

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

NO: 500-11-042345-120

DATE: July 26, 2012

PRESIDING: THE HONOURABLE MARK SCHRAGER, J.S.C.

***IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED OF:***

**AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE
AÉRONAUTIQUE INC.**

and

AERO TECHNICAL US, INC.

Insolvent Debtors/Petitioners

and

FTI CONSULTING CANADA INC.

and

WELLS FARGO BANK NATIONAL ASSOCIATION, as Fondé de Pouvoir

and

CRÉDIT SUISSE AG, CAYMAN ISLAND BRANCH, as Fondé de Pouvoir

and

AVEOS HOLDING COMPANY as Fondé de Pouvoir

and

BREOF/BELMONT BAN L.P.

SU

and

THE ATTORNEY GENERAL OF CANADA

and

AON HEWITT, as administrator of the Aveos Fleet Performance Inc. pension plans

and

AGENCE DU REVENU DU QUÉBEC

and

CANADA REVENUE AGENCY

and

REGISTRAR OF THE PERSONAL AND MOVABLE REAL RIGHTS REGISTER OF QUEBEC

and

CASP AEROSPACE INC.

Mis en cause

APPROVAL AND VESTING ORDER

(Safety, Gas and Battery Shop)

- [1] **ON READING** the *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for Vesting Orders (Safety, Gas and Battery Shop)* pursuant to Sections 11 and 36 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "**CCAA**") and the affidavit of the Chief Restructuring Officer, Mr. Jonathan Solursh, filed in support thereof;
- [2] **CONSIDERING** the Eleventh Report to the Court submitted by the Monitor, FTI Consulting Canada Inc.;
- [3] **CONSIDERING** the submissions of counsel and being advised that the interested parties were given prior notice of the presentation of the Motion;
- [4] **SEEING** the provisions of the CCAA;

WHEREFORE, THE COURT:

- [5] **GRANTS** the Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for Vesting Orders (Safety, Gas and Battery shop) (the "**Motion**");

SU

- [6] **DECLARES** sufficient and valid the service and notice of the Motion on all persons and **DISPENSES** with any further requirements for service or notice thereof;
- [7] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order, as amended and restated, or, otherwise, in the Motion;
- [8] **AUTHORIZES** Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. (hereinafter "**Aveos**") to enter into and complete the asset purchase agreement (the "**Agreement**") between Aveos and CASP Aerospace Inc. ("the "**Purchaser**");
- [9] **AUTHORIZES** and **RATIFIES** the Agreement, being **Exhibit R-1** to the Motion, and **ORDERS** that Exhibit R-1 be sealed and that redacted a copy removing financial information therefrom be filed in the Court record;
- [10] **AUTHORIZES** the sale, transfer and conveyance of the Purchased Assets pursuant to and identified in the Agreement (the "**Purchased Assets**");
- [11] **AUTHORIZES** Aveos to perform its obligations under the Agreement;
- [12] **AUTHORIZES** Aveos to:
- a) take any and all actions necessary to proceed with the Agreement, including, without limitation, to execute and deliver any documents and assurances governing or giving effect to the Agreement as Aveos, in its discretion, may deem to be reasonably necessary or advisable to conclude the Agreement, including the execution of such deeds, contracts, or documents as may be contemplated in the Agreement and all such deeds, contracts or documents are hereby ratified, approved and confirmed; and
 - b) take steps, as are, in the opinion of Aveos, necessary or incidental to the performance of its obligations pursuant to the Agreement;
- [13] **ORDERS** and **DECLARES** that, upon the delivery of a Monitor's certificate, to the Purchaser, substantially in the form attached as **Schedule A** hereto (the "**Monitor's Certificate**"), all of Aveos' right, title, benefit and interest in and to the Purchased Assets, shall vest absolutely and exclusively in the Purchaser, free and clear of and from any all rights, titles, interests, security interests (whether contractual, statutory, or otherwise), hypothecs (legal or contractual), prior claims, mortgages, pledges, trusts, deeds of trust or deemed trusts (whether contractual, statutory or otherwise), liens (statutory or otherwise), executions, levies, charges or other financial or monetary claims, options, rights of first offer or first refusal, real property licences, encumbrances, obligations, conditional sale arrangements, adverse claims, priorities, levies,

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options, judgments, writs of seizure and sale, leasing agreements or other similar restrictions of any kind, whether attached, perfected, registered or filed and whether secured, unsecured, legal, possessory or otherwise, remedies from facts which exist as at or before the Closing of the Transaction (as defined in the Agreement), whether known or unknown, or any and all other rights of use, disputes and debts of all persons or entities of any kind whatsoever and howsoever arising, each of which and collectively being herein referred to as the "**Claims**," including, without limiting the generality of the foregoing:

- a) any encumbrance or charge created by the Initial Order, as amended, rendered by the undersigned or by any other order of this Court in these proceedings;
- b) all charges, security interests or claims, inasmuch as they relate to property of Aveos, evidenced by registration at or with the Quebec Personal and Movable Real Rights Registry (Québec) ("**RDPRM**"), the Quebec Land Registry, any provincial personal property registry system including without limitation, registrations pursuant to the Personal Property Security Act (Ontario), the Personal Property Security Act (Manitoba) and the Personal Property Security Act (British Columbia), the Canadian Intellectual Property Office or any other personal property registry system, or pursuant to the Bank Act (Canada), the Trademarks Act (Canada) or any other legislation;

[14] **ORDERS** and **DECLARES**, for greater certainty, that all hypothecs, encumbrances and Claims affecting or relating to the Purchased Assets, upon delivery of the Monitor's Certificate, be and are expunged and discharged as against those Purchased Assets corresponding to the Monitor's Certificate so delivered and filed into Court;

[15] **ORDERS** that, upon receipt of a copy of the signed Monitor's Certificate having been delivered to the Purchaser, Aveos is authorized to receive payment of the Purchase Price from the Purchaser;

[16] **DECLARES** that notwithstanding

- a) the pendency of these proceedings;
- b) any application for a bankruptcy order issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") in respect of Aveos and any bankruptcy order issued pursuant to any such applications; and
- c) any assignment in bankruptcy or any receivership;
- d) the Agreement and sale shall be binding on any trustee in bankruptcy

or receiver that may be appointed in respect of Aveos and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent preference, assignment, or fraudulent conveyance, transfer for under value or other reviewable transaction under the CCAA, the BIA, Articles 1631 et seq. of the *Civil Code of Québec*, S.Q. 1991, c. 164 (“**CCQ**”) or any other applicable federal or provincial legislation;

- [17] **ORDERS** and **DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after execution and delivery thereof;
- [18] **DECLARES** that the present Order constitutes the only authorization required by Aveos to proceed with the Agreement and, for greater certainty, **DECLARES** that the parties involved in the Agreement are exempted from requiring or obtaining any authorization that may be required from any person or authority whatsoever;
- [19] **DECLARES** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in place and stead of the Purchased Assets and that, from and after the delivery of the Monitor’s Certificate, all Claims shall attach to the proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold;
- [20] **ORDERS** that neither a Purchaser nor any affiliate thereof shall assume or be deemed to assume any liabilities or obligations whatsoever of any of Aveos or the mis en cause (other than as expressly assumed under the terms of the Agreement or of the present Order);
- [21] **ORDERS** that the Agreement being Exhibit R-1 to the Motion, and any related or ancillary agreement shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [22] **ORDERS** that all persons shall cooperate fully with Aveos and the mis en cause, the Purchaser and their respective affiliates and the Monitor and do all such things that are necessary or desirable for the purposes of giving effect to and in furtherance of the present Order, the Agreement, and the Transaction (as defined in the Agreement);
- [23] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the present Order;
- [24] **ORDERS** that the present Order shall have full force and effect in all provinces and territories in Canada;

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- [25] **ORDERS** the provisional execution of the present Order, notwithstanding any appeal and without the necessity of furnishing any security;
- [26] **THE WHOLE WITHOUT COSTS.**


MARK SCHRAGER, j.s.c.

Hearing date: July 26, 2012

Me Roger P. Simard
Me Ari Y. Sorek
Fraser Milner Casgrain LLP
Counsel to Petitioners

COPIE CERTIFIÉE CONFORME AU
DOCUMENT DÉTENU PAR LA COUR


PERSONNE DÉSIGNÉE PAR LE GREFFIER
EN VERTU DE 44 C.P.C.

SCHEDULE A
Superior Court of Quebec 500-11-042345-120
Monitor's Certificate
(Pursuant to the order rendered by Hon. Mark Schrager, j.s.c., on July 26, 2012)

Pursuant to an Order of the Honourable Mark Schrager, j.s.c. of the Superior Court of Quebec (the "**Court**") dated March 19, 2012, as amended and restated by further Orders issued on March 30, 2012, April 5, 2012 and May 4, 2012 (collectively, the "**Initial Order**"), FTI Consulting Canada Inc. was appointed monitor (the "**Monitor**") of Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. and of Aero Technical US, Inc. (collectively, the "**Petitioners**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "**CCAA**");

Pursuant to the Initial Order and from further Orders issued by the Court, the Petitioners benefit from a stay of proceedings granted thereby pursuant to the CCAA;

Pursuant to an Order of the Court dated July 26, 2012, (the "**Approval and Vesting Order**") the Court, *inter alia*, authorized and approved the transaction and conveyance of certain assets (the "**Purchased Assets**") by and between the Petitioners on the one hand, and CASP Aerospace Inc., on the other hand (the "**Purchaser**"), and provided for, among other things, the vesting in the Purchaser of all of the Petitioners' rights, title and interest in and to the Purchased Assets, free and clear of any and all Claims, encumbrances, charges, liens and hypothecs, the whole in accordance with the *Approval and Vesting Order*, which vesting is to be effective with respect to the Purchased Assets upon delivery by the Monitor to the Purchaser of this certificate;

Unless otherwise indicated herein, capitalized terms have the meaning ascribed to them in the Authorization of Sale and Vesting Order;

THE MONITOR HEREBY CERTIFIES that:

1. It has received written confirmation from the Petitioners that the closing of the Transaction has occurred; and
2. The Transaction has been completed to the satisfaction of the Monitor.

MADE AT MONTRÉAL, THIS ● DAY OF ●, 2012.

FTI CONSULTING CANADA INC.
in its capacity as Monitor of the Petitioners

MS. TONI VANDERLAAN, MR. GREG WATSON,
OR ANOTHER DULY AUTHORIZED
REPRESENTATIVE