Court File No.: BK-26-03382861-0032
Estate No.: 32-3382861

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF FIELD AVIATION COMPANY INC. AND FIELD AVIATION EAST LTD.

SUPPLEMENTAL FACTUM OF FIELD AVIATION COMPANY INC. AND FIELD AVIATION EAST LTD.

(Re: Voyageur Approval and Vesting Order)
(Motion returnable July 24, 2026)

July 24, 2026

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PART I - OVERVIEW & FACTS

1. Field Aviation Company Inc. ("**Field Canada**") and Field Aviation East Ltd. ("**Field East**", and together with Field Canada, the "**Field Entities**"), are insolvent aerospace engineering and aircraft modification companies.

2. Following the successful completion of a Court-approved stalking horse sale and investment solicitation process (the "**SISP**") for the sale of the Field Entities' aviation business or their assets, undertakings and properties, the Field Entities seek an approval and vesting order (the "**Voyageur Approval and Vesting Order**") approving a transaction (the "**Voyageur Transaction**") contemplated by a bill of sale (the "**Voyageur Bill of Sale**") between the Field Entities, as sellers, and Voyageur Aviation Corp. ("**Voyageur**"), as purchaser, dated July 23, 2026 and vesting all of the Field Entities' right, title and interest in and to the Purchased Asset (as defined in the Voyageur Bill of Sale) free and clear of all liens, charges, mortgages, security interests, encumbrances, claims and interests of any kind whatsoever, other than as expressly provided in the Voyageur Bill of Sale.[1]

3. The relief sought is in the best interests of the Field Entities and their stakeholders, is supported by the Proposal Trustee, and is fair and reasonable in the circumstances.

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[1] Supplemental Motion Record of the Field Entities, Tab 2, Supplemental Affidavit of John Mactaggart sworn July 23, 2026 ("**July 23 Affidavit**"). Any capitalized terms not otherwise defined herein have the meaning attributed to them in the sworn July 23 Affidavit or the Voyageur Bill of Sale.

Background

4. Pursuant to the SISP, Voyageur submitted a binding bid dated July 10, 2026 to purchase all of the Field Entities' rights, title and interests in a certain STC identified as Certificate No. O-LSA15-135/D, Issue 3, issued August 15, 2016, for the "AMSA MPA Provisions" project, together with certain related data as more specifically described in Schedule "A" to the Voyageur Bill of Sale (as defined below) (the "**Voyageur Purchased Asset**"), registered in the name of Field East, for a purchase price of US$210,000, exclusive of applicable taxes. [2]

5. Following consultation with the Proposal Trustee, the Field Entities accepted the bid in accordance with the SISP. The bill of sale was finalized on July 23, 2026 (the "**Voyageur Bill of Sale**"), and the transaction remains conditional on the Court granting the requested Voyageur Approval and Vesting Order.[3]

6. The Voyageur Purchased Asset will be acquired on an "as is, where is" basis, free and clear of all claims and encumbrances, other than the expressly permitted non-exclusive interest relating to certain data provided to Draken, as set out in Schedule "B" to the Voyageur Bill of Sale. Draken has been consulted throughout the negotiation of the Voyageur Bill of Sale and has approved its terms.[4]

7. Voyageur is required to pay a deposit of US$21,000 to the Proposal Trustee within two (2) business days following execution of the Voyageur Bill of Sale, with the balance of the

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[2] July 23 Affidavit at para 3.
[3] July 23 Affidavit at para 4.
[4] July 23 Affidavit at para 5.

purchase price payable within two (2) business days following the granting of the Voyageur Approval and Vesting Order.[5]

PART II - THE ISSUE

8. Whether the Court should grant the Voyageur Approval and Vesting Order.

PART III - LAW & ANALYSIS

9. The Court should grant the Voyageur Approval and Vesting Order approving the Voyageur Transaction.

10. Subsection 65.13(4) of the BIA sets out the statutory factors that should be considered by the Court when determining whether to approve a sale of assets outside the ordinary course of business, being: (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances; (b) whether the proposal trustee approved the process leading to the proposed sale or disposition; (c) whether the proposal trustee filed with the court a report stating that, in its opinion, the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy; (d) the extent to which the creditors were consulted; (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.[6]

11. An order approving a sale transaction in proposal proceedings may be made where the Court is satisfied that the criteria set out above have been met, and having regard to the

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[5] July 23 Affidavit at para 6.
[6] BIA, s 65.13(4).

well-known principles for the approval of an asset sale set out in *Royal Bank v Soundair Corp*, with which the section 65.13(4) criteria "overlap considerably".[7] The *Soundair* principles include: (a) whether sufficient efforts were made to obtain the best price and that the debtor has not acted improvidently; (b) whether the interests of all parties has been considered; (c) the integrity and efficacy of the process for obtaining offers; and (d) whether there is any unfairness in working out the process.[8]

12. The Voyageur Bill of Sale and the Voyageur Transaction contemplated therein satisfy the criteria in section 65.13(4) of the BIA. Although the Proposal Trustee has not filed a supplemental report specifically addressing the Voyageur Bill of Sale because the Voyageur Transaction was finalized after the filing of its Second Report, the Proposal Trustee confirmed in Court that it supports the Voyageur Transaction and the granting of the Voyageur Approval and Vesting Order.

13. The Voyageur Bill of Sale and the Voyageur Transaction contemplated therein also satisfy the *Soundair* principles:

    (a) **Best available price and absence of improvidence:** The Voyageur Purchased Asset was marketed through the Court-approved SISP, which was conducted to solicit and evaluate offers for the Field Entities' aviation business or their assets, undertakings and properties. Through that process, Voyageur submitted the only binding bid received for the Voyageur Purchased Asset, offering a purchase price

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[7] Endorsement of Justice Steele dated March 27, 2026, *Re JointCraft Inc*, Court File No. BK-26-003318323-0031 at para 9 [*JointCraft*]; Endorsement of Justice J Dietrich dated December 19, 2025, *Re Stewart's Vertical Farms Inc*, Court File No. BK-25-03241528-0031 at para 19 [*SVFI*]; Endorsement of Justice Kimmel dated April 15, 2024, *Re BRR Logistics Limited*, Court File No. BK-24-03038619-0031 at para 8 [*BRR Logistics*].
[8] *Royal Bank v Soundair Corp*, 1991 CarswellOnt 205 at para 16, 1991 CanLII 2727 (CA) [*Soundair*].

of US$210,000, exclusive of applicable taxes. Following consultation with the Proposal Trustee, the Field Entities accepted Voyageur's bid in accordance with the terms of the SISP. The Proposal Trustee supports the Voyageur Transaction and is satisfied that it represents the best available offer in the circumstances.[9]

(b) **Consideration of stakeholder interests:** The Transaction provides a timely realization of value for the Voyageur Purchased Asset and avoids the costs, delay and uncertainty associated with further efforts to market or monetize the asset. The Field Entities believe that additional marketing efforts are unlikely to result in a superior recovery.[10]

(c) **Integrity and efficacy of the sale process:** The SISP was approved by this Court and provided a fair and transparent process for soliciting, reviewing and evaluating offers. The process resulted in the identification of Voyageur's bid as the best, and only, available offer for the Voyageur Purchased Asset.[11]

(d) **There is no unfairness in the sale process or the Voyageur Transaction:** Draken was consulted throughout the negotiation of the Voyageur Bill of Sale and has approved its terms, including the treatment of its permitted non-exclusive interest in certain data. The Voyageur Bill of Sale provides for a 10% deposit and contains only limited closing conditions, providing a high degree of certainty of closing.[12]

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[9] July 23 Affidavit at para 7(a).
[10] July 23 Affidavit at para 7 (d)
[11] July 23 Affidavit at para 7(a)
[12] July 23 Affidavit at paras 5-6.

PART IV - RELIEF REQUESTED

14. For the reasons set out herein, the Court should grant the Voyageur Approval and Vesting Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 24th day of July, 2026.

July 24, 2026

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SCHEDULE "A"
LIST OF AUTHORITIES

1. Endorsement of Justice Steele dated March 27, 2026, *Re JointCraft Inc*, Court File No. BK-26-003318323-0031.

2. Endorsement of Justice J Dietrich dated December 19, 2025, *Re Stewart's Vertical Farms Inc*, Court File No. BK-25-03241528-0031.

3. Endorsement of Justice Kimmel dated April 15, 2024, *Re BRR Logistics Limited*, Court File No. BK-24-03038619-0031.

4. *Royal Bank v Soundair Corp*, 1991 CarswellOnt 205, 1991 CanLII 2727 (CA).

I certify that I am satisfied as to the authenticity of every authority listed above.

Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).

Date July 24, 2026



Rachel Nicholson

SCHEDULE "B"
RELEVANT STATUTES

***Bankruptcy and Insolvency Act*, RSC 1985, c B-3**

65.13 (1) An insolvent person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1) may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

65.13 (4) In deciding whether to grant the authorization, the court is to consider, among other things,

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the trustee approved the process leading to the proposed sale or disposition;

(c) whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FIELD AVIATION COMPANY INC. AND FIELD AVIATION EAST LTD.

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Proceedings commenced at **Toronto**

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