Court File No. 09-CL-8456-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

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

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG LLP, AS JOINT ADMINISTRATORS

Applicants

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED and AERO INVENTORY PLC

Respondents

APPLICATION UNDER SECTIONS 46 AND FOLLOWING OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

MOTION RECORD
(Motion Returnable January 21, 2010)

January 19, 2010

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TAB 1

Court File No. 09-CL-8456-00CL

ONTARIO
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APPLICATION UNDER SECTIONS 46 AND FOLLOWING OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

NOTICE OF MOTION
(returnable January 21, 2010)

The Applicants will make a motion to a Judge presiding over the Commercial List on Thursday, January 21, 2010, at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

(a) An order abridging the time for service of the Motion Record in respect of this motion, so that this motion is properly returnable today, and dispensing with further service thereof;

(b) An order lifting the stay granted in the initial order dated November 11, 2009 in these proceedings and granting leave to James Robert Tucker, Richard Heis and Allan Watson Graham of KPMG LLP (the "**Foreign Representatives**") to file an assignment in bankruptcy with the official receiver in Toronto, Ontario for Aero

Inventory (UK) Limited and Aero Inventory plc (both in administration and, collectively, the "**Foreign Debtors**"), and restoring the stay thereafter;

(c) Such further and other relief as this Honourable Court deems just;

THE GROUNDS FOR THE MOTION ARE:

(a) The Foreign Debtors and their international affiliates form an integrated and inter-dependent group of companies that supply parts to the airline industry;

(b) The Foreign Debtors are insolvent;

(c) On November 11, 2009, administration proceedings (collectively, the "**Foreign Proceedings**") were commenced in respect of each of the Foreign Debtors in the High Court of Justice of England and Wales (Chancery Division, Companies Court) (the "**English Court**"), and the Foreign Representatives were appointed as joint administrators of the affairs, business and property of the Foreign Debtors;

(d) Also on November 11, 2009, this Honourable Court made an order (the "**Recognition Order**"), inter alia:

(i) Recognizing and enforcing the terms of the orders made on November 11, 2009 by the English Court;

(ii) Recognizing the Foreign Proceedings as "foreign main proceedings" pursuant to Section 47 of the CCAA;

(iii) Recognizing the Foreign Representatives as "foreign representatives" as defined in Section 45 of the CCAA;

(iv) Staying all proceedings in respect of the Foreign Debtors, the Foreign Representatives or their business or property, except with the written consent of the Foreign Representatives or with leave of this Court; and

(v) Appointing KPMG Inc. as Information Officer in respect of these proceedings;

(e) On January 8, 2010, this Honourable Court made an order:

(i) on the consent of Air Canada, and as it relates to Air Canada, deeming the date of the Foreign Debtors' initial bankruptcy event, if it happened after January 8, 2010, to have occurred on January 8, 2010;

(ii) scheduling a court attendance for February 1, 2010 and providing that the Foreign Representatives could attend earlier to file a bankruptcy assignment, if seen to be necessary;

(f) The Foreign Representatives wish to assign the Foreign Debtors into bankruptcy under the *Bankruptcy and Insolvency Act* ("BIA") for the purpose of pursuing a preference action under section 95(1) or 96(1) of that Act;

(g) Such an assignment will enable the Foreign Representatives to protect the Foreign Debtors' property and the interests of their creditors;

(h) Sections 44, 48, 49, 50, 51 of the CCAA and sections 2 and 49 of the BIA;

(i) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) Report of the Proposed Trustee in Bankruptcy dated January 19, 2010;

(b) Consent of KPMG Inc. to act as Trustee in Bankruptcy;

(c) Such further and other documentary evidence as counsel may advise and this Honourable Court permit.

January 19, 2010

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Lawyers for the Applicants

TO: The parties on the attached service list

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Respondents

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

Court File No: 09-CL-8456-00CL

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG AS JOINT ADMINISTRATORS

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED and AERO INVENTORY PLC

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NOTICE OF MOTION

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Lawyers for the Applicants

TAB 2

Court File No. 09-CL-8456-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

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

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG LLP, AS JOINT ADMINISTRATORS

Applicants

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED and AERO INVENTORY PLC

Respondents

APPLICATION UNDER SECTIONS 46 AND FOLLOWING OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

REPORT OF THE PROPOSED TRUSTEE IN BANKRUPTCY

JANUARY 19, 2010

TABLE OF CONTENTS

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THE PROPOSED ROLE OF THE TRUSTEE..... 2

KPMG INC.'S QUALIFICATIONS..... 3

INTRODUCTION

1. KPMG Inc. is currently the Information Officer of Aero Inventory (UK) Limited and Aero Inventory plc (the "Foreign Debtors") and receiver and manager of their Canadian affiliate, Aero Inventory Canada Inc./Aero Inventaire (Canada) Inc. ("Aero Canada").

2. At the time of writing this report, it is contemplated that on Thursday, January 21, 2010, James Robert Tucker, Richard Heis and Allan Watson Graham of KPMG LLP (collectively, the "**Foreign Representatives**") will bring a motion before this Honourable Court seeking an order temporarily lifting the stay imposed by the order dated November 11, 2009 (the "**Recognition Order**") to permit an assignment into bankruptcy of the Foreign Debtors to be made under the *Bankruptcy and Insolvency Act* ("**BIA**").

3. The purpose of the bankruptcy is to preserve the rights of a trustee in bankruptcy to pursue any reviewable transactions, settlements and preferences or conveyances under value which may have taken place during the statutory time period prescribed by the BIA.

4. KPMG Inc. consents to act as Trustee in Bankruptcy of the Foreign Debtors.

5. The purpose of this report is to provide this Honourable Court with information on the following:

   (a) An overview of the Foreign Debtors' business activities in Canada;

   (b) The proposed role of the Trustee in Bankruptcy; and

   (c) KPMG Inc.'s qualifications to act as the Trustee in Bankruptcy (if appointed).

6. In preparing this report, KPMG Inc. has relied solely on information supplied by the Foreign Representatives and their counsel. KPMG Inc. has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and accordingly expresses no opinion or other form of assurance on the information contained in this report.

BUSINESS ACTIVITIES IN CANADA

7. The Foreign Debtors and their international affiliates, including Aero Canada, form an integrated and inter-dependent group of companies that supply parts to the airline industry.

8. The Foreign Debtors have assets in Canada, and their Canadian operations are administered by Aero Canada. They have two key Canadian customers: Air Canada and Aveos Fleet Performance Inc.

9. The Foreign Debtors and Aero Canada are insolvent.

10. The Foreign Representatives continue to conduct negotiations with the Foreign Debtors' key customers in Canada, being Air Canada and Aveos Fleet Performance Inc., in an effort to resolve a number of outstanding issues arising from transactions entered into in the year prior to the Recognition Order.

11. No resolution has yet been reached with Air Canada, and both parties have agreed to present their competing concerns to the Court.

12. On January 8, 2010, this Honourable Court made an order:

    (a) on the consent of Air Canada, and as it relates to Air Canada, deeming the date of the Foreign Debtors' initial bankruptcy event, if it happened after January 8, 2010, to have occurred on January 8, 2010;

    (b) scheduling a court attendance for February 1, 2010 and providing that the Foreign Representatives could attend earlier to file a bankruptcy application, if seen to be necessary.

13. It is apparent that an action under section 95 or 96 of the BIA may be necessary in order to protect the Foreign Debtors' estate and the interests of their creditors.

THE PROPOSED ROLE OF THE TRUSTEE

14. Because neither the Foreign Debtors nor Aero Canada are presently conducting active business in Canada, it is not presently anticipated that KPMG Inc. would have an active role as Trustee in Bankruptcy.

15. The assets of the Foreign Debtors are subject to a security interest in favour of a lending syndicate. At this time, it appears that the secured lenders will suffer a significant shortfall. Their security has not yet been reviewed, and it is anticipated that an independent review of the security will be conducted in due course.

16. KPMG Inc.'s proposed role is therefore also expected to be limited given the existence of creditors with security over the property and undertakings of the Foreign Debtors. In the circumstances of this case, Foreign Representatives are statutorily obliged to maximize recovery for these secured creditors.

KPMG INC.'S QUALIFICATIONS

17. Nicholas Brearton, the individual within KPMG Inc. with primary carriage of this matter, is a trustee within the meaning of subsection 2(1) of the BIA. Neither KPMG Inc. nor any of its affiliates have been at any time in the two preceding years:

    (a) The auditor of any of the Foreign Debtors;

    (b) A director, an officer or an employee of the Foreign Debtors;

    (c) Related to the Foreign Debtors or to any director or officer of the Foreign Debtors; or

    (d) Trustee (or related to any such trustee) under a trust indenture issue by any of the Foreign Debtors or any person related to the Foreign Debtors, or the holder of a power of attorney under an act constituting a hypothec within the meaning of the Civil Code of Quebec that is granted by the Foreign Debtors or any person related to the Foreign Debtors.

18. KPMG Inc. has not identified any additional or other relationships of any of its global affiliates with the Foreign Debtors in the last three years other than as disclosed in the Pre-Filing Report of the Proposed Information Officer dated November 10, 2009.

19. KPMG Inc. has prepared this report to assist the Court in its deliberations and in doing so understands the role of an officer of the Court and its obligation to act impartially and objectively.

All of which is respectfully submitted this 19th day of January, 2010.

KPMG Inc.

Per: N Brearton

Nicholas Brearton
Senior Vice President

TAB 3

CONSENT OF THE PROPOSED TRUSTEE IN BANKRUPTCY

KPMG Inc., a licensed trustee, hereby consents to act as trustee of all of the property of Aero Inventory (UK) Limited and Aero Inventory plc.

DATED this 19th day of January, 2010.

KPMG INC.

Per: N Brearton

Name: Nicholas Brearton

Title: Senior Vice President

TAB 4

Court File No.: 09-CL-8456-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	WEDNESDAY, THE 11th DAY
	)	
JUSTICE NEWBOULD	)	OF NOVEMBER, 2009

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

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG LLP, AS JOINT ADMINISTRATORS

Applicants

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED and AERO INVENTORY PLC

Respondents

APPLICATION UNDER SECTION 46 AND FOLLOWING OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ORDER
(November 11, 2009)

THIS APPLICATION, made by James Robert Tucker, Richard Heis and Allan Watson Graham of KPMG LLP, in their capacity as the foreign representatives (the "**Foreign Representatives**") for an Order substantially in the form enclosed in the Application Record was heard this day, at Toronto, Ontario;

ON:

(i) reading the Notice of Application, the witness statement of Collin Lee Trupp, and the Report of KPMG Inc. dated November 10, 2009; and

(ii) being provided with certified copies of the application to, and orders of, the High Court of Justice (Chancery Division, Companies Court) (the

"**English Court**") dated November 11, 2009 commencing the administration proceedings in the United Kingdom in respect of each of Aero Inventory (UK) Limited and Aero Inventory plc (the "**Foreign Debtors**") and authorizing the Foreign Representatives to act in the capacity of foreign representatives;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

RECOGNITION OF THE UNITED KINGDOM PROCEEDING

2. **THIS COURT ORDERS** that the proceedings commenced by the Foreign Debtors in the United Kingdom for protection under the *Insolvency Act* 1986 (the "**Foreign Proceedings**") be and are hereby recognized as a "foreign main proceeding" for the purposes of section 47 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**").

3. **THIS COURT ORDERS** that the Foreign Representatives be and are hereby recognized as "foreign representatives" as defined in section 45 of the CCAA.

4. **THIS COURT ORDERS** that the orders made by the English Court on November 11, 2009 and attached as Schedule "A" hereto are hereby recognized and enforced pursuant to section 49 of the CCAA.

STAY OF PROCEEDINGS

5. **THIS COURT ORDERS** from this date and until such date as this Court may further order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Foreign Debtors, the Foreign Representatives, or affecting the business or the property of the Foreign Debtors (the "**Business**" and the "**Property**", respectively), except with the written consent of the Foreign Debtors and the Foreign Representatives, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Foreign Debtors or the

Foreign Representatives or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

6. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Foreign Debtors or the Foreign Representatives, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Foreign Debtors and the Foreign Representatives, or leave of this Court, provided that nothing in this Order shall (i) empower the Foreign Debtors to carry on any business which the Foreign Debtors are not lawfully entitled to carry on, (ii) exempt the Foreign Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

7. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Foreign Debtors, except with the written consent of the Foreign Debtors and the Foreign Representatives, or leave of this Court.

8. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Foreign Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Foreign Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Foreign Debtors or the Foreign Representatives, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Foreign Debtors in accordance with normal payment practices of the Foreign Debtors or such

other practices as may be agreed upon by the supplier or service provider and the Foreign Representatives, or as may be ordered by this Court.

9. **THIS COURT ORDERS** that, notwithstanding anything else contained herein, no creditor of the Foreign Debtors shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Foreign Debtors.

10. **THIS COURT ORDERS** that the determination and enforcement of any Person's rights of set-off from and after the effective time of this Order shall be stayed pending further order of this Court and any new purchases of goods from the Foreign Debtors under existing supply contracts or otherwise from and after the effective time of this Order shall be paid by the customers on terms acceptable to the Foreign Representatives without counterclaim or deduction.

NO INTERFERENCE WITH RIGHTS

11. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Foreign Debtors, except with the written consent of the Foreign Representatives and the Foreign Debtors, or leave of this Court.

INFORMATION OFFICER

12. **THIS COURT ORDERS** that:

(a) KPMG Inc. be and is hereby appointed as information officer (in such capacity, the "**Information Officer**");

(b) The Information Officer be and is hereby authorized and empowered, but not obligated, to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may require;

(c) The Information Officer be and is hereby authorized and empowered to respond to reasonable requests for information from stakeholders;

(d) The Information Officer shall deliver to the Court a report at least once every three (3) months outlining the status of these proceedings, the Foreign Proceedings and such other information as the Information Officer believes to be material; and

(e) The Foreign Representatives and the Information Officer shall incur no liability or obligation as a result of the appointment of the Information Officer or the fulfillment of the duties of the Information Officer in carrying out the provisions of this Order and no action or other proceedings shall be commenced against the Foreign Representatives or the Information Officer for the fulfillment of the duties of the Information Officer, except with prior leave of this Court obtained on not less than seven (7) days notice to the Information Officer and the Foreign Representatives.

AID AND ASSISTANCE OF OTHER COURTS

13. **THIS COURT REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory of Canada or any court or any judicial, regulatory or administrative body of the United Kingdom and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this order.

GENERAL PROVISIONS

14. **THIS COURT ORDERS** that the Information Officer or the Foreign Representatives may apply to this Court for advice and direction in connection with the discharge or variation of their powers and duties under this order;

15. **THIS COURT ORDERS** that nothing in this Order shall prevent the Foreign Representatives or the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Foreign Debtors, the Business or the Property.

16. **THIS COURT ORDERS** that each of the Foreign Representatives, the Foreign Debtors and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that the Foreign Representatives shall publish a notice as required by subsection 53(b) of the CCAA in the Globe and Mail (national edition) and La Presse for one (1) day in two (2) consecutive weeks without delay following the issuance of this Order.

18. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, any interested person may apply to this Court to vary or rescind this Order or seek other relief upon four (4) days notice to the Foreign Representatives, and their counsel, and to the Foreign Debtors, and their counsel, and to any other party likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:00 p.m. Greenwich Mean Time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO.
LE / DANS LE REGISTRE NO.:

NOV 12 2009

PER / PAR: TV

SCHEDULE "A"

See Attached

IN THE HIGH COURT OF JUSTICE **No 20293 of 2009**

CHANCERY DIVISION

COMPANIES COURT

Mrs Justice Proudman
Wednesday 11 November 2009

IN THE MATTER OF AERO INVENTORY PLC

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ADMINISTRATION ORDER

UPON THE APPLICATION OF the directors of **AERO INVENTORY PLC** ("the Company") presented to the Court on Wednesday 11 November 2009

AND UPON hearing Counsel for the Company

AND UPON reading the evidence

AND UPON the High Court of Justice (Chancery Division, Companies Court) of England and Wales by Mrs Justice Proudman hereby making a decision and giving judgment to open insolvency proceedings in England and Wales by way of administration under the Insolvency Act 1986, Schedule B1, in respect of the Company to take effect from ...12 NOON ~~am/pm~~ on Wednesday 11 November 2009, which proceedings shall be foreign main proceedings, and the reasons for the decision are:- (a) the Company is or is likely to become unable to pay its debts, and (b) the administration order is reasonably likely to achieve the purpose of the administration, and (c) the centre of main interests of the Company is situated in the jurisdiction of this Court and this Court has jurisdiction under EC Regulation on Insolvency Proceedings 2000, Article 3 (1) to open insolvency proceedings, and (d) Lloyds TSB Commercial Finance Ltd as holder of qualifying floating charges in respect of the

Company would be entitled to appoint an administrator or seek a court order to appoint an administrator

AND UPON the Company by its Counsel undertaking to file with the Court witness evidence exhibiting the email from Jim Tucker dated 11 November 2009.

1. **It is ordered** that during the period for which this Order is in force the affairs, business and property of the Company be managed by the Joint Administrators.

2. **It is ordered** that James Robert Tucker, Richard Heis and Allan Watson Graham of KPMG LLP be appointed Joint Administrators of the Company.

3. **It is ordered** that:

   a. Service of the Administration Application upon the Joint Administrators be dispensed with (rule 2.6 (3)(d) Insolvency Rules 1986).
   b. Service of the Administration Application upon Lloyds TSB Commercial Finance Ltd be dispensed with (Schedule B1, paragraph 12 (2)(c) Insolvency Act 1986).

4. **And the Court being satisfied** on the evidence before it that the EC Regulation on Insolvency Proceedings 2000 does apply and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation (and are accordingly foreign main proceedings for the purposes of any applicable UNICTRAL Model Law).

5. **And upon the Court determining** that it is expedient to set out the purpose, powers and effect of the Administration Order the Court declares that the Joint Administrators appointed by this Order shall conduct the Administration for the purpose, with the powers and with the effect set out in the Schedule to this Order.

6. **And it is ordered** that any function of the Administrators and/or any act required or authorised under any enactment to be done by the Administrators

may be exercised and/or done by any or all of the Administrators (Schedule B1, paragraph 100 (2)(b)).

7. **It is ordered** that the costs of the said application (including the costs of the Form 2.2B (rule 2.3 (5)) are payable as an expense of the administration.

8. **It is ordered** that this appointment shall take effect from ....12 NOON.... ~~am~~/pm on Wednesday 11 November 2009.

9. **It is ordered** that Schedule B1, paragraph 46 (3)(b) shall not apply.

Schedule to the Order

1. The objectives of the administrator are those set out in paragraphs 3 and 4 of Schedule B1 to the Insolvency Act 1986 ("Schedule B1").

2. Without prejudice to the provisions at Schedule B1 and by way of summary the objectives of the administrator are:-

   a. Under paragraph 3 (1) of Schedule B1 the administrator must perform his functions with the objective of:-

      i. Rescuing the Company as a going concern and only if it is not reasonably practical to achieve that objective or if the pursuit of objective 3 (1)(b) would achieve a better result for the Company's creditors as a whole, then

      ii. Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) or, if that objective is not reasonably practical and it does not unnecessarily harm the interests of the creditors of the Company as a whole, then

      iii. Realising property of the Company in order to make a distribution to one or more secured or preferential creditors.

   b. Under paragraphs 49 – 51 of Schedule B1 the administrator must make a statement setting out his proposals for achieving the purpose and must, inter alia, send those proposals to every creditor of the Company of whose details the administrator is aware.

   c. Under paragraphs 51 and 52 of Schedule B1 unless the administrator is of the view that no monies will be available to distribute to the creditors of the Company or that creditors will be paid in full he must convene and hold within 10 weeks of the making of the administration order a meeting of creditors for the purpose of considering and, if thought fit, approving his

proposals with or without modification or seek the approval of creditors by correspondence.

d. Under paragraph 67 of Schedule B1 the administrator has a duty to take custody or control of all the property of the Company on being appointed.

e. Under paragraph 68 of Schedule B1 the administrator is under a duty to manage the affairs, business and property of the Company in accordance with his proposals as approved by the Company's creditors and subject to any directions that the Court may give him.

f. The administrator must obtain approval for payment of his fees and disbursements by the creditors of the Company or by a committee of the creditors' of the Company or by the Court.

3. The powers of the administrator are those set out in Schedule B1 and in Schedule 1 to the Insolvency Act 1986 (a copy of which is annexed to this Order).

4. Without prejudice to those provisions and by way of summary the administrator has the following powers under Schedule B1.

a. The power to do anything necessary or expedient for the management of the affairs, business and property of the Company and, in particular, without prejudice, to this general power the administrator has the specific powers set out in Schedule 1 to the Insolvency Act 1986 which are summarised in Appendix A to this Schedule.

b. No officer of the Company may exercise a management power without consent of the administrator.

c. The administrator may remove and appoint directors of the Company.

d. The administrator may convene and hold meetings of members and creditors of the Company.

e. The administrator may apply to the Court for directions in connection with his functions.

f. The administrator may pay monies to secured or preferential creditors of the Company and with the consent of the Court may make a distribution to unsecured creditors.

g. The administrator may make a payment other than to a secured or preferential creditor without permission of the Court if he considers that making such a payment is likely to assist in the achievement of the purpose of administration as set out in paragraph 3 (1) of Schedule B1 recited above.

h. Under paragraph 66 the administrator may make payments to the employees of the Company, such that they receive the same monies as the employees would receive if secondary proceedings were commenced under Article 27 of the EC Regulation on Insolvency Proceedings 2000 provided that the administrator thinks that the making of such payments are likely to assist achievement of the purpose of administration.

i. In exercising functions the administrator acts as agent of the Company.

5. The effect of the moratorium on insolvency and other proceedings against the Company as set out in Schedule B1, paragraph 43 of the Insolvency Act 1986 came into effect at the time the appointment of Joint Administrators (which time is set out in the Order) (without prejudice to the interim moratorium, where applicable, set out in Schedule B1, paragraph 44 of the Insolvency Act 1986).

6. Without prejudice to the provisions of Schedule B1 and by way of summary the moratorium has the following effect on insolvency and other proceedings.

a. No resolution may be passed to wind up the Company.

b. No order may be made for the winding up of the Company.

c. No step may be made to enforce any security over the Company's property without consent of the administrator or permission of the English Court.

d. No step may be taken to repossess any goods in the Company's possession under any hire purchase agreement, except with the consent of the administrator or leave of the English Court.

e. A landlord may not exercise a right of forfeiture by peaceable re-entry in relation to any premises let to the Company except with consent of the administrator of leave of the English Court.

f. No legal process (including legal proceedings, execution, distress and diligence) may be instituted or continued against the Company or the property of the Company, except with the consent of the administrator or leave of the English Court.

Appendix A

Insolvency Act 1986

Schedule 1 Powers of Administrator

1. Power to take possession of, collect and get in the property of the Company and, for that purpose to take such proceedings as may seem to him expedient.

2. Power to sell or otherwise dispose of the property of the Company by public auction or private auction or private contract.

3. Power to raise or borrow money and grant security therefor over the property of the Company.

4. Power to appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions.

5. Power to bring or defend any action or other legal proceedings in the name and on behalf of the Company.

6. Power to refer to arbitration any question affecting the Company.

7. Power to effect and maintain insurances in respect of the business and property of the Company.

8. Power to use the Company's seal.

9. Power to do all acts and to execute in the name and on behalf of the Company any deed, receipt or other document.

10. Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Company.

11. Power to appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and power to employ and dismiss employees.

12. Power to do all such things (including the carrying out of works) as may be necessary for the realisation of the property of the Company.

13. Power to make any payment which is necessary or incidental to the performance of his functions.

14. Power to carry on the business of the Company.

15. Power to establish subsidiaries of the Company.

16. Power to transfer to subsidiaries of the Company the whole or any part of the business and property of the Company.

17. Power to grant or accept a surrender of a lease or tenancy of any of the property of the Company, and to take a lease or tenancy of any property required or convenient for the business of the Company.

18. Power to make any arrangement or compromise on behalf of the Company.

19. Power to call up any uncalled capital of the Company.

20. Power to rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to the Company and to receive dividends, and to accede to trust deeds for the creditors of any such person.

21. Power to present or defend a petition for the winding up of the Company.

22. Power to change the situation of the Company's registered office.

23. Power to do all other things incidental to the exercise of the foregoing powers.

No 20293 of 2009

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

COMPANIES COURT

Mrs Justice Proudman
Wednesday 11 November 2009

IN THE MATTER OF AERO INVENTORY PLC

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ADMINISTRATION ORDER

Taylor Wessing.
5 New Street Sq,
London EC4A 3TW.

Tel: 020 7300 7000.
Ref: Patrick Cook / Amy Patterson.

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

Court File No: 09-CL-8456-00CL

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG LLP, AS JOINT ADMINISTRATORS

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED and AERO INVENTORY PLC

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(November 11, 2009)

Ogilvy Renault LLP
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Royal Bank Plaza, South Tower
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4
CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
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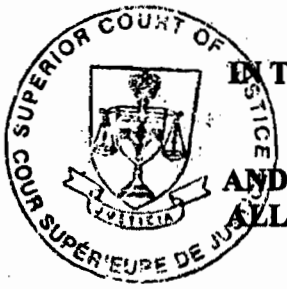
Canadian Counsel to the Applicants

TAB 5

Court File No.: 09-CL-8456-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	**TUESDAY, THE 1ST DAY**
	)	
JUSTICE NEWBOULD	)	**OF DECEMBER, 2009**



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

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG LLP, AS JOINT ADMINISTRATORS

Applicants

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED and AERO INVENTORY PLC

Respondents

APPLICATION UNDER SECTIONS 46 AND FOLLOWING OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ORDER
(December 1, 2009)

THIS MOTION, made by the Applicants for an Order pursuant to section 49 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36. as amended (the "CCAA"), and to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing KPMG Inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Aero Inventory (Canada) Inc./Aero Inventaire (Canada) Inc. ("Aero Canada") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the report of the Applicants dated November 27, 2009 and on hearing the submissions of counsel for the Applicants, no one appearing for any other party although duly served as appears from the affidavit of service of Lillian Symchych sworn November 27, 2009 and on reading the consent of KPMG Inc. to act as the Receiver, and the matter being uncontested

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 49 of the CCAA and section 101 of the CJA, KPMG Inc. is hereby appointed Receiver, without security, of all of Aero Canada's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of Aero Canada, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Aero Canada;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of Aero Canada or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to Aero Canada and to exercise all remedies of Aero Canada in collecting such monies, including, without limitation, to enforce any security held by Aero Canada;

(g) to settle, extend or compromise any indebtedness owing to Aero Canada;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of Aero Canada, for any purpose pursuant to this Order;

(i) to undertake environmental or workers' health and safety assessments of the Property and operations of Aero Canada;

(j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to Aero Canada, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $100,000, provided that the aggregate consideration for all such transactions does not exceed $250,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters

relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of Aero Canada;

(q) to enter into agreements with any trustee in bankruptcy appointed in respect of Aero Canada, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Aero Canada;

(r) to exercise any shareholder, partnership, joint venture or other rights which Aero Canada may have; and

(s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including Aero Canada, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) Aero Canada, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith

advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Aero Canada, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST AERO CANADA OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of Aero Canada or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of Aero Canada or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against Aero Canada, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or Aero Canada to carry on any business which Aero Canada is not lawfully entitled to carry on, (ii) exempt the Receiver or Aero Canada from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Aero Canada, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with Aero Canada or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to Aero Canada are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of Aero Canada's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of Aero Canada or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of Aero Canada shall remain the employees of Aero Canada until such time as the Receiver, on Aero Canada's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the

"BIA"), other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) and 81.6(3) of the BIA.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by Aero Canada, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or

anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that neither the Receiver nor the Applicants shall incur any liability or obligation as a result of the Receiver's appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on their part, or in respect of their obligations under sections 81.4(5) and 81.6(3) of the BIA. Nothing in this Order shall derogate from the protections afforded the Receiver or the Applicants by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

GENERAL

20. THIS COURT ORDERS that the Receiver shall comply with all of the duties and obligations imposed upon receivers pursuant to Part XI of the BIA.

21. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

22. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Aero Canada.

23. THIS COURT REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory of Canada or any court or any judicial, regulatory or administrative body of the United Kingdom and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

24. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

25. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than four (4) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

26. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 01 2009

PER / PAR:

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

Court File No.: 09-CL-8456-00CL

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG LLP, AS JOINT ADMINISTRATORS (Applicants)

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED and AERO INVENTORY PLC (Respondents)

APPLICATION UNDER SECTIONS 46 AND FOLLOWING OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

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Toronto, Ontario M5J 2Z4

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Canadian Counsel to the Applicants

TAB 6

To be submitted to:

Commercial List / Bankruptcy Court Office
330 University Avenue, 7th Floor
Toronto, ON M5G 1R7
Telephone: (416) 327-5043
Fax No.: (416) 327-6228

Jan 8/10

Endorsement / disposition

Parties to return Feb 1/10 for 9:30 am for scheduling.

Order signed today, to issue (attached).

(Applicants may ~~request an~~ attorn earlier & file a brief application, if seen to be necessary)

J.

pac,

On the consent of Air Canada, ~~The parties agree and~~ the Court orders, that as it relates to Air Canada, the date of the initial bankruptcy event, if it happens after this date, will be deemed to have occurred on January 8, 2010. / pac

Jan 8, 2010 Peter A. Cumming J.

TAB 7

Court File No. 09-CL-8456-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 21ST DAY
	)	
JUSTICE	)	DAY OF JANUARY, 2010

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

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG LLP, AS JOINT ADMINISTRATORS

Applicants

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED And AERO INVENTORY PLC

Respondents

UNDER SECTIONS 46 AND FOLLOWING OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

O R D E R
(JANUARY 21, 2010)

THIS MOTION, made by the Applicants for an Order pursuant to section 49 of the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36. as amended (the "CCAA") temporarily lifting the stay in these proceedings and granting leave to file an assignment in bankruptcy was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the motion record of the Applicants dated January 19, 2010 and on hearing the submissions of the lawyer(s) for the Applicants, no one appearing for any other party although duly served as appears from the affidavit of service of Mansoora Khalifa sworn January 19, 2010,

1. THIS COURT ORDERS that the time for service of the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that leave be granted to the Applicants to issue and file an assignment in bankruptcy for Aero Inventory (UK) Limited and Aero Inventory plc, and that the stay granted by this Court on November 11, 2009 is hereby temporarily lifted for such purpose.

3. THIS COURT ORDERS that the stay shall be restored immediately following such filing.

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

Court File No: 09-CL-8456-00CL

AND IN THE MATTER OF JAMES ROBERT TUCKER, RICHARD HEIS AND ALLAN WATSON GRAHAM OF KPMG AS JOINT ADMINISTRATORS

AND IN THE MATTER OF AERO INVENTORY (UK) LIMITED AND AERO INVENTORY PLC

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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MOTION RECORD

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