

COURT FILE NUMBERS 25-2386427
25-2386434

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE DIVISION I
PROPOSAL PROCEEDINGS OF ASPEN AIR
CORPORATION and ASPEN AIR U.S. CORP.

DOCUMENT SUPPLEMENTAL AFFIDAVIT OF ONKAR
DHALIWAL

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS DOCUMENT
McMillan LLP
Suite 1700, 421 - 7 Avenue S.W.
Calgary, AB T2P 4K9
Phone: 403-531-4700
Fax: 403-531-4720



Attention : Adam Maerov
Phone: 403-215-2752
Email: adam.maerov@mcmillan.ca

Kourtney Rylands
Phone: 403-355-3326
Email: kourtney.rylands@mcmillan.ca

File No. 258090

SUPPLEMENTAL AFFIDAVIT OF ONKAR DHALIWAL

Sworn October 3, 2018

I, Onkar Dhaliwal, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

- I. I am the President and CEO of Aspen Air Corporation (“Aspen Air”) and Aspen Air U.S. Corp. (“Aspen Air US”, and together with Aspen Air, the “Aspen Companies”) and, as such, I have a personal knowledge of the facts and matters sworn to in this

Affidavit save where stated to be based on information and belief and, where so stated, I believe such information to be true.

2. This Affidavit is made in support of an Order:
 - (a) extending the period of time within which the Aspen Companies are required to file a proposal to their creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “BIA”), up to and including November 18, 2018;
 - (b) approving an amendment to the Invico DIP Credit Agreement to increase the Invico DIP Facility (each as defined below) from CAD \$250,000 to CAD \$750,000; and
 - (c) varying the initial order of Justice G.A. Campbell granted on June 26, 2018 (the “Initial Order”), which was varied by the Order of Justice D.B. Nixon granted on August 15, 2018 (the “Invico DIP Order”), to increase the Invico DIP Charge (as defined in the Invico DIP Order) from CAD \$250,000 to CAD \$750,000.

Update on the SISP

3. The Initial Order approved the sale and investment solicitation process (“SISP”) which the Aspen Companies have been diligently pursuing in conjunction with the financial advisor, Whitehorn Capital (the “Financial Advisor”).
4. Pursuant to the terms of the SISP the Aspen Companies received multiple Non-Binding Expressions of Interest from Qualified Phase I Bidders (each as defined in the SISP).
5. Pursuant to a letter (the “SISP Letter”) which was sent from the Financial Advisor to Invico Diversified Income Fund Limited Partnership (“Invico”) dated October 1, 2018, the Financial Advisor confirmed Invico as a Qualified Phase II Bidder (as defined in the SISP). The SISP Letter also confirmed that other Qualified Phase I Bidders did not satisfy the requirements necessary to become Qualified Phase II Bidders. A copy of the SISP letter is attached hereto as Schedule “A”. Additional information regarding this

determination will be provided to the Court in connection with any future application to approve a Successful Bid.

6. The Aspen Companies, in consultation with the Financial Advisor and the proposal trustee, are in discussions with Invico with respect to the terms of a binding Qualified Bid.

Increase in Invico DIP Charge

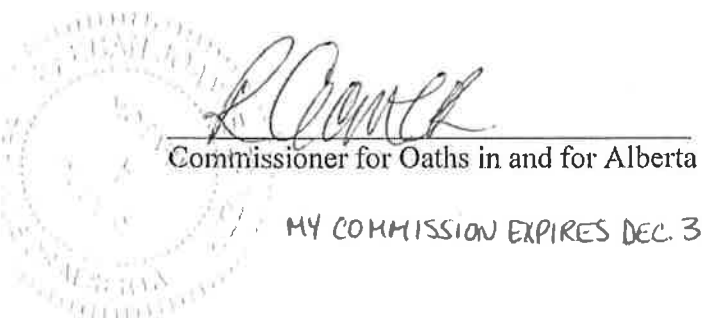
7. The Aspen Companies and Invico have agreed to an increase in the DIP Facility provided for in the Invico DIP Credit Agreement and the Invico DIP Charge (each as defined in the Order of Justice D.B. Nixon granted on August 15, 2018) from CAD \$250,000 to CAD \$750,000, in consideration for a customary fee.

8. Invico has advised that it intends to fund the increased amount of the DIP Facility in accordance with the Aspen Companies' cash flow forecast.

Conclusion

9. I make this affidavit in support of an application to extend the period of time within which the Aspen Companies are required to file proposals to their creditors to November 18, 2018, and increase the Invico DIP Facility and the Invico DIP Charge to CAD \$750,000.

SWORN BEFORE ME at City of Calgary,)
Alberta, this 3rd day of October, 2018)
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[Signature]

Commissioner for Oaths in and for Alberta

[Signature]

ONKAR DHALIWAL

MY COMMISSION EXPIRES DEC. 31, 2018

EXHIBIT A

This is Exhibit "A" referred to in
the Affidavit of Onkar Dhaliwal,
sworn before me this
3rd day of October, 2018



A handwritten signature in cursive script, appearing to read "R. Powell", is written over a horizontal line.

A Commissioner for Oaths /Notary
Public in and for the Province of
Alberta

MY COMMISSION EXPIRES DEC 31, 2018



FINANCING | ACQUISITIONS | SALE OF BUSINESS

October 1st, 2018

Via Email: jwbrooks@invicocapital.com

Invico Diversified Income Fund Limited Partnership
Suite 600, 209 8th Avenue SW
Calgary AB T2P 1B8

Dear Mr. Brooks,

Re: In the Matter of the Notice of Intention to Make a Proposal of Aspen Air Corporation and Aspen Air U.S. Corp. (collectively, the "Aspen Companies") Court of Queen's Bench Action Nos. 25-2386427 and 25-2386434 and United States Bankruptcy Court for the District of Montana In re Aspen Air Corporation and Aspen Air US Corp.; Case No.: 18-60662-15.

As per our conversation with Kristi Ronald of your office, we are confirming Invico Diversified Income Fund Limited Partnership ("Invico") as a Qualified Phase II Bidder. Further, we can confirm that other Qualified Phase I Bidders did not satisfy the requirements necessary to become a Qualified Phase II Bidder.

As a result, the Aspen Companies would like to pursue an agreement with Invico, pending the completion of the anticipated additional due diligence outlined in your Phase I Bid Term Sheet dated September 18, 2018, under Information Required By the SISP, Paragraph (g), and Invico's Proposed Transaction structure, depending on the outcome of Invico's tax due diligence.

It is my understanding that Invico's legal counsel, Tom Cumming, and Aspen Companies legal counsel Adam Maerov will be having a discussion later today, during which next steps will be outlined. Should you have any questions on the above, please contact me at (403) 680-4066.

Sincerely,

Andrew Tavender, MBA, CFA
Director D: 403-718-9860, extension 109
C: 403-680-4066

CC: Ryan Adlington (by email)
Onkar Dhaliwal (by email)
Adam Maerov (by email)
Jeffrey Oliver (by email)