

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

BETWEEN: **HAWKER PACIFIC AEROSPACE**, a corporation governed by the laws of California, having an office at 11240 Sherman Way, Sun Valley, California, USA 91352, herein represented by Brian Carr, its Vice President Landing Gear,

(the "Purchaser");

AND: **AVEOS FLEET PERFORMANCE INC.**, a corporation governed by the Canada Business Corporations Act, having an office at 2311 Alfred Nobel, BAN 3, 4th Floor, Montréal, Québec, H4S 2B6, herein represented by Jonathan Solursh, Chief Restructuring Officer,

("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 April 18, 2012, Aveos filed a Motion for Approval of the Divestiture Process and the procedures set forth in the DP Document; and

WHEREAS on April 20, 2012 the Court issued the Divestiture Process Order approving the Divestiture Process described therein.

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) **"Aveos"** or the **"Corporation"** has the meaning ascribed to such term in the preamble;
- (c) **"CCAA"** means the Companies' Creditors Arrangement Act;
- (d) **"CCAA Proceedings"** means the proceedings by Aveos before the Court under the CCAA;
- (e) **"Charges"** means all security interests, hypothecs, priorities, charges, pledges, liens, encumbrances, claims or other restrictions thereon, including the charges granted pursuant to the Initial Order or other Orders;
- (f) **"Closing"** means the completion of the Transaction pursuant to this Agreement;
- (g) **"Closing Date"** means the fourth (4th) business day following the day on which the Vesting Order is issued or such other date as mutually agreed upon by the Parties;
- (h) **"Court"** means the Superior Court of Québec, Commercial Division;
- (i) **"DP Document"** means the document summarizing the Divestiture Process dated April 20, 2012 and its schedules, as may be amended or supplemented from time to time;
- (j) **"Deposit"** has the meaning set out in Section 4.2 hereof;
- (k) **"Divestiture Process"** means the process described in the DP Document and its schedules, as may be amended or supplemented from time to time;
- (l) **"Divestiture Process Order"** means the Order approving the Divestiture Process rendered on April 20, 2012 by the Court;
- (m) **"Initial Order"** means the Order Issued by the Court on March 19, 2012, (as amended and restated on March 30, 2012, April 5, 2012 and May 7, 2012) and as may be further amended from time to time;
- (n) **"Material Casualty"** has the meaning set out in Section 8.3(b);

- (o) "Minor Casualty" has the meaning set out in Section 8.3(c);
- (p) "Monitor" means FTI Consulting Canada Inc. as Monitor of Aveos appointed pursuant to the Initial Order;
- (q) "Order" means any order rendered by the Court in the CCAA Proceedings;
- (r) "Premises" means the premises located at 7171 Cote Vertu Boulevard West, Montréal, Province of Québec, and 2311 Alfred Nobel Boulevard, Montréal, Province of Québec, which are occupied and used by the Corporation;
- (s) "Purchase Price" means the purchase price for the Purchased Assets as set out in Section 4.1;
- (t) "Purchased Assets" has the meaning set forth in Section 2 hereof;
- (u) "Transaction" means the transaction of purchase and sale contemplated by this Agreement; and
- (v) "Vesting Order" means a final executory Order of the Court approving a sale and vesting of the Purchased Assets, free and clear of the Charges, substantially in the form attached hereto as Schedule 1.1(u).

1.1 Recitals and Schedules

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

- Schedule 1.1(u) - Vesting Order
- Schedule 2 - Purchased Assets
- Schedule 4.7 - Allocation of the Purchase Price

2. PURCHASE AND SALE OF PURCHASED ASSETS

Subject to the conditions set forth in Sections 8.1 and 8.2 hereof, the Corporation hereby agrees to sell to the Purchaser, and the Purchaser hereby agrees to purchase, on the Closing Date, Aveos' right, title and interest in and to the assets identified in Schedule 2 (collectively, the "Purchased Assets").

3. EXCLUDED LIABILITIES

Except as otherwise provided in this Agreement, the Purchaser does not assume any debt, liability or obligation of the Corporation, 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.

4. PURCHASE PRICE

4.1 Aggregate Purchase Price

The aggregate purchase price for the Purchased Assets (the "Purchase Price") payable by the Purchaser shall be

The Parties agree that, other than as specifically set forth in Section 4.2, no adjustments to the Purchase Price shall be made.

4.2 Adjustment of Purchase Price

The Purchase Price will be further adjusted if the proposal made by Lufthansa Technik AG ("LHT") or the Purchaser to Air Canada, following Air Canada's request for proposal for RFP No. 20120328 Landing Gear Services, is accepted by Air Canada and a binding agreement has been entered into and signed by Air Canada and the Purchaser and/or LHT and/or any of their respective affiliates upon terms and conditions satisfactory to the Purchaser, LHT and /or any of their respective affiliates, as applicable, such that the Purchase Price shall be increased by an amount of

4.3 Deposit

The Purchaser shall submit a _____ (the "Deposit") upon delivery of this Agreement by wire transfer to the account of Fraser Milner Casgrain in Trust, to be held in trust in a non-interest-bearing account in Canada, as per the wire transfer instructions provided in the data room document entitled "23.1 Trust Account Info.PDF".

4.4 Refund of Deposit

The Deposit shall be returned to the Purchaser forthwith without interest:

- (a) If the offer contained in this Agreement is not accepted by the Corporation on or before 5:00 p.m. (Montréal Time) on September 30, 2012 or any later date subsequently agreed to by the Purchaser in writing;
- (b) If the offer contained in this Agreement is accepted but the Transaction is not completed because any of the conditions set forth in Section 8.1 are not or cannot be satisfied on or before the Closing Date; or
- (c) If the Transaction is not completed on or before the Closing Date for reasons that are not under the control of the Purchaser.

4.5 Use of Deposit

Upon the completion of the Transaction, the Deposit will be credited against the Purchase Price.

If the offer contained in this Agreement is accepted and the Transaction is not completed on or before the Closing Date for reasons that are entirely under the control of the Purchaser, and provided that all conditions precedent provided in the Agreement have been met or waived in accordance with this Agreement, the Deposit shall be deemed forfeited by the Purchaser without prejudice to any further right or claim of the Corporation to any damages, costs or expenses payable by the Purchaser.

4.6 Payment of Purchase Price

The Purchaser shall pay the balance of the Purchase Price (being the Purchase Price less the Deposit) by wire transfer, certified cheque or bank draft, to Fraser Millner Casgrain in trust, to be released to the Corporation upon issuance of the Monitor's certificate contemplated by the Vesting Order.

4.7 Allocation of Purchase Price

The Purchase Price shall be allocated among the Purchased Assets, as set forth in Schedule 4.7 or as otherwise agreed to between the Parties prior to Closing. All Parties agree to file all applicable tax returns in a manner consistent with such allocations.

4.8 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. All required parties shall jointly execute such elections as are permitted under Section 167 of the Excise Tax Act (Canada) and Section 75 of An Act respecting the Québec Sales Tax in the forms prescribed for such purposes, in order that the sale of the Purchased Assets shall occur, if possible, without any goods and services tax, harmonized sales tax or Québec sales tax being payable in connection therewith. The Purchaser shall be responsible for filing such election forms with the appropriate authorities. 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.

5. CLOSING

At Closing, each Party shall execute such documents and do such things as may be reasonably required in order to convey the Purchased Assets to the Purchaser including, but not limited to, bills of sale and assignments 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 Transaction as provided for herein.

6. POST-CLOSING UNDERTAKING AND INDEMNIFICATION

The Purchaser undertakes to remove the Purchased Assets and the Corporation undertakes to provide the Purchaser reasonable access to remove the Purchased Assets from the Premises no later than thirty (30) days following the Closing Date, during normal business hours and upon notice of no less than 72 hours to the Corporation. The Corporation undertakes to provide the Purchaser reasonable non-exclusive access to remove the Purchased Assets in the aforementioned delay. The Purchaser further undertakes to (i) promptly repair any damages caused by the Purchaser or its agents or representatives to the Corporation's premises or any of its property or any property of third parties located thereon in the course of removing the Purchased Assets, and (ii) indemnify the Corporation for any losses, claims, damages, costs or expenses incurred by the Corporation arising, directly or indirectly, from any failure to fulfill its obligations under (i) above in a timely manner or from the Purchaser's failure to remove the Purchased Assets within the aforementioned delay.

The Corporation undertakes to provide the Purchaser with the following information and documentation in its possession with respect to the Purchased Assets: removal or maintenance tags, last operator times and cycles (TSN/CSN) provided by the operator, and last operator non-incident statements.

7. REPRESENTATIONS AND WARRANTIES

7.1 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) it has had an opportunity to conduct and has completed any and all required due diligence regarding the Purchased Assets; and
- (d) it (i) has relied solely upon its own independent review, investigation and/or Inspection of the Purchased Assets, (ii) has reviewed and accepted in full the terms and conditions of the Divestiture Process, and (iii), 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 Purchased Assets or the completeness of any information provided in connection with the Divestiture Process.

7.2 No Warranties from the Corporation

The Purchaser acknowledges that the Purchased Assets are being acquired on an "as is, where is, at risk and perils of the Purchaser basis", without any representations or warranties, legal or otherwise, as to title, quantity, quality, certification, fitness for purpose or otherwise, save and except for those limited representations and warranties included herein. For greater certainty, the Purchaser acknowledges that no representations or warranties have been made with respect to environmental matters involving the Purchased Assets and confirms that it has opted not to perform inspections or investigations in this regard.

8. CONDITIONS TO THE TRANSACTION AND TERMINATION

8.1 Reciprocal Conditions to the Transaction

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

- (a) the Vesting Order shall have been issued and this Agreement shall have been approved by the Court by September 30, 2012;
- (b) the Corporation and the Purchaser shall each have executed and delivered the documents contemplated in Section 5 hereof; and
- (c) the Monitor shall have filed the Monitor's certificate in the Court record.

8.2 Conditions to the Transaction 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.

8.3 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 25% 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 (pursuant to Section 8.3(a)) of the occurrence of such Material Casualty, to terminate this Agreement, and the Deposit shall be immediately returned to the Purchaser, the Parties hereto having 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.
- (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 25% 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.

8.4 Termination of this Agreement

In the event (i) any of the conditions provided at Section 8.1 are not met (for reasons that are not entirely under the control of the Purchaser) or waived by the Party in favour of which any such condition benefits within the applicable delays provided in this Agreement or (ii) the Purchaser avails itself of its right to terminate this Agreement in accordance with Section 8.3 or (iii) the Transaction is not completed on or before the Closing Date for reasons that are not under the control of the Purchaser, then this Agreement shall terminate and the Purchaser shall recover the full amount of the Deposit on demand by the Purchaser, without any reduction or set-off, and the Parties shall have no further recourse under this Agreement.

9. GENERAL PROVISIONS

9.1 Survival of Obligations, Representations and Warranties

The obligations of the Purchaser contained in this Agreement, including the obligations set forth in Sections 4.8 and 6 hereof, 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.

9.2 Confidentiality

Subject to the requirements of applicable law, neither the Corporation nor the Purchaser nor any of their respective affiliates, employees, agents or other representatives shall make any news releases or any public disclosure with respect to this Agreement or the Transaction without the prior written consent of the other Party, except by the Corporation as required in connection with the Divestiture Process or the CCAA Proceedings.

9.3 Expenses

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

9.4 Currency

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

9.5 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.

9.6 Expiration

The offer set forth in this Agreement is irrevocable and shall remain open for acceptance by the Corporation until 5:00 p.m. (Montréal Time), on September 30, 2012 or such later date as mutually agreed to by the Corporation and the Purchaser.

9.7 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.

9.8 Applicable Law

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

9.9 No Modification

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

9.10 Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. The Purchaser shall not assign its rights under this Agreement without the prior written consent of the Corporation; provided, however, that the Purchaser may assign its rights hereunder to an affiliate or subsidiary which it controls without obtaining the consent of the Corporation but shall remain solidarily liable with the assignee for all obligations hereunder.

9.11 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:**

Hawker Pacific Aerospace
11240 Sherman Way
Sun Valley, California 91325

Attention: Michael Kirstein

E-mail: Michael.Kirstein@hawker.com
Telephone Number: +1-818-765-6201 ext. 238
Fax Number: n/a

With a copy to:

Hawker Pacific Aerospace
11240 Sherman Way
Sun Valley, California 91325

Attention: Brian Carr

E-mail: Brian.Carr@hawker.com
Telephone Number: +1 -818-232-5906 ext. 206/306
Fax Number:

(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
Telephone Number: 514-856-6767
Fax Number: 514-856-7420

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.


9.12 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 présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tout avis, s'y rattachant, soient rédigés en anglais seulement.*

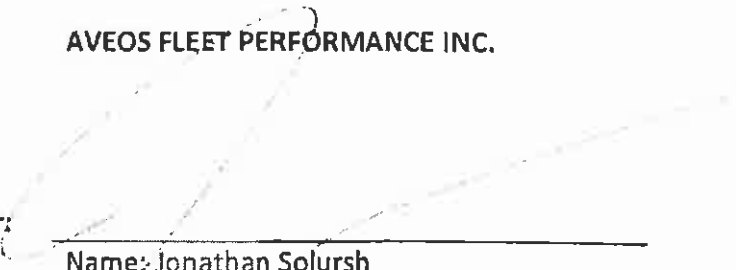
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IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the day and year first written above.

HAWKER PACIFIC AEROSPACE

Per:  22 Aug 2012
Name: Michael Kirstein
Title: CEO

AVEOS FLEET PERFORMANCE INC.

Per: 
Name: Jonathan Solursh
Title: Chief Restructuring Officer

SCHEDULE 1.1(v)

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.

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
(Miscellaneous Purchased Assets)

- [1] **ON READING** Petitioners' Motion for Sale Approval 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 [insert name and capacity of affiant], 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 Sale Approval 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 enter into the contract entitled Purchase Agreement, as vendor, with [insert name of Purchaser], as Purchaser, a copy of which is filed in support of the Motion as Exhibit R-● (the "**Purchase Agreement**");
- [9] **AUTHORIZES** and **RATIFIES** the transaction contemplated by and between Aveos and the Purchaser, as set forth in the Purchase Agreement (the "**Transaction**");
- [10] **AUTHORIZES** the sale, transfer and conveyance of the assets pursuant to and identified in Schedule 2.1 of the Purchase Agreement (the "**Purchased Assots**");
- [11] **AUTHORIZES** Aveos to perform its obligations under the Purchase Agreement;
- [12] **AUTHORIZES** Aveos to :
- a) to 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 Purchase Agreement and all such deeds, contracts or documents are hereby ratified, approved and confirmed; and
 - b) take steps, as are, in the opinion of Aveos, necessary or incidental to the performance of its obligations pursuant to the Transaction;
- [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 Purchase Agreement), whether known or unknown, or any and all other rights of use, disputes and debts of all persons or entities of any kind whatsoever and howsoever arising, each of which and collectively being herein referred to as the "Claims," including, without limiting the generality of the foregoing:

- a) any encumbrance or charge created by the Initial Order, as amended, rendered by the undersigned or by any other order of this Honourable 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** and **DECLARES** 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 the Purchased Assets;

[16] **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;

[17] **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 or receiver that may be appointed in respect of Aveos and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent preference, assignment, or fraudulent conveyance, transfer for under value or other reviewable transaction under the CCAA, the BIA, Articles 1631 et seq. of the Civil

Code of Québec, S.Q. 1991, c. 164 ("C.C.Q.") or any other applicable federal or provincial legislation;

- [18] **DECLARES** that the present Order constitutes the only authorization 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 that may be required from any person or authority whatsoever;
- [19] **DECLARES** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in place and stead of the Purchased Assets and that from and after the delivery of the Monitor's Certificate, all Claims shall attach to the proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold;
- [20] **ORDERS** that neither 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);
- [21] **ORDERS** that the Purchase Agreement, Exhibit R-●, and any related or ancillary agreements shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [22] **ORDERS** that, pursuant to section 11.3 of the CCAA, the Petitioners' 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 Purchase Agreement (the "**Contracts**," as described and enumerated in and pursuant to the terms of the Purchase 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 Purchase 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);
- [23] **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;

- [24] **ORDERS** that, from and after the Closing Date (as defined in the Purchase 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 Purchase 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;
- [25] **ORDERS** that, pursuant to clause 7(3)(c) of the Personal Information Protection and Electronic Documents Act (Canada) and any substantially similar legislation, the Petitioners and the Mises en Cause are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Petitioners' records pertaining to the Petitioners' 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 the Petitioners;
- [26] **ORDERS** that all persons shall cooperate fully with Aveos and the Mis en causes, the Purchaser and their respective affiliates and the Monitor and do all such things that are necessary or desirable for the purposes of giving effect to and in furtherance of the present Order, the Purchase Agreement, and the Transaction;
- [27] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order;
- [28] **ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada;
- [29] **ORDERS** the provisional execution of the present Order, notwithstanding any appeal and without the necessity of furnishing any security;
- [30] **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 ●, 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, April 5, 2012 and May 4, 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 [insert description of assets sold] (the "Purchased Assets") by and between Aveos on the one hand, and [insert name of Purchaser], 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 ●, 2012.

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

●, DULY AUTHORIZED REPRESENTATIVE

SCHEDULE 2

PURCHASED ASSETS

Selected Bid Lots		Location	Description	Inventory	Tooling	Equipment
✓						
	1	YUL	Airbus 320		X	
	2	YUL	Airbus 330/340		X	
	3	YUL	Boeing 767/777		X	
	4	YUL	Back Shop - Composite	X	X	X
	5	YUL	Back Shop - Other	X	X	X
	6	YUL	Equipment			X
	7	YUL	Component Maintenance	X	X	X
	8	YUL	Engine Maintenance	X	X	X
	9	YUL	Line Maintenance		X	
	10	YUL	NDT Testing (Non CMC/EMC)		X	
	11	YEG	Edmonton 737-200/300	X	X	X
	12	YWG	ERJ 175/190		X	
	13	YWG	Airbus 320		X	
	14	YWG	Equipment			X
	15	YVR	Airbus 320		X	
	16	YVR	Airbus 330/340		X	
	17	YVR	Boeing 767/777		X	
	18	YVR	Back Shop - Composite	X	X	X
	19	YVR	Back Shop - Other	X	X	X
	20	YVR	Equipment			X
	21	ALL	Airframe Expendables (NO YEG)	X		
	22	YYZ	Wheels and Brakes	X	X	X
✓	23	YUL	Landing Gear	X	X	X
	24	YUL	Airbus 310 (Limited Parts)		X	X
	25	ALL	Intellectual Property			

The whole with and subject to 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, but subject to Section 7.2 of the Agreement.

SCHEDULE 4.7

ALLOCATION OF PURCHASE PRICE

Bid Lot Number	Inventory	Equipment	Other
23			

No. 500-11-042345-120

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

IN THE MATTER OF THE PROPOSED PLAN OF
COMPROMISE ARRANGEMENT OF :

**AVEOS FLEET PERFORMANCE INC./
AVEOS PERFORMANCE AÉRONAUTIQUE INC.**
and
AERO TECHNICAL US, INC.

Insolvent Debtors/Respondents
and

FTI CONSULTING CANADA INC. Monitor

and
HAWKER PACIFIC AERSOPACE et al. Mis en cause

Me Roger Simard / Me Ari Sorek File: 548732-1

EXHIBIT P-1



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