

2007-10-19 12:09
heure-minute14709925**DEED OF SALE**

APPEARED: AIR CANADA, a corporation duly constituted pursuant to the *Canada Business Corporations Act*, having its registered office at 7373 Côte Vertu West, P.O. Box 14000, City of Montreal (Borough of Saint-Laurent), Province of Québec, H4Y 1H4, represented herein by Graeme Elliott, its Director of Corporate Real Estate, duly authorized by resolution of its board of directors dated December 14, 2006, which said resolution was not amended and remains in full force and effect.

(hereinafter called the "Vendor");

AND: ACTS AERO TECHNICAL SUPPORT & SERVICES INC., a corporation duly constituted under the *Canada Business Corporations Act*, having its registered office at 1000 De La Gauchetière Street West, Suite 2100, City of Montreal, Province of Québec, H3B 4W5, represented herein by Nicolas Vanasse, its Vice-President, Chief Legal Officer and Corporate Secretary, duly authorized by resolution of its board of directors dated October 16, 2007, which said resolution was not amended or revoked and remains in full force and effect.

(hereinafter called the "Purchaser");

WHO HAVE AGREED AS FOLLOWS:

WHEREAS the Vendor, as lessee, has entered into a lease agreement with Her Majesty the Queen in Right of Canada, 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 the Vendor 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 has transferred all of its rights, title and interest as lessor under the Land Lease to Aéroports de Montréal ("ADM") on July 31, 1992;

WHEREAS in accordance with the provisions of the Land Lease, the Vendor has been 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 the Vendor, its right of accession, which are and remain the ownership of the Vendor, subject to the terms and conditions of the Land Lease;

WHEREAS pursuant to the Agreement of Purchase and Sale entered into between the Vendor and ACTS General Partner Inc., in its capacity as general partner of ACTS Limited Partnership ("Old ACTS"), as of October 31, 2006, as amended on December 15, 2006, February 15, 2007 and March 9, 2007 (collectively, the "APS"), the Vendor agreed to sell to Old ACTS the Purchased Assets (as this term, which

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includes the Immovable Property, is hereinafter defined) being the object of these presents;

WHEREAS pursuant to an asset purchase agreement dated as of November 23, 2006, Old ACTS transferred substantially all of its assets and liabilities, including the APS, to ACTS LP, acting through its general partner ACTS Technical Services Inc. ("New ACTS")

WHEREAS pursuant to an asset purchase agreement dated June 22, 2007, New ACTS has agreed to transfer substantially all of its assets and liabilities, including the APS, to the Purchaser; and

WHEREAS the Vendor has entered into a sublease with the Purchaser dated of even date herewith, providing for a sublease to the Purchaser of the land on which the buildings and other structures referred to in Section 4.1 below are erected (the "Sublease", which land is leased with greater extent pursuant to the Land Lease).

NOW THEREFORE, the parties hereto agree as follows:

PREAMBLE

The above preamble shall form part of this deed of sale (the "Deed of Sale").

ARTICLE 1 INTERPRETATION

- 1.1 Capitalized terms that are used in this Deed of Sale but not defined therein shall have the same meaning as are given to them in the APS.
- 1.2 As the context may require, any reference in this Deed of Sale to gender includes all genders and words importing the singular number only shall include plural and *vice versa*.

ARTICLE 2 AGREEMENT OF PURCHASE AND SALE

The parties confirm that the terms and conditions contained in the APS will not terminate upon execution of this Deed of Sale, but shall survive and remain in full force and effect in accordance with the terms of the APS. In the case of any contradiction, conflict or inconsistency between the provisions of this Deed of Sale and the provisions of the APS, the provisions of the APS (as assumed by the Purchaser) shall prevail.

ARTICLE 3 SALE AND ASSIGNMENT

The Vendor hereby sells, conveys, assigns, cedes and transfers to the Purchaser, hereto present and accepting, without any legal warranty and with no express or implied agreements, representations or warranties of any kind whatsoever, legal or conventional, save and except as expressly set out in the APS and in this Deed of Sale, the Purchaser hereby accepting on an "as is, where is" basis and at its own risk and peril, all of its right, title and interest in the following movable and immovable property, namely:

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ARTICLE 4
DESCRIPTION

- 4.1 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 therein 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 Québec, H4Z 1Z3, which are owned by the Vendor by virtue of superficies rights granted to the Vendor under the Land Lease.

(hereinafter called the "Immovable Property")

- 4.2 All fixtures and systems of the Vendor located on the Immovable Property, including the heating, air-conditioning, ventilating, plumbing and electrical systems, sprinklers, alarm, access and security systems, boilers, compressors, substations, transformers, drainage and other mechanical and building systems and equipment comprising part thereof and all improvements on the Immovable Property or used in the operation or maintenance thereof owned by the Vendor.

(hereinafter called the "Fixtures")

(the Immovable Property and the Fixtures are hereinafter sometimes collectively called the "Property")

- 4.3 All existing contracts and agreements entered into by or on behalf of the Vendor in respect of the ownership, maintenance, repair, operation, cleaning, security, fire protection, insurance, servicing and any other aspect of the Property including, without limitation, any such contracts or agreements specifically described in a schedule to the APS, if any, and any existing warranties and guarantees for the construction, the repair and the existing operation of the Immovable Property, to the extent the same are assignable.

(hereinafter called the "Contracts")

- 4.4 The equipment, furniture, inventory, supplies and other movables owned by the Vendor and used exclusively in the ownership, development, maintenance, repair, operation and any other aspect of the Property including, without limitation, the high speed rotor grinder and any such movables specifically described in a schedule to the APS, if any.

(hereinafter called the "Movables")

(the Property, the Contracts and the Movables are sometimes collectively called the "Purchased Assets")

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**ARTICLE 5
TITLE**

The Vendor is the owner of the Property in virtue of the superficies rights created in virtue of the Land Lease.

**ARTICLE 6
POSSESSION AND OWNERSHIP**

The Purchaser shall be the owner of the Purchased Assets as of October 16, 2007, with immediate possession and occupancy thereof.

**ARTICLE 7
REPRESENTATIONS OF THE VENDOR**

The Vendor hereby makes the following representations and warrants that:

- 7.1 it is the owner of the Purchased Assets (subject to the terms and conditions of the Land Lease) with good and marketable title, free and clear of all hypothecs, prior claims, servitudes, other than Permitted Encumbrances, and:
- a) first ranking hypothecs in favour of Bank of Montreal ("BMO") created under the terms of (i) a Deed of Hypothec executed before Mtre Laurent Benhaim, Notary, on April 1, 2005 and registered at the Registry Office under number 12 183 522 and at the Register of Personal and Movable Real Rights ("RDPRM") under number 05-0182026-0002, (ii) a Deed of Hypothec executed before Mtre Kevin Leonard, Notary, on November 21, 2006 and registered at the RDPRM under number 06-0676105-0001, and (iii) a Deed of Cession of Rank by Stonecrest Capital Inc. executed under private signature on December 19, 2005 and registered at the Registry Office on January 16, 2006 under number 12 993 361; and
 - b) second ranking hypothecs in favour of Stonecrest Capital Inc. created under the terms of (i) a Deed of Hypothec executed before Mtre Robert Alain, Notary, on September 29, 2004 and registered at the Registry Office under number 11 739 395 and at the RDPRM under number 04-0570082-0020, and (ii) a Deed of Hypothec executed before Mtre Kevin Leonard, Notary, and registered at the RDPRM under number 06-0673839-0001, and at and for which the rank was ceded to BMO by virtue of the above mentioned Deed of Cession of Rank;
- which shall be forthwith released insofar as the Purchased Assets are concerned at the sole cost of the Vendor;
- 7.2 it is a duly constituted and validly subsisting corporation and is in good standing under the laws of Canada and Québec, and has the necessary corporate authority, power and capacity to own the Purchased Assets and to enter into this Deed of Sale and to carry out the transaction constituted on the execution and delivery of this Deed of Sale on the terms and conditions herein contained, all of which have been duly and validly authorized by all requisite corporate proceedings;

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- 7.3 it is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada) and the corresponding provisions of the *Taxation Act* (Québec);
- 7.4 there are no offers to lease, agreements to lease, leases, subleases, ground leases, renewals of leases, licenses, agreements to lease or other tenancy agreements with respect to the Property;
- 7.5 the Contracts specifically described in the schedules to the APS (if any) are the only contracts and agreements entered into by the Vendor with third parties or warranties presently in place in respect of the ownership, development, maintenance, repair, operation, cleaning, access, security, fire protection and servicing of the Property;
- 7.6 to the best of its knowledge and belief, after due inquiry, there are no pending or threatened expropriation proceedings relating to the Property or the Lands;
- 7.7 to the best of its knowledge and belief, after due inquiry, all accounts for work and services performed or materials placed or furnished upon or in respect of the construction on the Property have been fully paid or adjusted and to the best of the Vendor's knowledge and belief, after due inquiry, no one is entitled to claim a legal hypothec of construction under the Civil Code of Québec for work performed by or on behalf of the Vendor;
- 7.8 the Purchaser has no obligation to assume any employees of the Vendor in respect of the Property, and the Purchaser has no liability to any employees as a result of the transaction;
- 7.9 to the best of its knowledge and belief, after due inquiry, no written notice has been received by the Vendor which remains outstanding from any governmental or quasi-governmental authority advising of any defects in the construction of the Immovable Property or any installations therein, or relating to any deficiency or non-compliance with any building restriction, zoning by-laws, fire codes, environmental protection legislation, or other regulation nor is the Vendor aware of any such deficiency or non-compliance;
- 7.10 no capital improvements, made by or on behalf of the Vendor, to the Property have been incurred the costs of which has not been fully paid or adjusted;
- 7.11 the completion of the transaction contemplated by this Deed of Sale does not result in the violation of any of the terms and provisions of the constating documents or by-laws of the Vendor or in a no violation of any applicable law;
- 7.12 no approval, consent of, or notice to any governmental authority is required in connection with the execution and delivery of the Deed of Sale and the consummation of the transactions contemplated thereunder;
- 7.13 to the best of its knowledge and belief, after due inquiry, there is no litigation, claim, or proceeding, including appeals and applications for review, in progress, pending or, threatened against or relating to the

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Vendor and affecting the Purchased Assets before any domestic court, governmental department, commission, board, bureau or agency, or arbitration panel, and, to the best of the Vendor's knowledge and belief, there is not presently outstanding against the Vendor any judgement, decree, injunction, rule or order of any court, governmental department, commission, agency or arbitrator which materially adversely affects the Purchased Assets;

- 7.14 the Movables are the only Movables owned and used by the Vendor in connection with the Property and are owned by the Vendor free and clear of all encumbrances except for Permitted Encumbrances; and
- 7.15 save and except for the information already disclosed to the Purchaser by the Vendor, to the best of Vendor's knowledge, after due inquiry, the Property has never been used as a waste disposal site, do not contain any hazardous environmentally sensitive or dangerous materials, save and except for those substances required for facility maintenance, including, without limitation, asbestos or urea formaldehyde and comply with all environmental laws and regulations including those regarding soil, groundwater and air. To the best of Vendor's knowledge, the Property does not contain any underground storage tanks, and have never been subject to any spills or releases of such materials.

ARTICLE 8 REPRESENTATIONS OF THE PURCHASER

The Purchaser hereby makes the following declaration and warrants that:

- 8.1 it is an entity duly existing and in good standing under the laws of its constitution and subject to required statutory government approvals, has the necessary corporate authority, power and capacity to own the Purchased Assets and to enter into this Deed of Sale and to carry out the transaction constituted on the execution and delivery of this Deed of Sale on the terms and conditions herein contained, all of which have been duly and validly authorized by all requisite corporate proceedings;
- 8.2 the completion of the transaction contemplated by this Deed of Sale does not result in the violation of any of the terms and provisions of the constating documents or by-laws of the Purchaser; and
- 8.3 to the best of its knowledge and belief, after due inquiry, there is no litigation, claim or proceeding, including appeals and applications for review, in progress, pending or, threatened against or relating to the Purchaser, and which would prevent completion of the purchase and sale contemplated herein, before any domestic court, governmental department, commission, board, bureau or agency, or arbitration panel, and, to the best of the Purchaser's knowledge and belief, there is not presently outstanding against the Purchaser any judgement, decree, injunction, rule or order of any court, governmental department, commission, agency or arbitrator which would prevent the purchase and sale contemplated herein.

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**ARTICLE 9
SURVIVAL OF REPRESENTATIONS**

The representations and warranties contained herein shall survive the date hereof for a period of twenty-four (24) months. The party which has received a representations or warranty shall give written notice to the other party of each breach of the representations or warranty, together with details thereof, forthwith after becoming aware of the breach (whether before or after the date hereof).

**ARTICLE 10
OBLIGATIONS OF THE PURCHASER**

The Purchaser undertakes to:

- 10.1 pay the costs incurred for the registration of this Deed of Sale and copies for all parties;
- 10.2 pay all transfer duties within the meaning of *An Act respecting duties on transfers of immovables* that could result from the present Deed of Sale;
- 10.3 pay all real estate taxes (general and special) applicable to the Property as of the agreed adjustment date; and
- 10.4 assume all obligations and benefits in the Contracts.

**ARTICLE 11
ADJUSTMENTS**

The Vendor and the Purchaser hereby declare that they have made all required adjustments with respect to the Purchased Assets as per the provisions of the APS.

**ARTICLE 12
PURCHASE PRICE**

The present sale is made for and in consideration of the price of TWENTY EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS in lawful currency of Canada (CDN \$28,200,000) paid by the Purchaser to the Vendor, the receipt of which is hereby acknowledged by the Vendor in final payment, whereof quit.

**ARTICLE 13
DECLARATIONS OF THE PARTIES WITH REGARDS TO THE GOODS AND SERVICES TAX ("GST") AND THE QUEBEC SALES TAX ("QST")**

- 13.1 The Vendor and the Purchaser hereby declare and warrant that they are duly registered under the relevant provision of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended (the "ETA") and *An Act respecting the Quebec Sales Tax*, R.S.Q., c. T-0.1, as amended (the "AQST"), and that their respective registration numbers for purposes of the GST and the QST are the following:

Vendor:

GST: 100092287 RT 0001

QST: 1000043172 TQ 0001

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Purchaser:

GST: 84885383 RT 0001
QST: 1213296457 TQ 0001

- 13.2 The Vendor and the Purchaser declare that the Property sold pursuant to the terms hereof does not constitute a "residential complex" within the meaning of the ETA and AQST.
- 13.3 The Purchaser hereby acknowledges that the Property is presently used for "commercial activities", within the meaning of the ETA and AQST.
- 13.4 The Purchaser and the Vendor hereby declare that the sale of the Property is a sale of taxable supplies and that the GST and QST payable thereon are respectively provided for in paragraphs 221(2) and 228(4) of the ETA, and by sections 423 and 438 of the AQST, and that the Vendor is therefore not required to collect such taxes with respect to the present sale.

ARTICLE 14 SPECIAL PROVISIONS

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 ADM 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.

ARTICLE 15 GOVERNING LAWS

This Deed of Sale shall be governed by and interpreted and enforced in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

ARTICLE 16 LANGUAGE

The parties acknowledge that it is their express wish that this Deed of Sale and all deeds and documents referred to herein be drawn in the English language only; *les parties reconnaissent que c'est leur volonté expresse que le présent acte de vente et tous les documents s'y rattachant soient rédigés en langue anglaise seulement.*

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ARTICLE 17
MENTIONS REQUIRES UNDER SECTION 9 OF THE
ACT RESPECTING DUTIES ON TRANSFERS OF IMMOVABLES (QUÉBEC)

- 17.1 The name of the Transferor is Air Canada.
- 17.2 The name of the Transferee is ACTS Aero Technical Support & Services Inc.
- 17.3 The address of the principal residence of the Transferor is as follows:
- Air Canada
7373 Côte Vertu West
P.O Box 14000
Montreal, Québec H4Y 1H4
- 17.4 The address of the principal residence of the Transferee is as follows:
- ACTS Aero Technical Support & Services Inc.
1000 De la Gauchetière Street West
Suite 2100
Montreal, Québec H3B 4W5
- 17.5 The Property is situated within the limits of the City of Montreal (Borough of Saint-Laurent).
- 17.6 According to the Transferor and the Transferee, the amount of the consideration for the transfer of the Immovable Property is TWENTY EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS in lawful currency of Canada (CDN \$28,200,000).
- 17.7 According to the Transferor and the Transferee, the amount constituting the basis of imposition of the transfer duties for the Immovable Property is TWENTY EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS in lawful currency of Canada (CDN \$28,200,000).
- 17.8 The amount of the transfer duties for the Immovable Property is FOUR HUNDRED TWENTY-ONE THOUSAND FIVE HUNDRED DOLLARS in lawful currency of Canada (CDN\$421,500).
- 17.9 There is a transfer, at the same time, of corporeal immovables and movables as provided for in Section 1.0.1 of the abovementioned 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 17.6 and 17.7, and the transfer duties applicable to said movables being included in the amount of transfer duties indicated in Section 17.8.


[signature pages follow]


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Deed of Sale entered into between Air Canada ("AC") and ACTS Aero Technical Support & Services Inc. ("ACTS") signed by AC at Montréal, Province of Québec, on October 16, 2007 and by ACTS at New York, State of New York, on October 16, 2007.

SIGNED at the City of Montreal, Province of Québec, on the sixteenth (16th) day of October, 2007.

AIR CANADA

Per: 

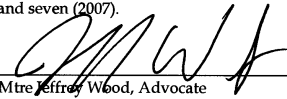
APPROVED as to Law 	Name: Graeme Elliott
	Title: Director of Corporate Real Estate

CERTIFICATE

I, the undersigned, Mtre Jeffrey Wood, lawyer (member of the Québec Bar Association), practicing at Air Canada, P.O. Box 7000, Station Airport, City of Dorval, Province of Québec, H4Y 1J2, certify:

1. that I have verified the identity, quality and capacity of the Vendor to the present Deed of Sale;
2. that the present Deed of Sale represents the will expressed by the Vendor thereto;
3. that the present Deed of Sale is valid as to form.

Certified at the City of Montreal, Province of Québec, on the sixteenth (16th) day of October, Two thousand and seven (2007).



Mtre Jeffrey Wood, Advocate
Member of the Québec Bar Association
Professional Address: Air Canada, P.O. Box 7000, Station
Airport, City of Dorval, Province of Québec, H4Y 1J2.

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Deed of Sale entered into between Air Canada ("AC") and ACTS Aero Technical Support & Services Inc. ("ACTS") signed by AC at Montréal, Province of Québec, on October 16, 2007 and by ACTS at New York, State of New York, on October 16, 2007.

SIGNED at the City of New York, State of New York, on the sixteenth (16th) day of October 2007.

**ACTS AERO TECHNICAL SUPPORT & SERVICES
INC.**

Per: _____

Name: Nicolas Vanasse
Title: Vice-President, Chief Legal Officer
and Corporate Secretary



CERTIFICATE

I, the undersigned, Warren Katz, lawyer (member of the Québec Bar Association), practicing at 1000 de La Gauchetière Street West, Suite 2100, City of Montreal, Province of Québec, H3B 4W5, certify:

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

Certified at the City of Montreal, Province of Québec, on the sixteenth (16th) day of October, Two thousand and seven (2007).

Warren Katz, Advocate
Member of the Québec Bar Association
Professional Address: 1000 de La Gauchetière Street
West, Suite 2100, Montréal, Québec, H3B 4W5