

**SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF SKYGREECE AIRLINES S.A., AN INSOLVENT
PERSON, PURSUANT TO SECTION 50.4(1) THE
BANKRUPTCY AND INSOLVENCY ACT ("BIA")**



**THE HONOURABLE
MADAM JUSTICE CONWAY**

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**FRIDAY, THE 2nd
DAY OF OCTOBER, 2015**

ORDER

THIS MOTION made by SkyGreece Airlines S.A. ("SkyGreece"), for an order extending the stay of proceedings herein and for other corollary relief was heard this day at 330 University Avenue, Toronto, Ontario

ON READING the SkyGreece's Motion Record, Factum and Book of Authorities, and the First Report of Ernst & Young Inc. as Proposal Trustee for SkyGreece ("Proposal Trustee"), and on hearing the submissions of SkyGreece, and the Proposal

Trustee, *Bank of America, and Dr. Gabor Lukacs, who & position taken on the motion by other parties served:*

1. THIS COURT ORDERS THAT the time for service and filing, and the manner of service of the Applicant's Motion Record, Factum and Book of Authorities is hereby

abridged and validated so that the motion is properly returnable today. The court dispenses with further service thereof.

2. **THIS COURT ORDERS THAT** the stays of proceedings imposed by s. 69(1) of the *Bankruptcy and Insolvency Act* and by the order of this court dated September 8, 2015 are hereby extended to November 17, 2015.

3. **THIS COURT ORDERS AND DECLARES** that the interim financing described in the term sheet attached hereto as Appendix A (the "DIP Loan") is hereby approved and that the property, assets and undertakings of SkyGreece (the "Property") are subject to a charge in the amount owing in respect of the DIP Loan (the "DIP Charge"), including, without limitation, any amounts owing in respect of advances made to pay any debts due to employees of SkyGreece.

subject to paragraph 9,

4. **THIS COURT ORDERS AND DECLARES** that the Property is subject to a charge in the amount of \$100,000, in respect of the fees and expenses of the trustee under proposal (the "Trustee"), including the fees and expenses of any financial, legal or other experts engaged by the Trustee in the performance of the Trustee's duties (the "Trustee Charge").

5. **THIS COURT ORDERS AND DECLARES** that the Property is subject to a charge in the amount of \$150,000, in respect of the fees and expenses of any financial, legal or other experts engaged by SkyGreece for the purpose of these proceedings, including, without limitation, lawyers for SkyGreece in Canada, Greece and the United

States, SkyGreece's Chief Restructuring Officer, aviation consultants and communications experts (the "Advisor Charge").

6. **THIS COURT ORDERS AND DECLARES** that the Property is subject to a charge in the amount of \$80,000 in favour of the directors and officers SkyGreece (including, without limitation, Brooks Pickering), to indemnify them against obligations and liabilities that they may incur as directors or officers after the filing of the notice of intention to make a proposal, including, without limitation, any liability that they may incur in respect of amounts due to employees pursuant to the laws of Greece, but specifically excluding any obligation or liability that is determined by this court to be incurred as a result of the director's or officer's gross negligence or wilful misconduct or, in Quebec, the director's or officer's gross or intentional fault. (the "D&O Charge").

7. **THIS COURT ORDERS AND DECLARES** that the DIP Charge, the Trustee Charge, the Advisor Charge, and the D&O Charge shall rank in priority to the interests of unsecured creditors, and that, as between them, they shall rank in the following order of priority:

- (a) First: the Trustee Charge and Advisor Charge, on a *pari passu* basis;
- (b) Second: the D&O Charge; and,
- (c) Third: the DIP Charge.

8. **THIS COURT ORDERS AND DECLARES** that the activities of the Proposal Trustee as disclosed in its First Report to the Court are hereby approved.

Conway J.

9. This Court orders that the professional fees incurred in this case shall be paid ~~fully~~ out of the funds advanced on or about ^{BC} September 3, 2015 and currently held on retainer by the professionals.

10. This Court orders that SkyGreece shall work ~~forthwith~~ with Dr. Lukacs to ^{BC} address the concerns expressed in Dr. Lukacs' complaint to the office of the Privacy Commissioner of Canada found at Exhibit "K" to the affidavit of ~~Mark Peters~~ sworn September 28, 2015.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



OCT 2 - 2015

APPENDIX "A"

EXHIBIT M

Summary Term Sheet

Emergency DIP Loan

SkyGreece Airlines – Interim Financing

Borrower:	SkyGreece Airlines, S.A. A Greek Corporation
Lender:	Ken Stathakis, an individual
Loan Amount:	Two Hundred Fifty Thousand USD (\$250,000)
Interest:	Twelve percent (12%) per annum
Term:	The Loan Amount will be repaid with Interest on the earlier of: the bankruptcy of the Borrower; the commencement of proceedings by the Borrower pursuant to the Companies' Creditors Arrangement Act (Canada); immediately upon an order of the court approving a Proposal by the Borrower becoming final; and, immediately upon the sale of the Borrower's Boeing 767 airplane (the "Boeing 767").
Security:	The loan shall be secured by a court ordered charge over all of the property, assets and undertakings of SkyGreece (including, without limitation, the Boeing 767), and ranking in priority to the claims of any unsecured creditors, but subordinate to other court ordered charges.
Use of Funds:	The loan funds shall be used only to fund professional fees, payment of arrears owing to employees, the hardship fund described below, and such other immediate and pressing restructuring expenses as are contemplated by SkyGreece's cash flow statement or are approved by the Lender.
Hardship Fund:	Ten percent (10%) of the overall Loan Amount shall be used to create a hardship fund to be used, in the discretion of the Borrower, subject to approval by the Borrower's Proposal Trustee, to provide financial assistance to passengers (if any) who are stranded and who are otherwise unable to return home.

Advances:

The Lender will make advances ("DIP Advances") not to exceed the Loan Amount at any time to the Borrower on the terms set out herein. The Borrower may request a DIP Advance by providing notice (a Draw Request") to the Lender before 9:00 a.m. Eastern Standard Time on the second business day prior to the date the DIP Advance is to be made. DIP Advances shall be deposited into a bank account to be designated by the Borrower (the "Borrower's Account") and utilized by the Borrower in accordance with the terms of this Agreement.

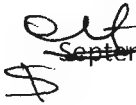
Anticipated Date of Closing:

October 5, 2015

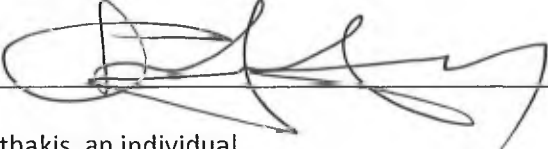
Other Provisions:

1. The Loan Agreement shall be governed by the laws of Canada and the Province of Ontario.

AGREED AND ACCEPTED:


September 18th, 2015

By: _____


Ken Stathakis, an individual

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**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT
TORONTO

ORDER

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