

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

NO: 500-11-042345-120

DATE: APRIL 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
AÉRONATIQUE 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.

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

Mis en causes

APPROVAL AND VESTING ORDER

- [1] **ON READING** *Petitioners' Amended Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for a Vesting Order* (the "**Motion**") pursuant to Section 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended the "**CCAA**") and the affidavit of Heather Brodie, representative of the CRO, filed in support thereof;
- [2] **CONSIDERING** the Fourth 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 *Amended Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for a Vesting Order* (the "**Motion**");
- [6] **DECLARES** sufficient and valid the service and notice of the Motion and **DISPENSES** with further 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 or, otherwise, in the Motion;
- [8] **AUTHORIZES** and **RATIFIES** the Transaction contemplated by and between the Petitioners and the Purchaser, Inventory Navigators, LLC, as set forth in the Purchase Order being Exhibit R-2 in support of the Motion and Appendix A to the Fourth Report to the Court submitted by the Monitor FTI Consulting Canada Inc.;
- [9] **AUTHORIZES** the sale, transfer and conveyance of the Redundant Parts identified at **Schedule A** hereto, pursuant to the Purchase Order;
- [10] **AUTHORIZES** the Petitioners and the Monitor to take any and all actions necessary to proceed with the Transaction, including, without limiting the generality of the foregoing, to execute any and all documents that may be necessary or useful for the consummation of the Transaction by the Petitioners;
- [11] **ORDERS** and **DECLARES** that, upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as **Schedule B** hereto (the "**Monitor's Certificate**"), all of the Petitioners' right, title, benefit and interest in and to the Redundant Parts, shall vest absolutely 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 or deeds of trust (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, conditional sale arrangements, 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, 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 Honourable

Court in these proceedings;

- b) all charges, security interests or claims evidenced by registration at or with the Quebec Personal and Movable Real Rights Registry (Québec) ("**RDPRM**"), 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;

For greater certainty, **ORDERS** and **DECLARES** that all encumbrances and Claims affecting or relating to the Redundant Parts, upon delivery of the Monitor's Certificate, be and are expunged and discharged as against the Redundant Parts;

- [12] **ORDERS** that, upon receipt of a copy of the signed Monitor's Certificate and of the closing of the Transaction, counsel for the Petitioners are irrevocably authorized to discharge or reduce such Claims and any encumbrances;
- [13] **ORDERS** that, upon receipt of a copy of the signed Monitor's Certificate, the Petitioners are authorized to receive payment of the Purchase Price from the Purchaser;
- [14] **DECLARES** that the Transaction and sale shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Petitioners 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 *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, the CCAA, Section 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;
- [15] **DECLARES** that the present Order constitutes the only authorization required by the Petitioners to proceed with the Transaction and, for greater certainty, **DECLARES** that the parties involved in the Transaction are exempt from requiring or obtaining any authorization that may be required from any person or other authority whatsoever;
- [16] **DECLARES** that the proceeds of sale of the Redundant parts (the "**Proceeds**") shall stand in place and stead of the Redundant Parts and all Claims shall attach to the Proceeds with the same priority as they had with respect to the Redundant parts immediately prior to the sale, as if the Redundant Parts had not been sold;
- [17] **ORDERS** the Quebec Personal and Movable Real Rights Registrar, upon presentation of the required form with a certified copy of the present Order and the Monitor's Certificate, to reduce the scope of the hypothecs listed in **Schedule C** hereto in connection with the Redundant Parts and to cancel, release and discharge all of the encumbrances from the Redundant Parts of

the Petitioners in order to allow the transfer to the Purchaser of the Redundant Parts, free and clear of any and all encumbrances created by those hypothecs or charges;

- [18] **ORDERS** and **DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after execution and delivery thereof;
- [19] **ORDERS** that neither the Purchaser nor any affiliate thereof shall assume or be deemed to assume any liabilities or obligations whatsoever of any of the Petitioners or the *Mis en causes* (other than as expressly assumed under the terms of the Transaction or of the present Order);
- [20] **ORDERS** that the Purchase Order, Exhibit R-2, and any related or ancillary agreements shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [21] **ORDERS** that all persons shall cooperate fully with the Petitioners 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 Purchase Order and the Transaction;
- [22] **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;
- [23] **ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada;
- [24] **ORDERS** the provisional execution of the present Order, notwithstanding appeal;
- [25] **THE WHOLE WITHOUT COSTS.**


MARK SCHRAGER, J.S.C.

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Hearing date: April 26, 2012

SCHEDULE A
List of Redundant Parts

ITEM #	INAV PO#	MPN	DESCRIPTION	QUAN TITY	CONDITION
1	P1599	338-108-608-0	LPT NGV STAGE 1	7	OVERHAULED
2	P1599	338-108-608-0	LPT NGV STAGE 1	1	OVERHAULED
3	P1599	338-108-608-0	LPT NGV STAGE 1	1	OVERHAULED
4	P1599	338-108-608-0	LPT NGV STAGE 1	1	OVERHAULED
5	P1599	338-108-608-0	LPT NGV STAGE 1	1	OVERHAULED
6	P1599	338-108-608-0	LPT NGV STAGE 1	8	NEW
7	P1599	338-108-708-0	LPT NGV STAGE 1	1	OVERHAULED
8	P1599	338-108-708-0	LPT NGV STAGE 1	1	OVERHAULED
9	P1599	338-108-708-0	LPT NGV STAGE 1	1	OVERHAULED
10	P1599	338-108-708-0	LPT NGV STAGE 1	1	OVERHAULED
11	P1599	338-112-651-0	OUTER SEGMENT SEAL	18	OVERHAULED
12	P1599	338-112-651-0	OUTER SEGMENT SEAL	18	OVERHAULED
13	P1599	338-112-606-0	OUTER SEGMENT SEAL	2	NEW
14	P1599	338-112-606-0	OUTER SEGMENT SEAL	2	NEW
15	P1599	1893M42G02	HPT HANGER	8	OVERHAULED
16	P1599	1893M42G02	HPT HANGER	3	OVERHAULED
17	P1599	1808M61G04	HPT HANGER	2	OVERHAULED
18	P1599	1808M61G04	HPT HANGER	1	OVERHAULED
19	P1599	1808M61G04	HPT HANGER	1	OVERHAULED
20	P1599	1808M61G04	HPT HANGER	1	OVERHAULED
21	P1599	1808M61G04	HPT HANGER	3	OVERHAULED
22	P1599	1808M61G04	HPT HANGER	1	OVERHAULED
23	P1599	1808M61G04	HPT HANGER	2	OVERHAULED
24	P1599	1808M61G04	HPT HANGER	1	OVERHAULED
25	P1599	1808M61G06	HPT HANGER	13	NEW
26	P1599	1808M61G06	HPT HANGER	11	NEW
27	P1599	1808M61G07	HPT HANGER	14	OH
28	P1599	2080M28P01	HPT SHROUD	3	OH
29	P1599	2086M14G02	HPT NGV	21	OH
30	P1599	2080M35G02	HPT NGV	1	OH
31					
32					

SCHEDULE B

Superior Court of Quebec 500-11-042345-120

Monitor's Certificate

(Pursuant to the order rendered by Hon. Mark Schragger, j.s.c., on April 26, 2012)

Pursuant to an Order of the Honourable Mark Schragger, 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 and April 5, 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 April 26, 2012, (the "Authorization of Sale and Vesting Order") the Court, *inter alia*, authorized and approved the transaction and conveyance of certain surplus inventory and parts (the "Redundant Parts") by and between the Petitioners on the one hand, and Inventory Navigators, LLC, 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 Redundant Parts, free and clear of any and all Claims, encumbrances, charges, liens and hypothecs, the whole in accordance with the Authorization of Sale and Vesting Order, which vesting is to be effective with respect to the Redundant Parts 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 APRIL, 2012.

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 C
Hypothecs registered at RDPRM to be reduced by Registrar

[1] AVEOS HOLDING COMPANY (*as fondé de pouvoir*) :

➤ 07-0588163-0001

➤ 09-0091541-0001

[2] WELLS FARGO BANK, National Association (*as fondé de pouvoir*) :

➤ 10-0140297-0001

[3] CRÉDIT SUISSE AG, Cayman Islands Branch (*as fondé de pouvoir*) :

➤ 10-0140353-0001