

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

NO: 500-11-042345-120
DATE: April 5, 2012

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

**IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:
AVEOS FLEET PERFORMANCE INC./AVEOS PERFORMANCE AÉRONAUTIQUE**

-and-

AERO TECHNICAL US, INC.

Debtors/Respondents

-and-

FTI CONSULTING CANADA INC.

Monitor

-and-

AIR CANADA

Petitioner

**ORDER ON THE PETITIONER'S EMERGENCY MOTION FOR AN ORDER
LIFTING THE STAY OF PROCEEDINGS TO REPOSSESS CERTAIN ASSETS**

- [1] **FURTHER** to the court hearing held on April 5, 2012 and the representations of counsel to Air Canada (the "**Petitioner**") as well as counsel to other interested parties;

- [2] **CONSIDERING** Air Canada's *Emergency Motion for an Order Lifting the Stay of Proceedings to Repossess Certain Assets* (the "**Motion**");
- [3] **CONSIDERING** the *General Terms Agreement* entered into on October 1, 2006, filed in support of the Motion as Exhibit P-1, and the *Access Agreement* entered into between the Debtors and Air Canada on March 12, 2010, filed in support of the Motion as Exhibit P-2;

FOR THESE REASONS, THE COURT:

- [1] **GRANTS** the Motion, in part, only.
- [2] **DECLARES** that the notices given of the Motion are proper and sufficient.
- [3] **DECLARES** that unless otherwise defined, all capitalized terms referred to in this Order shall have the meaning attributed to them in the Motion and in the Initial Order issued by this Court on March 19, 2012, as amended.
- [4] **ORDERS** that the Stay of Proceedings shall be lifted for the sole purpose of allowing Air Canada to exercise its rights to repossess the A330 Aircraft, the Engines, as well as the Records and Intellectual Property in connection with these assets (collectively, the "**Repossessed Assets**"), the whole, in accordance with the terms of the *General Terms Agreement for Technical Services* (Exhibit P-1 to the Motion) and the *Access Agreement* (Exhibit P-2 to the Motion).
- [5] **DECLARES** that the exercise of Air Canada's rights as provided for in paragraph [4] of this Order shall be : i) performed in accordance with the terms of an agreement to be entered into between the Debtors and Air Canada with the approval of the Monitor, concerning the terms of access and repossession; and ii) subject to and without prejudice to any rights of retention, non-performance, or any similar rights regarding the Repossessed Assets unless Air Canada deposits cash or securities in trust in lieu thereof and acceptable to the Monitor.
- [6] **DECLARES** that paragraphs [4] and [5] of this Order shall also apply, *mutatis mutandis*, to all other Air Canada Assets which are currently in Aveos' possession and which Air Canada has a right to repossess, subject however to the Monitor's review of Air Canada's contractual rights with respect to such assets and to an agreement regarding the reconciliation of amounts owing in connection with maintenance work performed as regards each asset.
- [7] **ORDERS** that the Debtors shall ensure that all Records and Intellectual Property in connection with the Air Canada Assets which were created, managed or maintained by the Debtors and in the Debtor's possession be preserved.
- [8] **ORDERS** that the Monitor shall supervise the Debtors' compliance with this Order and shall provide Air Canada and this Court with regular progress reports in connection with the foregoing.
- [9] **RESERVES** the rights of the parties to apply to this Court in order to seek further directions in connection with this Order.

[10] **ORDERS** the provisional execution of the present order to be rendered notwithstanding appeal and without the necessity of furnishing any security.

WITHOUT COSTS.


MARK SCHRAGER, J.S.C.