

S.C.M.: 500-11-042345-120

EXHIBIT P-1

PURCHASE AGREEMENT made as of the 21st day of December, 2012.

BETWEEN: **LOCKHEED MARTIN CANADA INC.**, a corporation governed by the Canada Business Corporations Act, having an office at 3001 Solandt Road, Kanata, Ontario, Canada K2K 2M8,

(the "Purchaser");

AND: **AVEOS FLEET PERFORMANCE INC.**, a corporation governed by the *Canada Business Corporations Act*, having an office at 7171 Côte-Vertu Blvd, Montreal, Québec, H4S 1Z3,

("Aveos" or the "Corporation");

(the Purchaser and the Corporation hereinafter jointly referred to as the "Parties").

RECITALS:

WHEREAS the capitalized terms in these Recitals have the meaning ascribed thereto in Section 1 hereof;

WHEREAS on March 19, 2012, Aveos and Aero Technical US, Inc. filed a Petition for the Issuance of an Initial Order pursuant to the CCAA before the Court;

WHEREAS pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as Monitor of Aveos and Aero Technical US, Inc.;

WHEREAS on March 20, 2012, the Court issued an Order for the Appointment of a Chief Restructuring Officer;

WHEREAS on June 21, 2012, Aveos entered into a Liquidation Services Agreement with Maynards authorizing Maynards to liquidate, on its behalf, by private sale or auction, certain Engine Maintenance Center tooling and equipment (Lot 8) and other assets, as subsequently amended and supplemented;

WHEREAS on December 21, 2012, the Purchaser (as nominee of Lockheed Martin Kelly Aviation Center, Inc.) and Maynards, entered into an Amended and Restated Purchase Agreement (the "**Maynards Agreement**"), attached hereto as Exhibit "A" for the purchase of certain assets defined therein as the "*Purchased Assets*" (hereinafter, the "**Maynards Assets**"), which Maynards Agreement contemplated the purchase of certain additional assets defined therein as the "*Option Assets*" (hereinafter the "**Maynards Option Assets**"). The closing date for this transaction is January 15, 2012 or such other date as agreed to between the parties to the Maynards Agreement.

WHEREAS pursuant to the Order of the Honourable Mark Schrager dated July 26, 2012 upon payment by the Purchaser to Maynards of the Purchaser Price (as defined in the Maynards Agreement), all of Aveos' right, title, benefit and interest in and to the Maynards Assets and, if the appropriate option is exercised by the Purchaser, the Maynards Option Assets, shall vest absolutely and exclusively in the Purchaser, free and clear of any and all Claims;

WHEREAS, the Purchaser wishes to purchase certain other assets of the Corporation as set out herein and pursuant to the terms and conditions set out herein;

NOW THEREFORE, the Parties agree as follows:

1. INTERPRETATION AND DEFINITIONS

1.1 Definitions

The capitalized terms used in this document have the following meanings:

- (a) **"Agreement"** means this purchase agreement;
- (b) **"Air Canada-Lockheed Martin Sublease"** means a lease to be entered into, between the Purchaser, as subtenant, and Air Canada, as sublandlord, in respect of the building known as Building No. 7 Test Cell, Dorval Maintenance Base, Dorval, Quebec;
- (c) **"Air Canada Supply & Services Agreement"** means the Supply & Services Agreement dated as of the 16th day of October, 2007 between Air Canada and the Corporation with respect to the Immovable Property;
- (d) **"Aveos"** or the **"Corporation"** has the meaning ascribed to such term in the preamble;
- (e) **"Books and Records"** means all books and records pertaining to the Business, either in computer, original or photostatic form, including, without limitation, copies of all hard drives containing the Corporation's files, property records, plans, specifications, surveys, title policies, production records, engineering records, purchasing and sales records and information, personnel and payroll records, accounting records, customer and vendor lists and records;
- (f) **"Business"** means the aircraft engine maintenance, repair and overhaul operations of the Corporation;
- (g) **"CCAA"** means the *Companies' Creditors Arrangement Act*;
- (h) **"CCAA Proceedings"** means the proceedings by Aveos before the Court under the CCAA;
- (i) **"Claims"** has the meaning as set out in the draft Vesting Order attached hereto as Schedule 1.1(ff);
- (j) **"Closing"** means the completion of the Transaction pursuant to this Agreement;

- (k) **"Closing Date"** means January 15, 2013 or such other date as mutually agreed upon by the parties;
- (l) **"Contracts"** has the meaning set out in Schedule 2.1.
- (m) **"Court"** means the Superior Court of Quebec, Commercial Division;
- (n) **"Deed of Sale"** means the deed of sale in respect of the Immovable Property in the form attached as Schedule 7;
- (o) **"Due Diligence Review"** has the meaning set out in Section 6.1(a) hereof;
- (p) **"Excluded Liabilities"** has the meaning set out in Section 4 hereof;
- (q) **"First Deposit"** has the meaning set out in Section 5.2 hereof;
- (r) **"Hired Employees"** has the meaning set out in Section 3(a) hereof;
- (s) **"Immovable Property"** has the meaning set out in Schedule 2.1 - Purchased Assets;
- (t) **"Immovable Property Lease"** means the Sublease agreement between the Corporation (formerly known as ACTS Aero Technical Support & Services Inc.), as subtenant, and Air Canada, as sublandlord, dated October 16, 2007.
- (u) **"Initial Conditions"** has the meaning set out in Section 10.1 hereof;
- (v) **"Initial Order"** means the Order issued by the Court on March 19, 2012, (as amended and restated on March 30, 2012, April 5, 2012, May 7, 2012 and December 14, 2012) and as may be further amended from time to time;
- (w) **"Intellectual Property"** means as defined in Schedule 2.1 - Purchased Assets;
- (x) **"Material Casualty"** has the meaning set out in Section 10.5(b);
- (y) **"Minor Casualty"** has the meaning set out in Section 10.5(c);
- (z) **"Monitor"** means FTI Consulting Canada Inc. as Monitor of Aveos appointed pursuant to the Initial Order;
- (aa) **"Order"** means any order rendered by the Court in the CCAA Proceedings;
- (bb) **"Purchase Price"** means the purchase price for the Purchased Assets as set out in Section 5.1;
- (cc) **"Purchased Assets"** means all property, assets and undertakings listed in Schedule 2.1;
- (dd) **"Purchased Books and Records"** has the meaning set out in Schedule 2.1;
- (ee) **"Second Deposit"** has the meaning set out in Section 5.2 hereof;

- (ff) **"Transaction"** means the transaction of purchase and sale of the Purchased Assets contemplated by this Agreement;
- (gg) **"Transition Services Agreement"** shall mean a transition services agreement negotiated in good faith between the parties; and
- (hh) **"Vesting Order"** means a final executory Order of the Court approving a sale and vesting of the Purchased Assets, free and clear of the Claims, substantially in the form attached hereto as Schedule 1.1(hh), with any further minor changes that the parties may agree to, acting reasonably;

1.2 Recitals and Schedules

The above recitals and the following schedules shall form part of the Agreement:

- Schedule 1.1(hh) - Vesting Order
- Schedule 2.1 - Purchased Assets
- Schedule 7 - Deed of Sale
- Exhibit "A" - Maynards Agreement

2. PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchased Assets

Subject to the terms and conditions herein, effective as at the Closing Date, Aveos hereby agrees to sell, assign, transfer, convey and deliver unto the Purchaser, and the Purchaser hereby agrees to purchase, all of Aveos' right, title and interest in and to the Purchased Assets, free and clear of any and all Claims, all in accordance with and pursuant to the Vesting Order.

2.2 Excluded Assets

Except for the Purchased Assets, the Purchaser is not acquiring any other property of the Corporation.

3. EMPLOYEES

- (a) Following the execution and delivery of this Agreement by the parties, the Purchaser shall provide the Corporation with a list of employees or former employees to whom it may offer employment (the **"Prospective Employees"**) and shall be permitted by the Corporation to make such offers of employment, directly to the Prospective Employees on such terms and conditions which are in the Purchaser's sole discretion (**"Employment Offers"**), provided that any such Employment Offers, shall be conditional on the Closing of the Transaction. The Corporation shall cooperate with and provide assistance to the Purchaser in connection with the Employment Offers, including providing the Purchaser with the last known address or contact information for any Prospective Employees, as may be reasonably requested by the Purchaser from time to time (or by initiating contact with former employees to invite them to contact the Purchaser where the Corporation is not permitted by law to provide contact information to the Purchaser). For greater certainty, the Purchaser shall not be obligated to offer employment to any employee and reserves the right not to offer employment to any

employee. The Purchaser will provide notice to the Corporation on the Closing Date of the names of those Prospective Employees who accept employment with the Purchaser (such employees who commence employment with the Purchaser are collectively referred to herein as the "Hired Employees").

- (b) The Purchaser shall only be liable, in accordance with the Employment Offers, for the payment of all legal obligations relating to the employment of all Hired Employees which arise after the Closing Date. The Purchaser shall not be liable for any obligations and liabilities in respect of the Hired Employees or any other employees (including former employees) of the Corporation including premiums for employment insurance, employer health tax, worker's compensation, benefit plans, Canada Pension Plan, accrued wages, salaries, commissions, vacation pay, incentive compensation, expenses and other employee benefits which are payable to, receivable by or accrued in favour of the Hired Employees or any other employees (including former employees) of the Corporation prior to the Closing Date even if not then due.
- (c) The Corporation will pay the Hired Employees for all amounts due for all work performed since March 19, 2012 in accordance with the provisions of any Order.
- (d) To the extent that any Hired Employees are still employed by the Corporation, such Hired Employees shall resign or the Corporation shall ensure that they are terminated effective on Closing.

4. EXCLUDED LIABILITIES

Except as otherwise expressly provided for in this Agreement, the Purchaser does not assume any debt, liability or obligation of or in any way related to the Corporation, its operations, assets, employees or affairs, of any character whatsoever (whether accrued, absolute, contingent, known or unknown, due or to become due, or otherwise), all of which are being retained by the Corporation (the "Excluded Liabilities"), which Excluded Liabilities include, without limitation, all taxes, except to the extent payable by the Purchaser pursuant to Section 5.7 hereof.

5. PURCHASE PRICE

5.1 Aggregate Purchase Price

The aggregate purchase price payable by the Purchaser for the Purchased Assets shall be plus applicable taxes (the "Purchase Price"). The aggregate purchase price payable by the Purchaser for the Purchased Assets, the Maynards Assets and the Maynards Option Assets shall be plus applicable taxes.

The Parties agree that no adjustments to the Purchase Price shall be made, except for such adjustments in connection with the sale of the Immovable Property, as applicable, as are customary in such circumstances.

5.2 Deposits

The Purchaser has provided a non-refundable deposit to Maynards in the amount of (one payment of October 30, 2012 and one payment of on November 28, 2012)

under the Maynards Agreement in connection with the Maynards Assets on terms set out therein (the "First Deposit"). If the option to acquire the Maynards Option Assets under the Maynards Agreement is exercised, a further deposit in the amount of _____ will be tendered by the Purchaser (the "Second Deposit") in accordance with the terms of the side letter to be entered into among the Corporation, Maynards and the Purchaser confirming the agreement among such parties with respect to the conditions applicable to the Second Deposit (the "Maynards Side Letter").

5.3 Use of Maynards Deposit

Upon the Closing of the Transaction, the Second Deposit will be credited against the purchase price for the Maynards Option Assets.

5.4 Use of the Second Deposit

- (a) If any of the conditions hereunder are neither satisfied nor deemed to be waived by the Due Diligence Date or the Closing Date, as applicable, either party may notify the other party of its intention to terminate this Agreement and the Second Deposit shall be returned to the Purchaser forthwith, without deduction.
- (b) If all conditions hereunder (including the Initial Conditions) are satisfied or deemed to be waived but the Closing of the Transaction does not take place on or before the Closing Date for any reason, other than solely as a result of the Purchaser's default, the Second Deposit shall be returned to the Purchaser forthwith, without deduction.
- (c) If all conditions hereunder (including the Initial Conditions) are satisfied or deemed to be waived and the Corporation is prepared to proceed with the Closing but the Closing of the Transaction does not take place on or before the Closing Date solely as a result of the Purchaser's default,
 - (i) the Corporation shall be entitled to pursue a claim for any damages, costs or expenses suffered by the Corporation as a result of such default; and
 - (ii) the Second Deposit shall be used in accordance with the terms of the Maynards Agreement.

5.5 Payment of Purchase Price

At Closing, the Purchaser shall pay the Purchase Price by wire transfer to the legal counsel of the Corporation, to be released in accordance with the Vesting Order.

5.6 Allocation

The Purchase Price shall be allocated reasonably among the Purchased Assets, prior to Closing, by the Purchaser acting reasonably.

5.7 Taxes

The Purchaser shall be liable for and shall pay all taxes, duties or other like charges properly payable by a purchaser upon and in connection with the conveyance and transfer of the Purchased Assets by the

Corporation, including land transfer taxes. At Closing, the Corporation and the Purchaser shall, if applicable, jointly execute the elections under Section 167 of the Excise Tax Act (Canada) (the "ETA") and Section 75 of An Act respecting the Quebec Sales Tax (the "QSTA") in the forms prescribed for such purposes in order that the sale of the Purchased Assets occur, without any goods and services tax ("GST"), harmonized sales tax ("HST") or Quebec sales tax ("QST") being payable in connection therewith. Should the parties agree that elections are not available, the Purchaser shall pay the GST and QST that is properly payable by it and collectible by the Corporation to the Corporation no later than the day that is 15 days prior to the day that the Corporation is required to remit the GST and QST collected to the appropriate tax authority pursuant to the ETA and QSTA. The Corporation shall remit all GST and QST collected from the Purchaser to the appropriate tax authority in compliance with the ETA and QSTA. The Corporation shall provide to Purchaser all documentation and information in its possession or under its control or reasonably available to the Corporation upon request without cost to the Corporation that is required by Purchaser to recover taxes paid by way of input tax credit, input tax refund, refund, rebate or similar mechanism.

The Purchaser hereby undertakes to indemnify the Corporation and its directors and officers, for any and all losses, claims, charges, damages, fines, penalties, assessments, costs, expenses or other liabilities suffered by the Corporation as a result of the Purchaser's failure to duly pay or remit any taxes, duties or other like charges to governmental authorities when due, solely as they relate to the Purchased Assets. For the avoidance of doubt, the Purchaser shall not have any obligation to indemnify the Corporation for any liabilities, losses, claims, charges, damages, fines, penalties, assessments, costs, expenses or other liabilities suffered by the Corporation for any taxes, duties or other like charges related to assets other than the Purchased Assets or any of the pre-closing activities or other assets of the Corporation and for any taxes, duties or charges that Purchaser has paid to the Corporation.

6. COVENANTS AND AGREEMENTS

6.1 Access to Information; Public Announcements

- (a) Except as may be necessary to comply with any applicable laws, the Corporation and its agents shall (i) during normal business hours and upon reasonable prior notice, give Purchaser and its representatives and agents reasonable access to the books and records, facilities (or portions of facilities) and other properties, contracts, other documents and representatives of or pertaining to the Business and the Purchased Assets from the date of this Agreement until the Closing; and (ii) furnish to Purchaser and its representatives such financial and operating data and other information relating to the Business and the Purchased Assets as Purchaser may reasonably request, and promptly following the request thereof by Purchaser, seek to arrange such meetings and telephone conferences with all material customers and suppliers of the Business as may be necessary and appropriate for Purchaser to conduct a review of the relations of the Business with such customers and suppliers (it being agreed that the terms of such access shall be based on reasonable access procedures specified by the Corporation or such customers or suppliers (after taking into account any proposals made by Purchaser in such regard) (the "Due Diligence Review"); provided that any such access, review of items or meetings or telephone conferences will be at Purchaser's sole expense.
- (b) Prior to the Closing, neither the Purchaser, nor any of its respective representatives and agents, shall, without first providing same to the Corporation and obtaining the prior

written consent of the Corporation, issue any press release or make any public statement with respect to this Agreement or the transactions contemplated herein, which consent shall not to be unreasonably withheld. Upon the satisfaction or deemed waiver of the Initial Conditions, the Corporation may make such filings and circulate such court materials required so as to obtain the Vesting Order.

6.2 Insurance

- (a) From and after the date hereof, the Corporation shall not terminate the coverage of any policies of title, liability, fire, property or any other form of insurance covering the operations of the Business or any Purchased Asset, except where such terminated coverage is replaced by comparable coverage provided that such change does not result in a material gap in coverage of the Business or the Purchased Assets.
- (b) From and after the Closing Date, the Corporation shall have no obligation of any kind to maintain any form of insurance covering all or any part of the Business or the Purchased Assets or the Hired Employees.

7. CLOSING TRANSACTIONS

Upon the terms of this Agreement and subject to the satisfaction or deemed waiver of all conditions set forth in this Agreement (including, for greater certainty, the issuance of the Vesting Order), the parties agree that at Closing:

- (a) each party shall execute such documents and do such things as may be reasonably required in order to transfer and convey the Purchased Assets to the Purchaser including, but not limited to, bills of sale and assignments (including, without limiting the generality of the foregoing, with respect to the Air Canada Supply & Services Agreement and the Immovable Property Lease, and the assignment of any other contracts, permits and licences, warranties and guarantees, and/or intellectual property constituting Purchased Assets), and any transfer forms required for filing in any applicable government offices, and take such further action as may be reasonably required to more effectively complete the transfer of the Purchased Assets in accordance with the terms of this Agreement;
- (b) the Corporation shall execute a notice of assignment to Air Canada regarding the assignment of the Air Canada Supply & Services Agreement, to be sent to Air Canada upon Closing.
- (c) the Corporation shall execute a notice of assignment to Air Canada regarding the assignment of Immovable Property Lease, to be sent to Air Canada upon Closing.
- (d) each party shall execute and deliver the Transition Services Agreement;
- (e) the parties shall execute and deliver the registrable Deed of Sale to effect the transfer of the Immovable Property;

- (f) the Corporation shall deliver to the Purchaser a statement of adjustments with respect to the sale of the Immovable Property (in form and substance satisfactory to the Purchaser, acting reasonably);
- (g) the Corporation and the Purchaser shall each deliver an undertaking to readjust with respect to the sale of the Immovable Property;
- (h) if applicable, the Corporation and the Purchaser shall deliver the elections contemplated by Section 5.7;
- (i) the Corporation shall deliver a certificate of the Corporation confirming that it is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the Income Tax Act (Canada);
- (j) the Purchaser shall deliver a statement to the Corporation allocating the Purchase Price as set forth herein, which allocation shall be binding on the parties.

8. POST-CLOSING COOPERATION

- (a) The Purchaser shall from and after the Closing Date retain all Purchased Books and Records relating to any period ending on or prior to the Closing Date for a period of seven (7) years following the Closing Date. For the avoidance of doubt, Purchaser shall have no obligation to retain any books or records related to the affairs of the Corporation other than with respect to the Purchased Books and Records.
- (b) The Purchaser agrees to cooperate in a reasonable manner with the Corporation and the Corporation's agents, representatives and auditors for the purposes of the preparation of the Corporation's accounts, tax returns and in connection with the CCAA Proceedings, and in providing all information required for legal, filing and regulatory purposes with respect to the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, the Purchaser shall, upon reasonable notice, provide the Corporation, its agents, representatives and auditors reasonable access during normal business hours to inspect and, at the Corporation's expense, make copies of all Purchased Books and Records and the assistance of those employees of Purchaser that the Corporation may reasonably request; provided that the Corporation shall pay reasonable compensation to the Purchaser for the assistance of such employees in accordance with the terms of the Transition Services Agreement.

9. REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Corporation that:

- (a) it is a corporation duly incorporated and organized and validly subsisting and has the corporate power and capacity and is duly qualified to own or lease its property and to enter into this Agreement and each of the agreements, documents and instruments to be entered into by it in connection with this Agreement and to perform its obligations

hereunder and thereunder and is duly qualified to do business in each jurisdiction in which the nature of the Purchased Assets makes such qualification necessary.

- (b) this Agreement and each of the agreements, documents and instruments contemplated hereby has been duly authorized, executed and delivered by it and is a legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except for equitable recourses which may be granted only in the discretion of a court of competent jurisdiction and no other corporate proceedings or approvals are necessary to authorize this Agreement and each of the agreements, documents and instruments contemplated hereby.
- (c) except as expressly stated in this Agreement, the Purchaser (i) has relied solely upon its own independent review, investigation and/or inspection of the Business and the Purchased Assets, and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Business and the Purchased Assets.

9.2 Representations and Warranties of the Corporation

The Corporation represents and warrants to the Purchaser:

- (a) Subject to the issuance of the Vesting Order, the Corporation has the authority to sell its right, title and interest in and to the Purchased Assets and enter into this Agreement and to complete the Transaction in accordance with the Vesting Order.
- (b) the Corporation is a registrant under Part IX of the ETA and the QSTA its registration numbers are 848855383RT0001 and 1213296457TQ0001, respectively.
- (c) the Corporation is not a non-resident within the meaning of the Income Tax Act (Canada).

9.3 No Other Representations and Warranties of the Corporation

- (a) The Purchaser acknowledges and agrees that in entering into this Agreement, the Purchaser has relied and shall continue to rely entirely and solely upon its own inspections and investigations with respect to the Purchased Assets, including without limitation, the physical and environmental condition of the Purchased Assets and the review of any documentation made available to the Purchaser pursuant to this Agreement, and the Purchaser acknowledges that it is not relying on any information provided by the Corporation or any other person or entities on behalf of or at the direction of the Corporation in connection therewith and the Corporation shall not be responsible or liable for any misrepresentation, lack of disclosure or incorrect or incomplete disclosure of any nature whatsoever or failure to investigate the Immovable Property on the part of any real estate broker or sales agent, or any other purported or acknowledged agent, representative, contractor, consultant or employee of the Corporation or any third party.

- (b) The Purchased Assets shall be sold on an "as is, where is" basis as of the Closing Date, at the Purchaser's sole risk and peril, and, subject only to the representations set forth in Section 9.2 hereof, without any express or implied agreement, representation or warranty of any kind whatsoever, legal or conventional, as to the physical or financial condition, suitability for development, fitness for a particular purpose, merchantability, title, physical characteristics, profitability, use or zoning, environmental condition, existence of latent defects, quality, or any aspect or characteristic thereof. For certainty and without limiting the foregoing, the parties hereby agree to exclude altogether the effect of the legal warranty provided in article 1716 of the Civil Code of Quebec and the Purchaser is purchasing the Purchased Assets at its own risk within the meaning of article 1733 of the Civil Code of Quebec.
- (c) The Corporation shall have no obligations or responsibility to the Purchaser after the sale of the Purchased Assets on the Closing Date with respect to any matter relating to the Purchased Assets or the condition thereof save as otherwise expressly provided in this Agreement. This Section 9.3 shall survive signature of the Deed of Sale to be entered into on the Closing Date.

10. CONDITIONS TO THE TRANSACTION AND TERMINATION

10.1 Initial Conditions to the Transaction for the Benefit of the Purchaser

The obligation of the Purchaser to close the Transaction, is subject to the following conditions of the Purchaser, which are included for the benefit of the Purchaser (collectively, the "Initial Conditions"), which conditions must be satisfied or waived no later than 11:59 pm on January 4, 2013 (the "Due Diligence Date"):

- (a) the Purchaser being satisfied, at its sole discretion, of the results of its Due Diligence Review (contemplated by Section 6.1(a));
- (b) the Corporation, Maynards and the Purchaser shall have signed the Maynards Side Letter;
- (c) the Purchaser entering into an agreement with the IAMAW representing the unionized employees of Aveos, on terms satisfactory to the Purchaser, in its sole discretion; and
- (d) the Purchaser and Air Canada executing and delivering the Air Canada-Lockheed Martin Sublease, on terms satisfactory to the Purchaser, in its sole discretion.

If, by the end of the Due Diligence Date, the Corporation has not received notice from the Purchaser to the effect that there remains an Initial Condition which has not been satisfied, all Initial Conditions will be deemed to have been waived by the Purchaser.

10.2 Reciprocal Closing Conditions

The obligations of the Purchaser and the Corporation with respect to the Transaction are subject to the following conditions:

- (a) the Corporation shall have provided the Purchaser with a current certificate of location (made within the past 10 years) with respect to the Immovable Property;
- (b) the Vesting Order shall have been issued and this Agreement shall have been approved by the Court; and
- (c) the Corporation and the Purchaser shall each have executed and delivered the documents contemplated in Section 7 hereof.

10.3 Closing Conditions for the Exclusive Benefit of the Corporation

The obligations of the Corporation with respect to the Transaction are subject to the Purchaser having satisfied all of its obligations under this Agreement.

10.4 Closing Conditions for the Exclusive Benefit of the Purchaser

The obligations of the Purchaser with respect to the Transaction are subject to the following conditions:

- (a) the Corporation having satisfied all of its obligations under this Agreement;
- (b) the closing of the sale of the Maynards Assets pursuant to the Maynards Agreement;
- (c) the representations and warranties of the Corporation shall be true and correct at the Closing Date;
- (d) there shall be no court order in force enjoining or preventing the completion of the transactions contemplated hereby and by the Maynards Agreement and no pending or threatened litigation against the Purchaser or any affiliate of the Purchaser enjoining or preventing the completion of the transactions contemplated hereby and by the Maynards Agreement;
- (e) the Corporation shall have delivered a new certificate of location in respect of the Immovable Property, and such certificate of location shall not disclose any material adverse changes to the 2007 certificate of location that would materially affect the Purchaser's intended use of the Immovable Property.

10.5 Risk of Loss

- (a) The Purchased Assets shall be and remain at the risk of the Corporation prior to Closing. If, prior to the Closing Date, all or any part of the Purchased Assets are destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by governmental or other lawful authority, the Corporation shall immediately give notice in writing thereof to the Purchaser.
- (b) If, prior to the Closing, any portion of the Purchased Assets is damaged and the cost of repair or replacement is greater than _____ of the Purchase Price (a "Material Casualty"), as reasonably determined by the Purchaser and the Corporation, then the Purchaser shall have the right, by giving the Corporation written notice within five (5) business days of receipt of notification of the occurrence of such Material Casualty, to terminate

this Agreement, and the Parties hereto shall have no further recourse against each other resulting from such termination. If the Purchaser does not terminate this Agreement by giving notice within said time period, the Transaction shall be completed pursuant to the terms of the Agreement, and the Corporation shall assign any casualty insurance proceeds allocable to the damaged Purchased Assets to the Purchaser on Closing or an abatement to the Purchase Price.

- (c) If, prior to the Closing, any portion of the Purchased Assets is damaged and the cost of repair or replacement is less than or equal to _____ of the Purchase Price (a "Minor Casualty"), as reasonably determined by the Purchaser and the Corporation, then, in such event, Purchaser shall not have the right to terminate its obligations under this Agreement, but shall receive on Closing an assignment of the insurance proceeds allocable to the damaged Purchased Assets or an abatement to the Purchase Price. If the Purchaser and the Corporation are not able to agree on the cost of repair or replacement, acting reasonably, then the Purchaser shall have the right, by giving the Corporation written notice within five (5) business days of receipt of notification (pursuant to Section 11.9(b)) of the occurrence of such Minor Casualty, to terminate this Agreement, and the Parties hereto shall have no further recourse against each other resulting from such termination. If the Purchaser does not terminate this Agreement by giving notice within said time period, the Transaction shall be completed pursuant to the terms of the Agreement, and the Corporation shall assign any casualty insurance proceeds allocable to the damaged Purchased Asset to the Purchaser on Closing.

11. GENERAL PROVISIONS

11.1 Survival of Obligations, Representations and Warranties

The obligations of the Purchaser contained in this Agreement, as well as the representations and warranties of the Purchaser contained in this Agreement, shall survive the Closing and shall continue in full force and effect from the date hereof for the benefit of the Corporation.

11.2 Expenses

Each party shall pay its own fees, costs and expenses in connection with the Transaction.

11.3 Currency

All amounts stated herein are in Canadian dollars, except as especially provided to the contrary.

11.4 Counterparts

This Agreement may be executed in any number of counterparts (including by facsimile or other electronic means), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.5 Further Assurances

Each of the Parties shall, from time to time at the other's request and expense and without further consideration, execute and deliver such other documents and take such further action as the other may reasonably require to more effectively complete any matter provided for herein.

11.6 Applicable Law

The Agreement and all agreements contemplated hereby or collateral hereto shall be governed by and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

11.7 No Modification

This Agreement may only be modified or amended in a writing executed by all Parties hereto.

11.8 Assignment

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party shall assign its rights under this Agreement without the prior written consent of the other party; provided, however, that the Purchaser may assign its rights hereunder to an affiliate or subsidiary of the Purchaser without obtaining the consent of the Corporation so long as such assignee agrees in writing to assume all obligations and liabilities of the Purchaser hereunder (in which case, the Purchaser shall have no further obligations or liability to the Corporation under this Agreement or for the transactions contemplated by this Agreement or otherwise).

11.9 Notices

All communications (including, without limitation, all notices, acceptances, consents and approvals) provided for or permitted hereunder shall be in writing, personally delivered or sent by facsimile or electronic transmission at:

- (a) To the Purchaser:

Lockheed Martin Canada Inc.

Attention:

E-mail:

Telephone Number:

Fax Number:

with a copy to:

Baker & McKenzie LLP
Brookfield Place
181 Bay Street, Suite 2100
Toronto, Ontario M5J 2T3

Attention: Chris Besant

E-mail: chris.besant@bakernet.com
Telephone Number: 416-863-2318
Fax Number: 416-863-6275

(b) To the Corporation:

Aveos Fleet Performance Inc.
2311 Alfred Nobel Blvd.
BAN 3, 4th Floor,
Montréal, Québec H4S 2B6

Attention: Jonathan Solursh, Chief Restructuring Officer

E-mail: jsolursh@relgrp.com

with a copy to:

Fraser Milner Casgrain LLP
1 Place Ville-Marie
Suite 3900
Montréal, Québec H3B 4M7

Attention: Mr. Roger Simard

E-mail: Roger.simard@fmc-law.com
Telephone Number: 514-878-5834
Fax Number: 514-866-2241

Any party hereto may change its address for service from time to time by notice in the manner herein provided.

11.10 Entire Agreement

This Agreement, and any agreement or document delivered pursuant to this Agreement constitutes the entire agreement between the parties with respect to the matters herein and supersedes all prior agreements, understandings, negotiations and discussions relating to the subject matter hereof

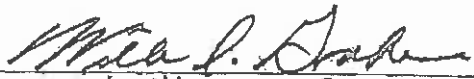
11.11 English Language

The Parties confirm that it is their wish that this Agreement and any other documents delivered or given under this Agreement, including notices, have been and will be in the English language only. *Les parties aux présents confirment leur volonté que cette convention de même que tous les documents, y compris tout avis, s'y rattachant, soient rédigés en anglais seulement.*

[The balance of this page is intentionally left blank.]

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the day and year first written above.

LOCKHEED MARTIN CANADA INC.

Per: 
Name: *William D. Graham*
Title: *Vice President*

AVEOS FLEET PERFORMANCE INC.

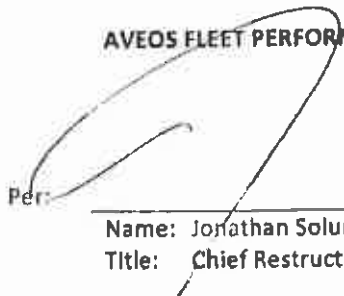
Per: _____
Name: Jonathan Solorsh
Title: Chief Restructuring Officer

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the day and year first written above.

LOCKHEED MARTIN CANADA INC.

Per: _____
Name:
Title:

AVEOS FLEET PERFORMANCE INC.

Per:  _____
Name: Jonathan Solursh
Title: Chief Restructuring Officer

SCHEDULE 1.1(hh)

VESTING ORDER

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

NO: 500-11-042345-120

DATE: ●

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
(Engine Maintenance Division)**

[1] **ON READING** *Petitioners' Motion for an Order Authorizing the Sale of Certain Assets and for a Vesting Order (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 [insert report number] 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 and for a Vesting Order*;
- [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 Asset 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-●; [NTD: Determine Service List]
- [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-● be sealed and that a redacted copy removing financial or confidential information therefrom be filed into the Court record and made available to the Service List; [NTD: Determine what will be redacted]
- [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 Transition Services Agreement
 - ii) the Assignment of the Air Canada Supply and Services Agreement
 - iii) the Assignment of the Land Lease;
 - iv) [NTD list other closing documents];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, 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 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 DIRECTS** the Monitor to file with the Court a copy of 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 West boulevard, City of Montreal (Borough of Saint-Laurent), Province of Quebec, H4Z 1Z3.

(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 true copy of the present Order, payment of the prescribed fees and presentation 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 other charges, including, and without limitation, those listed on Schedule B hereto and _____ [NTD: Schedule B may not include all hypothecs or other encumbrances that are to be deleted from title - we are currently reviewing registrations], 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 fairly 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 the present Order);

- [23] **ORDERS** that the Agreement, Exhibit P-●, and any related or ancillary agreements shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [24] **ORDERS** that, pursuant to section 11.3 of the CCAA, the Aveos' rights and obligations under the contracts, leases and agreements and other arrangements to be assigned on Closing pursuant to and in accordance with the terms of the Agreement (the "**Contracts**," as described and enumerated in and pursuant to the terms of the Agreement) are hereby assigned, and that such assignments are hereby approved and are valid and binding upon all persons, including upon the counterparties to the Contracts (the "**Counterparties**") *à toutes fins que de droit*, notwithstanding any restriction or prohibition on assignment contained in any such Contract; provided, however, that the effectiveness of the assignment of any such Contract pursuant to this Order and the Agreement shall be conditioned upon the remedy of monetary defaults in relation to such Contracts (the "**Cure Costs**"), if any, payable in respect of any such Contract (as determined by agreement among the parties or order of this Court); [NTD: Ascertain whether there are any monetary defaults on contracts being considered]
- [25] **ORDERS** that the Cure Costs payable in respect of any Contract shall be as agreed between the Purchaser and the Counterparty, failing which the Purchaser or the Counterparty shall be entitled to apply to this Court for an order determining the amount of such Cure Costs and, if such application is made, the assignment of such Contract shall not become effective until (i) such Cure Costs shall have been determined by a final, non-appealable order of this Court and (ii) such Cure Costs shall have been paid in full to the Counterparty;
- [26] **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 arising solely by reason of the insolvency of Aveos or as a result of any actions taken by Aveos pursuant to the Agreement or in these proceedings, and all notices of default and demands given in connection with any such defaults under, or non-compliance with, any of the Contracts shall be deemed to have been rescinded and shall be of no further force or effect;
- [27] **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 *Mises en Cause* 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;

- [28] **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;
- [29] **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;
- [30] **ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada;
- [31] **ORDERS** the provisional execution of the present Order, notwithstanding any appeal and without the necessity of furnishing any security;
- [32] **THE WHOLE WITHOUT COSTS.**

MARK SCHRAGER, j.s.c.

Hearing date: ●

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 ●, 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 [insert date of vesting order], (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 ●, 2013.

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

●, DULY AUTHORIZED REPRESENTATIVE

SCHEDULE B

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.

[NTD: Being reviewed by Purchaser's Counsel]

SCHEDULE 2.1

PURCHASED ASSETS

- (a) **Owned Immovable Property** – The immovable property (the “**Immovable Property**”) located on the site of the Montreal-Pierre Elliott Trudeau International Airport, in the city of Montreal, Province of Québec, known and designated as lot number three million eight hundred ninety-nine thousand three hundred forty-four (3 899 344) of the Cadastre du Québec, Registration Division of Montreal, together with the buildings, structures, improvements and appurtenances situated thereon, more particularly the building and other structures bearing civic number 7171 Côte Vertu Boulevard, City of Montreal (Borough of Saint-Laurent), Province of Québec, H4Z 1Z3;
- (b) **Machinery, Furniture, Equipment and Tooling** – All machinery, furniture and equipment and tooling pertaining to the Business, whether movable or Immovable, owned by Aveos and located on the Immovable Property and the CF34 test cell equipment located in the building known as Building 7 Hangar Test Cell Dorval Maintenance Base, Dorval, Quebec, as set out in sub-schedule 2.1(b) hereto, and the machinery, furniture (including office furniture), equipment and tooling set forth in sub-schedule 2.1(b), but excluding, for greater certainty, the Maynards Assets and the Maynards Option Assets;
- (c) **Inventory** – All inventory located on the Immovable Property pertaining exclusively to the Business, but excluding, for greater certainty, the Maynards Assets and the Maynards Option Assets.
- (d) **Intellectual Property** – All design engineering repair schemes (including, without limitation, design engineering repairs approved by Transport Canada or the Federal Aviation Administration or through a Designated Engineering Representative) owned by the Corporation and all other processes and software, trade secrets, know-how, patents and patent applications, inventions, and applications, copyrights and copyright registrations, and the goodwill symbolized thereby, as well as intellectual property licences or computer software related to the other Purchased Assets, the whole to the extent that the foregoing are owned by the Corporation and used exclusively in the operation of the Business, and all rights of the Corporation related thereto;
- (e) **Permits and Licences** – All permits and licences related to the operation of the Building, to the extent that any such permit or license is assignable;
- (f) **Contracts** – The Air Canada Supply & Services Agreement, the Immovable Property Lease, and, should the Purchaser identify either of the following agreements by written notice to the Corporation received no later than the Due Diligence Date, that certain agreement between the Corporation and Air France and that certain agreement between the Corporation and Jazz Aviation LP, subject to the consent of such parties, if required; provided that, the Corporation shall not be obligated to make any payments or incur any expense, including but not limited to cure costs, in order to obtain such consent;
- (g) **Warranty Rights** – If the Purchaser so elects on Closing, the full benefit and advantage of all manufacturers’, suppliers’ and contractors’ guaranties and warranties related to

the Purchased Assets, pursuant to any contract between the Corporation and any third party, to the extent that same are assignable, provided that no obligations and liabilities to such third parties are thereby assumed; and

- (h) **Purchased Books and Records** – All Books and Records which are in the Corporation's possession, which pertain exclusively to the Business and which are owned by the Corporation (the "Purchased Books and Records"), including such Books and Records pertaining exclusively to the use of the machinery, equipment and tooling including, associated operating documents and maintenance/service history and certificates for the machinery, equipment and tooling, including:
 - (i) for all test equipment and tooling purchased, any software licenses, OEM installation, operation and service manuals (hard and/or soft copies), including hook-up diagrams, schematics, and all related technical documentation whether purchased from OEM or developed in house;
 - (ii) for all internally developed tools or test stands, any compliance documents and certificates that document the authorization for use;
 - (iii) All service and maintenance records for test stands and calibration records and certificates for tooling;
 - (iv) Tooling and equipment equivalency documentation inclusive of tooling drawings;
 - (v) Cross reference documentation between component capability and Equipment/tooling resources; and
 - (vi) any compliance manuals, training manuals or other related documents that can be transferred from the OEM;
 - (vii) such other records as the Purchaser may advise before Closing that are in the possession of Aveos pertaining to the Business;
- (i) **Other Assets** - All other tangible assets which are owned by the Corporation and which pertain exclusively to the Business and, for greater certainty, which do not pertain to the Components or Heavy Maintenance divisions previously operated by the Corporation.

SUB-SCHEDULE 2.1(b)

MACHINERY, FURNITURE, EQUIPMENT AND TOOLING

MACHINERY, FURNITURE, EQUIPMENT AND TOOLING shall, as it pertains to Air Canada building #7, include all property owned by Aveos and used in the operation of the CF34 test cell No 2 located in the Air Canada building #7, including without limiting the generality of the foregoing, the following items:

Item description	QTY	Type
Fire proof cabinet	1	CF34
Barrel stands	3	CF34
Fuel supply system CF34	1	CF34
Pneumatic GRECKO pumps	3	CF34
Emergency power supply system	2	CF34
HP steam pressure washer system	1	CF34
Hydraulic power pack system for test cell platform	1	CF34
Various misc. spare parts for test cell	1	CF34
PBS 4100 portable balancing machine	1	CF34
CF34 data acquisition system (Computer bank)	1	CF34
CF34 data acquisition system console	1	CF34
HP printers	2	CF34
Closed loop TV system	1	CF34
CF34 nose cowl	1	CF34
CF34 test cell adaptor and exhaust system	1	CF34
step ladders	2	CF34
Various air hose, water hose and reels	1	CF34
Rolling cart and CF34 tools	1	CF34
CF34 test cell adaptor stand (4 poster)	1	CF34
Argon bottles (empty)	2	CF34
Stacker hydraulic battery powered	1	CF34
Cabinet and misc. Inventory (test cell)	4	CF34
Spill klt	1	CF34
Rolling carts	4	CF34
Electric golf cart	1	CF34
Portable pressure washer (pneumatic)	1	CF34
step ladders	2	CF34
Work bench and various tooling (test cell)	2	CF34
ventilation fan (pedestal)	1	CF34
Desk and office supplies	3	CF34

SCHEDULE 7
DEED OF SALE

DEED OF SALE executed in the City of [City], Province of Quebec on the [Day in letters] ([Day]th) day of [Month], two thousand and [Year] (20[Year]).

APPEARED:

AVEOS FLEET PERFORMANCE INC./AVEOS PERFORMANCE AÉRONAUTIQUE INC., a corporation duly incorporated under the *Canada Business Corporations Act*, formerly known as ACTS Aero Technical Support & Services Inc., from July 26, 2007 to September 29, 2008, having its head office at 7171 chemin de la Cote Vertu, City of Montreal, Province of Quebec, H4S 1Z3, herein represented by _____, its _____, duly authorized by a resolution passed at a meeting of its Board of Directors held on _____, 2012, which is unamended and still in full force and effect;

(hereinafter called the "Vendor")

AND:

_____, a corporation duly incorporated under _____, having its head office at _____, herein represented by _____, its _____, duly authorized by a resolution passed at a meeting of its Board of Directors held on _____, 2012, which is unamended and still in full force and effect;

(hereinafter called the "Purchaser")

WHEREAS Air Canada, as lessee, entered into a lease agreement with Her Majesty the Queen in Right of Canada as represented by the Minister of

Transport, as lessor (the "Crown"), on July 28, 1992 bearing number QMA-393 (as amended by amendments dated respectively March 30, 1995, November 10, 1999, August 11, 2000 and April 11, 2005, the "Land Lease"), pursuant to which Air Canada agreed to lease certain lands from the Crown, the whole as more fully described in the Land Lease (the "Lands");

WHEREAS pursuant to a Deed of Lease registered at the Land Register for the Registration Division of Montreal (the "Registry Office") under number 4 530 405, the Crown transferred all of its rights, title and interest as lessor under the Land Lease to Aéroports de Montréal on July 31, 1992;

WHEREAS in accordance with the provisions of the Land Lease, Air Canada was granted the right and privilege to build, erect and maintain on the Lands certain buildings, including the Immovable Property (as hereinafter defined), in respect of which the Crown renounced, in favour of Air Canada, its right of accession;

WHEREAS pursuant to a Deed of Sale executed on October 16, 2007 and registered at the Registry Office under number 14 709 925, Air Canada transferred its rights, title and interest in and to, *inter alia*, the Immovable Property to the Vendor;

WHEREAS Air Canada entered into a sublease with the Vendor dated October 16, 2007, providing for a sublease to the Vendor of the land on which the buildings and other structures included in the Immovable Property are erected (the "Sublease", which land is leased with greater extent pursuant to the Land Lease);

WHEREAS the Vendor has entered into an assignment agreement with the Purchaser dated of even date herewith, providing for the assignment by the Vendor to the Purchaser of the Vendor's rights, title and interest in and to the Sublease;

WHEREAS pursuant to an Order of the Quebec Superior Court dated March 19, 2012, as amended and restated on March 30, 2012, April 5, 2012 and May 7, 2012 (referred to herein as the "Initial Order"), the Vendor was granted creditor protection under the *Companies' Creditors Arrangement Act* ("CCAA") and FTI Consulting Canada Inc. (the "Monitor") was appointed as monitor of the Vendor thereunder;

WHEREAS pursuant to an asset purchase agreement dated _____, 2012 and accepted by the Vendor on _____, 2012 (the "Asset Purchase Agreement") the Vendor agreed to sell, transfer and convey to the Purchaser, all the Vendor's right, title and interest in certain assets being the Purchased Assets (as such term is defined in the Asset Purchase Agreement), including the Immovable Property; and

WHEREAS the Vendor and the Purchaser have agreed to execute the present Deed in order to effect more fully and complete the sale, conveyance and transfer of the Immovable Property to the Purchaser.

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS

The terms defined herein shall have, for all purposes of this Deed, the following meanings, unless the context expressly or by necessary implication otherwise requires:

- 1.1 "Asset Purchase Agreement" has the meaning ascribed thereto in the Recitals hereof;
- 1.2 "Initial Order" has the meaning ascribed thereto in the Recitals hereof;
- 1.3 "Immovable Property" has the meaning ascribed thereto in Section 2 hereof;
- 1.4 "Monitor" has the meaning ascribed thereto in the Recitals hereof.

2. SALE

The Vendor hereby sells and transfers, without any warranty other than those representations and warranties contained in the Asset Purchase Agreement and herein, to the Purchaser, hereto present and accepting, the following immovable property:

That certain 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 being

lot number **THREE MILLION EIGHT HUNDRED NINETY-NINE THOUSAND THREE HUNDRED FORTY-FOUR (3 899 344)** of the Cadastre du Québec, Registration Division of Montreal, together with the all the buildings and structures erected thereon, more particularly the building and other structures bearing civic number 7171 Côte Vertu Boulevard, City of Montreal (Borough of Saint-Laurent), Province of Quebec, H4Z 1Z3, which are owned by the Vendor and subject to the Land Lease and the Sublease, as the said property now subsists with all its rights, members and appurtenances without exception or reserve of any kind on the Vendor's part as well as all improvements, facilities and installations located on or used in connection with the aforesaid immovable property;

(hereinafter the "Immovable Property").

3. NO WARRANTY

The Purchaser acknowledges and confirms that it is purchasing the Immovable Property on an "as is, where is" basis, at the sole risk and perils of the Purchaser, from a seller that is not a professional seller, as the Immovable Property shall exist at the Closing (as such term is defined in the Asset Purchase Agreement), without any other representation or warranty, legal or otherwise, as to title, quantity, quality, certification, fitness for purpose or otherwise, save and except for those limited representations stated in the Asset Purchase Agreement and herein. For certainty and without limiting the foregoing, the parties hereby agree to exclude altogether the effect of the legal warranty provided in article 1716 of the *Civil Code of Quebec* and the Purchaser is purchasing the Immovable Property at its own risk within the meaning of article 1733 of the *Civil Code of Quebec*.

4. ASSET PURCHASE AGREEMENT

The parties hereby acknowledge that this Deed is being executed pursuant to the Asset Purchase Agreement. The parties acknowledge that the terms and conditions of the Asset Purchase Agreement shall survive the execution and registration of this Deed and remain in full force and effect for the period set forth in the Asset Purchase Agreement. In the case of any conflict or inconsistency between the terms and conditions of the Asset Purchase

Agreement and the provisions of this Deed, the terms and conditions of the Asset Purchase Agreement shall prevail.

5. POSSESSION

In virtue of these presents, the Purchaser shall have immediate possession of the Immovable Property from the date hereof.

6. VENDOR'S REPRESENTATION

The Vendor declares and covenants as of the date hereof that it is not a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada), the Vendor making this present declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by and in virtue of *The Canada Evidence Act*.

7. PURCHASER'S REPRESENTATIONS

The Purchaser hereby declares, represents and warrants to the Vendor, that, other than as disclosed by the Purchaser to the Vendor, each of the representations and warranties made by the Purchaser in Section 8.1 of the Asset Purchase Agreement is true and correct in all material respects as of the date of these presents as if made by the Purchaser on such date. The said representations and warranties are incorporated by reference into the present Deed, as if recited at length.

8. CONSIDERATION

The present sale is made for and in consideration of the sum of _____ DOLLARS (\$_____), in lawful money of Canada, which the Vendor hereby acknowledges to have received from the Purchaser in full, whereof quit.

9. ADJUSTMENTS

The parties declare that they have made or provided for all adjustments between them relating to the present sale at the date hereof to their complete and entire satisfaction, the whole in accordance with the terms of the Asset Purchase Agreement.

10. DECLARATIONS REGARDING GST AND QST

- 10.1 The Vendor and the Purchaser declare that the present sale of the Immovable Property is a "taxable supply" subject to the payment of the tax commonly referred to as the "Goods and Services Tax" (the "GST") under the *Excise Tax Act* (Canada) (the "ETA") and the "Quebec Sales Tax" (the "QST") under an *Act respecting the Quebec Sales Tax* (the "QSTA"). Moreover, the Vendor and the Purchaser declare that the Purchase Price does not include any amount in respect of such taxes.
- 10.2 The Vendor declares that it is registered under subdivision (d) of Division V of Part IX of the ETA, and that its registration number thereunder is [Number] and that it is registered under Division I of Chapter VIII of Title I of the QSTA and that its registration number thereunder is [Number].
- 10.3 The Purchaser declares that it is registered under subdivision (d) of Division V of Part IX of the ETA, and that its registration number thereunder is [Number], and that it is registered under Division I of Chapter VIII of Title I of the QSTA and that its registration number thereunder is [Number].
- 10.4 The Vendor and Purchaser declare that in accordance with sections 221(2)(b), 228(4) and 228(6) of the ETA and paragraph (2) of section 423, 428 and 441 of the QSTA, the Purchaser shall not be required to pay to the Vendor and the Vendor is relieved of its obligation to collect from the Purchaser the GST and the QST imposed *inter alia* in respect of the present Sale pursuant to sections 165(1) and 221(1) of the ETA and section 16 of the QSTA respectively, the responsibility for the payment thereof, if any, being exclusively assumed by the Purchaser.
- 10.5 The parties agree to make the tax elections contemplated by the Asset Purchase Agreement.
- 10.6 The Purchaser hereby undertakes and agrees to indemnify and hold harmless the Vendor and its shareholders, directors, officers, employees, advisors and agents from and against all claims, demands, actions or causes of actions relating to any amounts that may be assessed or

claimed from the Vendor by any taxing authorities having jurisdiction, whether as taxes, interest or penalties, with respect to the sale contemplated herein except where such claims, demands, actions or causes of action arise from the Vendor's failure to remit when due amounts paid by the Purchaser to the Vendor. The Purchaser undertakes to pay any sum which might become due under the terms of this article and to produce any document required for the authorities concerning GST and QST.

11. CONDITIONS

11.1 The present sale is thus made subject to the following conditions, to the fulfillment whereof the Purchaser binds and obliges itself, namely:

- (a) to pay the costs of this Deed, of its registration and of the required copies; and
- (b) to pay all assessments and rates, both general and special, already imposed or which may hereafter be imposed upon the Property, as and from the date hereof, including all future instalments of all assessments, payment whereof has been spread over a number of years

12. SPECIAL CLAUSE

12.1 The Purchaser acknowledges and agrees that pursuant to the terms of the Land Lease, at the expiry or sooner termination of such lease, the Immovable Property is to be sold to Aéroports de Montréal for the sum of one dollar (\$1.00) without any warranty whatsoever. The Purchaser further acknowledges that the Sublease contains an obligation to maintain the Immovable Property in accordance with the terms of the Land Lease.

13. GOVERNING LAW

This Deed of Sale shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

14. LANGUAGE

The parties have requested that this Deed and any other contracts, documents or notices relating hereto be prepared in English. *Les parties ont exigé que le présent acte et tous autres contrats, documents ou avis y afférents ou accessoires aux présentes soient rédigés en langue anglaise.*

15. INFORMATION REQUIRED IN VIRTUE OF SECTION 9 OF AN ACT RESPECTING DUTIES ON TRANSFERS OF IMMOVABLES (the "Act")

The Vendor and the Purchaser (the "Transferor" and the "Transferee" for purposes of the present declaration), in order to conform to the provisions of the Act, establish and acknowledge the following particulars and facts:

- 15.1 the given name and address of the Transferor are as follows: AVEOS FLEET PERFORMANCE INC./AVEOS PERFORMANCE AÉRONAUTIQUE INC., 7171 chemin de la Cote Vertu, BAN 3, 4th Floor, City of Montreal, Province of Quebec, H4S 1Z3;
- 15.2 the given name and address of the Transferee are as follows: _____

_____;
- 15.3 the Immovable Property which is the object of the present transfer is situated in the City of Montreal;
- 15.4 according to the Transferor and the Transferee, the amount of the consideration for the transfer of the Immovable Property herein sold is: [Amount in letters] Dollars (\$[Amount]);
- 15.5 according to the Transferor and the Transferee, the amount constituting the basis of imposition of the transfer duties is: [Amount in letters] Dollars (\$[Amount]);
- 15.6 the amount of transfer duties, if applicable, is: [Amount in letters] Dollars (\$[Amount]); and
- 15.7 There is a transfer, at the same time, of corporeal immovables and movables as provided by Section 1.0.1 of the Act, the consideration and

basis of imposition with respect to said movables being included in the consideration and basis of imposition respectively specified in Sections 15.4 and 15.5, and the transfer duties applicable to said movables being included in the amount of the transfer duties indicated in Section 15.6.

[Signature page follows]

SIGNED in [Number] copies on the date and at the place first above mentioned.

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

Per: _____
Name:
Title

[PURCHASER]

Per: _____
Name:
Title

CERTIFICATE

Re: Deed of Sale executed in the City of [City], Province of Quebec, by AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE AÉRONAUTIQUE INC. as Vendor, and [Purchaser], as Purchaser, on the [Day In letters] ([Day]th) day of [Month], two thousand and [Year in letter] (20[Year]).

I, the undersigned, [Name of lawyer], advocate, member of the Bar of the Province of Quebec, hereby certify that:

1. I have verified the identity, quality and capacity of the Vendor, **AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE AÉRONAUTIQUE INC.**, to the present Deed of Sale;
2. the present Deed of Sale represents the will expressed by the Vendor, **AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE AÉRONAUTIQUE INC.**; and
3. the present Deed of Sale is valid as to its form.

CERTIFIED at Montréal, Province of Quebec, on this [Day in letters] ([Day]th) day of [Month], two thousand and [Year in letter] (20[Year]).

Name: [Name of lawyer]
Quality: Advocate
Address: 1 Place Ville-Marie
39th Floor
Montréal, Quebec, H3B 4M7

[Name of lawyer], Advocate

CERTIFICATE

Re: Deed of Sale executed in the City of [City], Province of Quebec, by AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE AÉRONAUTIQUE INC., as Vendor, and [Purchaser], as Purchaser, on the [Day in letters] ([Day]th) day of [Month], two thousand and [Year in letter] (20[Year]).

I, the undersigned, [Name of lawyer], advocate, member of the Bar of the Province of Quebec, hereby certify that:

1. I have verified the identity, quality and capacity of the Purchaser, [Purchaser], to the present Deed of Sale;
2. the present Deed of Sale represents the will expressed by the Purchaser, [Purchaser]; and
3. the present Deed of Sale is valid as to its form.

CERTIFIED at Montréal, Province of Quebec, on this [Day in letters] ([Day]th) day of [Month], two thousand and [Year in letter] (20[Year]).

Name: [Name of lawyer]
Quality: Advocate
Address: [Address]

[Name of lawyer], Advocate

EXHIBIT A
MAYNARDS AGREEMENT

December 21, 2012

LOCKHEED MARTIN KELLY AVIATION CENTER, INC.
3523 General Hudnell Drive, Building 360
San Antonio, Texas 78226

Attention: Ms. Amy L. Gowder

LOCKHEED MARTIN CANADA INC.
3001 Solandt Road
Kanata, Ontario K2K 2M8

Attention:

Subject: Amended and Restated Purchase Agreement dated December 14, 2012 between Lockheed Martin Canada Inc., as nominee of Lockheed Martin Kelly Aviation Center, Inc. ("Lockheed Martin") and Maynards Industries Ltd. ("Maynards") for the purchase of certain tooling and equipment (the "Maynards Agreement")

Dear Sir/Madam:

Any capitalized term used but not defined herein shall have the meaning ascribed thereto in the Maynards Agreement.

The following confirms the agreement among Lockheed Martin, Maynards and Aveos Fleet Performance Inc. ("**Aveos**") with respect to the amendment of the Maynards Agreement and certain additional obligations in connection therewith.

- 1) Lockheed Martin and Maynards, having taken cognizance of the terms and conditions of the Maynards Agreement, hereby agree to amend the Maynards Agreement as follows:
 - a) **Section 1.1(h)** shall be removed in its entirety and replaced with the following:

"Closing Date" means (i) January 4, 2013, if the Purchaser decides not to exercise its option to purchase the Option Assets pursuant to Section 6 of this agreement; or (ii) January 15, 2013, if the Purchaser does exercise its option to purchase the Option Assets pursuant to Section 6 of this Agreement, or (in each case) such other date as mutually agreed upon by the parties.

- b) The references to "December 21, 2012" in **Section 6(a)**, **Section 6(d)** and **Section 6(e)** shall be removed and replaced by "January 4, 2013".
 - c) The Option Deposit shall be paid to Fraser Milner Casgrain LLP, in trust.
 - d) Notwithstanding the terms of Section 6(d) of the Maynards Agreement, the obligation for the Purchaser to complete the purchase of the Option Assets is conditional upon one of the following (the "**Condition**") occurring: (i) closing of the transaction of purchase and sale of the Purchased Assets (as defined in the purchase agreement dated December 21, 2012 between Aveos and the Purchaser (the "**Aveos Agreement**")), or (ii) the execution by Aveos and the Purchaser of the Lease and the closing of the New APA (as both such terms are defined in a side letter dated January ____, 2013 between Aveos and the Purchaser). Consequently, it is understood that the Option Deposit shall be returned to the Purchaser forthwith without deduction in the event where the purchase and sale of the Option Assets is not completed due to the non-satisfaction of the Condition (other than solely as a result of the Purchaser's default). For avoidance of doubt, the parties confirm that in the event where the purchase and sale of the Option Assets is not completed solely as a result of the Purchaser's default, the Option Deposit shall be immediately released to Maynards upon the bill of sale contemplated under the Maynards Agreement for the Option Assets being delivered to the Purchaser.
- 2) Aveos and Lockheed have agreed to pay Maynards an extension fee in the amount of \$25,000 (to be shared equally between Aveos and Lockheed Martin) in connection with the amendments set forth in Sections 1)a) and 1)b) above.
 - 3) Maynards and Lockheed Martin hereby acknowledge and agree that each of Lockheed Martin and Aveos shall have the right to extend the Option Closing Date (currently January 15, 2013) (and in so doing, extend the date set forth in Section 1.1(h)(ii) of the Maynards Agreement) upon written notice to Maynards delivered no later than January 18, 2013, provided that such revised Option Closing Date may not be later than January 31, 2013 and provided that Maynards is paid an additional fee of \$1,000 per day (to be shared equally between Aveos and Lockheed Martin) for each day between January 18, 2013 and such revised Option Closing Date.
 - 4) Maynards hereby agrees and undertakes to remove the 777 aircraft dock (the "**Dock**") that is currently stored on the Leased Premises within sixty (60) days of the Closing Date.
 - 5) Maynards further agrees to indemnify and save harmless Aveos and Lockheed Martin and their respective agents, contractors, employees and representatives in respect of any losses, damages, costs or expenses (including attorneys' fees) incurred by such persons caused by or in connection with the storage or removal of the Dock or as a result of the negligence or wilful misconduct of Maynards or any of its officers, representatives, agents, employees or contractors, in the course of removing the Dock from the Leased Premises, including, without limitation, any damages caused to the Leased Premises (including the plumbing, electrical, heating or ventilation systems therein), to the areas surrounding the Leased Premises, or to any equipment, inventory, tools or other property in or around the Leased Premises belonging to

the Aveos, Lockheed Martin or any third party. Maynards shall maintain at all times adequate insurance for any liability or casualty relating to the storage or removal of the Dock from the Leased Premises. In the event that any action or proceeding is commenced against Lockheed Martin with respect to the Dock, Maynards shall indemnify and save Lockheed Martin harmless from any losses, damages, costs or expenses (including attorneys' fees) resulting therefrom.

Except as specifically set forth above, the terms and conditions of the Maynards Agreement shall remain unamended.

This letter agreement may be executed in any number of counterparts (including by facsimile or other electronic means), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument

This letter agreement shall be construed, interpreted and enforced in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each of the undersigned parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Quebec within the judicial district of Montreal with respect to any matter arising hereunder or relating hereto.

The undersigned parties confirm that it is their wish that this letter agreement and any other documents delivered or given under this letter agreement, including notices, have been and will be in the English language only. *Les parties soussignées confirment leur volonté que cette convention de même que tous les documents, y compris tout avis, s'y rattachant, soient rédigés en anglais seulement.*

{Signature page follows}

Sincerely,

MAYNARDS INDUSTRIES LTD.



Per: _____

Name: Larry Suzuki
Title: Vice-President

AVEOS FLEET PERFORMANCE INC.

Per: _____

Name: Jonathan Solursh
Title: Chief Restructuring Officer

ACKNOWLEDGED AND AGREED TO by Lockheed Martin on December ____, 2012.

**LOCKHEED MARTIN KELLY AVIATION
CENTER, INC.**

Per: _____

Name:
Title:

LOCKHEED MARTIN CANADA INC.

Per: _____

Name:
Title:

Sincerely,

MAYNARDS INDUSTRIES LTD.

Per: _____
Name: Larry Suzuki
Title: Vice-President

AVEOS FLEET PERFORMANCE INC.
Per: _____
Name: Jonathan Solursh
Title: Chief Restructuring Officer

ACKNOWLEDGED AND AGREED TO by Lockheed Martin on December _____, 2012.

**LOCKHEED MARTIN KELLY AVIATION
CENTER, INC.**

Per: _____
Name:
Title:

LOCKHEED MARTIN CANADA INC.

Per: _____
Name:
Title:

Sincerely,

MAYNARDS INDUSTRIES LTD.


Per: _____
Name: Larry Suzuki
Title: Vice-President

AVEOS FLEET PERFORMANCE INC.


Per: _____
Name: Jonathan Solursh
Title: Chief Restructuring Officer

ACKNOWLEDGED AND AGREED TO by Lockheed Martin on December _____, 2012.

**LOCKHEED MARTIN KELLY AVIATION
CENTER, INC.**

Per: 
Name: William Bonham
Title: Vice President

LOCKHEED MARTIN CANADA INC.

Per: 
Name: William Bonham
Title: Vice President

No. 500-11-042345-120

**SUPERIOR COURT (Commercial Division)
DISTRICT OF MONTRÉAL**

**IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE AND
ARRANGEMENT 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 **LOCKHEED MARTIN CANADA INC.**

and **AIR CANADA**

and **AÉROPORTS DE MONTRÉAL**

Mis en causes

Me Roger Simard / Me Ari Sorek

File: 548732-1

EXHIBIT P-1



Fraser Milner Casgrain LLP
1 Place Ville Marie, Suite 3900
Montréal, QC, Canada H3B 4M7

MAIN 514 878 8800
FAX 514 866 2241

880822