of Moneys.** All moneys actually received by the Agent or by the receiver pursuant to Sections 15 and 16 of this Security Agreement shall be applied:

- (a) first, in payment of those claims, if any, of secured creditors of the Debtor (including any claims of the receiver pursuant to Section 16(a)), ranking in priority to the charges created by this Security Agreement as directed by the Agent or the receiver;
- (b) second, in payment of all reasonable costs, charges and expenses of and incidental to the appointment of the receiver (including legal fees and disbursements on a solicitor and own client basis) and the exercise by the receiver or the Agent of all or any of the powers granted to them under this Security Agreement, including the reasonable remuneration of the Receiver or any agent or employee of the receiver or any agent of the Agent and all outgoings properly paid by the receiver or the Agent in exercising their powers as aforesaid;
- (c) third, in or towards the payment to the Agent of all other obligations due to it by the Debtor in such order as the Agent in its sole discretion may determine;
- (d) fourth, in or towards the payment of the obligation of the Debtor to persons if any, with security interests against Collateral ranking subsequent to those in favour of the Agent; and

- 5 -

(e) fifth, subject to applicable law any surplus shall be paid to the Debtor.

18. **Possession of Collateral.** The Debtor acknowledges that the Agent or any receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Agent or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.
19. **Deficiency.** The Debtor shall remain liable to the Agent for any deficiency after the proceeds of any sale, lease or disposition of Collateral are received by the Agent and applied in accordance with the provisions of Section 17(c) hereof.
20. **Assignment.** This Security Agreement may be assigned by the Agent to any other person and, if so assigned, the assignee shall have and be entitled to exercise any and all discretions, rights and powers of the Agent hereunder, and all references herein to the Agent shall include such assignee. The Debtor may not assign this Security Agreement or any of its rights or obligations hereunder. This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Security Agreement and the security interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Agent.
21. **Limited Power of Attorney.** The Debtor hereby upon the occurrence of an Event of Default that is continuing, appoints the Agent as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has agreed to execute, deliver and do hereunder, under the Credit Agreement or otherwise, or as may be required by the Agent or any receiver to give effect to this Security Agreement or in the exercise of any rights, powers or remedies hereby conferred on the Agent or any receiver, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby conferred on the Agent or any receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Debtor or for any other reason.
22. **Severability.** Each of the provisions contained in this Security Agreement is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Security Agreement.
23. **Notices.** Any notice required or desired to be given hereunder shall be given in accordance with the notice provisions contained in the Credit Agreement.
- Notwithstanding the foregoing, if the Personal Property Security Act requires that notice be given in a special manner, then such notice or communication shall be given in such manner.
24. **General.**
- (i) The Debtor authorizes the Agent to file such financing statements, notices of security interest, caveats and other documents and do such acts and things as the Agent may consider appropriate to perfect its security in the Collateral, to protect and preserve its interest in the Collateral and to realize upon the Collateral.
 - (ii) Nothing in this Security Agreement will in any way obligate the Agent to advance any funds, or otherwise make or cause to make credit available to the Debtor, nor will the Agent have any liability for any failure or delay in its part to exercise any rights hereunder.
 - (iii) The division of this Security Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Security Agreement.
 - (iv) When the context so requires, the singular shall include the plural and vice versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Debtor shall be equally secured to and exercised by its successors and assigns.
 - (v) Time is of the essence in this Security Agreement.
 - (vi) The Debtor, if a corporation, waives the rights, benefits and protection given by and agrees that The Limitation of Civil Rights Act and The Land Contracts (Actions) Act, both of Saskatchewan, shall not apply to this Security Agreement or to any agreement renewing or extending this Security Agreement or to

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the rights, powers or remedies of the Agent under this Security Agreement or under any agreement renewing or extending this Security Agreement.

(vii) Any rights or benefits stated to accrue to the benefit of the Agent shall accrue to the benefit of the Agent for and on behalf of and for the benefit of the Secured Parties.

(viii) In the event of any conflict or inconsistency between the terms of the Credit Agreement and the terms of this Security Agreement, the provisions of the Credit Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

25. **Receipt.** The Debtor acknowledges that it has received an executed copy of this Security Agreement and, to the extent permitted by law, waives all rights to receive from the Agent a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Security Agreement or any supplemental or collateral security granted to the Agent.

26. **Governing Law.** This Security Agreement or any amendment or renewal thereof will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Debtor hereby irrevocably attorns to the jurisdiction of the courts of such Province.

The Debtor has duly executed this Security Agreement on October 19, 2007.

SKYSERVICE AIRLINES INC.

Per: _____

Name: Johnny Ciampi

Title: Vice-President, Secretary and
Treasurer

TAB 2E

This is Exhibit "E" to the

Affidavit of Karim Nensi

sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits

Mary Paterson

DEBENTURE

Issued to: **ROYNAT INC.** in its capacity as administrative agent (the "Agent") for and on behalf of and for the benefit of the Secured Parties (as defined below)
40 King Street West, 26th Floor, Toronto, Ontario, M5H 1H1
Facsimile No. (416) 2294760

SKYSERVICE AIRLINES INC.
31 Fasken Drive, Etobicoke, Ontario, M9W 1K6
Facsimile No. 416-679-5920

DEBENTURE

\$27,500,000

October 19th, 2007

1. **SKYSERVICE AIRLINES INC.** (the "Company") for value received hereby promises to pay to the Agent, at its address specified above, on demand all amounts now or hereafter owing by the Company to the Secured Parties up to the maximum principal amount of Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000) and interest at the rate of 20% per annum, calculated and payable monthly, both before and after maturity and default, and interest on overdue interest at the rate aforesaid. Notwithstanding the foregoing, the amounts owing from time to time hereunder shall be limited to amounts owing from time to time by the company under or in connection with the Credit Agreement.
2. **Definitions.** In this Debenture, unless otherwise defined herein, capitalized terms used herein have the meanings defined in the Credit Agreement (as defined below) and, unless something in the subject matter or context is inconsistent therewith:
 - (a) "Credit Agreement" means the credit agreement made as of the date hereof among the Company, as borrower, certain subsidiaries of the Company, as guarantors, the Agent and the Lenders, as amended, supplemented, restated or replaced from time to time;
 - (b) "Obligations" means all present and future indebtedness, liabilities and obligations of the Company to the Secured Parties, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of (i) the Credit Agreement, and (ii) this Debenture; and
 - (c) "Secured Parties" means all persons from time to time defined as a "Lender" or as the "Agent" under the Credit Agreement and any reference herein to the "Secured Parties" shall be interpreted as referring to "the Secured Parties or any of them".
3. **Security.** As security for the payment and performance of the Obligations, the Company hereby grants a security interest in and grants, assigns, mortgages and charges, as and by way of a first, fixed and specific mortgage and charge to and in favour of the Secured Parties:
 - (a) all real and immovable property, both freehold and leasehold, now owned or hereafter acquired by the Company, together with all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith, including without limitation the property described in Schedule "A" hereto;
 - (b) all furniture, machinery, equipment, vehicles, accessories and other tangible personal property now owned or hereafter acquired by the Company or in respect of which the Company now or hereafter has any right, title or interest, together with any proceeds of sale or disposition thereof;

but excluding the real and immovable leasehold property described in Schedule "B" hereto and all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith (the "Excluded Property").

And for the same consideration and purposes, the Company hereby charges as and by way of a first floating charge to and in favour of the Secured Parties, and grants to the Secured Parties a security interest in, the undertaking of the Company and all its property and assets for the time being, both present and future, and of whatsoever nature and wherever situate (other than the Excluded Property and property and assets from time to time effectively subjected to the fixed and specific mortgages and charges created hereby or by any instrument supplemental hereto).

Provided that such floating charge shall not prevent the Company from time to time until the security hereby constituted shall have become enforceable from selling, leasing or otherwise disposing of the property, rights and assets included in such floating charge or from making expenditures with a view to the expansion of its business or from giving security constituting Permitted Encumbrances, all in the ordinary course of its business and subject to the provisions of the Credit Agreement and this Debenture.

All security interests created by this Debenture attach immediately upon execution of the Debenture. The attachment of the floating charge has not been postponed and the floating charge shall attach to any particular property intended to be subject to it as soon as the Company has rights in such property.

All property and assets of the Company whether specifically charged or subjected to the floating charge are hereinafter referred to as the "Mortgaged Premises".

4. **Exception as to Leaseholds.** It is hereby declared that the last day of any term of years reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Company is excepted out of the Mortgaged Premises, but the Company shall stand possessed of any such reversion upon trust to assign and dispose thereof as the Agent may direct.
5. **Maximum Recovery.** If any amounts, whether on account of interest, fees, bonus or additional consideration, becomes payable to or is received by the Agent pursuant to this Debenture, the Credit Agreement, any other security document or other agreement which would exceed the maximum amount recoverable under applicable law on moneys advanced by the Agent:
 - (a) any amounts so payable shall be reduced and are hereby limited to the maximum amount recoverable under applicable law;
 - (b) any amounts so received by the Agent shall, at the Agent's option, either be returned to the Company or be deemed to have been received by the Agent as a partial redemption of this Debenture and shall be credited against principal payable hereunder in inverse order of maturity; and
 - (c) if paragraph (a) requires the reduction in an amount or amounts payable to the Agent, the Agent in its sole discretion shall determine which amount or amounts shall be reduced to ensure compliance with this Section 5.
6. **Extensions and Amendments.** Any agreement for the extension of the time of payment of the moneys hereby secured or any part thereof made at, before or after maturity, and prior to the execution of a discharge or release of this Debenture, or any agreement for altering the term, rate of interest (whether increased or decreased), the amount of the principal payments hereunder or any other covenant or condition hereof, need not be registered in any office of public record but shall be effectual and binding upon the Company and upon every subsequent mortgagee, chargee, encumbrancer or other person claiming an interest in the Mortgaged Premises or any part thereof when executed by the Company and delivered to the Agent.
7. **Partial Discharges.** The Agent may in its sole discretion grant partial discharges or releases of security in respect of any of the Mortgaged Premises on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security constituted hereby nor shall it alter the obligations of the Company hereunder.
8. **Enforcement.** Upon the happening of an Event of Default that is continuing, the Agent may exercise any rights, powers or remedies available to the Secured Parties at law or in equity or under applicable legislation and, in addition, shall have the following rights, powers and remedies:

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- (a) to enter upon and take possession of all or any part of the Mortgaged Premises;
- (b) to hold, use, repair, preserve and maintain all or any part of the Mortgaged Premises and make such replacements thereof and additions thereto as the Agent shall deem advisable;
- (c) to exercise all powers necessary to the performance of all functions provided for herein including without limitation the powers to purchase on credit, to borrow money in the Company's name or in its own name and to advance its own money to the Company at such rates of interest as it may deem reasonable;
- (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon all or any part of the Mortgaged Premises whether by public auction or by private sale or lease in such manner as the Agent in its absolute discretion may determine, provided that it shall not be incumbent on the Agent to sell, lease or dispose of the said property but that it shall be lawful for the Agent peaceably to use and possess the same without hindrance or interruption by the Company, or any other person or persons whomsoever, and to receive income from such property and to convey, transfer and assign to a purchaser or purchasers the title to any undertaking, property and assets so sold and provided further that in the case of a sale on credit the Agent shall only be liable to account to the Company, any subsequent encumbrancers and others for moneys actually received by the Agent;
- (e) to appoint by instrument in writing any person or persons to be a receiver, receiver-manager or receiver and manager (a "Receiver") of all or a portion of the undertaking, property and assets hereby charged, to fix the Receiver's remuneration and to remove any Receiver so appointed and appoint another or others in his stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the Mortgaged Premises; and
- (g) to retain the Mortgaged Premises in satisfaction of the monies owing hereunder.

Powers of Receiver.

- (a) Any Receiver shall have all of the powers of the Agent set out in Section 8 of this Debenture and, in addition, shall have the following powers:
 - (i) to carry on the business of the Company and to enter into any compromise or arrangement on behalf of the Company; and
 - (ii) with the prior written consent of the Agent to borrow money in his name or in the Company's name, for the purpose of carrying on the business of the Company and for the preservation and realization of the undertaking, property and assets of the Company including, without limitation, the right to pay persons having prior charges or encumbrances on properties on which the Company may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the Mortgaged Premises in priority to this Debenture;
- (b) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Company for the purposes of:
 - (i) carrying on and managing the business and affairs of the Company, and
 - (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and the Agent shall not be liable for such acts or omissions,

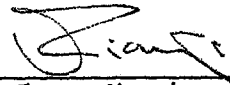
provided that, without restricting the generality of the foregoing, the Company irrevocably authorizes the Agent to give instructions to the Receiver relating to the performance of its duties as set out herein.

7. **Application of Moneys.** All moneys actually received by the Agent or by the Receiver pursuant to Sections 9 and 10 of this Debenture shall be applied:

- (a) first, in payment of claims, if any, of secured creditors of the Company, including any claim of the Receiver pursuant to Section 9(a), ranking in priority to the charges created by this Debenture as directed by the Agent or the Receiver;
 - (b) second, in payment of all reasonable costs, charges and expenses of and incidental to the appointment of the Receiver (including complete reimbursement for 100% of all legal fees and disbursements) and the exercise by the Receiver or the Agent of all or any of the powers granted to them under this Debenture, including the reasonable remuneration of the Receiver or any agent or employee of the Receiver or any agent of the Agent and all outgoings properly paid by the Receiver or the Agent in exercising their powers as aforesaid;
 - (c) third, in or towards the payment to the Agent of all moneys due to it by the Company in such order as the Agent in its sole discretion may determine;
 - (d) fourth, in or towards the payment of the obligation of the Company to persons, if any, with charges or security interests against the Mortgaged Premises ranking subsequent to those in favour of the Agent; and
 - (e) fifth, subject to applicable law, any surplus shall be paid to the Company.
11. **Restriction on Company and its Officers and Directors.** Upon the Company receiving notice from the Agent of the taking of possession of the Mortgaged Premises or the appointment of a Receiver, all the powers, functions, rights and privileges of each of the directors and officers of the Company with respect to the properties, business and undertaking of the Company shall cease unless specifically continued by the written consent of the Agent.
 12. **Discharge and Satisfaction.** Upon indefeasible payment in full by the Company to the Secured Parties of all moneys hereby secured, these presents shall cease and become null and void and the Mortgaged Premises shall revert in the Company without any acknowledgement or formality, but the Agent shall upon the request and at the expense of the Company, execute and deliver to the Company a full release and discharge.
 13. **Limited Power of Attorney.** The Company hereby appoints the Agent as the Company's attorney, with full power of substitution, in the name and on behalf of the Company, effective upon the occurrence of an Event of Default that is continuing, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Company has agreed to execute, deliver and do hereunder, under the Credit Agreement or otherwise, or as may be required by the Agent or any Receiver to give effect to this Debenture or in the exercise of any rights, powers or remedies hereby conferred on the Agent or any Receiver, and generally to use the name of the Company in the exercise of all or any of the rights, powers or remedies hereby conferred on the Agent or any Receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Company or for any other reason.
 14. **Receipt.** The Company hereby acknowledges receipt of a true copy of this Debenture and, to the extent permitted by law, waives all rights to receive from the Agent a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Debenture or any supplemental or collateral security granted to the Agent.
 15. **Governing Law and Headings.** This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The division of this Debenture into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.
 16. **Invalidity, etc.** Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.

IN WITNESS WHEREOF the Company has executed this Debenture.

SKYSERVICE AIRLINES INC.

By: 
Name: Johnny Ciampi
Title: Vice-President, Secretary and Treasurer

SCHEDULE "A"

Description of Charged Real Property

31 Fasken Drive, Toronto, PIN 07420-0020

Part of Block B, Plan 7994,
City of Toronto, Part 1, Reference Plan 64R-8871.

SCHEDULE "B"

Description of Excluded Leasehold Property

6932 Vanguard Drive, Mississauga, Part of PIN 13526-0009

Part of Lot 9, Land Registrar's Compiled Plan No. 1006, City of Mississauga,
Regional Municipality of Peel, designated as Part 2 on Reference Plan 43R-11367.

TAB 2F

This is Exhibit "F" to the
Affidavit of Karim Nensi

sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson

DEBENTURE

Issued to: **ROYNAT INC.** in its capacity as administrative agent (the "Agent") for and on behalf of and for the benefit of the Secured Parties (as defined below)
40 King Street West, 26th Floor, Toronto, Ontario, M5H 1H1
Facsimile No. (416) 2294760

SKYSERVICE AIRLINES INC.
31 Fasken Drive, Etobicoke, Ontario, M9W 1K6
Facsimile No. 416-679-5920

DEBENTURE

\$27,500,000

October 19th, 2007

1. **SKYSERVICE AIRLINES INC.** (the "Company") for value received hereby promises to pay to the Agent, at its address specified above, on the earlier of demand and October 19th, 2013 all amounts now or hereafter owing by the Company to the Secured Parties up to the maximum principal amount of Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000) and interest at the rate of 20% per annum, calculated and payable monthly, both before and after maturity and default, and interest on overdue interest at the rate aforesaid.
2. **Definitions.** In this Debenture, unless otherwise defined herein, capitalized terms used herein have the meanings defined in the Credit Agreement (as defined below) and, unless something in the subject matter or context is inconsistent therewith:
 - (a) "Credit Agreement" means the credit agreement made as of October 19th, 2007 among the Company, as borrower, certain subsidiaries of the Company, as guarantors, the Agent and the Lenders, as amended, supplemented, restated or replaced from time to time;
 - (b) "Event of Default" means the occurrence of (i) an Event of Default, (ii) a "default" or "event of default" as defined in any Secured Agreement, (iii) the failure of the Company to pay when due any of the Obligations; or (iv) any demand for payment validly made by any creditor pursuant to the Secured Agreements which is not met in accordance with the terms of the demand or within any applicable grace period;
 - (c) "Obligations" means all present and future indebtedness, liabilities and obligations of the Company to the Secured Parties, whether direct or indirect, absolute or contingent, liquidated or unliquidated, as principal or as surety, alone or with others, of whatsoever nature or kind, in any currency or otherwise, under or in respect of agreements or dealings between the Company and the Secured Parties or agreements or dealings between the Company and others by which any of the Secured Parties may be or become in any manner whatsoever a creditor of the Company including, without limitation, obligations under (i) the Credit Agreement, (ii) any promissory notes, guarantees or indemnities executed by the Company in favour of any of the Secured Parties, and (iii) this Security Agreement;
 - (d) "Secured Agreements" means the Credit Agreement and all present and future agreements under which Obligations arise (as those agreements may be amended, supplemented, restated and replaced from time to time), and any reference to the "Secured Agreements" herein shall be interpreted as referring to "the Secured Agreements or any of them"; and
 - (e) "Secured Parties" means all persons from time to time defined as a "Lender" or as the "Agent" under the Credit Agreement and any reference herein to the "Secured Parties" shall be interpreted as referring to "the Secured Parties or any of them".
3. **Security.** As security for the payment and performance of the Obligations, the Company hereby grants a security interest in and grants, assigns, mortgages and charges, as and by way of a first, fixed and specific mortgage and charge to and in favour of the Agent all real and immovable leasehold property of the Company, including without limitation the property described in Schedule "A" hereto, together with all buildings, erections, fixed machinery and fixed equipment presently situated thereon or which may at any time hereafter be constructed or placed thereon or used in connection therewith.

All security interests created by this Debenture attach immediately upon execution of the Debenture.

All property and assets of the Company charged herein are hereinafter referred to as the "Mortgaged Premises".

4. **Exception as to Leaseholds.** It is hereby declared that the last day of any term of years reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Company is excepted out of the Mortgaged Premises, but the Company shall stand possessed of any such reversion upon trust to assign and dispose thereof as the Agent may direct.
5. **Maximum Recovery.** If any amounts, whether on account of interest, fees, bonus or additional consideration, becomes payable to or is received by the Agent pursuant to this Debenture, the Credit Agreement, any other security document or other agreement which would exceed the maximum amount recoverable under applicable law on moneys advanced by the Agent:
 - (a) any amounts so payable shall be reduced and are hereby limited to the maximum amount recoverable under applicable law;
 - (b) any amounts so received by the Agent shall, at the Agent's option, either be returned to the Company or be deemed to have been received by the Agent as a partial redemption of this Debenture and shall be credited against principal payable hereunder in inverse order of maturity; and
 - (c) if paragraph (a) requires the reduction in an amount or amounts payable to the Agent, the Agent in its sole discretion shall determine which amount or amounts shall be reduced to ensure compliance with this Section 5.
6. **Extensions and Amendments.** Any agreement for the extension of the time of payment of the moneys hereby secured or any part thereof made at, before or after maturity, and prior to the execution of a discharge or release of this Debenture, or any agreement for altering the term, rate of interest (whether increased or decreased), the amount of the principal payments hereunder or any other covenant or condition hereof, need not be registered in any office of public record but shall be effectual and binding upon the Company and upon every subsequent mortgagee, chargee, encumbrancer or other person claiming an interest in the Mortgaged Premises or any part thereof when executed by the Company and delivered to the Agent.
7. **Partial Discharges.** The Agent may in its sole discretion grant partial discharges or releases of security in respect of any of the Mortgaged Premises on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the remainder of the security constituted hereby nor shall it alter the obligations of the Company hereunder.
8. **Enforcement.** Upon the happening of an Event of Default, the Agent may exercise any rights, powers or remedies available to the Secured Parties at law or in equity or under applicable legislation and, in addition, shall have the following rights, powers and remedies:
 - (a) to enter upon and take possession of all or any part of the Mortgaged Premises;
 - (b) to hold, use, repair, preserve and maintain all or any part of the Mortgaged Premises and make such replacements thereof and additions thereto as the Agent shall deem advisable;
 - (c) to exercise all powers necessary to the performance of all functions provided for herein including without limitation the powers to purchase on credit, to borrow money in the Company's name or in its own name and to advance its own money to the Company at such rates of interest as it may deem reasonable;
 - (d) to sell, for cash or credit or part cash and part credit, lease or dispose of or otherwise realize upon all or any part of the Mortgaged Premises whether by public auction or by private sale or lease in such manner as the Agent in its absolute discretion may determine, provided that it shall not be incumbent on the Agent to sell, lease or dispose of the said property but that it shall be lawful for the Agent peaceably to use and possess the same without hindrance or interruption by the Company, or any other person or persons whomsoever, and to receive income from such property and to convey, transfer and assign to a purchaser or purchasers the title to any undertaking, property and assets so

sold and provided further that in the case of a sale on credit the Agent shall only be liable to account to the Company, any subsequent encumbrancers and others for moneys actually received by the Agent;

- (e) to appoint by instrument in writing any person or persons to be a receiver, receiver-manager or receiver and manager (a "Receiver") of all or a portion of the undertaking, property and assets hereby charged, to fix the Receiver's remuneration and to remove any Receiver so appointed and appoint another or others in his stead;
- (f) to apply to any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the Mortgaged Premises; and
- (g) to retain the Mortgaged Premises in satisfaction of the monies owing hereunder.

9. **Powers of Receiver.**

- (a) Any Receiver shall have all of the powers of the Agent set out in Section 8 of this Debenture and, in addition, shall have the following powers:
 - (i) to carry on the business of the Company and to enter into any compromise or arrangement on behalf of the Company; and
 - (ii) with the prior written consent of the Agent to borrow money in his name or in the Company's name, for the purpose of carrying on the business of the Company and for the preservation and realization of the undertaking, property and assets of the Company including, without limitation, the right to pay persons having prior charges or encumbrances on properties on which the Company may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the Mortgaged Premises in priority to this Debenture;
- (b) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Company for the purposes of:
 - (i) carrying on and managing the business and affairs of the Company, and
 - (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and the Agent shall not be liable for such acts or omissions,

provided that, without restricting the generality of the foregoing, the Company irrevocably authorizes the Agent to give instructions to the Receiver relating to the performance of its duties as set out herein.

10. **Application of Moneys.** All moneys actually received by the Agent or by the Receiver pursuant to Sections 9 and 10 of this Debenture shall be applied:

- (a) first, in payment of claims, if any, of secured creditors of the Company, including any claim of the Receiver pursuant to Section 9(a), ranking in priority to the charges created by this Debenture as directed by the Agent or the Receiver;
- (b) second, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver (including complete reimbursement for 100% of all legal fees and disbursements) and the exercise by the Receiver or the Agent of all or any of the powers granted to them under this Debenture, including the reasonable remuneration of the Receiver or any agent or employee of the Receiver or any agent of the Agent and all outgoings properly paid by the Receiver or the Agent in exercising their powers as aforesaid;
- (c) third, in or towards the payment to the Agent of all moneys due to it by the Company in such order as the Agent in its sole discretion may determine;

- (d) fourth, in or towards the payment of the obligation of the Company to persons, if any, with charges or security interests against the Mortgaged Premises ranking subsequent to those in favour of the Agent; and
- (e) fifth, subject to applicable law, any surplus shall be paid to the Company.
11. **Restriction on Company and its Officers and Directors.** Upon the Company receiving notice from the Agent of the taking of possession of the Mortgaged Premises or the appointment of a Receiver, all the powers, functions, rights and privileges of each of the directors and officers of the Company with respect to the properties, business and undertaking of the Company shall cease unless specifically continued by the written consent of the Agent.
12. **Discharge and Satisfaction.** Upon indefeasible payment in full by the Company to the Secured Parties of all moneys hereby secured, these presents shall cease and become null and void and the Mortgaged Premises shall revert in the Company without any acknowledgement or formality, but the Agent shall upon the request and at the expense of the Company, execute and deliver to the Company a full release and discharge.
13. **Limited Power of Attorney.** The Company hereby appoints the Agent as the Company's attorney, with full power of substitution, in the name and on behalf of the Company, effective upon the occurrence of an Event of Default, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Company has agreed to execute, deliver and do hereunder, under the Credit Agreement or otherwise, or as may be required by the Agent or any Receiver to give effect to this Debenture or in the exercise of any rights, powers or remedies hereby conferred on the Agent or any Receiver, and generally to use the name of the Company in the exercise of all or any of the rights, powers or remedies hereby conferred on the Agent or any Receiver. This appointment, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Company or for any other reason.
14. **Receipt.** The Company hereby acknowledges receipt of a true copy of this Debenture and, to the extent permitted by law, waives all rights to receive from the Agent a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Debenture or any supplemental or collateral security granted to the Agent.
15. **Governing Law and Headings.** This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The division of this Debenture into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.
16. **Invalidity, etc.** Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.

IN WITNESS WHEREOF the Company has executed this Debenture.

SKYSERVICE AIRLINES INC.

By: _____

Name: Robyn Ciampi
 Title: Vice-President, Secretary and Treasurer

SCHEDULE "A"

Description of Real Property and Lease

6932 Vanguard Drive, Mississauga, Part of PIN 13526-0009

Part of Lot 9, Land Registrar's Compiled Plan No. 1006, City of Mississauga,
Regional Municipality of Peel, designated as Part 2 on Reference Plan 43R-11367.

TAB 2G

This is Exhibit "G" to the

Affidavit of Karim Nensi

sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits

Mary Paterson

FIRST AMENDING AGREEMENT TO THE CREDIT AGREEMENT, dated as of March 12, 2010 (the "**First Amending Agreement**") among Skyservice Airlines Inc., as Borrower, the Guarantors party hereto, Thomas Cook Canada Inc., as Agent and as Lender, and as acknowledged by Gibralt Capital Corporation.

RECITALS

A. The Borrower, Guarantor, the Agent and the Lender are parties to an amended and restated credit agreement dated as of February 12, 2010 (the "**Credit Agreement**");

B. The Borrower, Guarantor, the Agent and the Lender wish to amend the Credit Agreement as specified herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follow:

SECTION 1 - INTERPRETATION

1.1 **Defined Terms.** All capitalized terms used herein and not otherwise defined herein have the meaning given to them in the Credit Agreement.

1.2 On and after this date, each reference to "this Agreement" in the Credit Agreement or to the "Credit Agreement" in the Credit Agreement or any Loan Document shall mean and be a reference to the Credit Agreement as amended by this first amending agreement (or as such agreement may be subsequently amended, modified or supplemented from time to time in accordance with the terms thereof).

SECTION 2 - AMENDMENT

2.1 The Credit Agreement is hereby amended by replacing Schedule C in its entirety with the schedule attached hereto as Exhibit 1 (and the term "Agreed Payments", as defined in the Credit Agreement, shall be amended accordingly).

SECTION 3 - CONDITIONS PRECEDENT

3.1 This First Amending Agreement shall become effective when the Agent shall have received this First Amending Agreement duly executed and delivered by Borrower, the Guarantors, the Agent and the Lender, and acknowledged by Gibralt Canada Corporation ("Gibralt").

SECTION 4 - REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties True and Correct; No Default or Event of Default**

The Borrower hereby represents and warrants to the Agent and the Lender that after giving effect to this First Amending Agreement, (i) each of the representations and warranties of the Borrower contained in the Credit Agreement and each of the other Loan Documents is true and correct in

all material respects on, and as of the date hereof as if made on such date (except to the extent that such representation or warranty expressly relates to an earlier date and except for changes therein expressly permitted or expressly contemplated by the Credit Agreement) and (ii) no event has occurred and is continuing which constitutes or would constitute a Default or an Event of Default.

SECTION 5 - MISCELLANEOUS

5.1 No Other Amendments, Waivers or Consents

Except as expressly set forth herein (and as set forth in the consent and waiver dated March 12, 2010 among the Borrower, Gibralt and the Agent and Lender) the Credit Agreement shall be unmodified and shall continue to be in full force and effect in accordance with its terms.

5.2 Governing Law

This First Amending Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

5.3 Successors and Assigns

This First Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and any assigns, transferees and endorsees of the Agent or Lender. Nothing in this First Amending Agreement, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this First Amending Agreement.

5.4 Counterparts

This First Amending Agreement may be executed by the parties hereto in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

[remainder of page intentionally left blank – signature pages follow]

IN WITNESS WHEREOF, the parties have caused this First Amending Agreement to be executed by their respective authorized officers as of the date first above written.

SKYSERVICE AIRLINES INC., as Borrower

Per: 
Authorized Signing Officer

Per: _____
Authorized Signing Officer

6761551 CANADA INC., as Guarantor

Per: 
Authorized Signing Officer

Per: _____
Authorized Signing Officer

SKYSERVICE AIRLINES LIMITED, as Guarantor

Per: 
Authorized Signing Officer

Per: _____
Authorized Signing Officer

**THOMAS COOK CANADA INC., as Agent
and Lender**

Per: 
Authorized Signing Officer

The undersigned, in its capacity as Senior Lender as defined in and under the Subordination and Postponement Agreement dated February 12, 2010 (the "Subordination Agreement") agrees and acknowledges that it has received a copy of this First Amending Agreement and agrees, in accordance with Section 15 of the Subordination Agreement, that any references to the "Subordinator Credit Agreement" in the Subordination Agreement shall mean and be a reference to the Credit Agreement as amended by this First Amending Agreement (or as such agreement may be subsequently amended, modified or supplemented from time to time in accordance with the terms thereof).

Agreed and acknowledged this 12th day of March, 2010.

GIBRALT CAPITAL CORPORATION

Per: 

Authorized Signing Officer

Exhibit I
Schedule C
Agreed Payments

REMOVED

TAB 2H

This is Exhibit "H" to the
Affidavit of Karim Nensi

sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson

Gibralt Capital Corporation

Suite 2600
1075 West Georgia Street
Vancouver, BC V6E 3C9
Telephone: (604) 687-3707
Facsimile: (604) 661-4873

30 March 2010

VIA E-MAIL AND HAND DELIVERED

Skyservice Airlines Inc.
31 Fasken Drive
Toronto, ON M9W 1K6

Attention: Mr. Rob Giguere, CEO

Dear Sirs/Mesdames:

Re: Gibralt Capital Corporation

As at 30 March 2010, Skyservice Airlines Inc. ("**Skyservice**") is indebted to Gibralt Capital Corporation ("**Gibralt**") pursuant to certain promissory notes (collectively, the "**Notes**") and expenses in the total amount of SEVEN MILLION ONE HUNDRED FIFTY-ONE THOUSAND THREE HUNDRED ELEVEN DOLLARS AND SIXTY-TWO CENTS (\$7,151,311.62) (the "**Indebtedness**").

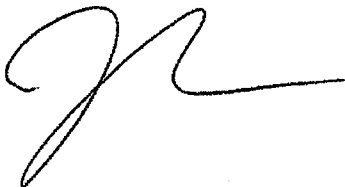
The Indebtedness of Skyservice to Gibralt pursuant to the Notes is secured by certain security including: (1) a General Security Agreement dated 19 October 2007, and (2) a Mortgage registered on title to certain real property located at 31 Fasken Drive, Etobicoke, Ontario on 4 December 2009.

The Notes are repayable on demand. Gibralt hereby declares the Indebtedness of Skyservice to Gibralt be due and payable, and hereby demands payment in full of the Indebtedness of Skyservice to Gibralt. Payment is to be made immediately to Gibralt Capital Corporation, Suite 2600, 1075 West Georgia Street, Vancouver, British Columbia to the attention of Mr. Jamie Farrar.

Failing immediate payment, Gibralt intends to take such steps as it considers necessary or appropriate, including legal proceedings, to recover payment of the Indebtedness, plus further expenses, in full without further notice. We enclose a copy of a Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Yours truly,

GIBRALT CAPITAL CORPORATION



TAB 2I

This is Exhibit "I" to the

Affidavit of Karim Nensi

sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits

Mary Paterson

NOTICE OF INTENTION TO ENFORCE SECURITY

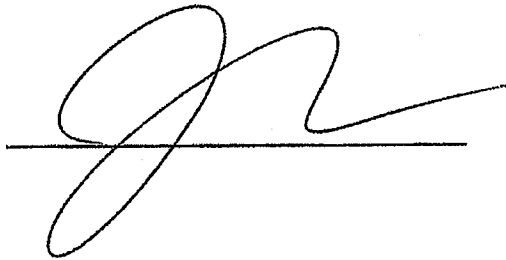
TO: Skyservice Airlines Inc. ("Skyservice")

TAKE NOTICE THAT:

1. Gibralt Capital Corporation ("Gibralt"), a secured creditor of Skyservice, intends to enforce its security on any and all of the property, assets, and undertaking of Skyservice (including, without limitation, all cash, inventory, equipment, accounts receivable, motor vehicles, and other assets of Skyservice), all as more particularly described in the body of and schedules to the Security (as defined below).
2. The Security that is to be enforced is in the form of
 - (i) a General Security Agreement dated 19 October 2007; and
 - (ii) a Mortgage registered on title to certain real property located at 31 Fasken Drive, Etobicoke, Ontario on 4 December 2009(together, the "Security")
3. As at 30 March 2010, the total amount of the indebtedness secured by the Security is SEVEN MILLION ONE HUNDRED FIFTY-ONE THOUSAND THREE HUNDRED ELEVEN DOLLARS AND SIXTY-TWO CENTS (\$7,151,311.62).
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 30th day of March, 2010.

Gibralt Capital Corporation



TAB 2J

This is Exhibit "J" to the
Affidavit of Karim Nensi
sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson



March 30, 2010

PERSONAL & CONFIDENTIAL

DELIVERED BY FAX AND E-MAIL

Skyservice Airlines Inc.
 31 Fasken Drive
 Etobicoke, Ontario
 M9W 1K6
 Attention: Legal Department

Dear Sirs/Mesdames:

Indebtedness of Skyservice Airlines Inc. (the "Debtor") to Thomas Cook Canada Inc. (the "Agent")

All capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement.

The Debtor is indebted to the Agent pursuant to the terms of certain credit facilities (the "**Credit Facilities**") provided to the Debtor by the Agent pursuant to an Amended and Restated Credit Agreement dated February 12, 2010 between the Debtor and the Agent (the "**Credit Agreement**"). As security for the Credit Facilities, the Agent holds comprehensive security, including, but not limited to that set out on Schedule "A" attached hereto (the "**Security**").

As of the date hereof, the Debtor is indebted to the Agent in the aggregate principal amount of approximately CDN\$8,598,919.95 together with fees, costs and other allowable charges accrued to date and continuing to accrue (collectively, the "**Indebtedness**"). Pursuant to section 2.01 of the Credit Agreement, the Indebtedness is payable to the Agent on March 30, 2010.

We hereby demand payment of the Indebtedness, together with fees, costs and other allowable charges in respect of the Credit Facilities, Credit Agreement and Security accruing up to the date hereof and continuing to accrue until paid in full.

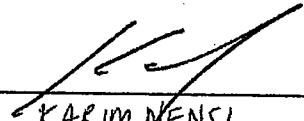
If we do not receive a certified cheque, money order or bank draft payable to Thomas Cook Canada Inc. for the total amount of the Indebtedness plus accrued and accruing fees, costs and other allowable charges to the date of payment within ten (10) days of the date of this demand (the "**Notice Period**") at our office address set out above, we will take such further action, remedy or proceeding available to us under the Credit Agreement, Security, at law, equity or otherwise.

However, if prior to such date, circumstances require that we take steps to protect, preserve or recover any or all of our Security, we reserve the right to do so without further notice.

However, if prior to such date, circumstances require that we take steps to protect, preserve or recover any or all of our Security, we reserve the right to do so without further notice.

Concurrently with the delivery of this Demand Letter, we are delivering a Notice of Intention to Enforce a Security pursuant to s. 244 of the *Bankruptcy and Insolvency Act* (Canada).

THOMAS COOK CANADA INC.

By: 
Name: KARIM NENSI
Title: C.F.O.

By: _____
Name:
Title:

SCHEDULE A**Security**

Any and all Security held by the Agents in respect of the Debtor, which includes, but is not limited to, the following (all documents are dated on or as of October 19, 2007 unless otherwise noted):

1. General Security Agreement given by 6756140 Canada Inc. in favour of the Agent
2. Guarantee of debts, liabilities and obligations of Holdco given by Skyservice Airlines Inc. in favour of the Agent
3. Demand Debenture in the principal amount of \$27,500,000 given by the Debtor in favour of the Agent charging real property located at 31 Fasken Drive, Toronto, excluding leasehold property located at 6932 Vanguard Drive, Mississauga (excluding Hangars 6 and 6A at Pearson International Airport)
4. Demand Debenture in the principal amount of \$27,500,000 given by the Debtor in favour of the Agent charging real and leasehold property located at 6932 Vanguard Drive, Mississauga (Hangars 6 and 6A at Pearson International Airport)
5. General Security Agreement given by the Debtor in favour of the Agent
6. Intellectual Property Security Agreement given by the Debtor in favour of the Agent
7. Assignment of Material Contracts given by the Debtor in favour of the Agent
8. Agreement to Assign Life Insurance between Rob Giguere as Insured, the Debtor as Grantor and the Agent
9. Pledge Agreement given by the Debtor in favour of the Agent with respect to shares of Skyservice Airlines Limited and 4366794 Canada Inc.
10. Tri-Party Agreement among Greater Toronto Airports Authority, the Debtor and the Agent
11. Consent from GTAA dated 27 September 2007
12. Acknowledgment and Confirmation by the Debtor in favour of the Agent and the Agents
13. Confirmation of Security Interest in Trade-Marks dated 1 November 2007 by the Debtor to the Canadian Intellectual Property Office in favour of the Agent
14. Acknowledgement Letter Re: Royal Bank of Canada Letters of Credit

TAB 2K

This is Exhibit "K" to the

Affidavit of Karim Nensi

sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson

NOTICE OF INTENTION TO ENFORCE A SECURITY
(Subsection 244(1) of the *Bankruptcy and Insolvency Act* and Rule 124)

TO: Skyservice Airlines Inc. (the "**Debtor**"), an insolvent person

TAKE NOTICE THAT:

1. Thomas Cook Canada Inc. ("**TCCI**" or the "**Agent**") pursuant to the Amended and Restated Credit Agreement dated February 12, 2010 (the "**Credit Agreement**") executed by the Debtor as borrower and TCCI as lender, a secured creditor, intends to enforce its security held as Agent on the insolvent person's property described in Schedule "A" hereto.
2. The security that is to be enforced includes, but is not limited to (all documents are dated on or as of 19 October 2007 unless otherwise noted):
 - (a) General Security Agreement given by 6756140 Canada Inc. (a predecessor by amalgamation to the Debtor "**Holdco**") in favour of the Agent (the "**Holdco GSA**")
 - (b) Guarantee of debts, liabilities and obligations of Holdco given by Skyservice Airlines Inc. in favour of the Agent (the "**Guarantee**")
 - (c) Demand Debenture in the principal amount of \$27,500,000 given by the Debtor in favour of the Agent charging real property located at 31 Fasken Drive, Toronto, excluding leasehold property located at 6932 Vanguard Drive, Mississauga (excluding Hangars 6 and 6A at Pearson International Airport) (the "**Fasken Drive Debenture**")
 - (d) Demand Debenture in the principal amount of \$27,500,000 given by the Debtor in favour of the Agent charging real and leasehold property located at 6932 Vanguard Drive, Mississauga (Hangars 6 and 6A at Pearson International Airport) (the "**Vanguard Drive Debenture**")
 - (e) General Security Agreement given by the Debtor in favour of the Agent (the "**Debtor GSA**")
 - (f) Intellectual Property Security Agreement given by the Debtor in favour of the Agent (the "**IP Security Agreement**")
 - (g) Assignment of Material Contracts given by the Debtor in favour of the Agent (the "**Assignment of Material Contracts**")
 - (h) Agreement to Assign Life Insurance between Rob Giguere as Insured, the Debtor as Grantor and the Agent (the "**Insurance Assignment**")

Draft

- 2 -

- (i) Pledge Agreement given by the Debtor in favour of the Agent with respect to shares of Skyservice Airlines Limited ("SAL") and 4366794 Canada Inc. ("436") (the "Pledge Agreement")
- (j) Tri-Party Agreement among Greater Toronto Airports Authority ("GTAA"), the Debtor and the Agent (the "Tri-Party Agreement")
- (k) Consent from GTAA dated 27 September 2007 (the "Consent")
- (l) Acknowledgment and Confirmation by the Debtor in favour of the Agent and the Lenders (the "Confirmation")
- (m) Confirmation of Security Interest in Trade-Marks dated 1 November 2007 by the Debtor to the Canadian Intellectual Property Office in favour of the Agent (the "CIPO Confirmation")
- (n) Acknowledgement Letter Re: Royal Bank of Canada Letters of Credit (the "RBC Acknowledgement")

(collectively, the "Security Agreements").

3. The total amount of indebtedness secured by the security is an aggregate principal amount of approximately CDN\$8,598,919.95 as of the date hereof, plus accrued and accruing fees, costs and other allowable charges to the date of payment.

DATED at Toronto this 20th day of March, 2010.

Thomas Cook Canada Inc.

By: _____

Name: KARIM NENSI

Title: C.F.O.

By: _____

Name:

Title:

Draft

SCHEDULE "A"

Security

All capitalized terms not defined herein shall have the meanings ascribed thereto in the relevant Security Agreements.

1. **Pursuant to the Holdco GSA (all capitalized terms in this paragraph are as defined in the Holdco GSA):**

- (a) All of the undertaking, property and assets of the Debtor, both real and personal, immovable and moveable, tangible and intangible, legal and equitable, of whatsoever nature and kind and wheresoever situate, now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest including without limitation:
 - (i) Intangibles – all intangible property including without limitation book debts and accounts, all contractual rights and insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
 - (ii) Books & Records – all of the Debtor's, manuals, publications, letters, deeds, documents, writings, papers, invoices, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (iii) Equipment – all of the Debtor's tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than Inventory;
 - (iv) Inventory – all of the Debtor's tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession;
 - (v) Real Property – all of the Debtor's real and immovable property, both freehold and leasehold, now or hereafter owned, acquired or occupied by the Debtor, together with all buildings, erections, improvements and fixtures situate upon or used in connection therewith, including any lease, verbal or written or any agreement therefor, provided, however, the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Debtor, is excepted out of the Real Property charged by this Security Agreement, but should such charge become enforceable the Debtor shall thereafter stand possessed of the last day of such leasehold interest upon trust to assign and dispose thereof as the Agent may direct;

Draft

- (vi) Other Property – the Debtor’s undertaking and all of the Debtor’s other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, money and investment property (as those terms are defined in the *Personal Property Security Act* (Ontario)); and
- (vii) Proceeds – all of the Debtor’s property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral.

2. **Pursuant to the Debtor GSA (all capitalized terms in this paragraph are as defined in the Debtor GSA):**

- (a) All of the undertaking, property and assets of the Debtor, both real and personal, immovable and moveable, tangible and intangible, legal and equitable, of whatsoever nature and kind and wheresoever situate, now owned or hereafter acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any right, title or interest, including without limitation:
 - (i) Intangibles - all intangible property including without limitation book debts and accounts, all contractual rights and insurance claims, licences, computer software, warranties, ownership certificates, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor;
 - (ii) Books & Records - all of the Debtor’s, manuals, publications, letters, deeds, documents, writings, papers, invoices, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (iii) Equipment - all of the Debtor’s tools, machinery, equipment, apparatus, furniture, plants, fixtures, vehicles and other tangible personal property, other than Inventory;
 - (iv) Inventory - all of the Debtor’s tangible personal property held for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process, or materials used or consumed in a business or profession;
 - (v) Real Property - all of the Debtor’s real and immovable property, both freehold and leasehold, now or hereafter owned, acquired or occupied by the Debtor, together with all buildings, erections, improvements and fixtures situate upon or used in connection therewith, including any lease, verbal or written or any agreement therefor, provided, however, the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Debtor, is excepted out of the Real Property charged by this Security Agreement, but should such charge become enforceable the Debtor shall thereafter stand possessed of the last

Draft

day of such leasehold interest upon trust to assign and dispose thereof as the Agent may direct;

- (vi) Other Property - the Debtor's undertaking and all of the Debtor's other property and assets including, without limitation, uncalled capital, judgments, rights, franchises, chattel paper, documents of title, goods, instruments, money and investment property (as those terms are defined in the *Personal Property Security Act* (Ontario)); and
- (vii) Proceeds - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral or that indemnifies or compensates for loss of or damage to the Collateral.

3. **Pursuant to the IP Security Agreement (all capitalized terms in this paragraph are as defined in the IP Security Agreement):**

- (a) Any and all:
 - (i) trade secrets; confidential or proprietary information or data and know-how;
 - (ii) trade marks, service marks, brands, designs, logos, indicia, trade dress, domain names, taglines, trade names, corporate names, company names, business names, trading styles, business identifiers, fictitious names or characters, whether registered or not, applications to register and registrations of the same and like protection, and the entire goodwill of the business of Debtor connected with and symbolized by such rights
 - (iii) copyrights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished
 - (iv) other industrial or intellectual property of whatever kind in which the Debtor now or hereafter has rights, and any item or part thereof; and
 - (v) all proceeds of any and all of the foregoing, including, without limitation, license royalties and proceeds of suits relating to industrial or intellectual property of any sort;

including without limitation the Intellectual Property listed on Schedule A of the IP Security Agreement;

- (b) All Contracts and Licenses entered into or granted in connection with Intellectual Property;
- (c) All Records and all accounts, money and Proceeds derived from any Intellectual Property, Contracts or Licenses; and
- (d) Specifically not including Software.

Draft

4. **Pursuant to the Assignment of Material Contracts (all capitalized terms in this paragraph are as defined in the Assignment of Material Contracts):**

- (a) All right, title and interest of the Debtor in the agreements attached as Schedule A to the Assignment of Material Contracts, including the Debtor's beneficial interest in (i) any Material Contract which may be held in trust for the Debtor by a third party and (ii) any Material Contract which may be held in trust by the Debtor for the Agent.
- (b) All present and future books and accounts, letters, invoices, papers and documents in any way evidencing or relating to Material Contracts.

5. **Pursuant to the Insurance Assignment:**

- (a) A policy issued by an insurance company approved by the Agent insuring the life of Robert Giguere in the sum of \$1,000,000.

6. **Pursuant to the Assignment of Pledge Agreement:**

- (a) All shares now or hereafter held by the Debtor in the capital stock of Skyservice Airlines Limited and 4366794 Canada Inc. and any renewals thereof, substitutions therefor and proceeds thereof.

7. **Pursuant to the CIPO Confirmation:**

- (a) 'Skyservice' trademark with application number 1311668.

8. **Pursuant to the Fasken Drive Debenture:**

- (a) The real property municipally known as 31 Fasken Drive, Toronto ON, bearing the following legal description:

PIN: 07420-0020

Part of Block B, Plan 7994, City of Toronto, Part 1, Reference Plan 64R-8871

but excluding the real and immovable leasehold property located at the municipal address of 6932 Vanguard Drive, Mississauga, ON, bearing the following legal description:

PIN 13526-0009

Part of Lot 9, Land Registrar's Compiled Plan No. 1006, City of Mississauga, Regional Municipality of Peel, designated as Part 2 on Reference Plan 43R-11367.

9. **Pursuant to the Vanguard Drive Debenture:**

- (a) The real property and lease located at the municipal address of 6932 Vanguard Drive, Mississauga, ON, bearing the following legal description:

Draft

Part of PIN: 13526-0009

Part of Lot 9, Land Registrar's Compiled Plan No. 1006, City of Mississauga, Regional Municipality of Peel, designated as Part 2 on Reference Plan 43R-11367.

10. Pursuant to the Tri-Party Agreement:

- (a) The Agent's right, as Leasehold Mortgagee, to enforce its security interest in Lease No. YZ3095, dated November 1, 2000, between GTAA, as Landlord, and Sky Service F.B.O. Inc., as Tenant.

11. Pursuant to the Consent:

- (a) The Debtor's interest in Lease No. YZ3095, dated November 1, 2000, between GTAA, as Landlord, and Sky Service F.B.O. Inc., as Tenant, as assigned to the Debtor by Consent to Assignment of Lease and Assumption Agreement between the Landlord, Skyservice F.B.O. Inc. and the Debtor, dated August 10, 2007.

Draft

TAB 2L

CONSENT TO EARLIER ENFORCEMENT OF SECURITY
(Subsection 244(2) and (2.1) of the *Bankruptcy and Insolvency Act* ("BIA"))

TO: **THOMAS COOK CANADA INC.** (the "Secured Creditor")

The undersigned hereby:

1. Acknowledges receipt of the Secured Creditor's demand for payment of the amounts owing set out therein (the "Indebtedness") and its notice of intention to enforce security under section 244 of the BIA ("NOI") each of which is dated March 30, 2010;
2. Acknowledges that the Indebtedness is due and owing;
3. Acknowledges that it is unable to make payment of the Indebtedness;
4. Consents to the immediate enforcement of the security described in the NOI; and
5. Acknowledges and agrees that the Secured Creditor shall not be required to refrain from enforcing its security for the 10-day period referred to in section 244(2) of the BIA and waives its rights thereunder.

Dated this th day of March, 2010.

SKYSERVICE AIRLINES INC.

By: _____

Name: Robert Giguere

Title: President & Chief Executive Officer

TAB 2M

This is Exhibit "M" to the
Affidavit of Karim Nensi

sworn before me this 31st day of March, 2010.



Commissioner for Taking Affidavits
Mary Paterson

Court file # CV-10-8647-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF
SKYSERVICE AIRLINES INC.**

BETWEEN:

THOMAS COOK CANADA INC.

Applicant

- and -

SKYSERVICE AIRLINES INC.

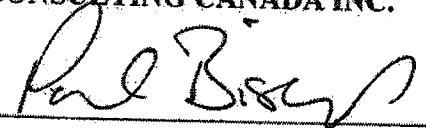
Respondent

CONSENT TO ACT AS RECEIVER

FTI CONSULTING CANADA INC. hereby consents to act as receiver pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and as receiver pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, of Skyservice Airlines Inc.

DATED this 31st day of March, 2010.

FTI CONSULTING CANADA INC.

By: 

Name: Paul Bishop

Title: Senior Managing Director

IN THE MATTER OF THE RECEIVERSHIP OF SKYSERVICE AIRLINES INC.

Court file # CV-10-8647-00CL

THOMAS COOK CANADA INC. **SKYSERVICE AIRLINES INC.**
Applicant and Respondent

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

CONSENT OF RECEIVER

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

John A. MacDonald (LSUC# 25884R)
(416) 862-5672
Mary Paterson (LSUC# 51572P)
(416) 862-4924
(416) 862-6666 (fax)

Lawyers for the applicant, Thomas Cook Canada,
Inc.

F. 1121143

IN THE MATTER OF THE RECEIVERSHIP OF SKYSERVICE AIRLINES INC.

THOMAS COOK CANADA INC. and SKYSERVICE AIRLINES INC.
Applicant and Respondent

Court file # CV-10-8647-00CL

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF KARIM NENSI
(sworn March 31, 2010)
(Appoint National Receiver)

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

John A. MacDonald (LSUC# 25884R)
(416) 862-5672
Mary Paterson (LSUC# 51572P)
(416) 862-4924
(416) 862-6666 (fax)

Lawyers for the applicant, Thomas Cook Canada,
Inc.

F. 1121143

TAB 3

[Document ID: CLUC Version No. 1, Date: September 14, 2004] Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE _____) Week Day WEDNESDAY,
THE #)
31st JUSTICE _____) DAY OF
Month MARCH, 20Yr 2010

PLAINTIFF

Plaintiff

**IN THE MATTER OF THE RECEIVERSHIP OF
SKYSERVICE AIRLINES INC.**

BETWEEN:

THOMAS COOK CANADA INC.

Applicant

- and -

DEFENDANT

Defendant

SKYSERVICE AIRLINES INC.

Respondent

**(Application under s. 243(1) of the Bankruptcy and Insolvency Act for a national receiver
and s. 101 of the Courts of Justice Act for a receiver)**

ORDER

THIS ~~MOTION~~ APPLICATION made by the Plaintiff Applicant, Thomas Cook
Canada Inc. ("TCCI"), for an Order pursuant to section ~~47~~ 243(1) of the *Bankruptcy and*

Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "BIA") and sections 101 and 106 of the *Courts of Justice Act*, R.S.O. ~~1990, 1990~~, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~ FTI Consulting Canada Inc. as ~~interim receiver and receiver and manager~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ the Respondent, Skyservice Airlines Inc. (the "Debtor") Debtor), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 393361 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Karim Nensi sworn ~~[DATE]~~ March 31, 2010, and the Exhibits thereto; and on hearing the submissions of counsel for ~~[NAMES]~~ TCCL, ~~no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE]~~ Debtor, Gibralt Capital Corporation ("Gibralt"), and FTI Consulting Canada Inc.; and on reading the Pre-Appointment Report to the Court Submitted by FTI Consulting Canada Inc., in its capacity as proposed Receiver; and on reading the consent of ~~[RECEIVER'S NAME]~~ FTI Consulting Canada Inc. to act as the Receiver;

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 47243(1) of the BIA and section 101 of the CJA, [~~RECEIVER'S NAME~~]FTL Consulting Canada Inc. is hereby appointed Receiver, without security, of all of the ~~Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated~~the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property in respect of the preservation, protection, collection and realization thereof and, without in any way limiting the generality of the foregoing (but subject to the limitations in clause (d) below), the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, ~~and protect and maintain control~~ of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) in the case of Property consisting of airframes, aircraft engines and related accessories, parts, equipment, manuals, records and other property ("Aircraft Objects"), to permit any owner or lessor of, or other person with an interest in, any such Aircraft Objects to take possession or control thereof, whether the Receiver has or has not taken prior possession or control thereof, on such terms (if any) as the Receiver considers appropriate;
- (d) ~~(e) to manage, wind-down but not operate and carry on the business and realize on~~ the Property of the Debtor, including the powers to enter into any agreements, incur and pay any obligations in the ordinary course of winding-down the business, and realizing on the Property, cease to carry on ~~all or any part of~~ the business, or cease to perform any contracts of the Debtor;
- (e) to enter into arrangements to assist employees of the Debtor, who have travelled and remain outside of Canada in the course of their employment, to return to Canada, including the power to incur and pay reasonable accommodation, transportation and meal costs and to reimburse such costs;
- (f) to confirm the continuation of employment by the Debtor of employees pursuant to letters from the Receiver on behalf of the Debtor and of union employees (if

any) in respect of whom the applicable union or local has entered into an agreement with the Receiver, in each case on terms satisfactory to the Receiver, all with a view to facilitating a wind-down of the business and realization of the Property;

- (g) to confirm the permanent layoff and/or termination of employment by the Debtor of employees pursuant to letters from the Receiver on behalf of the Debtor;
- (h) ~~(d)~~ to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons (including, without limitation, affiliates of the Receiver) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (i) ~~(e)~~ to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue as the Receiver considers necessary or desirable to facilitate the wind-down of the business of the Debtor or any part or parts thereof and the realization on the Property;
- (j) ~~(f)~~ to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (k) ~~(g)~~ to settle, extend or compromise any indebtedness owing to the Debtor;

- (l) ~~(h)~~ to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (m) ~~(i)~~ to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (n) ~~(j)~~ to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (o) ~~(k)~~ to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (p) ~~(l)~~ to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$750,000, provided that the aggregate consideration for all such transactions does not exceed \$3,000,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [for section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (q) ~~(m)~~ to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (r) ~~(n)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (s) ~~(o)~~ to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including the real property described in Schedule B hereto;
- (t) ~~(p)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (u) ~~(q)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability

to enter into occupation agreements for any property owned or leased by the Debtor;

(v) ~~(t)~~ to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(w) ~~(s)~~ to take any steps reasonably incidental to the exercise of these powers, or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data

storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA to the same extent that counterparties are entitled to exercise remedies thereunder pursuant to section 65.1 of the BIA in proposal proceedings, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (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 THE RECEIVER

10. THIS COURT ORDERS that 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 Debtor 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current 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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date

of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of ~~such employees.~~ any or all such employees. In this regard, the Receiver may confirm the continuation of the employment, by the Debtor, of employees pursuant to a letter from the Receiver on behalf of the Debtor. The Receiver shall not be liable for any employee-related liabilities, including ~~wages, severance pay, termination pay, vacation pay, and pension or benefit amounts~~ any successor or other employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay on behalf of the Debtor, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction. in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed or construed to be in

Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the Wage Earner Protection Program Act. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that ~~any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the counsel to the Receiver shall be paid their reasonable fees and disbursements of its legal counsel, incurred in each case at their standard rates and charges of, and that the Receiver and its counsel, shall be allowed to it in passing its accounts and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge"), but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, and subject to any validly registered mortgage, lien or charge on the real property of the Debtor (other than any registrations in favour of TCCI or Gibralt) or to any validly attached and perfected security interest in a specific identified asset of the Debtor identified on the PPSA register.~~

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

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subordinate to any validly registered mortgage, lien or charge on the real property of the Debtor (other than any

registrations in favour of TCCI or Gibralt) or to any validly attached and perfected security interest in a specific identified asset of the Debtor identified on the PPSA register.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. 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 or elsewhere to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. THIS COURT ORDERS that the Receiver 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 Receiver 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.

28. THIS COURT ORDERS that the PlaintiffApplicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the PlaintiffApplicant's security or, if not so provided by the PlaintiffApplicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"**RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ 500,000

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ FTI Consulting Canada Inc., the ~~interim receiver and receiver and manager~~ (the "Receiver") ~~of all of the assets, undertakings and properties of [DEBTOR'S NAME]~~ Skyservice Airlines Inc. ~~acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property")~~ appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 31st day of March, 2004/2010 (the "Order") made in an action having Court file number 04-CL-, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ 500,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property ~~(as defined in the Order)~~, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property ~~(as defined in the Order)~~ as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2004, _____, 20_____.

~~[RECEIVER'S NAME]~~ FTI Consulting Canada Inc. solely in its capacity
as Receiver of the Property ~~(as defined in the Order)~~, and not in its personal capacity

Per: _____

Name: _____

Title: _____

SCHEDULE "B"

31 Fasken Drive, Toronto, ON

PIN: 07420-0020 (LT)

PT BLK B, PL 7994, PART 1, 64R8871, T/W EB367331; ETOBICOKE, CITY OF TORONTO.

6932 Vanguard Drive, Mississauga, ON

PIN: 13526-0009 (LT)

LT 9, REGISTRAR'S COMPILED PLAN 1006; T/W EASEMENTS DESCRIBED IN R01129884; BRAMPTON/MISSISSAUGA; T/W EASEMENT AS IN PR361078; T/W EASEMENT OVER PT LOT 5 CON 7 EHS TT, DESG PTS 35 TO 38, PLAN 43R32426, AS IN PR1523019.

IN THE MATTER OF THE RECEIVERSHIP OF SKYSERVICE AIRLINES INC.

Court File No:

THOMAS COOK CANADA INC. SKYSERVICE AIRLINES INC.
Applicant and Respondent

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Appoint National Receiver)**

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

John A. MacDonald (LSUC# 25884R)
(416) 862-5672
Mary Paterson (LSUC# 51572P)
(416) 862-4924
(416) 862-6666 (fax)

Lawyers for the applicant, Thomas Cook Canada,
Inc.

F. 1121143

IN THE MATTER OF THE RECEIVERSHIP OF SKYSERVICE AIRLINES INC.

THOMAS COOK CANADA INC.

Applicant and Respondent

SKYSERVICE AIRLINES INC.

Court file # CV-10-8647-00CL

Ontario

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**APPLICATION RECORD
(Appoint National Receiver)**

Osier, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

John A. MacDonald (LSUC# 25884R)
(416) 862-5672

Mary Paterson (LSUC# 51572P)
(416) 862-4924

(416) 862-6666 (fax)

Lawyers for the applicant, Thomas Cook Canada,
Inc.

F. 1121143