

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

NO: 500-11-042345-120

DATE: January 11, 2013

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.

Monitor

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.

and

THE ATTORNEY GENERAL OF CANADA

and

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

and

QUEBEC REVENUE AGENCY

and

CANADA REVENUE AGENCY

and

REGISTRAR OF THE PERSONAL AND MOVABLE REAL RIGHTS REGISTER OF QUEBEC

and

LAND REGISTRAR OF THE LAND REGISTRY OFFICE FOR THE REGISTRY DIVISION OF MONTREAL

and

LOCKHEED MARTIN CANADA INC.

Mis en causes

APPROVAL AND VESTING ORDER

(EMC BUILDING AND MISCELLANEOUS ENGINES MAINTENANCE DIVISION ASSETS)

- [1] **ON READING** *Petitioners' Motion for Sale Approval and for a Vesting Order (EMC Building and Miscellaneous Engines Maintenance Division Assets)* (the "**Motion**") 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 Nineteenth Report to the Court submitted by the Monitor, FTI Consulting Canada Inc. and the Ninth Report of the Chief Restructuring Officer;
- [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 Sale Approval and for a Vesting Order (EMC Building and Miscellaneous Engines Maintenance Division Assets)*;
- [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 complete, enter into and give effect to the contract entitled Purchase Agreement (the "**Agreement**") with Lockheed Martin Canada Inc. (together with any designated affiliate, the "**Purchaser**"), a copy of which is filed in support of the Motion as Exhibit P-1;
- [9] **AUTHORIZES** and **RATIFIES** the Agreement and the transaction contemplated therein by and between Aveos and the Purchaser, as set forth in the Agreement (the "**Transaction**"), and **ORDERS** that Exhibit P-1 be sealed until further order of the Court, and that a redacted copy removing financial or confidential information therefrom be filed into the Court record and made available to the Service List;
- [10] **AUTHORIZES** the sale, transfer and conveyance of the assets pursuant to and identified in the Agreement, including the Immovable described below (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 Transaction, including, without limitation, to execute and deliver any documents and assurances governing or giving effect to the Transaction as

Aveos, in its discretion, may deem to be reasonably necessary or advisable to conclude the Transaction, 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, including:

- i) the draft Deed of Sale, annexed to the Agreement, Exhibit P-1;
 - ii) the Assignment of the Air Canada Supply & Services Agreement, a draft of which was filed as Exhibit P-8; and
 - iii) the Assignment of the Land Sublease, a draft of which was filed as Exhibit P-7;
- 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, 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 and restated, 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*

(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 **DIRECTS** the Monitor to file with the Court the Monitor's Certificate, forthwith after execution and delivery thereof;
- [15] **ORDERS** the respective collateral agents, on behalf and in the name of the Third-Party Secured Lenders, and Aveos Holding Company (as Fondé de Pouvoir), to execute, no later than ten (10) days following the issuance of the present Order, deeds of *mainlevée* (releases) with respect to the immovable hypothecs, liens, encumbrances and/or other charges, including, and without limitation, those listed on **Schedule B** hereto that currently affect the following immovable property:

An emplacement located on the site of the Montreal-Pierre Elliott Trudeau International Airport, in the City of Montreal, Province of Quebec, known and designated as lot number **THREE MILLION EIGHT HUNDRED NINETY-NINE THOUSAND THREE HUNDRED AND FORTY-FOUR (3 899 344)** of the Cadastre du Québec, Registration Division of Montreal; with all the buildings thereon erected, more particularly the building and other structures erected thereon bearing civic number 7171 Côte Vertu boulevard, City of Montreal (Borough of Saint-Laurent), Province of Quebec, H4Z 1Z3, which are owned by Aveos Fleet Performance Inc., and subject to the Land Lease entered into between Air Canada and Her Majesty the Queen in Right of Canada, as represented by the Minister of Transport, as lessor, on July 28, 1992 (as amended by amendments dated respectively March 30, 1995, November 10, 1999, August 11, 2000 and April 11, 2005) and to the Land Sublease entered into between Air Canada and Aveos Fleet Performance Inc. (then ACTS Aero Technical Support & Services Inc.) on October 16, 2007, as the said property now subsists with all its rights, members and appurtenances without exception or reserve of any kind as well as all improvements, facilities and installations located on or used in connection with the aforesaid immovable property.

(the "**Immovable**");

- [16] **ORDERS** the Land Registrar of the Land Registry Office for the Registry Division of Montreal, upon presentation of the required applications, a certified true copy of the present Order, payment of the prescribed fees and presentation of a certified true copy of the Monitor's Certificate, to forthwith:
- a) publish this Order against the Immovable;
 - b) proceed with the total cancellation, radiation and discharge of the registration of all immovable hypothecs, liens, encumbrances and/or

registration of all immovable hypothecs, liens, encumbrances and/or other charges listed on Schedule B hereto, that currently affect the Immovable; and

- c) proceed with an entry on the Index of Immovables showing the Purchaser as the absolute owner in regards to the Immovable;

[17] **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;

[18] **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;

[19] **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;

the Transaction and sale shall be binding on any trustee in bankruptcy, receiver, interim receiver, administrator, or other person appointed for the benefit of creditors 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 ("**C.C.Q.**") or any other applicable federal or provincial legislation nor constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;

[20] **DECLARES** that the present Order constitutes the only authorization or consent required by Aveos to proceed with the Transaction and, for greater certainty, **DECLARES** that the parties involved in the Transaction are exempted from requiring or obtaining any authorization or consent that may be required from any person or authority whatsoever;

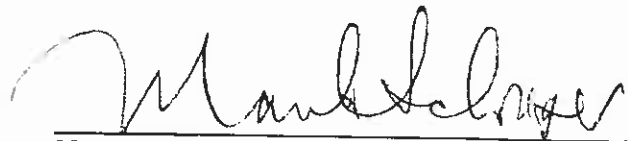
[21] **DECLARES** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in place and stead of the Purchased Assets and that from and after the delivery of the Monitor's Certificate, all Claims shall attach to the proceeds 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;

- [22] **ORDERS** that neither the 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 causes* (other than as expressly assumed under the terms of the Transaction or of this Order);
- [23] **ORDERS** that the Agreement, Exhibit P-1, and any related or ancillary agreements shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [24] **ORDERS** that, from and after the Closing Date (as defined in the Agreement), all persons shall be deemed to have waived all defaults then existing or previously committed by Aveos under, or caused by Aveos under, and the non-compliance of Aveos with, any of the contracts assigned pursuant to the Agreement and arising solely by reason of the insolvency of Aveos, the commencement of the CCAA proceedings, or as a result of any actions taken by Aveos pursuant to the Agreement, and all notices of default and demands given in connection with any such defaults shall be deemed to have been rescinded and shall be of no further force or effect;
- [25] **ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act (Canada)* and any substantially similar legislation, Aveos and the *Mis en Causes* are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in Aveos' records pertaining to Aveos' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provide to it in a manner which is in all material respects identical to the prior use of such information by Aveos;
- [26] **ORDERS** that all persons shall cooperate fully with Aveos and the *Mis en causes*, 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;
- [27] **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 this Order;
- [28] **ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada;
- [29] **ORDERS** the provisional execution of this Order, notwithstanding any appeal

and without the necessity of furnishing any security;

[32] **THE WHOLE WITHOUT COSTS.**

A handwritten signature in cursive script, appearing to read "Mark Schrage".

MARK SCHRAGER, j.s.c.

Hearing date: January 11, 2013

SCHEDULE A**SUPERIOR COUR OF QUEBEC 500-11-042345-120****FORM OF MONITOR'S CERTIFICATE**
(PURSUANT TO THE ORDER RENDERED BY HON. MARK SCHRAGER, J.S.C.,
ON JANUARY 11, 2013)

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, May 4, 2012 and December 14, 2012 (collectively, the "**Amended and Restated Initial Order**"), FTI Consulting Canada Inc. was appointed monitor (the "**Monitor**") of Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. (hereinafter "**Aveos**") 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 Amended and Restated Initial Order 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 January 11, 2013 (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 Aveos on the one hand, and Lockheed Martin Canada Inc., on the other hand (the "**Purchaser**"), and provided for, among other things, the vesting in the Purchaser of all of Aveos' 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 Approval and Vesting Order;

THE MONITOR HEREBY CERTIFIES that:

1. It has received written confirmation from Aveos 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 JANUARY, 2013.

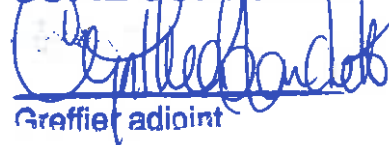
FTI CONSULTING CANADA INC.
in its capacity as Court-appointed Monitor of the
Petitioners

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

SCHEDULE B**SUPERIOR COUR OF QUEBEC 500-11-042345-120****HYPOTHECS AND OTHER REGISTRATIONS AFFECTING THE IMMOVABLE
TO BE RELEASED AND CANCELLED**

- [1] A hypothec on a universality of immovables granted for an amount of \$1,200,000,000 (plus interest) in favour of Lehman Commercial Paper Inc., as *fondé de pouvoir*, by ACTS Aero Technical Support & Services Inc. pursuant to a *Deed of Hypothec and Issue of Bonds (First Lien)* registered at the Land Registry Office of Montreal on October 12, 2007, under number 14 689 799;
- [2] A hypothec on a universality of immovables granted for an amount of \$1,200,000,000 (plus interest) in favour of Lehman Commercial Paper Inc., as *fondé de pouvoir*, by Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. pursuant to a *Deed of Hypothec and Issue of Bonds (First Lien)* registered at the Land Registry Office of Montreal on February 23, 2009, under number 15 971 068;
- [3] A hypothec on a universality of immovables granted for an amount of \$150,000,000 (plus interest) in favour of Lehman Commercial Paper Inc., as *fondé de pouvoir*, by Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. pursuant to a *Deed of Hypothec and Issue of Bonds (Senior)* registered at the Land Registry Office of Montreal on March 11, 2010, under number 16 993 624;
- [4] A hypothec on a universality of immovables granted for an amount of \$150,000,000 (plus interest) in favour of Lehman Commercial Paper Inc., as *fondé de pouvoir*, by Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. pursuant to a *Deed of Hypothec and Issue of Bonds (Junior)* registered at the Land Registry Office of Montreal on March 11, 2010, under number 16 993 628;
- [5] An assignment of hypothecary rights in favour of Aveos Holding Company, as *fondé de pouvoir* (assignee), by Lehman Commercial Paper Inc., as *fondé de pouvoir* (assignor), pursuant to a *Deed of Substitution of Fondé de Pouvoir* registered at the Land Registry Office of Montreal on March 15, 2010, under number 16 999 962;
- [6] An assignment of hypothecary rank in favour of Lehman Commercial Paper Inc., as *fondé de pouvoir* (assignee), by Aveos Holding Company, as *fondé de pouvoir* (assignor), pursuant to a *Deed of Cession of Rank*, registered at the Land Registry Office of Montreal on March 15, 2010, under number 16 999 963;

- [7] An assignment of hypothecary rights in favour of Wells Fargo Bank, National Association, as *fondé de pouvoir* (assignee), by Lehman Commercial Paper Inc., as *fondé de pouvoir* (assignor), pursuant to a *Deed of Assignment and Substitution of Fondé de Pouvoir* registered at the Land Registry Office of Montreal on February 16, 2012, under number 18 839 585;
- [8] An assignment of hypothecary rights in favour of Crédit Suisse AG, Cayman Islands Branch, as *fondé de pouvoir* (assignee), by Lehman Commercial Paper Inc., as *fondé de pouvoir* (assignor), pursuant to a *Deed of Assignment and Substitution of Fondé de Pouvoir* registered at the Land Registry Office of Montreal on February 16, 2012, under number 18 839 586;
- [9] Deed of correction published at the Land Registry Office of the Registration Division of Montreal under number 18 864 373.

COPIE CONFORME
Greffier adjoint