

**SUPERIOR COURT
(Commercial Division)**

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

NO: 500-11-042345-120

DATE: June 28, 2012

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

***IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED OF:***

**AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE
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

AGENCE DU REVENU DU QUÉBEC

and

CANADA REVENUE AGENCY

and

REGISTRAR OF THE PERSONAL AND MOVABLE REAL RIGHTS REGISTER OF QUEBEC

and

AAR AIRCRAFT SERVICES INC.

and

AVIANOR INC.

and

AVMAX AVIATION SERVICES INC.

and

DISCOVERY AIR TECHNICAL SERVICES INC.

and

PREMIER AVIATION OVERHAUL CENTER LTD.

and

MAYNARDS INDUSTRIES LTD.

Mis en causes

APPROVAL AND VESTING ORDER

(Airframe Maintenance Division)

- [1] **ON READING** the *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for Vesting Orders* 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 the Chief Restructuring Officer, Mr. Jonathan Solursh, filed in support thereof;
- [2] **CONSIDERING** the Ninth 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 of the Petitioners and for Vesting Orders* (the "**Motion**");
- [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 and complete the following agreements, being Exhibits R-2 through R-7 in support of the Motion (the "**Purchase Agreements**");

<u>EXHIBIT</u>	<u>CO-CONTRACTANT</u>	<u>NATURE OF AGREEMENT AND DATE</u>
R-2	AAR AIRCRAFT SERVICES INC. ("Purchaser 1")	Asset Purchase Agreement dated June 21, 2012
R-3	AVIANOR INC. ("Purchaser 2")	Asset Purchase Agreement dated June 20, 2012
R-4	AVMAX AVIATION SERVICES INC. ("Purchaser 3")	Asset Purchase Agreement dated June 6, 2012
R-5	DISCOVERY AIR TECHNICAL SERVICES INC. ("Purchaser 4")	Asset Purchase Agreement dated June 21, 2012
R-6	PREMIER AVIATION OVERHAUL CENTER LTD. ("Purchaser 6")	Asset Purchase Agreement dated June 5, 2012
R-7	MAYNARDS INDUSTRIES LTD. ("Purchaser 7" or the "Liquidator")	Liquidation Services Agreement for assets of the Airframe Division dated June 20, 2012

- [9] **AUTHORIZES** and **RATIFIES** the transactions contemplated by and between Aveos and the Purchaser, as set forth in the Purchase Agreements being **Exhibits R-2 through R-7** to the Motion (the "**Transactions**"), and **ORDERS** that Exhibits R-2 to R-7 be sealed and that redacted copies removing Purchase Price information be filed in the Court record;
- [10] **AUTHORIZES** the sale, transfer and conveyance of the Purchased Assets pursuant to and identified in the Purchase Agreements (the "**Purchased Assets**");
- [11] **AUTHORIZES** Aveos to perform its obligations under the Purchase Agreements;

[12] **AUTHORIZES** Aveos to :

- a) take any and all actions necessary to proceed with the Transactions, including, without limitation, to execute and deliver any documents and assurances governing or giving effect to the Transactions as Aveos, in its discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of such deeds, contracts, or documents as may be contemplated in the Purchase Agreements 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 Purchase Agreements;

[13] **ORDERS** and **DECLARES** that, upon the delivery of a Monitor's certificate, to each 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 having received delivery of such Monitor's Certificate and identified therein, 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 Transactions (as defined in the Purchase Agreements), 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 each of the Monitor's Certificates corresponding to each Transaction, forthwith after execution and delivery thereof;
- [15] **ORDERS** and **DECLARES** that, for the purposes of and within the meaning of the present Order:
- a) the payment by a buyer (as determined by the Liquidator) of the amounts owing to the Liquidator shall be deemed to constitute and have the same effect as delivery of the Monitor's Certificate and shall also constitute the Closing;
 - b) the buyer designated by the Liquidator pursuant to the Liquidation Services Agreement shall be deemed to be a Purchaser as such term is defined herein;
- [16] **ORDERS** and **DECLARES**, for greater certainty, that all hypothecs, encumbrances and Claims affecting or relating to the Purchased Assets, upon delivery of the respective Monitor's Certificates, be and are expunged and discharged as against those Purchased Assets corresponding to the Monitor's Certificate so delivered and filed into Court;
- [17] **ORDERS** Aveos to pay immediately and in totality the outstanding capital of the pre-Initial Order source deductions owed to the Canada Revenue Agency and the Agence du Revenu du Québec as soon as an amount totaling five million dollars (\$5,000,000.00) has been received by Aveos from: i) the net proceeds of sale of the Transactions, excluding the Net Minimum Guarantee received under the Liquidation Services Agreement R-7 until the date on which the auction has taken place; or ii) the net proceeds of sale of any of the EMC or CMC divisions;
- [18] **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;
 - d) the Transactions and sales 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 ("CCQ") or any other applicable federal or provincial legislation;
- [19] **DECLARES** that the present Order constitutes the only authorization required by Aveos to proceed with the Transactions and, for greater certainty, **DECLARES** that the parties involved in the Transactions are exempted from requiring or obtaining any authorization that may be required from any person or authority whatsoever;
- [20] **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;
- [21] **ORDERS** that, upon filing of the Monitor's Certificates and receipt of the proceeds of sale from the Transactions in fully released and available funds, Aveos is authorized to pay amounts subject to the payroll source deductions deemed trusts in favour of the Canada Revenue Agency and the Agence du Revenu du Quebec on terms to be agreed between Aveos and the Canada Revenue Agency and the Agence du Revenu du Quebec;
- [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 Purchase Agreements or of the present Order);
- [23] **ORDERS** that the Agreements being Exhibits R-2 through R-7 to the Motion, and any related or ancillary agreements shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [24] **ORDERS** that all persons shall cooperate fully with Aveos and the mis en cause, the Purchasers 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 Agreements, and the Transactions;

- [25] **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;
- [26] **ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada;
- [27] **ORDERS** the provisional execution of the present Order, notwithstanding any appeal and without the necessity of furnishing any security;
- [28] **THE WHOLE WITHOUT COSTS.**


MARK SCHRAGER, j.s.c.

Hearing date: June 28, 2012

Me Roger P. Simard
Me Ari Y. Sorek
Fraser Milner Casgrain LLP
Counsel to Petitioners

COPIE CONFORME

Greffier adjoint

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 JUNE 28, 2012)

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 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 June 28, 2012, (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