

**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
(the "CCAA")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC.

MOTION RECORD

April 6, 2023

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TO: THE SERVICE LIST

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LIMITED AND 1138969 ONTARIO INC.

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TAB 1

Court File No. CV-22-00690657-00CL

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
(the "CCAA")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC. (together referred to as
the "Company" or the "Applicants")

NOTICE OF MOTION
(Approval and Vesting Order)

The Applicants will make a motion to the Honourable Mr. Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the "Court") at 330 University Avenue, Toronto, on April 11, 2023 at 9:00 am, or as soon after that time as the motion can be heard.

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

- in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1 (4);
- in person;
- by telephone conference;
- by video conference.

At the following location:

Video conference coordinates will be uploaded to Caselines.

1. Capitalized terms not otherwise defined in this notice of motion have the meaning given to them in the affidavit of Christopher Grant sworn April 6th, 2023, included at tab 2 of the motion record (the “**Grant Affidavit**”).

THE MOTION IS FOR:

2. An approval and vesting Order, substantially in the form attached at tab 3 of the motion record that, among other things:
 - (a) approves the Proposed Transaction contemplated by the SPA, pursuant to which the Purchaser shall acquire the Purchased Shares, being all the issued and outstanding shares of 1138969 Ontario Inc. (“**Hold Co**”);
 - (b) declares that 1000488910 Ontario Inc. (“**Residual Co**”) is a company to which the CCAA applies and adds Residual Co as an applicant in these CCAA proceedings;
 - (c) vests all liabilities of the Applicants, other than the Continuing Liabilities, in Residual Co;
 - (d) vests the Purchased Shares in the Purchaser, free and clear of any Claims and Encumbrances (as those terms are defined in the AVO), upon delivery of the Monitor’s Certificate;
 - (e) discharges Hold Co and Springer from these CCAA proceedings upon the delivery of the Monitor’s Certificate;

- (f) approves the distribution by the Monitor of the Proceeds of the Proposed Transaction as follows:
- i. first, payment of all amounts accrued and outstanding to the Applicants' counsel, the Monitor, and the Monitor's counsel as of the Closing Date;
 - ii. second, payment of all amounts outstanding under the DIP Facility as of the Closing Date;
 - iii. third, payment of all amounts outstanding pursuant to the KERP;
 - iv. fourth, payment of all Priority Payables, being all payables of the Applicants that, by operation of law, rank in priority to the security interest held by Desjardins as of the Closing Date; and
 - v. fifth, payment of the amounts (or portion thereof) owing by the Applicants to Desjardins;
- (g) grants certain releases in favour of the Released Parties, being all of the Applicants' current directors, officers, employees, independent contractors, and advisors, including the Monitor, the Monitor's legal counsel, and the Applicants' legal counsel, as well as Residual Co's sole director and officer;
- (h) authorizes and directs the Monitor to file an assignment in bankruptcy for and on behalf of Residual Co under the BIA and authorizes MNP to act as the trustee of Residual Co. in such bankruptcy;

- (i) authorizes the Monitor to withhold \$20,000 from the Proceeds to pay for the costs of administering the bankruptcy of Residual Co;
 - (j) extends the Stay Period until the CCAA Termination Date, being the later of the date of bankruptcy of Residual Co and April 30, 2023;
 - (k) terminates the CCAA proceedings and the Administration Charge, the Directors' Charge, and the KERP Charge upon the CCAA Termination Date;
 - (l) discharges MNP as Monitor upon the CCAA Termination Date;
 - (m) approves the Second Report of the Monitor dated December 19, 2022, the Third Report of the Monitor dated February 21, 2023, and the Fourth Report, as well as the actions, conduct and activities of the Monitor as described therein, provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval;
 - (n) approves the fees and disbursements of the Monitor and its counsel, together with an accrual to complete the administration of the CCAA proceedings; and
 - (o) seals the Confidential Exhibits attached to the Grant Affidavit until further order of the Court; and
3. Such further and other relief as may be requested and this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Terms of the Proposed Transaction

1. The Applicants have conducted the SISP in accordance with the SISP Order. Only one viable transaction emerged from the SISP: the Proposed Transaction with the Purchaser as detailed in the SPA. The Proposed Transaction is not conditional upon further due diligence or financing.

2. The SPA was negotiated in consultation with the Monitor, Desjardins and other key stakeholders. The key terms of the SPA are as follows:

- (a) Purchased Shares (s. 2) – the Purchaser will purchase from the Vendors all the issued and outstanding shares of Hold Co. As Springer is a wholly-owned subsidiary of Hold Co, the Purchasers will indirectly acquire Springer and its assets.
- (b) Purchase Price (s. 3.1) – \$5.5 million payable in cash.
- (c) Adjustment of Purchase Price (s. 3.2) – if the balance owing under the DIP Facility is more than \$500,000 on the Closing Date, then the Purchase Price will be increased on a dollar-for-dollar basis. Conversely, if the balance owing under the DIP Facility is less than \$500,000 on the Closing Date, then the Purchase Price will be reduced on a dollar-for-dollar basis.
- (d) Payment of Purchase Price and Deposit (s. 4 and 5) – the Purchaser has paid a deposit of 10 percent of the Purchase Price, or \$550,000, in cash, to the Monitor.
- (e) Vesting of the Applicants' liabilities in Residual Co (s. 6 and 8.1) – the SPA contemplates that pursuant to the AVO, on the Closing Date, all liabilities of the

Applicants, except the Continuing Liabilities, shall be vested in Residual Co and discharged as against the Applicants and its directors and officers.

- (f) Continuing Liabilities (s. 6) – the Continuing Liabilities, which will remain with Hold Co and Springer, include, among other things, all liabilities associated with existing and ongoing customer contracts, and all liabilities in connection with current employees.
- (g) Application and distribution of Proceeds (s. 5) – upon closing, the Monitor will apply and distribute the Proceeds to the Applicants’ creditors as set out above.
- (h) Closing conditions (s. 8) – the SPA is conditional upon the following conditions prior to closing:
 - i. that the Court grant the AVO;
 - ii. that the shareholders of the Purchaser execute a unanimous shareholder agreement;
 - iii. that the Development Corporations agree to release their security interest in the property municipally known as 421 Lakeview Road, Echo Bay, Ontario;
and
 - iv. that Desjardins agrees to release any guarantee given in respect of the Applicants’ obligations to Desjardins (including personal guarantees), except any guarantee by Export Development Canada.

- (i) Termination (s. 11) – the SPA may be terminated (i) by the mutual written agreement of the parties, (ii) by either party if the Court declines to grant the AVO, or (iii) by the Purchaser if the CCAA proceeding is terminated prior to the Closing Date.

3. The “Closing Date” under the SPA is 10 days following the issuance of the AVO. The SPA also provides for an Outside Date of April 30, 2023, or such later date as the parties and Desjardins may agree in writing, in case more time is needed to implement the Proposed Transaction.

Restructuring Steps

4. The Applicants are seeking approval of the following Restructuring Steps, which will be required to implement the Proposed Transaction:

- (a) Residual Co will be added as an applicant in these CCAA proceedings;
- (b) the Vested Liabilities will be vested in and to Residual Co. The Vested Liabilities will be expunged and discharged as against the Applicants, and any and all liabilities will attach to the Proceeds with the same nature and priority as they had immediately prior to the transfer;
- (c) the Purchased Shares will be vested in the Purchaser;
- (d) the Monitor will apply and distribute the Proceeds to the Applicants’ creditors in the priority described herein;

- (e) Hold Co and Springer will be discharged from these CCAA proceedings as they will no longer require CCAA protection after the Vested Liabilities are vested out; and
- (f) the Monitor will file an assignment in bankruptcy for and on behalf of Residual Co under the BIA.

Reverse vesting structure is necessary and appropriate

5. The reverse vesting structure is necessary to avoid jeopardizing the Licenses, which are critical to the Applicants' business. The Licenses are non-transferable and cannot be sold or transferred to any other entity. The Purchaser would not be able to operate Springer's business without the Licenses. Having to obtain new ones would require substantial time and costs, in addition to any lost income as a result of the inactive business and under-utilized assets over that period.

6. The reverse vesting structure is also necessary as a condition of the Purchaser's financing, which is a mortgage lending facility that requires a first-ranking security interest on the Applicants' assets.

7. The Vested Liabilities will attach to and have recourse to the Proceeds, and the Monitor will distribute the Proceeds to creditors in the priority identified in the AVO.

The Proposed Transaction should be approved

8. As more fully set out in the Grant Affidavit, the Proposed Transaction should be approved because, among other things:

- (a) it is the only viable transaction to emerge from the SISP;
- (b) the terms of the SPA are fair and commercially reasonable;
- (c) it maximizes realization for the Applicants' creditors;
- (d) it ensures the continuation of the business as a going concern, preserving employment and economic relationships;
- (e) it allows the Applicants to exit the CCAA proceedings as a solvent going-concern;
- (f) it preserves the Licenses;
- (g) it allows for minimal disruption to stakeholders including employees, customers, suppliers, and regulatory bodies;
- (h) the Applicants consulted with the Monitor, Desjardins, and other significant stakeholders about the Proposed Transaction and its terms;
- (i) a liquidation is the only likely alternative to the Proposed Transaction given the results of the SISP. The Applicants' creditors and stakeholders will be worse off in a liquidation. The reasons for this include, among other things:
 - i. the fact that the going-concern economic relationships would be lost;
 - ii. the fact that the value of the Licenses would be lost because they are not transferable;
 - iii. the remoteness and specialization of the Applicants' assets making their liquidation value uncertain;

- iv. the volatility of the real estate market;
- v. the fact that the Applicants did not receive any asset purchase offers in the SISP; and
- vi. the delay and costs associated with a liquidation.

Releases

9. The Releases are reasonable and should be granted.
10. The Releases will only become effective on the filing of the Monitor's Certificate confirming the Proposed Transaction has closed.
11. The claims to be released are rationally related to the purpose of these CCAA proceedings and the Proposed Transaction. The Releases are with respect to any liabilities in connection with the Applicants, their assets, the business, or this CCAA proceeding, arising after the Initial Order and prior to the filing of the Monitor's Certificate.
12. The Releases are limited in scope, excluding any claim or liability arising out of gross negligence or willful misconduct as well as any claim that is not permitted to be released pursuant to subsection 5.1(2) of the CCAA.
13. The Released Parties are necessary and essential to the restructuring of the Applicants, and are contributing in a tangible and realistic way to the Proposed Transaction and the Applicants' restructuring. Among other things, the Applicants' existing directors have provided personal guarantees, secured over their personal assets, for the Purchaser's financing, without which there would be no Proposed Transaction and no proceeds for creditors.

Bankruptcy of Residual Co

14. The Proposed Transaction will not result in sufficient proceeds to satisfy the Vested Liabilities in full and Residual Co will not have any operations. Accordingly, Residual Co will not be filing a plan of compromise or arrangement, nor conducting a claims process. The proposed bankruptcy of Residual Co will facilitate the orderly wind-up of its estate. Pursuant to the proposed AVO, the Monitor is authorized to withhold \$20,000 from the Proceeds to fund the costs of administering Residual Co's estate. This is necessary and reasonable in the circumstances.

Sealing

15. The Confidential Exhibits to the Grant Affidavit contain, among other things, valuation information for the Land. The sealing of the Confidential Exhibits is necessary as they contain information that may jeopardize further sale efforts in the event the Proposed Transaction does not close. Such a result would not be in the interest of stakeholders.

Extension of the Stay Period and termination of the CCAA proceedings thereafter

16. The extension of the Stay Period sought is until the later of the bankruptcy of Residual Co or April 30, 2023. This extension is reasonable and necessary to allow the orderly implementation of the Proposed Transaction and the distribution of the Proceeds.

17. Terminating the CCAA is appropriate because the Applicants will not require further CCAA relief after the Proposed Transaction.

Approval of Monitor's reports, activities and fees

18. The Monitor's reports, and the activities described therein, are fair, reasonable, and in the interest of stakeholders. Their approval is appropriate and will, among other things, allow the orderly conclusion of these CCAA proceedings.

19. The Monitor and its counsel's fees are detailed in fee affidavits appended to the Fourth Report. Those are fair and reasonable.

Additional Grounds

20. The Applicants have acted in good faith and with due diligence throughout this CCAA proceeding and continue to do so;

21. Such further and other grounds set out in the Grant Affidavit;

22. The provisions of the CCAA, including Sections 11 and 36(6);

23. Section 100 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;

24. Rules 1.04, 2.03, 3.02, and 37 of the *Rules of Civil Procedure*, RSO 1990, Reg 194, as amended;

25. The inherent and equitable jurisdiction of this Honourable Court; and

26. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED ON THE HEARING OF THE MOTION:

1. The Affidavit of Christopher Grant sworn April 6th, 2023 and the exhibits thereto;
2. The Fourth Report of the Monitor, to be served and filed separately; and
3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

April 6, 2023

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Lawyers for the Applicants

TO: THE SERVICE LIST

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ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**NOTICE OF MOTION
(Approval and Vesting Order)**

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TAB 2

Court File No. CV-22-00690657-00CL

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 (the "**CCAA**")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS LIMITED AND 1138969 ONTARIO INC.

AFFIDAVIT OF CHRISTOPHER GRANT
(sworn April 6th, 2023)

I, **CHRISTOPHER GRANT**, of the City of Greater Sudbury, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am the Chief Executive Officer of Springer Aerospace Holdings Limited ("**Hold Co**") and its wholly-owned subsidiary, 1138969 Ontario Inc. ("**Springer**", and, together with Hold Co, the "**Applicants**"). Accordingly, I have personal knowledge of the matters set out below. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

2. I swear this affidavit in support of the Applicants' motion for an order substantially in the form attached as tab 3 of the motion record (the "**AVO**"), which, among other things:

- (a) approves the transaction (the "**Proposed Transaction**") contemplated by a share purchase agreement dated March 28, 2023 between the current shareholders of Hold Co, being 1929927 Ontario Inc. and 5010945 Ontario Limited, as vendors (together, the "**Vendors**"), and 1000488927 Ontario Inc., as purchaser

(the “**Purchaser**”), pursuant to which the Purchaser shall acquire all the issued and outstanding shares of Hold Co (the “**Purchased Shares**”);

- (b) declares that 1000488910 Ontario Inc. (“**Residual Co**”) is a company to which the CCAA applies and adds Residual Co as an applicant in these CCAA proceedings;
- (c) vests all liabilities of the Applicants (the “**Vested Liabilities**”), other than the Continuing Liabilities,¹ in Residual Co;
- (d) vests the Purchased Shares in the Purchaser, free and clear of any Claims and Encumbrances (as those terms are defined in the AVO), upon delivery to the Purchaser of the Monitor’s certificate (the “**Monitor’s Certificate**”);
- (e) discharges Hold Co and Springer from these CCAA proceedings upon the delivery of the Monitor’s Certificate;
- (f) approves the distribution of the cash proceeds of the Proposed Transaction (the “**Proceeds**”), by MNP Ltd. (“**MNP**”), as monitor of the Applicants (in such capacity, the “**Monitor**”), as follows:
 - i. first, in payment of all amounts accrued and outstanding to the Applicants’ counsel, the Monitor, and the Monitor’s counsel as of the “**Closing Date**”, being within 10 days following the issuance of the AVO;

¹ “Continuing Liabilities” is defined as all liabilities associated with existing and ongoing customer contracts.

- ii. second, in payment of all amounts outstanding to Hillmount Capital Inc. under the DIP Facility (as defined in the Initial Order dated November 23, 2022) as of the Closing Date;
 - iii. third, in payment of all amounts outstanding pursuant to the Key Employee Retention Plan approved pursuant to the Court's Endorsement dated February 27, 2023 (the "**KERP**");
 - iv. fourth, in payment of all payables of the Applicants which, by operation of law, rank in priority to the security interest held by Caisse Desjardins Ontario Credit Union Inc. ("**Desjardins**") as of the Closing Date ("**Priority Payables**"); and
 - v. fifth, payment of the amounts (or portion thereof) owing by the Applicants to their primary secured lender, Desjardins;
- (g) grants certain releases in favour of all of the Applicants' current directors, officers, employees, independent contractors, and advisors, including the Monitor, the Monitor's legal counsel, and the Applicants' legal counsel, as well as Residual Co's sole director and officer (together, the "**Released Parties**");
- (h) authorizes and directs the Monitor to file an assignment in bankruptcy for and on behalf of Residual Co under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and authorizes MNP to act as the trustee of Residual Co. in such bankruptcy;
- (i) authorizes the Monitor to withhold \$20,000 from the Proceeds to pay for the costs of administering the bankruptcy of Residual Co;

- (j) extends the Stay Period until the later of the date of bankruptcy of Residual Co and April 30, 2023 (the “**CCAA Termination Date**”);
- (k) terminates the CCAA proceedings and the Administration Charge, the Directors’ Charge, and the KERP Charge upon the CCAA Termination Date;
- (l) discharges MNP as Monitor upon the CCAA Termination Date;
- (m) seals the Confidential Exhibits attached hereto;
- (n) approves the Second Report of the Monitor dated December 19, 2022, the Third Report of the Monitor dated February 21, 2023, and the Fourth Report, as well as the actions, conduct and activities of the Monitor as described therein, provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval; and
- (o) approves the fees and disbursements of the Monitor and its counsel, together with an accrual to complete the administration of the CCAA proceedings.

3. I am advised that Desjardins consents to the Proposed Transaction.

I. BACKGROUND OF CCAA PROCEEDINGS AND SISP

4. Established in 1972, Springer operates one of the largest aircraft maintenance, repair and overhaul (“**MRO**”) businesses in Canada, and the only one located in Northern Ontario.

5. Springer’s major customers include global aircraft manufacturers, commercial airline operators, government agencies, corporations, and private individuals. In addition to local

customers who are themselves critical to various rural and fly-in First Nations communities in Northern Ontario, many of Springer's customers are extra-provincial and international.

6. Currently, Springer has approximately 60 employees, which is down from 100 employees prior to the commencement of these CCAA proceedings. Springer is the second largest employer in the region, after the Algoma Steel mill in Sault Ste. Marie. Springer is also the only employer of its kind in Northern Ontario offering high quality, full-time, skilled employment positions in the aviation sector. These employment positions would be lost if Springer were to cease operations.

7. A more detailed description of Springer's business operations is contained in my affidavit sworn November 22, 2022 (the "**Initial Order Affidavit**"). The Initial Order Affidavit is appended hereto, without exhibits, as **Exhibit "A"**.

8. On November 23, 2022, in response to demands made by Desjardins, the Applicants obtained the Initial Order under the CCAA. A copy of the Initial Order is attached as **Exhibit "B"**.

II. SISP

9. On December 22, 2022, the Applicants obtained an Order (the "**SISP Order**") approving a sale and investment solicitation process (the "**SISP**") to solicit sale, investment, and refinancing opportunities. A copy of the SISP Order is appended hereto as **Exhibit "C"**.

10. The SISP was designed as a dual-phase process, with Phase 1 soliciting non-binding letters of intent from interested bidders. Thereafter, bidders would be provided the opportunity to conduct more extensive due diligence and to submit binding offers in Phase 2.

11. In accordance with the terms of the SISP, immediately following the SISP Order, the Applicants, with the assistance of the Monitor:

- (a) published a press release on *NewsWire* on January 11, 2023, broadcasting the SISP, and advertised the opportunity in *Skies Magazine*, a trade publication;
- (b) developed a confidential information memorandum detailing the Applicants' business and its assets and operations;
- (c) sent teaser letters to approximately 350 potential bidders identified by the Applicants and the Monitor;
- (d) finalized a form of non-disclosure agreement (“NDA”) and an identification and financial wherewithal verification form for interested parties to execute and return as a condition of being provided with access to the data room;
- (e) assisted the Monitor in establishing a data room with confidential information regarding the Applicants and their operations; and
- (f) communicated with prospective bidders and provided information requested by the prospective bidders pursuant to the SISP.

12. A total of 12 parties executed NDAs and gained access to the data room.

13. The deadline for the submission of Phase 1 non-binding letters of intent was February 3, 2023 (the “**Phase 1 Bid Deadline**”). Pursuant to the terms of the SISP, the Applicants, with the consent of the Monitor, were permitted to extend the SISP deadlines by up to two weeks without further order of the Court.

14. Several potential bidders sought an extension of time to conduct due diligence. As a result, the Applicants, with the consent of the Monitor, extended the Phase 1 Bid Deadline by 10 days, to February 13, 2023. On the Phase 1 Bid Deadline, the Monitor received two non-binding letters of intent (“**LOIs**”).

15. Following the Phase 1 Bid Deadline, the Applicants brought a motion to extend the stay of proceedings and the bid deadline for Phase 2 of the SISP to allow interested bidders to proceed to Phase 2. The Applicants sought approval of an increase of the DIP Facility (from \$1.1 million to \$1.3 million) and a corresponding increase to the DIP Lender’s Charge.

16. Desjardins objected to the increase in the DIP Facility and sought the appointment of a receiver. On February 23, 2023, the Court extended the Phase 2 bid deadline to March 21, 2023 (the “**Phase 2 Deadline**”) and approved an increase in the DIP Facility and DIP Lender’s Charge (as defined in the Initial Order) from \$1.1 million to \$1.27 million.

17. The Applicants and Monitor continued to communicate with and facilitate due diligence for the two prospective bidders that had submitted LOIs. In an attempt to maximize any potential value for stakeholders, the Applicants and Monitor also continued to engage with other parties who expressed interest in the transaction even through they had not submitted formal LOIs in Phase 1 of the SISP.

18. Neither of the parties that submitted LOIs submitted offers on the Phase 2 Deadline. However, on the Phase 2 Deadline, the Monitor received an oral offer to purchase the Applicants’ business on a going concern basis accompanied by a deposit paid to Applicants’ counsel subject

to execution of a satisfactory purchase agreement; and (ii) a conditional offer to refinance the Applicants.

19. The Applicants, with the assistance of the Monitor, considered both offers. The Applicants, with the consent of the Monitor, opted to pursue the offer to purchase. The offer to refinance was, among other things, highly conditional, and did not provide sufficient financing to allow the Applicants to make a viable restructuring proposal to their creditors.

20. The parties have executed a share purchase agreement dated March 28, 2023 (the “SPA”). The non-refundable deposit of \$550,000, equivalent to 10 percent of the proposed Purchase Price, was submitted to the Monitor.

III. TERMS OF THE PROPOSED TRANSACTION

21. The terms of the Proposed Transaction are as set out in the SPA. A copy of the executed SPA is attached as **Exhibit “D”**.

22. The Purchaser is a corporation financed by Tom and Vicary Fremlin (the “**Fremlins**”). The Fremlins are a prominent family in Sault Ste. Marie who have made numerous and significant investments in Northern Ontario. The shareholders of the Purchaser are the Fremlins, along with Daniel Springer and me, through our respective corporate entities.

23. Pursuant to the SPA, the Purchaser will acquire the shares of Hold Co for cash consideration of \$5.5 million. The SPA is not conditional on further due diligence or financing. The Purchaser is funded by the Fremlins through a loan facility to be secured over the assets of Hold Co and Springer. The Purchaser’s loan is personally guaranteed by Daniel Springer and me.

24. The key terms of the SPA are as follows:

- (a) Purchased Shares (s. 2) – the Purchaser will purchase from the Vendors all the issued and outstanding shares of Hold Co. As Springer is a wholly-owned subsidiary of Hold Co, the Purchasers will indirectly acquire Springer and its assets.
- (b) Purchase Price (s. 3.1) – the purchase price for the Purchased Shares is \$5.5 million payable in cash (the “**Purchase Price**”).
- (c) Adjustment of Purchase Price (s. 3.2) – if the balance owing under the DIP Facility is more than \$500,000 on the Closing Date, then the Purchase Price will be increased on a dollar-for-dollar basis. Conversely, if the balance owing under the DIP Facility is less than \$500,000 on the Closing Date, then the Purchase Price will be reduced on a dollar-for-dollar basis.
- (d) Payment of Purchase Price and Deposit (s. 4 and 5) – the Purchaser has paid a deposit of 10 percent of the Purchase Price, or \$550,000, in cash to the Monitor.
- (e) Vesting of the Applicants’ liabilities in Residual Co (s. 6 and 8.1) – the SPA contemplates that pursuant to the AVO, on the Closing Date, all liabilities of the Applicants, except the Continuing Liabilities, shall be vested in Residual Co and discharged as against the Applicants and its directors and officers.
- (f) Continuing Liabilities (s. 6) – the Continuing Liabilities, which will remain with Hold Co and Springer, include all liabilities associated with existing and ongoing customer contracts, certain vehicle and equipment lessors as well as liabilities in connection with current employees.

- (g) Application and distribution of Proceeds (s. 5) – upon closing, the Monitor will apply and distribute the Proceeds to the Applicants’ creditors as follows:
- i. first, the payment of all amounts accrued and outstanding to the Applicants’ counsel, the Monitor, and the Monitor’s counsel as of the Closing Date;
 - ii. second, the repayment of all amounts outstanding under the DIP Facility as of the Closing Date;
 - iii. third, the payment of all amounts outstanding under the KERP;
 - iv. fourth, the payment of all Priority Payables; and
 - v. fifth, the payment of the amounts (or portion thereof) owing by the Applicants to its primary secured lender, Desjardins.
- (h) Closing conditions (s. 8) – the SPA is conditional upon the following conditions prior to closing:
- i. that the Court grant the AVO;
 - ii. that the shareholders of the Purchaser execute a unanimous shareholder agreement;
 - iii. that the Community Development Corporation of Sault Ste. Marie & Area, the East Algoma Community Futures Development Corporation, and the Nickel Basin Federal Development Corporation (the “**Development**

Corporations”) agree to release their security interest in the property municipally known as 421 Lakeview Road, Echo Bay, Ontario; and

iv. that Desjardins agrees to release any guarantee given in respect of the Applicants’ obligations to Desjardins (including personal guarantees), except any guarantee by Export Development Canada.

(i) Termination (s. 11) – the SPA may be terminated (i) by the mutual written agreement of the parties, (ii) by either party if the Court declines to grant the AVO, or (iii) by the Purchaser if the CCAA proceeding is terminated prior to the Closing Date.

25. The “Closing Date” under the SPA is 10 days following the issuance of the AVO. The SPA also provides for an Outside Date of April 30, 2023, or such later date as the parties and Desjardins may agree in writing.

26. Assuming a Closing Date of April 21, 2023, which is 10 days after the April 11, 2023 hearing date, the Applicants’ most recent cash flows show the following amounts are payable in priority to Desjardins:

- (a) approximately \$270,000 in professional fees accrued and outstanding to the Applicants’ counsel, the Monitor, and the Monitor’s counsel;
- (b) approximately \$500,000 under the DIP Facility;
- (c) \$70,000 under the KERP Charge;

- (d) \$6,730.10 for HST accrued after the Initial Order (subject to the application by Canada Revenue Agency of outstanding tax refunds against this obligation, which refunds are under audit by the Canada Revenue Agency);
- (e) approximately \$260.00 in source deductions; and
- (f) approximately \$10,000 in property taxes owing.

27. In addition, the Monitor will retain approximately \$20,000 as a bankruptcy holdback. Any Proceeds remaining will be distributed to Desjardins on account of its secured loans.

IV. RESTRUCTURING STEPS

28. The Applicants are seeking approval of the following restructuring steps, which will be required to implement the Proposed Transaction (collectively, the “**Restructuring Steps**”):

- (a) Residual Co will be added as an applicant in these CCAA proceedings;
- (b) the Vested Liabilities will be vested in and to Residual Co. The Vested Liabilities will be expunged and discharged as against the Applicants, and any and all liabilities will attach to the Proceeds with the same nature and priority as they had immediately prior to the transfer;
- (c) the Purchased Shares will be vested in the Purchaser;
- (d) the Monitor will apply and distribute the Proceeds to the Applicants’ creditors in the priority described herein;

- (e) Hold Co and Springer will be discharged from these CCAA proceedings as they will no longer require CCAA protection after the Vested Liabilities are vested out; and
- (f) the Monitor will file an assignment in bankruptcy for and on behalf of Residual Co under the BIA.

29. The reverse vesting structure is necessary to avoid jeopardizing the licenses and certifications critical to the Applicants' business (together with the certifications described herein, the "**Licenses**"). Springer holds the following Licenses, which are fundamental to its activities in the highly regulated aerospace industry:

- (a) certifications from Transport Canada as an Approved Maintenance Organization in Canada;
- (b) certification from the United States Federal Aviation Administration allowing Springer to perform maintenance, preventive maintenance, and alterations on US aeronautical products;
- (c) certification from the European Union Aviation Safety Agency as an Approved Maintenance Organization allowing aircraft maintenance to be performed on European Union aeronautical products;
- (d) certification from the South African Civil Aviation Authority as an Aircraft Maintenance Organization allowing aircraft maintenance to be performed on South African aeronautical products; and

(e) certification from the Director of Civil Aviation of the Bailiwick of Guernsey (an island off the coast of France) for Maintenance Organization Approval.

30. Springer is also in the process of gaining certification from other international jurisdictions, including Aruba.

31. In addition, the Licenses include certifications permitting the Applicants to work on various types of aircraft (including, for example, ATR, Beechcraft, De Havilland, Fairchild, Piper, Cessna, and Hawker Siddeley aircraft) and to perform specific work, such as work related to avionics, engines, paint, structural repairs, and composite repairs, as well as mechanical work, electrical work, and the manufacturing of parts.

32. The Licenses are non-transferable and cannot be easily sold or transferred to any other entity. A purchaser would not be able to operate Springer's business unless the purchaser obtained new Licenses. Based on my experience with the Applicants, I estimate that a purchaser would have to undertake a costly, 2- to 3-year process to obtain new Licenses. The costs would be in addition to any lost income as a result of the inactive business and under-utilized assets over that period.

V. APPROVAL OF TRANSACTION

33. The Proposed Transaction maximizes realization for the Applicants' creditors. Further, the Proposed Transaction ensures the continuation of the business on a going concern basis and will preserve employment and economic activity in the region. The Applicants will be able to continue servicing customers with minimal disruption, including those aircraft and fleets servicing rural and fly-in communities in Northern Ontario.

34. The Applicants believe that the Proposed Transaction presents the best possible outcome for the stakeholders in the circumstances. The Proposed Transaction is the only offer received in the SISP that would result in significant recovery for the Applicants' primary secured creditor, Desjardins, and would continue the business as a going concern.

35. The Proposed Transaction and transaction structure avoids jeopardizing any contracts or the Licenses and avoids disruption for employees, suppliers, and customers through the preservation of the existing corporate entities and structure.

36. Based on the results of the SISP, I believe that if the Proposed Transaction does not proceed, it is unlikely that there will be another purchaser willing to purchase the business on a going concern basis. It is likely that the only remaining alternative will be for the Applicants to cease operations and liquidate its assets.

37. I believe the Applicants' creditors and stakeholders will be worse off in a liquidation. It is uncertain whether the sale of assets on a liquidation basis will result in greater value than the Purchase Price. Among other things,

- (a) the SISP was intended to solicit all types of offers, including offers to purchase assets on a piecemeal or *en bloc* basis. There were no offers received to purchase the Applicants' real property or other assets on a piecemeal basis;
- (b) the real property, which include MRO facilities and an airport, would require significant marketing due to its specialized nature and remoteness. For example, the professional listing services proposal obtained by the Monitor on March 7, 2023 (the "**Listing Proposal**") recommends a four- to five-week marketing process and

contemplates that it would take approximately 13 to 16 weeks in total to sell the real property. A copy of the Listing Proposal is attached as **Confidential Exhibit “1”**;

- (c) there have been no recent appraisals for the real property. The most recent appraisal report obtained by Desjardins for the main parcel on which the facilities and airport are situated is dated April 6, 2020 (the “**2020 Appraisal Report**”). That report ascribes substantially higher value for the property as an operating airport in comparison to a forced liquidation. A copy of the 2020 Appraisal Report is attached as **Confidential Exhibit “2”**;
- (d) although the 2020 Appraisal Report and the Listing Proposal estimate higher values for the real property than the Purchase Price under the Proposed Transaction, the real estate market is volatile and it is uncertain whether such value is easily attainable. In addition, the valuations provided in the 2020 Appraisal Report and the Listing Proposal do not include the costs associated with an extension of the CCAA proceedings or further sale efforts under a receivership, including additional professional fees and brokerage fees;
- (e) the liquidation of Springer’s assets will terminate Springer’s ongoing business operations resulting in a significant loss to the Northern Ontario community, including the loss of employment;
- (f) the Licenses are not a marketable asset outside of a going-concern scenario. As such, if Springer’s activities ceased, creditors would lose any value from the Licenses; and

- (g) the Applicants' assets comprise of parts and inventory as well as certain specialized equipment. The parts are unlikely to have significant value if liquidated. Similarly, the equipment may be of nominal value to any purchaser other than another MRO, and any recovery would be net of any costs to market and sell the assets and any freight costs.

38. The Proposed Transaction results in \$5.5 million in cash Proceeds and provides certainty to creditors and stakeholders. The Closing Date is expected to be within 10 days of the AVO, with distributions to creditors shortly thereafter.

39. I understand that the Monitor supports the approval of the SPA and the Proposed Transaction.

VI. APPROVAL OF RESTRUCTURING STEPS AND RELATED RELIEF

40. The Applicants are seeking approval of the steps necessary to implement the Proposed Transaction.

a. Vesting of Vested Liabilities in Residual Co

41. As noted above, the AVO and the SPA provide that all Vested Liabilities will be assumed by and vested absolutely and exclusively in Residual Co. The Vested Liabilities exclude the Continuing Liabilities, which will remain with the corporate entities acquired by the Purchaser and comprise of all liabilities associated with existing and ongoing customer contracts. The Continuing Liabilities also include any additional liabilities that the Purchaser may elect to assume before closing.

42. The vesting of the Vested Liabilities in Residual Co is required by the Purchaser as it is a condition of the Purchaser's financing. The financing extended by the Fremfins to the Purchaser requires that the Fremfins, through their respective corporate entities, be granted a first-ranking mortgage on the Land.

43. The Vested Liabilities will attach to and have recourse to any Proceeds, and the Monitor will distribute the Proceeds in the priority identified in the AVO.

b. Releases

44. The Applicants are seeking limited releases (the "**Releases**") in favour of the Released Parties. The Releases will release any liabilities in connection with the Applicants, their assets, the business, or this CCAA proceeding, arising prior to the filing of the Monitor's Certificate. The Releases will only become effective on the filing of the Monitor's Certificate confirming the Proposed Transaction has closed.

45. The Released Parties include all of the Applicants' current directors, officers, employees, independent contractors, and advisors, including the Monitor, the Monitor's legal counsel, and the Applicants' legal counsel.

46. The Releases are subject to a number of exclusions. Specifically, the Releases exclude any claim or liability arising out of gross negligence or wilful misconduct and any claim against the Applicants' current and former directors that is not permitted to be released pursuant to subsection 5.1(2) of the CCAA.

47. I note that the Released Parties include Daniel Springer and myself as the existing directors of the Applicants. The Released Parties also include me as Residual Co.'s sole director and officer.

The directors and officers have participated in good faith in these CCAA proceedings and have worked hard to stabilize the business and facilitate the Proposed Transaction.

48. Daniel Springer and I have also provided personal guarantees to the Fremlins, secured over our personal assets, for the Purchaser's financing. The personal guarantees represent a significant personal contribution by Daniel Springer and myself without which there would be no Proposed Transaction and no proceeds for creditors.

49. Furthermore, I am advised by the Monitor that it believes the proposed Releases are fair, reasonable and appropriate in the circumstances.

50. A key condition of the SPA is the release of Daniel Springer and myself of personal guarantees in respect of the Applicants' obligations to Desjardins. I understand the terms of that release have been negotiated between my counsel and Desjardins' counsel. The Applicants are not seeking specific court approval of the release of personal guarantees.

c. Bankruptcy of Residual Co

51. Given that the Proposed Transaction does not result in sufficient proceeds to satisfy the Vested Liabilities in full and Residual Co is not expected to operate any business, Residual Co will not be filing a plan of compromise or arrangement, nor conduct a claims process. Accordingly, the Applicants seek approval for the Monitor to file an assignment in bankruptcy on behalf of Residual Co. and to authorize MNP to act as Residual Co.'s trustee in bankruptcy. The proposed bankruptcy will facilitate the orderly wind-up of Residual Co's estate.

52. Pursuant to the proposed AVO, the Monitor is authorized to withhold \$20,000 from the Proceeds to fund the costs of administering Residual Co's estate.

d. Sealing order

53. The Applicants also request that the two Confidential Exhibits attached to my affidavit be filed with the Court on a confidential basis and be sealed until the closing of the Proposed Transaction.

54. The sealing of these documents is required because, in the event the Proposed Transaction does not close, the Confidential Exhibits contain an estimation of value of the Land, the release of which may affect the Applicants' ability to negotiate any further sale of the Land or assets of the Applicants.

VII. CONSULTATION WITH STAKEHOLDERS

55. The Applicants, with the assistance of the Monitor, have engaged in discussions with its primary secured creditor, Desjardins, and other significant stakeholders.

56. In particular, the Applicants have discussed the Proposed Transaction with, among others, the Development Corporations in respect of the release of the Development Corporations' mortgage registrations as a condition precedent of the SPA with a view to obtaining their support of the Proposed Transaction.

VIII. CONCLUSION

57. Since the granting of the Initial Order, the Applicants have acted and continue to act in good faith and with due diligence to, among other things, stabilize their business with a view to preserving value for its stakeholders.

58. The Proposed Transaction is the best possible outcome for stakeholders in the circumstances, given the Applicants’ financial circumstances, the regulatory framework in which the Applicants operate, and the realizable value of the Applicants’ assets.

59. The Proposed Transaction allows the Applicants to exit the CCAA proceedings as a solvent going-concern business, which preserves and maximizes value for all stakeholders, including employees, suppliers, customers, the Northern Ontario fly-in and First Nations communities, and the Northern Ontario economy.

60. In light of the foregoing, the Applicants believe that the relief sought pursuant to the AVO is reasonable and appropriate in the circumstances.

SWORN REMOTELY by)
CHRISTOPHER GRANT stated as being)
located in the City of Greater Sudbury in the)
Province of Ontario before me at the City of)
Toronto, in the Province of Ontario this 6th)
day of April 2023, in accordance with)
O. Reg 431/20, *Administering Oath or*)
Declaration Remotely.)
)

A Commissioner for taking Affidavits.

Name: Joël Turgeon

CHRISTOPHER GRANT

IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC.

Court File No. CV-22-00690657-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

AFFIDAVIT OF CHRISTOPHER GRANT
(Motion re: Approval and Vesting Order)
(sworn April 6, 2023)

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Lawyers for the Applicants

This is **EXHIBIT "A"** referred to in the affidavit of CHRISTOPHER GRANT sworn remotely by Christopher Grant stated as being located in the City of Greater Sudbury in the Province of Ontario before me at the City of Toronto, in the Province of Ontario this 6th day of April, 2023, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.



A COMMISSIONER FOR TAKING AFFIDAVITS

Name: Joel Turgeon

LSO #80984R

Court File No. CV-22-00690657-00CL

**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
(the "CCAA")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC. (the "**Applicants**")

AFFIDAVIT OF CHRISTOPHER GRANT
(CCAA Initial Order Application)
(sworn November 22, 2022)

I, Christopher Grant, of the City of Greater Sudbury in the Province of Ontario, **MAKE
OATH AND SAY:**

1. I am the Chief Executive Officer of 1138969 Ontario Inc. o/a Springer Aerospace ("**Springer**"). Accordingly, I have personal knowledge of the matters set out below. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. All references to currency in this affidavit are references to Canadian dollars unless otherwise indicated.
3. This affidavit is made in support of the Applicants' application for an Initial Order under the CCAA.

I. OVERVIEW

4. Springer is one of the few full-service aircraft maintenance, repair and overhaul businesses in Canada, and the only one located in Northern Ontario. Springer's customers include airlines, corporations, and private individuals. The company's facilities comprise state-of-the-art hangars as well as an airport and runways with the capability to accommodate aircraft as large as a Boeing 737s.

5. Springer is insolvent as a result of financial and operational challenges relating to, among other things, the impact of the COVID-19 shutdowns on the travel and aerospace sectors internationally, unusually high rates of employee turnover, and operational inefficiencies from a rapid expansion of the business that was undertaken just prior to the COVID-19 shutdowns.

6. While Springer has historically been profitable, it is currently operating at a loss. On June 30, 2022, Springer's primary secured creditor, Caisse Desjardins Ontario Credit Union Inc. ("**Desjardins**"), made demands of Springer and the co-applicant, Springer Aerospace Holdings Limited ("**Holdco**"), citing various covenant breaches.

7. Springer executed a forbearance agreement with Desjardins but was unable pay the lump sum payment required under the agreement. While I was hopeful that Springer would be able to come to a resolution with Desjardins to execute an organized and cooperative restructuring without the need for a filing, Springer requires an immediate injection of cash to fund its operations and Desjardins has declined to advance debtor-in-possession financing in the context of a CCAA proceeding.

8. Personnel from the proposed monitor, MNP Ltd. (“MNP”) spent several days on site at our facilities in order to understand Springer’s business and to assess our operations. Prior to this filing, Springer was exploring various operational changes with the proposed monitor, and if granted relief under the CCAA, intends to implement certain of those changes during the restructuring period under MNP or a chief restructuring officer’s supervision. Springer needs sufficient time and breathing space to do so.

9. The value of Springer’s business is maximized as a going concern. Liquidating the business will result in significantly less value for creditors and will impact the many employees, contractors and suppliers who rely on Springer for employment and income. As a major Northern Ontario employer, Springer’s value to the Northern Ontario economy is greater than just its liquidation value.

10. I believe that Springer will be a viable and profitable enterprise if we can implement the proposed operational and balance sheet restructuring. I also believe that maintaining the business as a going concern is the only way to avoid the devastating impact of business closure on this Northern Ontario community and maximize realization for all stakeholders.

II. THE APPLICANTS

11. Holdco is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office located at Echo Bay, Ontario. The corporate profile report for Holdco is appended hereto as Exhibit “A”.

12. Holdco holds the real property on which Springer conducts its business and owns all of the issued and outstanding shares of Springer. Holdco does not conduct any business activities. Daniel Springer and I are equal 50% owners of Holdco through various corporations and trusts.

13. Springer is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office located at Echo Bay, Ontario. A copy of the corporate profile report for Springer is appended hereto as Exhibit “B”.

14. Springer operates one of the largest aircraft maintenance, repair and overhaul businesses in Canada dating back to 1972. Springer’s services include, for example:

- a. line maintenance (lubrication and repairs), heavy maintenance, and major modification of aircraft;
- b. the engineering, design and manufacturing of aircraft modifications, replacement parts, upgrades and conversions, including aircraft components such as aircraft fuselage (e.g the frame, formers, stringers, and skins), wings, empennage, landing gear, interior, special mission equipment, floats, waterbombers, and avionics; and
- c. the installation and certification of aircraft modifications, replacement parts, upgrades and conversions.

15. Springer has teams of engineers who travel to service customers at their locations, anywhere in the world. Springer’s mobile repair teams are particularly useful where it is not practical or feasible to transport an aircraft to Springer’s facilities. These teams are adept at delivering the services described above, supporting the customers’ existing maintenance

operations on-site in the normal course, and performing unique services like salvaging damaged aircraft.

16. Springer has special expertise in the salvage and rebuilding of derelict aircraft. The company specializes in the rebuilding of otherwise obsolete or damaged aircraft and restoring them to good working order. In addition, Springer is one of two companies in the world that converts passenger airplanes to cargo airplanes for ATR, Beachcraft, DASH-8 series aircraft.

17. In addition to aircraft maintenance and salvage, Springer also offers specialized aircraft painting services. Aircraft painting requires large hangars and specialized equipment. Springer's facilities include a modern, environmentally controlled aircraft painting facility that meets or exceeds all applicable regulations. I am aware of only two other companies in Canada offering aircraft painting services and there are no companies in North America that provide maintenance and painting services at one facility.

18. Springer also offers aircraft storage services, such as commercial and private float plane winter storage.

19. To my knowledge, Springer is the only company in Canada to offer all of these services as a one-stop-shop. Springer has the hangar capacity to run up to seven lines or projects at once, including major or heavy projects.

A. Facilities

20. Springer's business is operated from facilities located in Echo Bay, Ontario, 15 kilometers east of Sault-Ste-Marie and across the St-Mary's River from Michigan, USA.

21. HoldCo owns the real property on which the Springer facilities are located, municipally described as 377 Lakeview Road, Echo Bay, Ontario (“**377 Lakeview**”). 377 Lakeview is a parcel of approximately 210 acres of land. The land registry search results for 377 Lakeview are appended as Exhibit “C”.

22. There are three hangars and an airport located at 377 Lakeview. The first hangar is 16,160 square feet in size and is 17 feet high. It houses an industrial bay, offices, and storage. The second hangar is 24,373 square feet and 30 feet high and houses an industrial bay for aircraft work, a paint shop as well as offices and other amenities. The third and newest hangar is 33,000 square feet and is 59 feet high. This third hangar was built in 2020 at a cost of approximately \$3 million and houses the largest industrial bay, which is large enough to accommodate up to two Boeing 737’s.

23. The Bar River Airport (Transport Canada Local Identifier CPF2) located at 377 Lakeview has a published aeronautical instrument precision approach, two paved runways and a 2,500-foot water runway canal with ramps to allow seaplanes to land on the water and be towed on land. The main paved runway is large enough to accommodate Boeing 737’s for landing and takeoff.

24. The facilities at 377 Lakeview are state-of-the-art and are maintained in excellent condition. I am not aware of any regulatory, environmental, or other concern affecting the land.

25. Holdco also owns the real property municipally described as 201 Riverside Drive, Echo Bay, Ontario (“**201 Riverside**”) and co-owns with Springer the real property municipally described as 421 Lakeview Road, Echo Bay, Ontario (“**421 Lakeview**”). The land registry search results for 201 Riverside and 421 Lakeview are appended as Exhibits “D” and “E” respectively.

26. Both 201 Riverside and 421 Lakeview are adjacent to 377 Lakeview. There is a multi-level, single family residential house on each parcel. While the parcels do not generate any revenue, Springer uses the houses to accommodate employees, suppliers and contractors as needed, which avoids the need for Springer to pay for outside accommodations. In addition, 201 Riverside is situated on the approach for one of the runways. Springer ensures that vegetation on the parcel is cut in order to maintain the precision approach minimums.

B. Springer is a key contributor to the Northern Ontario economy and communities

27. Echo Bay is a small township within the Macdonald, Meredith and Aberdeen Additional Township in Algoma, Ontario. The town has approximately 1,600 residents of which approximately 10 to 15 percent of the population are of Indigenous background.

28. Springer is a key driver of economic activity in Northern Ontario. The economic ripple effects from Springer's activities in the region, including in terms of indirect employment, are significant.

29. Springer is the largest source of employment in Echo Bay and the Macdonald, Meredith and Aberdeen Additional Township. It is the second largest employer in the region after the Algoma Steel mill in Sault Ste. Marie, and provides stable, skilled employment to approximately 100 employees. In a town of 1,600 residents, this means that a significant number of households earn income directly or receive economic benefit from Springer.

30. Springer is the only employer of its kind in the region. There is no other employer in the region that could take on all of Springer's skilled employees. Our employees would have to

relocate their families away from Northern Ontario to find similar employment in the aerospace industry.

C. Certifications and licenses

31. Springer operates in a highly regulated business environment. The company holds licenses and certifications (together, the “**Licenses**”) from various international aviation regulators, including Transport Canada, the European Union Aviation Safety Agency (“**EASA**”), the United States Federal Aviation Administration (“**FAA**”) and the South African Civil Aviation Authority (“**SACAA**”).

32. The Licenses are critically important to Springer. Without the Licenses, Springer Aerospace could not carry on its business. The Licenses permit Springer to, among other things, maintain, manufacture and certify aeronautical products including aircrafts, avionics, structures, paint and welding. In addition, with the Licenses, Springer is able to provide services and deliver aircraft internationally.

33. Springer holds the following specific key licenses and certifications:

- a. certifications from Transport Canada as an Approved Maintenance Organization in Canada;
- b. certification from the EASA as an Approved Maintenance Organization allowing aircraft maintenance to be performed on European Union aeronautical products;
- c. certification from the SACAA as an Aircraft Maintenance Organization allowing aircraft maintenance to be performed on South African aeronautical products;

- d. certification from the Director of Civil Aviation of the Bailiwick of Guernsey (an island off the coast of France) for Maintenance Organization Approval; and
- e. certification from the FAA allowing Springer to perform maintenance, preventive maintenance, and alterations on US aeronautical products.

34. Springer's Licenses are in addition to those held individually by its personnel, employees and contractors. which allow them to perform skilled trades.

D. Customers

35. Springer's customers are located throughout the world and include aircraft manufacturers such as Bombardier, De Havilland and Basler as well as commercial operators such as Air Canada (Jazz) and Porter Airlines. Springer also services fleets operated by provincial and federal governments, corporations and individuals. Of note, Springer's customers include substantially all of the Canadian airlines and corporate fleets that service fly-in and Indigenous Northern communities.

36. Significant customers include DHL (Leasing Division), which engaged Springer for the conversion and rebuild of numerous derelict aircraft which were delivered to South Africa. Springer is one of two companies in the world and the only company in Canada that is able to perform these conversions and rebuilds. Springer also has a contract with the Canadian Department of National Defense for the maintenance of their fleet.

37. In addition to the above, a large percentage of Springer's customers service the Northern Ontario region by providing air transport for individuals, delivery of food, fuel and medical

supplies as well as air ambulance services to the most remote areas of Northern Ontario, including most of the fly-in and Indigenous communities.

38. Generally, new customers seeking Springer's services are typically provided with a proposal that describes the scope of work, pricing and milestones. Springer currently has a healthy pipeline of customer contracts and I estimate that there is a two-year waitlist for aircraft painting services and a six-month waitlist for mechanical/conversion projects.

E. Suppliers and vendors

39. The majority of Springer's suppliers and vendors are local businesses in Echo Bay or local branches of international companies set up to service the Northern Ontario region.

40. Given Springer's location in Northern Ontario and the specialized nature of the aerospace business, there are limited vendors who are able to supply the specific products and services that Springer requires. Material suppliers include suppliers of engineering services, aircraft parts and supplies, paint shop supplies, utilities, freight, and others.

41. Springer's business is dependent on the uninterrupted supply of goods and services, including for propane, paint and jet fuel. Interruption of supply by certain key suppliers would have a material adverse effect on the business and cash flow. Springer is especially vulnerable to interruptions in supply as it does not maintain stockpiles of parts and supplies and therefore cannot continue the business without ongoing supply. Recently, as a result of cash flow pressures, Springer has had to intentionally limit and delay purchases of parts and supplies, which I have discovered has had an adverse impact on Springer's ability to operate efficiently and service customers in a timely manner. The wait for parts and supply has also resulted in increased

employee down-time during which employees are not able to perform paid work and has had an impact on employee morale.

F. Employees

42. Springer employs approximately 100 non-union employees including 50 engineers, 25 office staff, and 10 management positions. Springer also engages approximately 15 independent contractors. Nearly all of Springer's employees live in the Echo Bay area.

43. Aside from its administrative staff, most of Springer's employees are skilled tradespeople and engineers with college diplomas and relevant certifications.

44. All full-time employees receive group benefits through GroupHEALTH Global Benefits Systems Inc. Employees are paid bi-weekly and vacation is accrued.

45. Springer in prior months has suffered from high turnover of employees due, among other things, to the departure of key management level staff, and long periods of down-time because of the shortage of parts and supplies.

46. These employee-related issues are relatively recent and coincide with the disruption caused by COVID-19 shutdowns and the unusually active labour market in Canada post-COVID. I have engaged with the proposed monitor to assist the company in addressing these issues and understand that MNP has reviewed and developed strategies for Springer to implement to resolve this issue in the context of a broader operational restructuring.

G. Banking and cash management system

47. Springer maintains its business bank accounts at Desjardins. Springer maintains one main Canadian Dollar and one US Dollar account with Desjardins.

48. There is a second Canadian Dollar account maintained at Desjardins solely to hold customer deposits.

49. Springer receives customer receivables almost exclusively via electronic funds transfer. If cheques are received, they are deposited as a model deposit at the local Desjardins branch. Springer uses Global Payments to process any credit card payments.

50. The company administers its purchases and issues purchase orders using PAMC software designed specifically to meet the needs of aircraft maintenance, repair and operations businesses in the aerospace industry. Project proposals are prepared by Springer's head of planning and estimating, and then approved by myself, as CEO, and the accounting department.

51. Springer previously utilized two credit cards issued by Desjardins, one in Canadian Dollars and one in US Dollars. However, they have been recently frozen by Desjardins.

52. There are various pre-authorized payments that are automatically made from Springer's Canadian Dollar account to cover equipment and automobile lease payments, employee benefits, and other service providers.

53. Desjardins provides payroll services to Springer. Desjardins administers the payment of wages and source deductions, which is made from Springer's Canadian Dollar account.

54. While payments have historically been received promptly from customers, Springer has

recently experienced delays in EFT receipts. In particular, one large payment of approximately \$150,000 was sent by a customer but was not received when expected. As at the date of this affidavit, the funds have not been located, adding to Springer's immediate cash flow pressures.

III. ASSETS AND LIABILITIES

55. The Applicants' latest external, unaudited and consolidated financial statements were prepared for the year ended August 31, 2021 (the "**2021 FS**"). The 2021 FS were prepared on accrual basis in accordance with Canadian Generally Accepted Accounting Principles. A copy of the 2021 FS is appended hereto as Exhibit "F".

56. The 2021 FS show sales revenues of approximately \$11 million in the fiscal year, an increase from approximately \$8.8 million from the previous fiscal year. I believe the year over year increase in revenue is a result of business expansion, among other things. In particular, Springer undertook a major expansion in 2020, just prior to COVID-19, which included the construction of the third hangar.

57. According to the 2021 FS, the book value of the Applicants' assets is approximately \$17 million, comprised of the following:

- a. current assets of approximately \$4.8 million;
- b. intercompany receivables of approximately \$1.1 million;
- c. property and equipment of approximately \$11 million; and
- d. intangible assets of approximately \$270,000.

58. According to the 2021 FS, the Applicants have liabilities of approximately \$12 million comprised of the following:

- a. current liabilities, including bank indebtedness, of approximately \$4 million;
- b. promissory notes payable of approximately \$1.2 million;
- c. long term debt of approximately \$6.3 million; and
- d. deferred contributions of approximately \$370,000.

59. The Applicants' main assets and liabilities are discussed below.

A. Real estate assets

60. Holdco owns 377 Lakeview and 201 Riverside, and co-owns 421 Lakeview with Springer. Springer's business operations and facilities are located at 377 Lakeview. The other two parcels each have a single-family residential dwelling, as described above.

61. Springer obtained an appraisal of the 377 Lakeview in 2019 as part of its financing activities. Desjardins requisitioned a subsequent appraisal report for 377 Lakeview on April 6, 2020. This appraisal ascribes a value to 377 Lakeview as both an operating airport, and on a forced liquidation basis.

62. Springer also obtained an appraisal for 201 Riverside dated October 13, 2019.

63. An appraisal has not been conducted on 421 Lakeview although the municipal valuation for taxation purposes as at January 19, 2022 is \$354,000.

64. The aforementioned appraisals are appended as confidential exhibits to a supplementary affidavit and the values discussed in that affidavit on a confidential basis so as not to affect the integrity of any future sale, financing or investment efforts, which will be undertaken in these proceedings.

65. Mortgage charges have been registered against the real property to secure various loans advanced by lenders to the Applicants. 377 Lakeview and the adjacent 201 Riverside property are subject to a charge in favour of Desjardins securing the Desjardins Facilities (discussed below). Desjardins does not have a charge over 421 Lakeview.

66. 377 Lakeview is also subject to a second priority charge in favour of the Northern Ontario Heritage Fund Corporation (“**NOHFC**”), securing the obligations owed by Holdco and Springer to NOHFC (as discussed below).

67. 377 Lakeview, 201 Riverside and 421 Lakeview are subject to charges in favour of the Community Development Corporation of Sault Ste. Marie & Area, the East Algoma Community Futures Development Corporation, and the Nickel Basin Federal Development Corporation (collectively, the “**Development Corporations**”) securing the obligations owed to the Development Corporations (as discussed below).

B. Liabilities**i. Desjardins Facilities***a. The 2019 Facilities*

68. Springer entered into a revolving credit agreement with Desjardins dated May 16, 2019 (the “**2019 Loans**”) pursuant to which Desjardins agreed to advance a variable line of credit up to a maximum of \$1,000,000 (the “**Line of Credit**”) and an equipment financing facility of \$300,000.

69. A copy of the loan agreement dated May 16, 2019 in respect of the 2019 Loans is appended hereto as Exhibit “G”.

70. The 2019 Loans are secured over all of Springer’s present and after-acquired personal property. The Line of Credit is guaranteed by Export Development Canada (“**EDC**”) to a maximum of \$400,000.

71. The 2019 Loans are secured by guarantees from Holdco in the amount of \$1,225,000 and joint and several guarantees by Aviation Maintenance Inc., 1929927 Ontario Inc., 5010945 Ontario Limited, myself, and Daniel Springer up to a maximum of \$1,025,000.

b. The 2020 Facilities

72. Holdco entered into a further credit agreement with Desjardins dated May 7, 2020 (the “**2020 Loans**”) pursuant to which Desjardins agreed to advance two facilities in the respective

amounts of \$1,350,000 and \$4,150,000.

73. The 2020 Loans were to refinance certain existing indebtedness and to finance the construction of the third hangar. A copy of the loan agreement dated May 7, 2020 in respect of the 2020 Loans is appended hereto as Exhibit "H".

74. The 2020 Loans are secured against all present and after-acquired personal property of Holdco, charges against 201 Riverside and 377 Lakeview, and a first ranking lien over a 1987 Malibu 6-cylinder aircraft and proceeds thereof.

75. The first tranche of the 2020 Loan is guaranteed by EDC up to a maximum of 75 percent of the facility or \$1,012,500.

76. The 2020 Loans are jointly and severally guaranteed by Springer, Aviation Maintenance Inc., 1929927 Ontario Inc., 5010945 Ontario Limited, Daniel Springer and me up to a maximum of \$6,500,000.

c. Summary of amounts owing to Desjardins

77. As at July 21, 2022, the following amounts were owing under the various Desjardins facilities:

- a. \$795,616.91 under the 2019 Loans (or \$395,616.91 taking into account the EDC guaranteed amount);
- b. \$1,029,963.22 under Facility 1 (or \$17,463.22 taking into account the EDC guaranteed amount); and
- c. \$3,921,646.88 under Facility 2.

ii. Other secured liabilities

a. NOHFC Loan and Conditional Grant

78. NOHFC was established with a mandate to promote and stimulate economic development initiatives in Northern Ontario by providing financial assistance to projects that stabilize, diversify, and foster economic growth in the Northern region. NOHFC provides economic development funding toward approved projects in Northern Ontario.

79. Springer applied for and obtained financing from NOHFC on two occasions. The company entered into a loan and contribution agreement with NOHFC on June 5, 2019 (the “**2019 NOHFC Loan**”) to finance the expansion of Springer’s airport facility and increase capacity utilization with the intention of achieving up to 100 full-time employment positions. A copy of the loan and contribution agreement in respect of the 2019 NOHFC Loan is appended hereto as Exhibit “I”.

80. Under the 2019 NOHFC Loan, NOHFC advanced a loan of \$283,776 to Springer and offered a conditional grant to the company in the amount of \$189,184. The 2019 NOHFC Loan was subject to a covenant from Springer with respect to employment creation targets.

81. The 2019 NOHFC Loan is secured against all of Springer’s present and after-acquired property, an unlimited guarantee by Holdco, and a charge over 377 Lakeview. In 2020, Springer repaid the loan portion of the 2019 NOHFC Loan in full. The conditional grant portion of the 2019 NOHFC Loan is repayable for a period of up to three years after the date of the agreement upon demand by NOHFC at any time after an event of default. NOHFC has not issued any notices of default or demands in respect of the 2019 conditional grant and the three-year period has since lapsed.

82. In 2020, Springer and Holdco entered into a loan and conditional grant agreement with NOHFC on September 24, 2020 for the advance of a term loan of \$600,000 and a conditional grant of \$400,000 (the “**2020 NOHFC Loan**”). A copy of the loan and conditional grant agreement in respect of the 2020 NOHFC Loan is appended hereto as Exhibit “J”.

83. The 2020 NOHFC Loan is also subject to a covenant from Springer with respect to employment creation targets. The obligations of Springer and Holdco under the 2020 NOHFC Loan are joint and several and secured by way of a security interest over all their present and after-acquired property as well as a charge over 377 Lakeview. A copy of the general security agreement granting security in respect of the 2020 NOHFC Loan is appended hereto as Exhibit “K”.

84. \$150,000 of the loan portion of the 2020 NOHFC Loan has been repaid. NOHFC has not issued any notices of default or demands to date in respect of the conditional grant portion. Approximately \$450,000 of the loan portion remains outstanding.

iii. Development Corporations Loan

85. The Development Corporations are not-for-profit organizations dedicated to supporting the economic development of Northern Ontario communities.

86. The Development Corporations work in partnership with FedNor, the Government of Canada’s economic development organization for Northern Ontario. FedNor administers a program called the Aerospace Regional Recovery Initiative, whose goal is to help the Canadian aerospace sector emerge from the pandemic with the capacity to compete on the global stage.

87. On September 4, 2020, Holdco entered into a promissory note for the principal sum of \$900,000 to be advanced by the Development Corporations (the “**DC Promissory Note**”). A copy of the DC Promissory Note is appended hereto as Exhibit “L”.

88. The Development Corporations loan is a joint and several liability of Holdco and Springer and is secured against Holdco and Springer’s present and after-acquired personal property as well as charges over 377 Lakeview and 421 Lakeview. A copy of the general security agreement relating to the DC Promissory Note, dated September 3, 2020, is appended hereto as Exhibit “M”.

89. The obligations of Springer and Holdco to the Development Corporations are guaranteed by 1929927 Ontario Inc., 5010945 Ontario Limited Inc., Richard Picard, and me.

90. As at the date of this affidavit, a total of approximately \$797,227 remains outstanding to the Development Corporations.

iv. Other Priority Payables and Secured Liabilities

91. The Ontario Personal Property Security Registry search reports for Springer and Holdco are appended hereto as Exhibits “N” and “O” respectively (the “**PPSA Reports**”).

92. The PPSA Reports list registrations from equipment lessors, including CWB National Leasing Inc. and VW Credit Canada Inc., respectively relating to the lease of lifts and motor vehicles.

93. The PPSA Reports also include registrations by Aviation Maintenance Inc. against Holdco and Springer. I am not aware of any amounts owing to Aviation Maintenance Inc.

v. HST and Property Taxes

94. Springer is current in its Harmonized Sales Tax (HST) filings with the Canada Revenue Agency (“CRA”) up to the reporting period ended August 31, 2022. Based on Springer’s most recent CRA filings, Springer is expecting an HST refund and accordingly, no HST is owing.

95. I note that Holdco has no operations requiring an HST number and therefore has no HST reporting obligations.

96. Springer and Holdco have accrued property taxes in the amount of \$169,040.49 for 377 Lakeview and \$12,454.93 for 421 Lakeview as of August 9, 2022 for the year 2022. As of July 7, 2022, approximately \$920.08 in accrued property taxes were owing for 201 Riverside. Springer intends to pay all outstanding property taxes in full from the first advance under the proposed DIP Loan. Satisfaction of property taxes is a condition of the DIP Loan and contemplated in the cash flow projections filed by the Applicants.

vi. Payroll obligations

97. Springer is current on all its payroll obligations other than wages and source deductions which accrue in the normal course between bi-weekly pay periods, and vacation pay, which is accrued. Group benefit premiums are paid to date.

vii. Unsecured liabilities

98. Springer’s primary unsecured liabilities are in excess of \$1 million in trade payables accrued in the ordinary course, not including the amounts owing to the Canada Border Security Agency (“CBSA”) in respect of customs and duties.

99. As of October 3, 2022, Springer owed \$530,723.13 to the CBSA relating to the import of parts and supplies, principally from the United States and Europe, for customer projects. Springer has entered into a payment plan, which requires the payment of approximately \$16,000 monthly over 23 months. A copy of the CBSA letter dated October 7, 2022 describing the payment arrangement is appended as Exhibit "P".

100. Springer was previously making monthly payments of \$25,000 in accordance with a settlement entered into with GAL Aerospace Corp. in respect of unpaid accounts. This is an unsecured obligation of Springer, that is personally guaranteed by Daniel Springer.

101. The Applicants are current in their corporate income tax filings with the CRA and I am not aware of any corporate taxes owing.

102. The Applicants are beneficiaries under a general liability policy of insurance extended by Marsh. The insurance policy is financed and pre-paid by First Capital. The Applicants have accrued approximately \$40,000 in arrears to First Capital. As at the date of this affidavit, the insurance policy is in effect notwithstanding the arrears in payment to First Capital. To my knowledge, Marsh has been paid by First Capital for the remainder of the policy term.

viii. Related party liabilities

103. Daniel Springer and I have made shareholder loans to Springer, including as a supplement to working capital. The loans are unsecured, payable on demand, and do not bear interest. In total, Daniel Springer is owed \$1,378,000 and I am owed approximately \$600,000 in shareholder loans.

IV. INSOLVENCY OF THE APPLICANTS

104. The Applicants are insolvent and are unable to meet their obligations as they become due without an injection of capital. The key contributors to the Applicants' financial challenges are:

- a. the economic implications of the COVID 19 pandemic;
- b. operational inefficiencies resulting from the rapid expansion of the business just before the COVID-19 pandemic;
- c. the lack of an effective performance management system to gauge financial performance of the business; and
- d. high levels of turnover within the organization, including within senior management.

105. The COVID-19 pandemic contributed significantly to Springer's financial challenges. The aviation and travel industries were seriously impacted by the COVID-19 shutdowns internationally. Many airlines laid off staff and grounded fleets. Accordingly, due to the decreased operation of aircrafts, Springer's customers did not require the same levels of aircraft maintenance, repair and overhaul services, or aircraft painting services.

106. During the COVID-19 shutdowns, Springer avoided layoffs and retained employees to avoid losing skilled workers. I believed that the aviation and travel industry would rebound and was worried that Springer would not be able to attract and hire skilled employees to relocate to Northern Ontario in the future if we laid off our staff during COVID-19.

107. Springer availed itself of the Canada Emergency Wage Subsidy program (“CEWS”) in accordance with the Government of Canada’s eligibility criteria and received benefits of \$885,787 and \$673,285 in financial years 2020 and 2021, respectively, to cover a small portion of Springer’s payroll.

108. While the COVID-19 shutdowns have ceased, they exacerbated some of the operational issues that Springer faced. Prior to COVID-19, Springer expanded the business and managed to increase top line revenue. However given the timing of COVID-19 and the effective shut down of the Canadian economy, the Applicants were not able to implement the expansion as contemplated, with sufficient strategic planning, and the efficiency of Springer’s business has suffered.

109. It has become evident to me in recent months that Springer does not have the right operational key performance indicators and supervisory tools to gauge the company’s overall financial performance or compare Springer’s performance with other businesses within the same sector. I have engaged with MNP LLP’s performance improvement team to develop the appropriate tools to monitor performance of the business going forward. I believe the implementation of an appropriate performance management system will bring substantial productivity and profitability improvements.

110. Springer has historically used a just-in-time system for parts and inventory that I have realized is vulnerable to supply chain interruptions and shipping delays. On the one hand, the just-in-time system avoids the need to stockpile inventory with the associated cost and waste, on the other hand, staff waiting for parts and supplies to continue work is inefficient, unprofitable, and damaging to morale.

111. The delays and shortages of parts and supplies were caused in large part by global pandemic circumstances beyond Springer's control. However, due to cash flow pressures, Springer has also had to delay purchases to stretch available cash flow.

112. In reviewing Springer's performance, I have learned that staff downtime and the perceived shortage of parts and materials caused problems with staff morale and resulted in a high level of turnover within the organization. Employee turnover was not limited to skilled employees working in the hangars, the Applicants also lost key members of its management team.

V. THE APPLICANTS SEEK PROTECTION UNDER THE CCAA

113. On or around June 30, 2022, Desjardins delivered demands under its loan and security documents. Copies of the demands are appended as Exhibit "Q".

114. At the same time, Desjardins delivered notices under section 244 of the *Bankruptcy and Insolvency Act* (Canada). Copies of the notices dated June 30, 2022 are appended hereto as Exhibit "R".

115. At the time the demands and notices were delivered by Desjardins, there was no payment default under Desjardins' loan and security documents. Desjardins asserted a financial covenant breach on only one of three financial covenants and demanded repayment of \$4,951,610.10 outstanding as at June 21, 2022.

116. I was contacted by Desjardins who advised that Desjardins would enforce on its loan and security documents unless I executed a forbearance agreement. Accordingly, I executed the forbearance agreement delivered by Desjardins. A copy of the forbearance agreement dated July 21, 2022 is appended hereto as Exhibit "S".

117. At the time the forbearance agreement was executed, the Applicants did not have legal counsel. I worked directly with Desjardins, its legal counsel and its financial advisor, Raymond Chabot Grant Thornton. The Applicants have since retained restructuring counsel.

118. The forbearance agreement required Springer to pay US\$112,000 as a condition of the forbearance and US\$100,000 to Desjardins no later than September 30, 2022. Springer made the first payment. As Springer's cash flows were not sufficient to make the US\$100,000 payment by the September 30 deadline, Desjardins asserted that there was a breach of the forbearance and demanded that Springer execute an amended forbearance agreement.

119. Springer has not executed a new forbearance agreement as it has not been able to agree to terms with Desjardins, including in respect of further lump sum payments to be made under an amended agreement.

The Applicants Acted in Good Faith in Selling the Malibu Aircraft

120. I understand that one issue that Desjardins has raised with my counsel is the sale of an aircraft over which it was purportedly secured, allegedly without its knowledge.

121. As described above, as part of the 2020 Loan package, Desjardins took security over a 1987 Malibu aircraft. I obtained the consent of Benoit Fournier to sell the 1987 Malibu. The 1987 Malibu was sold in the ordinary course, the liens discharged by Desjardins and the proceeds used to purchase another aircraft, a Malibu Jet Prop.

122. In January 2022, I advised Desjardins that the company was looking to sell the Malibu Jet Prop and in and around March 2022 I found a buyer who paid US\$722,000 for it.

123. I believed that the 2020 Loan terms permitted the Applicants to sell the aircraft and to apply the proceeds to working capital. I note that I did not have the benefit of legal counsel in March 2022, and in any event the 2022 Loan provided, among other things, that:

Lender will entertain releasing the 1987 Malibu Plane (if sold) provided the Borrower is not in default and proceeds of such are utilized for cash flow.

124. In March 2022, the proceeds of sale were applied to working capital of the company, of which US\$112,000 was held and to be paid to Desjardins, which I believed at the time to be in accordance with the terms of the 2020 Loan.

125. The sale of the Malibu Jet Prop was never intended to be concealed from Desjardins, in fact I informed Desjardins in advance of the sale of the aircraft.

Interim Financing Requirements

126. Springer requires an injection of capital to deal with its immediate liquidity needs. Pursuant to the cash flow projections, Springer expects to be in a negative position as early as next week without interim financing. As of November 22, 2022, the company's cash situation had deteriorated to \$1400 in its bank account given delays in receipt of wires and timing of accounts receivable. Absent an injection of cash, the company will not be able to make payroll this week.

127. On November 17, 2022, my counsel contacted Desjardins' counsel to advise that the Applicants intended to commence proceedings under the CCAA to address their liquidity issues and to effect an operational and balance sheet restructuring. I understand that my counsel advised Desjardins that the Applicants had secured DIP financing and requested that Desjardins consider funding the Applicants instead through a DIP facility. I am advised by my counsel that Desjardins'

counsel requested the cash flow projections prepared by the Applicants and advised that Desjardins would consider the request.

128. On November 17, 2022, the proposed monitor delivered a copy of the cash flow projections. A copy of the proposed monitor's email to Desjardins' counsel dated November 17, 2022 is appended hereto as Exhibit "T".

129. On November 21, 2022, Desjardins' counsel responded and advised that Desjardins was prepared to not oppose a restructuring and a DIP facility of up to \$500,000 on certain terms, including that

- a. the proceeding be filed as notice of intention ("NOI") to make a proposal proceeding under the BIA;
- b. MNP Ltd. be replaced by Raymond Chabot Grant Thornton ("RCGT"), Desjardins' financial advisor, as proposed proposal trustee; and
- c. the focus of the proceeding would be a sale and investment solicitation process with "tight deadlines". Desjardins' counsel noted that there was "unlikely to be a large number of potential investors and very few operators who would consider purchasing or investing".

130. A copy of the email from Desjardins' counsel dated November 21, 2022 is appended hereto as Exhibit "U".

131. I am advised by my counsel that an NOI proceeding does not have the effect of staying any secured claims in circumstances where the notice period under Section 244 has lapsed.

132. I am further advised by my counsel that the cost of proceeding under the BIA is likely to be similar to the proposed CCAA proceeding since the proposal trustee functions in largely the same manner as a CCAA monitor, a Court may only extend stay periods for a maximum of 45 days at a time and the attendant cost of returning to Court to extend the stay is not insignificant.

133. I do not believe there is any marginal benefit to the companies by replacing MNP with RCGT. I understand that MNP has a long history of acting as court-appointed monitors in CCAA proceedings. I have also been working closely with MNP LLP's performance improvement team and MNP Ltd.'s licensed insolvency trustees to review, assess and address the operational issues that are causing Springer's cash flow problems.

134. I believe a change in proposed monitor at this stage would be duplicative and risk losing the benefit of work done to date on the restructuring plan.

135. After considering the various options available to the Applicants, I believe that a filing under the CCAA and approval of the proposed DIP Loan is in the best interests of the corporation.

136. I believe that relief under the CCAA is appropriate for the following reasons:

- a. the Applicants are insolvent and Springer is not viable without a restructuring of its operations and obligations. Earlier this year, the Applicants' directors undertook a review of the financial situation and the business. We determined that it would be appropriate to consider various contingencies, including bringing on consultants or a chief restructuring officer, and the commencement of insolvency proceedings.
- b. I have undertaken some private marketing of the business to assess interest in a potential sale, investment or financing of the business. I have spoken with third

parties, including large international aerospace corporations, as well as employees of Springer who wish to invest in the corporation. I believe there is more interest in Springer as a going concern aerospace company than in liquidation. Specifically, there are long-standing employees of Springer who believe in the viability of the business and who may wish to become investors. None of the proposed transactions that have been discussed with me have the ability to close with the speed necessary to meet Springer's cash flow requirements. Accordingly, Springer requires additional time to properly market the business as a going concern;

- c. Springer has commenced a review of its operations to assess the restructuring steps necessary to increase efficiency. MNP LLP's performance improvement team attended the facilities and have advised that there are immediate steps that can be taken that will have an impact on profitability;
 - d. Springer is reliant on the continued supply of goods and services to conduct business and the disruption of supply without the protection of a stay of proceedings would decimate the business;
 - e. the involvement of a Court-appointed monitor will lend stability and assurance to Springer's stakeholders, including its suppliers, lenders, and employees;
 - f. a court-supervised process is necessary to allow Springer the breathing room to implement an operational restructuring under the supervision of the proposed monitor and with the assistance of MNP LLP's performance improvement group;
- and

- g. Springer requires interim financing to continue operating over the course of the restructuring period.

137. The Applicants intend to take the following steps to execute their restructuring plan if relief is granted under the CCAA:

- a. within 5 days of the granting of the Initial Order, to deliver communications to employees, suppliers and vendors explaining the circumstances around the CCAA filing to avoid confusion and distress;
- b. to develop and file the materials necessary to seek approval of a sale and investment solicitation process (“SISP”) for the assets, property and undertaking of the business, with the intention of seeking approval of and implementing the SISP taking into account the specialized nature of the business and the upcoming holiday season;
- c. to work with the proposed monitor to implement a comprehensive operational restructuring plan with appropriate milestones for such operational restructuring;
- d. to utilize the DIP Loan to fund purchases of parts and materials, under the supervision of the proposed monitor, in order to perform contracts quickly and efficiently, with corresponding increases to profitability; and
- e. to continue operating the business to preserve enterprise value and maintain employment and economic activity in the region as much as reasonably possible.

VI. CASH FLOW FORECAST

138. With the assistance of the proposed Monitor, MNP, Springer has prepared a 13-week cash flow projection (the “**Cash Flow**”). I understand that the Cash Flow will be appended to the pre-filing report of the proposed Monitor, to be filed.

139. The Cash Flow demonstrates that Springer requires urgent relief. The Applicants were required to submit a borrowing base report to Desjardins on November 21, 2022. The borrowing base report was submitted on November 22, 2022 and shows that Springer’s line of credit is in excess of its borrowing base by approximately \$230,000. Accordingly, there will be a reduction in Springer’s line of credit. With a reduction in credit, Springer will not be able to pay its current obligations, including for parts and materials.

140. As Desjardins has now also indicated that it does not intend to extend a DIP facility in the context of a CCAA proceeding, and may be moving to enforce its security, there is increasing urgency to this Application.

141. The cash flow projections prepared by the Applicants show that the companies will run out of liquidity as early as the week of November 26, 2022 without an advance under the DIP Loan. Accordingly, the Applicants seek urgent relief, in particular, the approval of the DIP Loan and corresponding charge.

VII. FINANCING DURING THE CCAA PROCEEDING

142. Springer has obtained a DIP financing commitment from Hillmount Capital Inc. (the “**DIP Lender**”) to fund Springer during the restructuring period subject to various terms and conditions

as described in the term sheet dated November 21, 2022 (the “**DIP Term Sheet**”). An executed copy of the DIP Term Sheet is appended hereto as Exhibit “V”.

143. The key terms and conditions of the DIP Term Sheet include:

- a. a maximum principal loan amount of \$1,500,000 with an initial advance of \$600,000 or such other amount as requested by the Applicants;
- b. interest accruing at a rate of the greater of 12% per annum or RBC Prime plus 7%;
- c. a commitment fee in favour of the DIP Lender equal to 4% of the maximum principal amount;
- d. the reimbursement of the DIP Lender’s costs, including all legal expenses incurred by the DIP Lender in connection with the DIP subject to the terms and conditions of the DIP Term Sheet and the interim financing facility contemplated therein (the “**DIP Loan**”);
- e. Court approval of the term sheet prior to any advance; and
- f. a first-ranking court-ordered charge in favour of the DIP Lender over all of the property, assets and undertaking of the Applicants, subject only to the Administration Charge (defined below) which Administration Charge shall not exceed \$250,000.

144. The DIP Loan is expected to provide sufficient liquidity to permit Springer to operate and meet its obligations as set out in the Cash Flow.

145. I am informed by the proposed Monitor and counsel for the Applicants that the terms of the DIP Term Sheet are typical compared to other such facilities regularly approved in similar matters before the Commercial List.

VIII. RELIEF BEING SOUGHT

146. The Applicants seek an Initial Order based on the form of Model Order.

A. Appointment of MNP as Monitor

147. The Applicants have engaged MNP to act as proposed Monitor if so approved by the Court. MNP has consented to act as Monitor subject to this court's approval, as appears from a copy of the executed consent attached as Exhibit "W".

148. MNP has engaged in a thorough review of Springer's operations, including site visits, and is well-positioned to monitor the proceeding and supervise any operational restructuring steps taken by the Applicants.

B. Stay of Proceedings

149. The Applicants seek a stay of proceedings, including in respect of secured parties, to allow them the breathing room to develop a viable restructuring plan and to implement a sale and investment solicitation process for the going-concern business.

150. I believe that until marketing efforts for the going-concern business are exhausted, the business should not be shut down or liquidated. Springer is engaged in a highly specialized service business and the value of its business and assets are maximized if it remains a going concern. The difficulty of re-starting the business once operations cease is magnified by the location of the

business and specialized nature of its services and customers. It would be difficult to re-hire and attract employees to relocate to Northern Ontario after a business closure.

151. A stay of proceedings is needed to provide stability and to allow the Applicants to market the business and assets on a going-concern basis for the benefit of all stakeholders.

C. Charges

152. The Applicants seek the following charges in the proposed Initial Order: an Administration Charge, a DIP Lender's Charge, and a Directors' Charge (each as defined below; together, the "**Charges**"). The Applicants propose that each of the Charges constitute a charge on all of the Applicants' assets, property and undertaking.

153. The Applicants further propose that the Administration Charge and the DIP Lender's Charge rank in priority to all other Encumbrances (as defined in the draft Initial Order), but that the Directors' Charge rank immediately below any Encumbrance in favour of Desjardins. For clarity, the Directors' Charge is not intended to prime Desjardins's security.

154. The Applicants propose that the priority of the Charges, as among them, be as follows:

- a. first, the Administration Charge (to the maximum amount of **\$80,000**);
- b. second, the DIP Lender's Charge (to the maximum amount of **\$600,000**); and
- c. third, the Directors' Charge (to the maximum amount of **\$165,000**).

155. The proposed quantum of the Charges is limited to relief that is reasonably necessary for the continued operations of the Applicants in the ordinary course of business during the initial 10-day period leading to the Comeback Hearing (as defined in the draft Initial Order). It is the

Applicants' intention to seek at the Comeback Hearing an amended Initial Order increasing the quantum of the Charges to cover the Applicants' needs over the restructuring period as follows:

- a. first, the Administration Charge (to the maximum amount of **\$250,000**);
- b. second, the DIP Lender's Charge (to the maximum amount of **\$1,500,000**); and
- c. third, the Directors' Charge (to the maximum amount of **\$165,000**).

D. Administration Charge

156. It is proposed that the Monitor, its counsel, and the Applicants' counsel be granted a court-ordered charge on the assets of the Applicants (the "**Administration Charge**") up to an initial maximum of \$250,000 in order to secure the payment of fees and expenses of the restructuring professionals involved in this proceeding.

157. The restructuring of the Applicants will require involvement of the Monitor and legal counsel to the Monitor and Applicants. I believe that the initial quantum of the Administration Charge is fair and reasonable in the circumstances. It is commensurate with the expected complexity of Springer's business and anticipated restructuring.

158. The Applicants have incurred significant professional fees leading up to the filing, including in dealing with Desjardins, and will continue to incur fees to among other things communicate with employees and stakeholders following the initial filing, and comply with statutory notices, mailings and communications.

159. There is no unwarranted duplication of roles. The professionals whose compensation is secured by the Administration Charge have contributed, and will continue to contribute, to the

restructuring of the Applicants. Accordingly, I believe the quantum of the Administration Charge sought is reasonably necessary at this time to secure the professional fees of the professionals group.

E. DIP Lender's Charge

160. As more fully appears from the Cash Flow, the Applicants are expected to require an injection of as much as \$431,000 by way of interim financing over the 13-week period following the making of the Initial Order sought to meet their normal course of business, post-filing obligations as they generally become due. Of such amount, approximately \$600,000 is forecast to be required as early as the week of November 26, 2022.

161. A condition of the DIP Loan is that a charge be granted in favour of the DIP Lender over the assets, property and undertaking of the Applicants, in priority to all other charges and Encumbrances (the "**DIP Lender's Charge**").

162. The DIP Lender's Charge sought is necessary, reasonable, and limited to relief that is reasonably necessary for the continued operations of the Applicants in the ordinary course of business during the initial 10-day period leading to the Comeback Hearing.

F. Directors' Charge

163. The proposed Initial Order contemplates the indemnification of the Applicants' directors and officers and a charge (the "**Directors' Charge**"), to the maximum amount of \$165,000, to protect such individuals from obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except for gross negligence or wilful misconduct.

164. The initial quantum of the Directors' Charge sought is equivalent to approximately two weeks of the Applicants' payroll, including source deductions, which is the only reasonably anticipated potential exposure of directors and officers for the initial 10-day period of these CCAA proceedings. This estimate does not include any other potential sources of liability as a result of legislation in relation to the Applicants or their assets and operations, including goods and services tax, sales taxes, health and safety, environmental, customs and other matters, for which the Applicants anticipate no potential director and officers' liability during the initial 10-day period.

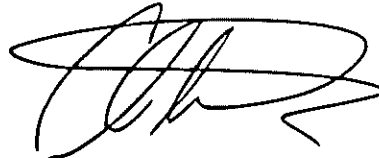
165. The Applicants have no director and officer liability insurance. I believe that obtaining the same after an insolvency filing would likely be prohibitively difficult and expensive, if at all possible. The Initial Order sought nevertheless provides that the Applicants' directors and officers will only be entitled to the benefit of the Directors' Charge to the extent that insurance is not responsive to a claim or is insufficient to pay the amounts indemnified.

166. With the high turnover of key management and the highly specialized business that Springer operates, it is imperative to ensure that the directors of the company, being Daniel Springer and me, are able to remain involved. I believe that a Directors' Charge that is subordinate to Desjardins' security will be sufficient to reasonably protect the directors and officers and allow us to remain involved in the restructuring to work toward maximizing value for all stakeholders.

SWORN REMOTELY by)
 CHRISTOPHER GRANT stated as)
 being located in the City of Greater)
 Sudbury in the Province of Ontario before)
 me at the City of Toronto, in the Province)
 of Ontario this 22nd day of)
 November, 2022, in accordance with O.)
 Reg 431/20, *Administering Oath or*)
Declaration Remotely.)
)
)
)



A Commissioner for taking Affidavits.
 Name: **JOEL TURGEON**



CHRISTOPHER GRANT

This is **EXHIBIT “B”** referred to in the affidavit of CHRISTOPHER GRANT sworn remotely by Christopher Grant stated as being located in the City of Greater Sudbury in the Province of Ontario before me at the City of Toronto, in the Province of Ontario this 6th day of April, 2023, in accordance with *O. Reg 431/20, Administering Oath or Declaration Remotely*.



A COMMISSIONER FOR TAKING AFFIDAVITS
Name: Joel Turgeon
LSO #80984R



Court File No. CV-22-00690657-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) WEDNESDAY, THE 23RD
)
JUSTICE PENNY) DAY OF NOVEMBER, 2022
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC. (together,
the "**Applicants**")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Christopher Grant sworn November 21, 2022 and the Exhibits thereto, and the pre-filing report of MNP Ltd. ("**MNP**") as proposed monitor, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for MNP as proposed monitor, counsel for Hillmount Capital Inc., and counsel for Caisse Desjardins Ontario Credit Union Inc. ("**Desjardins**"), no one appearing for any other person although duly served as appears from the affidavit of service of Joël Turgeon sworn November 22, 2022, and on reading the consent of MNP to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Affidavit of Christopher Grant sworn November 22, 2022 or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank or credit union providing the Cash Management System shall not be under any obligation

whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- a. all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- b. the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and
- c. with the consent of the Monitor, amounts owing for goods or services actually supplied to the Applicants prior to the date of this Order, if in the opinion of the Applicants, such payment is necessary or desirable to avoid disruption to the operations of the Business during these proceedings.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- a. all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

- b. payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- a. any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- b. all goods and services or other applicable sales taxes and all federal excise taxes and duties (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- c. any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of

such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- a. terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- b. pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in

accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including December 2, 2022 at 11:59 pm, or such later date as this Court may 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 Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. 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 Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations,

actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (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 RIGHTS

16. 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 Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all insurance, computer software, communication and other data services, centralized banking services, security services, payroll services, insurance, transportation services, utility or other services to the Business or any of the Applicants, 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 any of the Applicants, and that each of the Applicants shall be entitled to the continued use of their current premises, 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 Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$165,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 41 herein.

22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. THIS COURT ORDERS that MNP is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- a. monitor the Applicants' receipts and disbursements;
- b. report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- c. assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender (term defined below) and its counsel on a timely basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- d. advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, as agreed to by the DIP Lender;
- e. advise the Applicants in their development of the Plan and any amendments to the Plan;

- f. assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- g. have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- h. be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- i. perform such other duties as are required by this Order or by this Court from time to time.

25. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. THIS COURT ORDERS that nothing herein contained shall require the Monitor 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 Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

27. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, whether incurred prior to, on or after the date of this Order, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis.

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

31. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$80,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of

this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

DIP FINANCING

32. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Hillmount Capital Inc. (the “**DIP Lender**”) in order to finance the Applicants’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$600,000 unless permitted by further Order of this Court.

33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of November 22, 2022 (the “**Commitment Letter**”), filed.

34. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, including without limitation, the real property described in Schedule “A” hereto (the “**Real Property**”), which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 38 and 40 hereof.

36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- a. the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- b. upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 10 days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- c. the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$80,000);

Second – DIP Lender’s Charge (to the maximum amount of \$600,000); and

Third – Directors’ Charge (to the maximum amount of \$165,000).

39. THIS COURT ORDERS that the filing, registration or perfection of the Directors’ Charge, the Administration Charge or the DIP Lender’s Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. THIS COURT ORDERS that each of the Administration Charge and the DIP Lender’s Charge (as constituted and defined herein) shall constitute a charge on the Property and that the Administration Charge and the DIP Lender’s Charge shall rank in priority to all other security interests, trusts (including deemed and constructive trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any Person.

41. THIS COURT ORDERS that the Directors’ Charge shall constitute a charge on the Property and such Directors’ Charge shall rank in priority to all other Encumbrances in favour of any Person save and except any Encumbrance in favour of Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) and any Encumbrance ranking in priority to any such Desjardins Encumbrance, including for avoidance of doubt the Administration Charge and the DIP Lender’s Charge.

42. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors’ Charge, the Administration Charge or the DIP Lender’s Charge, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender, the beneficiaries of the Directors’ Charge and the Administration Charge, and Desjardins, or further Order of this Court.

43. THIS COURT ORDERS that the Directors’ Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender’s Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the

benefit of the Charges (collectively, the “**Chargees**”) and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- a. neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- b. none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- c. the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants’ interest in such real property leases.

SEALING

45. THIS COURT ORDERS that the Confidential Affidavit of Christopher Grant sworn November 22, 2022, and the Exhibits “A”, “B” and “C” thereto, be and hereby are sealed

pending the earlier of a court order approving a plan of compromise or arrangement with respect to the Applicants under the CCAA, or further court order.

SERVICE AND NOTICE

46. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the National Post a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

47. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: [<https://mnpdebt.ca/en/corporate/corporate-engagements/springeraerospace>] (the “**Monitor’s Website**”).

48. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

49. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or

distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. THIS COURT ORDERS that the Applicants, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and Orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

51. THIS COURT ORDERS that upon the registration in the Land Titles Division of the Real Property of the DIP Lender's Charge in the form prescribed in the Land Titles Act or the Registration Reform Act, or both, as applicable, the Land Registrar is hereby directed to register the DIP Lender's Charge on title of the Real Property.

52. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

53. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

54. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies

are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. THIS COURT ORDERS that each of the Applicants and the Monitor 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 Monitor 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.

56. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order at the comeback motion scheduled for December 2, 2022, at 11 am, on not less than seven (7) calendar days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for entry and filing.



Schedule "A"
Real Property: Legal Description

	PIN	Legal Description
1.	31470-0098 (LT)	LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466; LAIRD; SUBJECT TO AN EASEMENT OVER LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466 IN FAVOUR OF OF LT 17 RCP H759 AS IN AL195932
2.	31470-0096 (LT)	LT 15 RCP H759; LAIRD
3.	31470-0099 (LT)	LT 17 RCP H759; LAIRD; TOGETHER WITH AN EASEMENT OVER BLK 12 PL 1M498, EXCEPT PT 1 1R7890 AS IN AL195932; TOGETHER WITH AN EASEMENT OVER LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466 AS IN AL195932

**IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE
HOLDINGS LIMITED AND 1138969 ONTARIO INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**
Proceedings commenced at Toronto

**COMPANIES' CREDITORS ARRANGEMENT ACT
INITIAL ORDER**

RECONSTRUCT LLP
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200 Bay Street, Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

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Lawyers for the Applicants

This is **EXHIBIT "C"** referred to in the affidavit of CHRISTOPHER GRANT sworn remotely by Christopher Grant stated as being located in the City of Greater Sudbury in the Province of Ontario before me at the City of Toronto, in the Province of Ontario this 6th day of April, 2023, in accordance with *O. Reg 431/20, Administering Oath or Declaration Remotely*.



A COMMISSIONER FOR TAKING AFFIDAVITS
Name: Joel Turgeon
LSO #80984R

Court File No. CV-22-00690657-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	WEDNESDAY, THE 22 nd
)	
MR. JUSTICE PENNY)	DAY OF DECEMBER, 2022

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC. (together,
the "**Applicants**")

SALE PROCESS ORDER

THIS MOTION, made by the Applicants, for an Order approving a sale and investment solicitation process was heard this day via videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Patrick Walsh sworn December 18, 2022 and the Exhibits thereto, and the Second Report of MNP Ltd. as the Monitor appointed pursuant to the *Companies' Creditors Arrangement Act* (in such capacity, the "**Monitor**") dated December 19, 2022, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Hillmount Capital Inc., and counsel for Caisse Desjardins Ontario Credit Union Inc., no one appearing for any other person although duly served as appears from the Affidavits of Service sworn December 20, 2022, filed:

SERVICE

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

APPROVAL OF THE SALE AND INVESTMENT SOLICITATION PROCESS

2. **THIS COURT ORDERS** that the Applicants are authorized to immediately commence the Sale and Investment Solicitation Process attached hereto as **Schedule “A”** (the “**SISP**”) for the purpose of soliciting interest in and opportunities for a sale, restructuring or recapitalization of the assets and business operations of the Applicants.

3. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with this Order) is hereby approved and the Applicants, the Monitor and the Chief Restructuring Officer (the “**CRO**”), and their respective affiliates, partners, employees, advisors and agents (collectively, “**Assistants**”) are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and this Order.

4. **THIS COURT ORDERS** that each of the Monitor, the CRO, the Applicants, and their respective Assistants shall have no liability with respect to any and all losses, claims, damages or liability, of any nature or kind, to any person in connection with or as a result of performing their duties under the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor, the CRO or the Applicants, as applicable, as determined by this Court.

5. **THIS COURT ORDERS** that the Monitor or the Applicants may apply to this Court for directions with respect to the SISP at any time during the term thereof.

6. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Monitor and the Applicants are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the SISP in these proceedings.

PROTECTION OF PERSONAL INFORMATION

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Monitor and the Applicants are authorized and permitted to disclose personal information of identifiable individuals (“**Personal**

Information”) to prospective bidders or offerors and to their advisors, including human resources and payroll information, records pertaining to the Applicants’ past and current employees, and information on specific customers, but only to the extent desired or required to negotiate or attempt to complete a transaction under the SISP. Each prospective bidder or offeror to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each prospective bidder or offeror to whom any Personal Information is disclosed shall also limit the use of such Personal Information to its participation in the SISP.

APPROVAL OF MONITOR’S REPORTS

8. **THIS COURT ORDERS** that the Pre-Filing Report of the then-Proposed Monitor dated November 22, 2022 and the First Report of the Monitor dated December 1, 2022, and the actions, conduct and activities of the Monitor as set out therein, be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without any need for entry and filing.



Schedule "A"

SALE AND INVESTMENT SOLICITATION PROCESS

For the sale of the business and/or assets of Springer Aerospace Holdings Limited and 1138969 Ontario Inc. (together, the “Company”)

Introduction

1. On November 23, 2022, the Company obtained an initial order under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), which was amended and restated pursuant to an Amended and Restated Initial Order on December 2, 2022 (the “**Initial Order**”). The Initial Order, among other things, appointed MNP Ltd. as monitor of the Company (the “**Monitor**”) and approved the engagement of Cedar Croft Consulting Inc. as chief restructuring officer to the Company (the “**CRO**”).
2. In accordance with the Initial Order, the Company was authorized to pursue all avenues of refinancing, restructuring, sale and reorganization of its business or property, in whole or in part, subject to prior approval of the Court. In this regard, the Company is commencing this Sale and Investment Solicitation Process (the “**SISP**”). This document outlines the SISP (“**SISP Outline**”).

Opportunity

3. The SISP is intended to solicit interest in and opportunities for a restructuring, recapitalization, sale, or refinancing of the Company’s assets and business operations (the “**Opportunity**”). The Opportunity may include one or more of a restructuring, recapitalization, sale or other form of reorganization of the Company’s assets (the “**Assets**”) and business operations (the “**Business**”) including the Company’s facilities located at the addresses municipally described as 377 Lakeview Road, 201 Riverside Drive, and 421 Lakeview Road, Echo Bay, Ontario.
4. Any transaction executed pursuant to this SISP will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description by the Monitor, the Company, the CRO, or any of their respective directors, officers, agents, advisors, or other representatives unless otherwise agreed in a definitive agreement.
5. All of the Company’s rights, title, and interest in and to any of their Business/Assets pursuant to any transaction(s) contemplated herein will be implemented free and clear of all liens, security interests, mortgages, charges, and other encumbrances, except those expressly assumed by the purchaser, pursuant to a Court order approving such transaction.

Timeline

6. The following table sets out the key milestones and deadlines under the SISP, which milestones and deadlines may be extended or amended by the Company, with the prior written approval of the Monitor, by up to a maximum of two weeks without Court approval:

<u>Milestone</u>	<u>Deadline</u>
Finalization of SISP Marketing Materials	January 10, 2023
Phase I Bid Deadline	February 3, 2023
Phase II Bid Deadline	March 7, 2023
Selection of Successful Bid	March 13, 2023
Court Approval of Successful Bid	Week of March 27, 2023
Closing of Successful Bid (the “ Closing Date Deadline ”)	As soon as possible and no later than April 3, 2023

Any extensions or amendments shall be communicated to all bidders in writing and posted on the Monitor’s Website at: <<https://mnpdebt.ca/en/corporate/corporate-engagements/springeraerospace>>.

SOLICITATION OF INTEREST: NOTICE OF SISP

7. By or no later than **January 10, 2023**, the Company, in consultation with the Monitor, shall:
 - (a) prepare a list of potential bidders who may be interested in purchasing all or part of the Business and Assets or investing in the Company pursuant to the SISP (“**Known Interested Parties**”);
 - (b) cause a notice of the SISP (and such other relevant information that the Company, in consultation with the Monitor, considers appropriate) (the “**Notice**”) to be published in any industry journal that the Company considers appropriate if it believes that such advertisement would be useful in the circumstances;
 - (c) issue a press release setting out the information contained in the Notice and such other relevant information that the Company considers appropriate with Canada Newswire designating dissemination in Canada and major financial centres in the United States;
 - (d) prepare an initial summary (“**Teaser Letter**”) describing the Opportunity and inviting recipients to express their interest pursuant to the SISP; and
 - (e) prepare a form of non-disclosure agreement (“**NDA**”).
8. The Monitor will send the Teaser Letter and the form of NDA to all applicable Known Interested Parties by no later than **January 11, 2023** and to any other party who requests a copy of the Teaser Letter and NDA (“**Additional Interested Parties**”), or who is later identified by the Company or the Monitor as a Known Interested Party, as soon as reasonably practicable after such request or identification, as applicable.

9. The Monitor will have responsibility for managing all communication with Known Interested Parties or Additional Interested Parties. This shall include facilitating the delivery of all communications, providing the Teaser Letter, coordinating the execution of NDAs, and managing the process of answering enquiries.

PHASE I: NON-BINDING LETTERS OF INTENT

Potential Bidders and Due Diligence Materials

10. During Phase I of the SISP, the Company, in consultation with the Monitor, will solicit non-binding letters of intent from Known Interested Parties and Additional Interested Parties to acquire all or part of the Business or Assets of the Company or to invest or refinance the Company pursuant to the SISP.
11. Any Known Interested Parties or Additional Interested Parties who wish to participate in the SISP must provide to the Monitor:
 - (a) an NDA executed by it;
 - (b) a letter setting forth the identity of the party, the contact information for such party, full disclosure of the direct and indirect principals of the party, and an acknowledgement of the SISP terms provided for in this SISP Outline; and
 - (c) in consultation with the Company, such form of financial disclosure that allows the Monitor to make a reasonable determination as to the party's financial and other capabilities to complete a transaction.
12. If an Interested Party has: (i) delivered an executed NDA and letter referred to in paragraphs 11(a) and 11(b) above; and (ii) provided the Monitor with satisfactory evidence of its capability, based on the availability of financing, its experience, and other considerations, to be able to complete a transaction pursuant to the SISP, then such party will be determined by the Monitor to be a "**Potential Bidder**".
13. The Monitor will provide each Potential Bidder with a copy of a confidential information memorandum (the "**CIM**") and access to a virtual data room (the "**VDR**") to provide additional information considered relevant to the Opportunity.
14. The Monitor shall afford each Potential Bidder access to applicable due diligence materials and information pertaining to the Business and Assets of the Company as the Company, in consultation with the Monitor, deems appropriate in its reasonable business judgment. The Monitor will designate one or more representatives to coordinate all reasonable requests for additional information and due diligence access from each Potential Bidder and the manner in which such requests must be communicated.
15. The Monitor or the Company shall not be obligated to provide any information relating to the Business or the Assets to any person other than to Potential Bidders. For greater certainty, selected due diligence materials may be withheld from certain Potential Bidders during Phase I of the SISP, if the Company (with the consent of the Monitor) determines such information to represent proprietary or sensitive competitive information related to

the Business and/or the Assets of the Company that should not be provided to a Potential Bidder.

16. Potential Bidders must rely solely on their own independent review, investigation, and/or inspection of all information and of the Business and/or Assets in connection with their participation in the SISP and any transaction they enter into with the Company. The Company, the Monitor, the CRO, and their respective directors, officers, agents and advisors make no representation or warranty whatsoever as to the information (including, without limitation, with respect to its accuracy or completeness): (i) contained in the CIM; (ii) provided through the due diligence process or otherwise made available pursuant to the SISP; or (iii) otherwise made available to a Potential Bidder except to the extent contemplated in any definitive documentation duly executed and delivered by the Successful Bidder (as defined below) and the Company and approved by the Court.
17. At any time during the SISP, the Company may, in its reasonable business judgment and with the approval of the Monitor, eliminate a Potential Bidder from the SISP, in which case such party will no longer be a Potential Bidder for the purposes of the SISP.

Phase I Bid Deadline

18. A Potential Bidder that wishes to make an offer pursuant to the SISP must email a non-binding letter of intent (a “**Phase I Bid**”) to the Monitor so as to be received by the Monitor not later than 5:00 PM (Eastern Time) on February 3, 2023 (the “**Phase I Bid Deadline**”), with a copy to each of the persons specified in Schedule “A” hereto.

Qualified Phase I Bids

19. A Phase I Bid will be considered a qualified bid only if (collectively, the “**Phase I Bid Criteria**”):
 - (a) it is submitted on or before the Phase I Bid Deadline in accordance with paragraph 18 herein;
 - (b) it contains an indication of whether the Phase I Bid is offering to:
 - (i) acquire all, substantially all or a portion of the Assets or Business (a “**Sale Proposal**”); or
 - (ii) make an investment in, restructure, reorganize or refinance the Company (an “**Investment Proposal**”);
 - (c) in the case of a Sale Proposal or an Investment Proposal, it identifies:
 - (i) the identity of the bidder and full disclosure of any entities and/or individuals that control the bidder, and/or the beneficial owner (if any) with the power, directly or indirectly, to direct the management and policies of the bidder;

- (ii) a specific indication and preliminary evidence of the sources of capital/financing for the transaction, the availability of such financing, steps necessary and timing to obtain such financing, and any related contingencies and financial information that would allow the Monitor to make a reasonable determination as to the bidder's financial capabilities to complete the transaction;
 - (iii) a detailed description of the bidder's experience and expertise in the aerospace industry (if any);
 - (iv) the specific due diligence the bidder will conduct during Phase II, if any;
 - (v) a description of all conditions and approvals required for a final and binding offer, including any anticipated corporate, security holder or other internal approvals, and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vi) a description of all conditions the Potential Bidder expects to include in its final and binding offer, including without limitation, any regulatory approvals and any form of agreement required from a government body, stakeholder, or other third party and an outline of the principal terms thereof;
 - (vii) a statement that the bidder expects to be able to complete a transaction pursuant to the SISP on or before the Closing Date Deadline (as defined herein);
 - (viii) any other terms or conditions that are material to the transaction; and
 - (ix) such other information as reasonably requested by the Monitor or Company.
- (d) in the case of a Sale Proposal, it is accompanied by a letter setting forth:
- (i) the purchase price (the "**Purchase Price**") in Canadian dollars, including details of any and all liabilities to be assumed by the bidder;
 - (ii) a description of the Assets or Business that are expected to be the subject of the transaction and any of the Assets that are expected to be excluded;
 - (iii) specific statements concerning the intended treatment of employees, suppliers, and customers;
 - (iv) the key terms and provisions to be included in any order of the Court approving the contemplated Sale Proposal; and
 - (v) an acknowledgement that any Sale Proposal is made on an "as-is, where-is" basis.

- (e) in the case of an Investment Proposal, it is accompanied by a letter setting forth:
 - (i) the aggregate amount of the equity and/or debt investment (the “**Investment Amount**”) to be made in the Company in Canadian dollars;
 - (ii) a description of how the bidder proposes to structure the proposed investment(s);
 - (iii) key assumptions supporting the valuation;
 - (iv) the key terms and provisions to be included in any order of the Court approving the contemplated Investment Proposal;
 - (v) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment); and
 - (vi) an acknowledgement that any Investment Proposal is made on an “as-is, where-is” basis.

Assessment of Phase I Bids

- 20. Promptly after the Phase I Bid Deadline, the Company, in consultation with the Monitor:
 - (a) will review and assess the Phase I Bids to determine whether they are qualified (such qualified bids being the “**Qualified Phase I Bids**” and the bidder thereof, a “**Qualified Phase I Bidder**”); and
 - (b) may request clarification of the terms of the Phase I Bids.
- 21. The Company, with the approval of the Monitor, may waive compliance with any one or more of the Phase I Bid Criteria and deem a non-compliant bid to have met the Phase I Bid Criteria.
- 22. In assessing whether the Phase I Bids received are Qualified Phase I Bids, the Company, in consultation with the Monitor, will consider, among other things, the following:
 - (a) whether the bid meets the Phase I Bid Criteria;
 - (b) the form and amount of consideration being offered, including any Purchase Price/Investment Amount adjustments and/or any non-cash consideration;
 - (c) the demonstrated financial capability of the bidder to complete the proposed transaction;
 - (d) the bidder’s proposed conditions to the closing of the proposed transaction; and

- (e) the estimated time required to complete the proposed transaction and whether, in the Monitor's reasonable business judgment, the transaction is reasonably likely to close on or before the Closing Date Deadline.
23. If the Company, with the consent of the Monitor, determines that one or more Qualified Phase I Bids were received and is satisfied with the number/content of the Qualified Phase I Bids, then the SISP shall proceed to Phase II.
24. If the Company, with the consent of the Monitor, determines that it is not satisfied with the number/content of the Qualified Phase I Bids received, the Company may seek Court approval of an amendment to the SISP on notice to the service list in these proceedings.

PHASE II – FORMAL OFFERS AND SUCCESSFUL BIDDERS

25. Following the Phase I Bid Deadline, the Company, with the consent of the Monitor, shall determine the process to be followed in Phase II of the SISP, based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified Phase I Bids, (ii) the extent to which the Qualified Phase I Bids relate to the same property, (iii) the scope of the Assets or Business to which the Qualified Phase I Bids relate, and (iv) whether to proceed by way of an auction or sealed bids with respect to some or all of the Assets or Business.
26. Upon the determination by the Company, with the consent of the Monitor, of the manner in which to proceed in Phase II of the SISP, the Monitor will prepare a bid process letter for Phase II (the "**Bid Process Letter**") that will be (i) sent by the Monitor to all Qualified Phase I Bidders, and (ii) posted by the Monitor on the Monitor's website.
27. Notwithstanding paragraphs 23, 25 and 26, at any time following the Phase I Bid Deadline, the Company, with the consent of the Monitor and in consultation with Caisse Desjardins Ontario Credit Union Inc., may determine, in its reasonable business judgment, that Phase II is not required and proceed to execute definitive documentation with respect to a transaction contemplated in a Qualified Phase I Bid submitted before the Phase I Bid Deadline.
28. Paragraphs 29 to 43 below and the procedure of Phase II are subject to paragraphs 23, 25, 26 and 27, any adjustments made to Phase II in accordance with the Bid Process Letter, and any further order of the Court regarding the SISP provided that the milestones and deadlines set out herein shall not be extended except in accordance with the terms of paragraphs 6 and 40 of this SISP Process.

Due Diligence

29. During Phase II of the SISP, each Qualified Phase I Bidder will be granted further access to such due diligence materials and information as the Company, in its reasonable business judgment and in consultation with the Monitor, determines is appropriate and available. Due diligence access may include management presentations, access to further data, on-site inspections, and other matters which a Qualified Phase I Bidder may reasonably request and which the Company deems appropriate. The Company shall not be obligated to provide

any information relating to the Business or the Assets to any person other than to Qualified Phase I Bidders.

30. For greater certainty, selected due diligence materials may be withheld from certain Qualified Phase I Bidders during Phase II of the SISP, if the Company (with the consent of the Monitor) determines such information to represent proprietary or sensitive competitive information related to the Business and/or the Assets of the Company that should not be provided to a Qualified Phase I Bidder.

Phase II Bid Deadline and Phase II Bid Criteria

31. Subject to any adjustments made to Phase II set out in the Bid Process Letter and any further Court order regarding the SISP, the conduct of Phase II shall proceed as set out herein.
32. Qualified Phase I Bidders that wish to make a formal binding Offer pursuant to the SISP (a “**Phase II Bid**”) must submit such offer by email so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on **March 7, 2023** (the “**Phase II Bid Deadline**”), with a copy to each of the persons specified in Schedule “A” hereto. A party that submits a Phase II Bid prior to the Phase II Bid Deadline is considered a “**Phase II Bidder**”.
33. In order to be considered a “**Qualified Phase II Bid**”, a Phase II Bid shall (collectively, the “**Phase II Bid Criteria**”):
 - (a) comply with each of the requirements set forth in respect of Qualified Phase I Bids;
 - (b) include a duly authorized and executed, definitive transaction agreement, containing the detailed terms and conditions of the proposed transaction, including the Business or the Assets proposed to be acquired, the obligations and liabilities to be assumed/excluded, the detailed structure of the transaction, the Purchase Price or Investment Amount, and any other key economic terms expressed in Canadian dollars, together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements), and the proposed form of order(s) for the Court to consider in the motion to approve the transaction;
 - (c) be binding and irrevocable until the selection of the Selected Bidder (as defined below), provided that if the Phase II Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the transaction with the Successful Bidder, and (ii) 120 days from the Transaction Approval Hearing (as defined below), subject to further extensions as may be agreed to under the applicable transaction agreement(s);
 - (d) include a commitment to provide a non-refundable deposit in the form of a wire transfer to an account to be specified by the Monitor in the amount of not less than ten percent (10%) of the Transaction Amount upon the Qualified Phase II Bidder being selected as the Successful Bidder;

- (e) provide contact information (including an email address) for the bidder and disclose the identity of each entity (including its ultimate shareholders and/or sponsors) that is bidding for the Business and/or Assets or otherwise participating in the Phase II Bid and the complete terms of any such participation;
- (f) include written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to complete the proposed transaction(s) comprising the Phase II Bid, so as to allow the Monitor to determine the bidder's financial and other capabilities to complete the proposed transaction;
- (g) include acknowledgments and representations of the bidder that: (i) it has had an opportunity to conduct any and all due diligence deemed necessary or desirable by the bidder regarding the Business and/or Assets, the Company, or otherwise, prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Business and/or Assets (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory, or otherwise, regarding the Business and/or Assets of the Company or the completeness of any information provided in connection therewith, except as expressly contemplated in any definitive documentation duly executed by the Successful Bidder and the Company and approved by the Court;
- (h) include written evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the bidder's board of directors (or applicable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Phase II Bid;
- (i) specify that the transaction is not subject to further due diligence;
- (j) include a description of any regulatory or other third-party approvals required to complete the proposed transaction, and the time within which the bidder expects to receive such regulatory and/or third-party approvals, and those actions the bidder will take to ensure receipt of such approvals as promptly as possible;
- (k) include a description of any desired arrangements with respect to transition services that may be required from the Company in connection with the transaction, including funding for same;
- (l) not be subject to any conditions precedent except those that are customary in a transaction of that nature;
- (m) not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
- (n) be received by the Phase II Bid Deadline; and
- (o) contemplate closing the transaction set out therein on or before the Closing Date Deadline.

Review of Phase II Bids

34. Following the Phase II Bid Deadline, the Company (with the approval of the Monitor) will determine if each Phase II Bid delivered to the Monitor meets the Phase II Bid Criteria.
35. The Company, in consultation with the Monitor, may negotiate amended, modified, or varied terms with a Phase II Bidder, provided however that the Company is under no obligation to negotiate identical terms with, or extend identical terms to, each Phase II Bidder.
36. If a Phase II Bid meets the Phase II Bid Criteria, such Phase II Bid will be deemed to be a **“Qualified Phase II Bid”** and the bidder in respect of each such Qualified Phase II Bid shall be a **“Qualified Phase II Bidder”** in respect of the SISP.
37. The Company, with the approval of the Monitor, may waive compliance with any one or more of the Phase II Bid Criteria and deem a non-compliant bid to be a Qualified Phase II Bid.
38. The Company, in consultation with the Monitor, may aggregate separate bids from unaffiliated Qualified Phase II Bidders to create one **“Qualified Phase II Bid.”**
39. The Monitor shall notify each Qualified Phase II Bidder in writing that its bid constitutes a Qualified Phase II Bid within ten (10) business days of the expiration of the Phase II Bid Deadline or as such later time as the Monitor, in consultation with the Company, deems appropriate.
40. If no Qualified Phase II Bid is received by the Phase II Bid Deadline, then the Monitor may extend the Phase II Bid Deadline for up to two weeks, the Company may terminate the SISP, or the Company may seek Court approval of an amendment to the SISP.
41. If the Monitor, in consultation with the Company, is not satisfied with the number or terms of the Qualified Phase II Bids, the Company may seek Court approval of an amendment to the SISP.

Selection of Successful Bidders

42. The Company, in consultation with the Monitor, will review and evaluate each Qualified Phase II Bid based upon several factors, including, without limitation, the transaction price and net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the identity and circumstances of the Qualified Phase II Bidder, the ability of the Qualified Phase II Bidder to successfully complete such transaction, the proposed transaction documents, the effects of the bid on the stakeholders of the Company, factors affecting the speed and certainty of the transaction (including any approval or third party agreements), the assets included in and excluded from the bid, any related restructuring costs, and the likelihood and timing of closing the transaction.
43. After reviewing and evaluating the Qualified Phase II Bids in accordance with paragraph 42 above, the Company, with the approval of the Monitor, will identify the

highest or otherwise best bid (the “**Successful Bid**”) for any Assets or the Business in whole or part. The determination of any Successful Bid is subject to approval by the Court.

44. The Company shall have no obligation to select a Successful Bid, and it reserves the right, after consultation with the Monitor and Caisse Desjardins Ontario Credit Union Inc., to reject any or all Qualified Phase II Bids.

Transaction Approval Motion Hearing

45. At the hearing of the motion to approve any transaction with a Successful Bidder (the “**Transaction Approval Hearing**”), the Company shall seek, among other things, approval from the Court to complete any Successful Bid. All the Qualified Phase II Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Company on and as of the date of approval of the Successful Bid by the Court, and not prior.

Closing the Successful Bid

46. The Company and the Successful Bidder(s) shall take all reasonable steps to complete the transactions(s) contemplated by the Successful Bidder(s) as soon as possible after the Successful Bid(s) are approved by the Court (the “**Closing**”).

Confidentiality and Access to Information

47. No Known Interested Party, Additional Interested Party, Potential Bidder, Qualified Phase I Bidder, and Qualified Phase II Bidder shall be permitted to receive any confidential or competitive information that is not made generally available to all participants in the SISP.
48. No Known Interested Party, Additional Interested Party, Potential Bidder, Qualified Phase I Bidder, and Qualified Phase II Bidder shall be permitted to receive the details of any bids or Phase I/Phase II Bids submitted or the details or existence of any confidential discussions or correspondence among the Company, the Monitor, the CRO and any bidder in connection with the SISP, except to the extent the Company is seeking to aggregate separate bids from Qualified Phase II Bidders as described in paragraph 38 above.
49. The Company and the Monitor will consult with Hillmount Capital Inc., Caisse Desjardins Ontario Credit Union Inc., Community Development Corporation of Sault Ste. Marie & Area, the East Algoma Community Futures Development Corporation, the Nickel Basin Federal Development Corporation, and Northern Ontario Heritage Fund Corp., and may consult with any other parties with a material interest in the CCAA proceeding, regarding the status and developments relating to the SISP to the extent considered appropriate by the Monitor (subject to paragraph 47), provided that such parties shall enter into confidentiality arrangements satisfactory to the Company and the Monitor.
50. If it is determined by the Company, in consultation with the Monitor, that it would be worthwhile to facilitate a discussion between a Qualified Phase I Bidder or Qualified Phase II Bidder (as applicable, depending on the stage of the SISP) and a stakeholder or other third party as a consequence of a condition to closing or potential closing condition identified by such bidder, the Company, with the consent of the Monitor, may provide such bidder with the opportunity to meet with the relevant stakeholder or third party to discuss

such condition or potential condition, with a view to enabling such bidder to seek to satisfy the condition or assess whether the condition is not required or can be waived. Any such meetings or other form of communications will take place on terms and conditions considered appropriate by the Company, in consultation with the Monitor. The Monitor must be provided with the opportunity to be present at all such communications or meetings.

Supervision of the SISP

51. Subject to any consultation rights and other similar rights provided for herein, the Monitor will conduct the SISP in the manner set out herein. All discussions or enquiries to the Company regarding the SISP shall be directed to the Monitor. Under no circumstances should a representative of the Company be contacted directly or indirectly in respect of the SISP, including diligence requests, without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion from the SISP, in the Monitor's sole discretion.
52. The Company and its principals, employees and professional advisors shall cooperate fully with the Monitor and provide documents and information requested as part of the SISP to the Monitor in a prompt fashion.
53. Other than as specifically set forth in a definitive agreement between the Company and a Successful Bidder, the SISP does not, and will not be interpreted to, create any contractual or other legal relationship among the Company, the Monitor, and any Known Interested Party, Additional Interested Party, Qualified Phase I Bidder, Qualified Phase II Bidder, the Successful Bidder, or any other party.
54. None of the Company, the CRO or the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the completion of any of the transactions completed under the SISP. Any such claim shall be the sole liability of the bidder who completes a transaction under the SISP pursuant to which the claim is being made.
55. The Monitor (with the consent of the Company) may make any modification to the SISP that it considers appropriate in the circumstances and, where it considers such modification to be material, it will seek Court approval of such modification on notice to the service list in the CCAA proceeding. For greater certainty, any modifications that the Company makes to the SISP pursuant to, without limitation, paragraphs 6, 21, 27 and 37 above will not be considered "material".

General

56. If a Successful Bidder(s) breaches its obligations under the terms of the SISP, its deposit shall be forfeited as liquidated damages and not as a penalty.
57. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with their participation in the SISP, including submission of any letter of intent or bid, due diligence activities, competition of a Successful Bid, preparation for

and attendance at the Transaction Approval Hearing and any negotiations or actions whether or not they lead to the consummation of a transaction.

58. All bidders (including Qualified Phase I Bidders and Qualified Phase II Bidders) shall be deemed to have consented to the exclusive jurisdiction of the Courts of the Province of Ontario and waived any right to a jury trial in connection with any disputes relating to the SISP, including the qualification of bids, the construction and enforcement of the SISP, and Closing, as applicable.
59. For greater certainty, any approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approval required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

SCHEDULE "A"

	Contact	Contact Information
1.	<p>MNP LTD. 111 Richmond Street West Suite 300 Toronto, ON M5H 2G4</p> <p>The Monitor</p>	<p>Sheldon Title Sheldon.title@mnp.ca</p> <p>Matthew Lem Matthew.Lem@mnp.ca</p>
2.	<p>AIRD & BERLIS LLP Brookfield Place 181 Bay St., Suite 1800 Toronto, ON M5J 2T9</p> <p>Lawyers for the Monitor</p>	<p>Ian Aversa iaversa@airdberlis.com</p> <p>Miranda Spence mspence@airdberlis.com</p> <p>Matilda Lici mlici@airdberlis.com</p>
3.	<p>RECONSTRUCT LLP Royal Bank Plaza, South Tower 200 Bay Street Suite 2305, P.O. Box 120 Toronto, ON M5J 2J3</p> <p>Lawyers for the Company</p>	<p>Sharon Kour skour@reconllp.com</p> <p>Caitlin Fell cfell@reconllp.com</p>
4.	<p>COZEN O'CONNOR Bay Adelaide Centre – West Tower 333 Bay Street, Suite 1100 Toronto, ON M5H 2R2</p> <p>Lawyers for the Chief Restructuring Officer, Cedar Croft Consulting</p>	<p>Steven Weisz sweisz@cozen.com</p>

IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE
HOLDINGS LIMITED AND 1138969 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

COMPANIES' CREDITORS ARRANGEMENT ACT
SALE PROCESS ORDER

RECONSTRUCT LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

Sharon Kour (LSO #58328D)
Tel: 416.613.8283
Email: skour@reconllp.com

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Tel: 416.613.8282
Email: cfell@reconllp.com

Joël Turgeon (LSO #80984R)
Tel: 416.613.8181
Email: jturgeon@reconllp.com

Lawyers for the Applicants

This is **EXHIBIT “D”** referred to in the affidavit of CHRISTOPHER GRANT sworn remotely by Christopher Grant stated as being located in the City of Greater Sudbury in the Province of Ontario before me at the City of Toronto, in the Province of Ontario this 6th day of April, 2023, in accordance with *O. Reg 431/20, Administering Oath or Declaration Remotely*.



A COMMISSIONER FOR TAKING AFFIDAVITS

Name: Joel Turgeon

LSO #80984R

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 28th day of March, 2023

BETWEEN:

1929927 ONTARIO INC. and **5010945 ONTARIO LIMITED**,
corporations governed by the laws of the Province of Ontario;

(together, the “Vendors”)

-and-

1000488927 ONTARIO INC., a corporation governed by the laws of the
Province of Ontario;

(the “Purchaser”)

WHEREAS:

A. The Vendors are the registered and beneficial owners of all of the issued and outstanding shares of Springer Aerospace Holdings Ltd. (the “**Purchased Shares**”);

B. Springer Aerospace Holdings Ltd. holds all of the issued and outstanding shares of 1138969 Ontario Inc. (Springer Aerospace Holdings Ltd. and 1138969 Ontario Inc. together, “**Springer**”);

C. Springer commenced proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and an initial order was granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on November 23, 2022 (as amended and restated or otherwise modified from time to time, the “**Initial Order**”);

D. Pursuant to an Order dated December 22, 2022, the Court approved a sale and investment solicitation process with respect to Springer and its assets (such process, as amended and restated or otherwise modified from time to time, the “**SISP**”); and

E. In accordance with the terms of the SISP, and upon and subject to the terms and conditions set forth herein, the Vendors desire to sell to the Purchaser the Purchased Shares and the Purchaser desires to purchase from the Vendors the Purchased Shares;

NOW THEREFORE, in consideration of the agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions

1.1. The terms defined herein shall have the following meanings:

“Approval and Vesting Order” means an Order, substantially in the form of Order attached hereto as **Schedule “A”** with such modifications or amendments as agreed to by the Vendor, the Purchaser and the Monitor, to be issued by the Court, which, among other things, approves this SPA and the Restructuring Transactions;

“CCAA Proceeding” means the proceeding commenced by Springer under the *Companies’ Creditors Arrangement Act* on November 23, 2022 before the Court bearing Court File No. CV-22-00690657-00CL;

“Claims” means all claims, liabilities, pledges, liens, charges, security interests, hypothecs, leases, title retention agreements, mortgages, options, adverse claim, levies, trusts or deemed trusts, or encumbrances of any kind or character whatsoever (whether contractual, statutory, or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including without limitation, (a) any encumbrances or charges created by any Order of the Court, including the CCAA charges pursuant to the Initial Order, and (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;

“Closing Conditions” means the conditions described in Section 8;

“Closing Date” means the date that is 10 days following the issuance by the Court of the Approval and Vesting Order;

“Closing DIP Balance” means the total indebtedness owing by Springer under the DIP Facility on the Closing Date;

“Closing Time” means the time on the Closing Date at which time the Purchased Shares are transferred to the Purchaser in accordance with the Approval and Vesting Order;

“CCAA” has the meaning ascribed in the recitals;

“Court” means the Ontario Superior Court of Justice (Commercial List);

“Deposit” has the meaning ascribed to in Section 4.1;

“Desjardins” means Caisse Desjardins Ontario Credit Union Inc.;

“DIP Facility” means the interim financing facility advanced by Hillmount Capital Inc. dated November 22, 2022;

“Initial Order” has the meaning ascribed in the recitals;

“Monitor” means MNP Ltd. in its capacity as Court-appointed monitor of Springer;

“**Monitor’s Certificate**” means the certificate of the Monitor contemplated by the Approval and Vesting Order certifying that the Monitor has received written confirmation from the parties, in form and substance satisfactory to the Monitor, that all Closing Conditions have been satisfied or waived by the applicable parties;

“**Outside Date**” means April 30, 2023 or such later date as the parties and Desjardins may agree in writing;

“**Priority Payables**” means any payables of Springer which, by operation of law, rank in priority to the security interest held by Desjardins, including, without limitation, (i) accrued and outstanding source deduction arrears, if any; (ii) accrued and outstanding HST arrears, if any, accrued from and after the date of the Initial Order; and (iii) accrued and outstanding realty taxes, if any;

“**Purchaser**” means 1000488927 Ontario Inc.;

“**Purchase Price**” has the meaning ascribed to it in Section 3.1;

“**Purchased Shares**” has the meaning ascribed to it in the recitals;

“**Remaining Liabilities**” means the liabilities listed in **Schedule “B”** and those liabilities elected by the Purchaser pursuant to Section 6.2;

“**Residual Co**” means 1000488910 Ontario Inc., all of whose issued and outstanding shares shall be held by Springer Aerospace Holdings Ltd.;

“**Residual Liabilities**” means all Claims of Springer, except the Remaining Liabilities;

“**Restructuring Transactions**” means the pre- and post-closing transactions described in the Approval and Vesting Order;

“**SISP**” has the meaning ascribed to it in the recitals;

“**SPA**” means this Share Purchase Agreement;

“**Springer**” has the meaning ascribed to it in the recitals; and

“**Vendors**” means 1929927 Ontario Inc. and 5010945 Ontario Limited together, and

“**Vendor**” means either of the Vendors individually.

2. Purchase of Shares

2.1. On the basis of the representations and agreements herein contained, and subject to the terms and conditions set forth herein, the Vendors hereby sell, assign and transfer to the Purchaser, and the Purchaser hereby purchases from the Vendors, the Purchased Shares.

3. Purchase Price & Adjustment

3.1. The Purchase Price for the Purchased Shares shall be \$5,500,000 Canadian Dollars (the “**Purchase Price**”).

3.2. To the extent the Closing DIP Balance is less than \$500,000 on the Closing Date, the Purchase Price shall be reduced on a dollar-for-dollar basis on the difference, and to the extent the Closing DIP Balance is greater than \$500,000 on the Closing Date, the Purchase Price shall be increased on a dollar-for-dollar basis on the difference.

4. Deposit

4.1. Subject to the terms herein, the Parties agree that the Purchaser shall pay to the Monitor a Deposit of \$550,000 Canadian Dollars, which Deposit shall be held by the Monitor in a non-interest-bearing account in accordance with the provisions of this SPA pending completion or termination of this SPA. The Purchaser agrees that the Deposit shall be non-refundable and may only be returned to the Purchaser if this SPA is terminated pursuant to Section 11.1 hereof.

5. Payment of the Purchase Price

5.1. The Purchaser shall pay the Purchase Price, less the amount of the Deposit which shall be applied against and towards the Purchase Price, in immediately available funds to the Monitor, and the Monitor shall apply and distribute the Purchase Price as follows:

- 5.1.1. by the payment of all amounts accrued and outstanding to the Applicants’ counsel, the Monitor, and the Monitor’s counsel as of the Closing Date;
- 5.1.2. by the payment of all amounts outstanding to Hillmount Capital Inc. pursuant to the DIP Facility as of the Closing Date;
- 5.1.3. by the payment of all amounts outstanding pursuant to the Key Employee Retention Plan approved pursuant to the Endorsement of Justice Penny dated February 27, 2023, up to a maximum of \$70,000, as of the Closing Date;
- 5.1.4. by the payment of all amounts which constitute Priority Payables as of the Closing Date; and
- 5.1.5. by the payment to Desjardins on account of the amounts (or portion thereof) owing by the Applicants to Desjardins.

6. Excluded Liabilities

6.1. Pursuant to the Approval and Vesting Order, on the Closing Date, (i) all of the Residual Liabilities shall be transferred to and vested in Residual Co immediately prior to the Closing Time and (ii) all of the Residual Liabilities shall be discharged, expunged and released as against Springer Aerospace Holdings Ltd. and/or 1138969 Ontario Inc., as applicable. Notwithstanding any other provision of this SPA, neither the Purchaser nor Springer shall assume or have any

liability for any of the Residual Liabilities and all Residual Liabilities shall be discharged from Springer and its assets, undertakings, business, and property from and after the Closing Time.

6.2. At any time prior to the hearing date for the Approval and Vesting Order, the Purchaser may, by giving written notice to Springer and the Monitor, elect to have a Residual Liability added as a Remaining Liability. No change to the Purchase Price shall result from the assumption of any Remaining Liabilities or exclusion of any Residual Liabilities pursuant to this Section 6.2.

7. As is, Where is

7.1. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Shares shall be transferred to the Purchaser pursuant to the Approval and Vesting Order (and Springer shall continue to hold assets) on an “as is, where is” basis. No representation, warranty or condition is expressed or can be implied as to title, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever.

8. Conditions of Closing

8.1. The purchase of the Purchased Shares shall be conditional on the following conditions, which are for the benefit of both the Vendors and the Purchaser and may be waived, in whole or in part, by agreement in writing of the Vendors and the Purchaser:

- 8.1.1. pursuant to the Approval and Vesting Order, (i) Residual Co shall have been added as an Applicant to the CCAA Proceeding, (ii) all of the Residual Liabilities shall have been transferred to, assumed by and vested in Residual Co or discharged, and (iii) Springer and its directors and officers shall have been released and forever discharged of all Claims other than the Remaining Liabilities such that, from and after Closing, the business and property of Springer shall exclude the Residual Liabilities and Springer shall not be subject to any Residual Liabilities;
- 8.1.2. the Approval and Vesting Order shall not have been stayed, varied in a manner adverse to Springer and the Purchaser, or vacated, and no application, motion or other proceeding shall have been commenced seeking the same which has not been fully dismissed or withdrawn or otherwise resolved in a manner satisfactory to the Purchaser, acting reasonably;
- 8.1.3. the Parties being delivered the following:
 - 8.1.3.1. a true copy of the Approval and Vesting Order as issued and entered by the Court;
 - 8.1.3.2. the executed Monitor’s Certificate;
 - 8.1.3.3. an agreement by Community Development Corporation of Sault Ste. Marie & Area, East Algoma Community Futures Development Corporation, and Nickel Basin Federal Development Corporation to

release their interest in the property municipally known as 421 Lakeview Road, Echo Bay, Ontario to Desjardins; and

- 8.1.3.4. such other agreements, documents and instruments as may reasonably be required by the Purchaser to complete the transactions contemplated in this SPA and/or the Restructuring Transactions.

8.2. The purchase of the Purchased Shares shall be conditional on the following conditions, which are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- 8.2.1. the Purchaser being the successful bidder in accordance with the SISP;
- 8.2.2. neither Springer nor any of the Vendors being or having become bankrupt or subject to receivership proceedings under the *Bankruptcy and Insolvency Act*;
- 8.2.3. the release by the Vendors and any person related to the Vendors of any Claims against the Purchaser and any person related to the Purchaser.
- 8.2.4. the Purchaser being delivered the following:
 - 8.2.4.1. share certificates representing the Purchased Shares;
 - 8.2.4.2. such other agreements, documents and instruments as may reasonably be required by the Purchaser to complete the transactions contemplated in this SPA and/or the Restructuring Transactions;
 - 8.2.4.3. at least five (5) days prior to the Closing Date, a complete list of assets of Springer, including but not limited to equipment and tools;
 - 8.2.4.4. the execution of a unanimous shareholders agreement between all of the shareholders of the Purchaser; and
 - 8.2.4.5. a complete list of parts inventory of Springer, as at the Closing Date.

8.3. The purchase of the Purchased Shares shall be subject to the following conditions being fulfilled or performed, which conditions are for the exclusive benefit of the Vendors and may be waived, in whole or in part, by the Vendors in their sole discretion:

- 8.3.1. the payment of the Purchase Price in the manner contemplated in Sections 3 and 5 hereof;
- 8.3.2. the release by Desjardins of any guarantee given in favour of Desjardins relating to the obligations owed by Springer to Desjardins, except any guarantee given by Export Development Canada;

8.3.3. the Vendors being delivered such other agreements, documents and instruments as may reasonably be required by the Vendors to complete the transactions contemplated in this SPA and/or the Restructuring Transactions.

9. Representations and Warranties

9.1. Each of the Vendors severally represents and warrants to the Purchaser that:

9.1.1. the Vendors are corporations duly organized, validly existing and in good standing under the laws of the Province of Ontario; and

9.1.2. none of the Vendors is a non-resident of Canada within the meaning of the *Income Tax Act (Canada)*.

9.2. The Purchaser represents and warrants to each of the Vendor that:

9.2.1. the Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the Province of Ontario;

9.2.2. this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding agreement of it enforceable against it in accordance with its terms, subject to any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

9.3. The representations and warranties of each party set forth above shall survive the completion of the sale of the Purchased Shares and, notwithstanding such completion, shall continue in full force and effect indefinitely for the benefit of the other party.

10. Taxes

10.1. The Purchaser does not assume, and shall not be liable for, any income taxes or any other taxes whatsoever which may be imposed on either of the Vendors including, without limiting the generality of the foregoing, any taxes resulting from or arising as a consequence of the sale by the Vendors to the Purchaser of the Purchased Shares herein contemplated, and the Vendors shall indemnify and save harmless the Purchaser from and against all such taxes.

11. Termination

11.1. This SPA may be terminated on or prior to the Closing Date:

11.1.1. By the mutual written agreement of the parties;

11.1.2. By either party upon written notice to the other party if the Approval and Vesting Order has not been obtained by the Outside Date or if the Court declines at any time

to grant the Approval and Vesting Order and any appeal from the same is expired or dismissed; in each case for reasons other than a breach of this SPA by the party proposing to terminate the SPA; or

11.1.3. By the Purchaser if the CCAA Proceedings are terminated prior to the Closing Date.

11.2. If this SPA is terminated pursuant to Section 11.1, all further obligations of the Parties under this SPA will terminate, and no party will have any liability or further obligation hereunder and, in such case, the Monitor will return the Deposit to the Purchaser.

12. Miscellaneous

12.1. Time is of the essence in this SPA.

12.2. Each party shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this SPA.

12.3. Any notice or other communication required or permitted to be given or made under this SPA shall be in writing and shall be effectively given and made if (i) delivered personally, or (ii) sent by email or other similar means of electronic communication, in each case to the applicable address set out below.

12.3.1. In the case of the Purchaser, as follows:

1000488927 Ontario Inc.

c/o Vic Fremlin

194 Calabogie Rd, Echo Bay, Ontario, P0S 1C0

Email: vic.fremlin@northshoretractor.com

12.3.2. In the case of the Vendors, as follows:

1929927 Ontario Inc.

c/o Christopher Grant

88 Carr's Landing Road,

Skead, ON P0M 2Y0

Email: cgrant@springeraerospace.com

5010945 Ontario Limited

c/o Dan Springer

377 Lakeview Rd.

Echo Bay, ON P0S 1C0

Email: dan@springeraerospace.com

12.3.3. In the case of Springer, as follows:

Springer Aerospace

c/o Christopher Grant
377 Lakeview Rd.
Echo Bay, ON P0S 1C0

Email: cgrant@springeraerospace.com

with a copy to counsel for Springer, as follows:

Caitlin Fell
Reconstruct LLP
200 Bay Street, Suite 2305, Box 120
Toronto, ON M5J 2J3

Email: cfell@reconllp.com

with a copy to the Monitor, as follows:

Sheldon Title
MNP Ltd.
1 Adelaide Street East, Suite 1900
Toronto, ON M5C 2V9

Email: sheldon.title@mnp.ca

with a copy to counsel for the Monitor, as follows:

Ian Aversa
Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Email: iaversa@airdberlis.com

12.4. This SPA becomes effective when executed by the Vendors and the Purchaser. After that time, it will be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.

12.5. Any provision of this SPA held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

12.6. This SPA constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this SPA.

12.7. This SPA is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

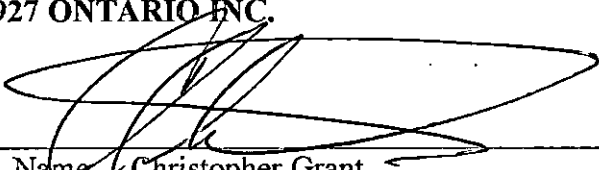
12.8. This SPA may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this SPA.

[Signature Page Follows]

The parties have executed this SPA as of the date first written above.

1929927 ONTARIO INC.

Per: _____



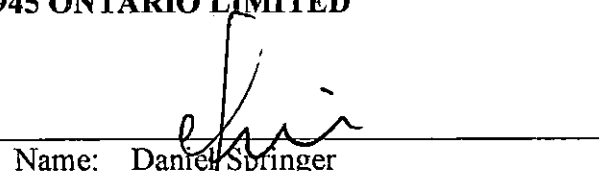
Name: Christopher Grant

Title: Director

I have authority to bind the corporation

5010945 ONTARIO LIMITED

Per: _____



Name: Daniel Springer

Title: Director

I have authority to bind the corporation

1000488927 Ontario Inc.

Per: _____



Name: Vic Fremlin

Title: Director

I have authority to bind the corporation

Schedule "A"

Draft Approval and Vesting Order

[See next page]

Court File No. CV-22-00690657-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	THURSDAY, THE 30 th
)	
MR. JUSTICE PENNY)	DAY OF MARCH, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC. (together referred to as
the "**Applicants**")

APPROVAL AND VESTING ORDER

THIS MOTION, made by Springer Aerospace Holdings Limited ("**Hold Co**") and 1138969 Ontario Inc. ("**Springer**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), for an order, *inter alia*, (i) approving the Share Purchase Agreement between 1000488927 Ontario Inc., as purchaser (the "**Purchaser**"), and each of 1929927 Ontario Inc. and 5010945 Ontario Limited, as vendors (together, the "**Vendors**"), dated March 28, 2023 (the "**SPA**"), and the transactions contemplated thereby; (ii) declaring that 1000488910 Ontario Inc. ("**Residual Co**") is a company to which the CCAA applies; (iii) approving the vesting of all liabilities of the Applicants, other than the Continuing Liabilities (as defined in paragraph 7 herein), in and to Residual Co, and (iv) authorizing the Monitor to file an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") for and on behalf of Residual Co, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the motion record of the Applicants filed in respect of this motion, including the affidavit of Christopher Grant sworn April 6, 2023 and the exhibits attached thereto (the “**Grant Affidavit**”), and on reading the Fourth Report of MNP Ltd. (“**MNP**”) in its capacity as the court-appointed monitor of the Applicants (the “**Monitor**”) dated April ●, 2023 (the “**Fourth Report**”), and on hearing the submissions of counsel for the Applicants, the Monitor, Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) and such other counsel who were present, and on reading the affidavit of service of ● sworn ●, 2023, filed:

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SPA or the Amended and Restated Initial Order of the Honourable Mr. Justice Penny dated December 2, 2022 (the “**Initial Order**”), as applicable.

APPROVAL OF TRANSACTIONS

3. **THIS COURT ORDERS AND DECLARES** that the SPA and the transactions contemplated thereby (the “**Transaction**”) are hereby approved, authorized and ratified, including, for greater certainty, the sale of the Purchased Shares to the Purchaser as fully paid and non-assessable shares, and that the execution of the SPA by the Vendors is hereby authorized, approved and ratified, *nunc pro tunc*, with such minor amendments as the Vendors, with the approval and consent of the Monitor, and the Purchaser, may agree to in writing.

4. **THIS COURT ORDERS** that, subject to this Order and the Initial Order, the Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement and complete the SPA and the Transaction.

5. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Applicants to proceed with the Transaction and that no shareholder or other approval shall be required in connection therewith.

VESTING OF LIABILITIES IN RESIDUAL CO

6. **THIS COURT ORDERS** that Residual Co is a company to which the CCAA applies and that Residual Co shall be added as an Applicant to these CCAA Proceedings such that the term “Applicants” shall refer to and include Residual Co, and the term “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind of Residual Co, whatsoever and wherever situate, and all proceeds thereof (the “**Residual Property**”).

7. **THIS COURT ORDERS** that other than the liabilities listed in **Schedule “A”** hereto (the “**Continuing Liabilities**”), all liabilities, claims, debts, obligations, indebtedness, trusts, or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, rights of distraint, levies, and charges of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not due yet in law or equity and whether based on statute or otherwise of each of Hold Co and Springer including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order; and/or (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) or any other personal property registry system (collectively, the “**Vested Liabilities**”), shall be transferred to, assumed by, and vest absolutely and exclusively in Residual Co, and shall no longer be obligations of Hold Co or Springer, and the Vested Liabilities shall be and are hereby forever released, discharged and expunged as against Hold Co and Springer.

RESTRUCTURING TRANSACTIONS

8. **THIS COURT ORDERS AND DECLARES** that upon delivery to the Purchaser of the Monitor’s certificate (the “**Monitor’s Certificate**”), the form of which is appended hereto as **Schedule “B”**, the following shall occur and shall be deemed to have occurred in the following sequence (the “**Restructuring Transactions**”):

- (a) in consideration for the payments described in the SPA, all the issued and outstanding shares of Hold Co (the “**Purchased Shares**”) shall vest in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the PPSA or any other personal property registry system (all of which are collectively referred to as “**Encumbrances**”), and for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares; and
- (b) Hold Co and Springer shall be deemed to cease being Applicants in the CCAA Proceedings and shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of the CCAA Proceedings, save and except for this Order, the provisions of which shall continue to apply in all respects.

9. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to take such additional steps and execute, register or file such additional documents as may be necessary or desirable for the completion of the Restructuring Transactions and to effect the release, expungement, or discharge of all Claims and Encumbrances released, expunged or discharged pursuant to this Order.

10. **THIS COURT ORDERS** that upon registration in the Land Registry Office #1 for the Land Titles Division of Algoma, the Land Registrar is hereby directed to vacate and expunge from title to the subject real property identified in **Schedule “C”** hereto (the “**Real Property**”) all of the Claims and Encumbrances identified in **Schedule “D”** hereto.

11. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery.

12. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Purchaser regarding the satisfaction or waiver of conditions to closing under the SPA and shall have no liability with respect to the delivery of the Monitor's Certificate.

13. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of the Claims relating to the Property, the proceeds received by the Monitor pursuant to the Restructuring Transactions (the "**Proceeds**") shall stand in the place and stead of the Property of Hold Co and Springer, and claimants shall have the same security and priority as against the Proceeds as they had against the Property of Hold Co and Springer, as applicable, immediately prior to the completion of the Restructuring Transactions, as if the Restructuring Transactions had not occurred.

14. **THIS COURT ORDERS** that, upon delivery by the Monitor of the Monitor's Certificate and subject to paragraph 25 of this Order, the Proceeds received by the Monitor in connection with the consummation of the Restructuring Transactions shall be distributed by the Monitor, without further order of the Court, as follows (together, the "**Distributions**"):

- (a) first, in payment of all amounts accrued and outstanding to the Applicants' counsel, the Monitor, and the Monitor's counsel as of the Closing Date;
- (b) second, in payment of all amounts outstanding to Hillmount Capital Inc. under the DIP Facility as of the Closing Date;
- (c) third, in payment of all amounts outstanding pursuant to the Key Employee Retention Plan approved pursuant to the Endorsement of Justice Penny dated February 27, 2023, up to a maximum of \$70,000 as of the Closing Date;
- (d) fourth, in payment of all amounts which constitute Priority Payables as of the Closing Date; and
- (e) fifth, the balance of funds to Desjardins on account of the amounts (or portion thereof) owing by the Applicants to Desjardins.

15. **THIS COURT ORDERS** that, pursuant to the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Applicants or the Monitor are

authorized, permitted and directed to disclose to the Purchaser all human resources and payroll information in the Applicants' records pertaining to past and current employees. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use personal information provided to it in a manner that is, in all material respects, identical to the prior use of such information by the Applicants.

16. **THIS COURT ORDERS** that except to the extent expressly contemplated by the SPA, all contracts and agreements to which either Applicant is a party at the time of the delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing, which would have entitled a person to enforce rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicants);
- (b) the insolvency of any Applicant or the fact that the Applicants sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Restructuring Transactions or the provisions of this Order, or any other Order of the Court in these CCAA Proceedings; or
- (d) any transfer or assignment, or any change of control of any of the Applicants arising from the implementation of the SPA, the Restructuring Transactions or the provisions of this Order.

17. **THIS COURT ORDERS** that from and after delivery of the Monitor's Certificate, all Persons shall be deemed to have waived any and all defaults of the Applicants then existing or

previously committed by the Applicants, or caused by the Applicants, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, express or implied in any agreement existing between such Person and any Applicant arising directly or indirectly from the filing by the Applicants of the CCAA Proceedings and implementation of the Restructuring Transactions, and any and all notices of default and demands for payment or any step or proceeding taken in connection therewith under an agreement shall be deemed to have been rescinded and of no further force or effect.

18. **THIS COURT ORDERS** that from and after delivery of the Monitor's Certificate, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Applicants or the Property relating in any way to or in respect of any Claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

APPROVAL OF MONITOR'S REPORTS, FEES AND ACTIVITIES

19. **THIS COURT ORDERS** that the Second Report of the Monitor dated December 19, 2022, the Third Report of the Monitor dated February 21, 2023, and the Fourth Report, as well as the actions, conduct and activities of the Monitor as set out therein, be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

20. **THIS COURT ORDERS** that the fees and disbursements of the Monitor up to and including ●, 2023, as set out in the Fourth Report as well as in the fee affidavit of Sheldon Title sworn April 6, 2023, appended to the Fourth Report, are hereby approved.

21. **THIS COURT ORDERS** that the fees and disbursements of the Monitor's counsel up to and including March 23, 2023, as set out in the Fourth Report as well as in the fee affidavit of Ian Aversa sworn March 27, 2023, appended to the Fourth Report, are hereby approved.

22. **THIS COURT ORDERS** that the accruing fees and disbursements of the Monitor and the Monitor's counsel in connection with the completion by the Monitor of its remaining duties and the administration of these proceedings, including, without limitation, in respect of any bankruptcy of Residual Co as provided herein, which accruals are set out in the Fourth Report, are hereby approved.

BANKRUPTCY

23. **THIS COURT ORDERS** that, as soon as practicable following the delivery of the Monitor's Certificate and the Distributions, the Monitor shall be authorized and is hereby directed to file an assignment in bankruptcy pursuant to the BIA for and on behalf of Residual Co and to take any steps incidental thereto.

24. **THIS COURT ORDERS** that MNP is hereby authorized and empowered, but not obligated, to act as trustee in bankruptcy in respect of Residual Co under the BIA.

25. **THIS COURT ORDERS** that the Monitor shall hold from the Distributions an amount of \$20,000 to pay for the costs related to the bankruptcy of Residual Co (the "**Bankruptcy Reserve**"), that the Monitor shall pay such costs from the Bankruptcy Reserve, and that the Monitor is hereby authorized and directed to distribute any excess funds from the Bankruptcy Reserve in accordance with the Distributions order set out above.

EXTENSION OF STAY AND CONCLUSION OF CCAA PROCEEDINGS

26. **THIS COURT ORDERS** that the Stay Period shall expire, unless extended by the Court, on the later of the bankruptcy of Residual Co and April 30, 2023 (the "**CCAA Termination Date**").

27. **THIS COURT ORDERS AND DECLARES** that, effective as of the CCAA Termination Date:

- (a) the CCAA Proceedings shall be terminated without any other act or formality, save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in the CCAA Proceedings or any actions or steps taken

by any Person pursuant to or as authorized by any Orders of the Court made in the CCAA Proceedings; and

- (b) MNP shall be discharged as Monitor and shall incur no further duties, obligations or responsibilities as Monitor in these proceedings.

28. **THIS COURT ORDERS AND DECLARES** that, effective as of the CCAA Termination Date, and subject to the payment in full of all amounts owing to the beneficiaries thereunder, the DIP Lender's Charge, the Administration Charge, the Key Employee Retention Plan Charge approved pursuant to the Endorsement of Justice Penny dated February 27, 2023 made in this proceeding, and the Directors' Charge, shall be terminated, released and discharged without any other act or formality.

29. **THIS COURT ORDERS** that, the Monitor is hereby directed to serve notice of the CCAA Termination Date upon the Service List established for the CCAA Proceedings as soon as is practicable following the occurrence thereof.

30. **THIS COURT ORDERS** that, notwithstanding the discharge of MNP as Monitor, and notwithstanding the termination of the CCAA Proceedings, MNP shall have the authority from and after that time to complete any matters that may be incidental to the termination of the CCAA Proceedings. In completing any incidental matters, MNP shall continue to have the benefit of the provisions of all Orders made in the CCAA Proceedings, including all approvals, protections and stays of proceedings in favour of MNP in its capacity as Monitor, and nothing in this Order shall affect, vary, derogate from, limit or amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order issued in the CCAA Proceedings.

31. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of the CCAA Proceedings, nothing herein shall affect, vary, derogate from, limit or amend any of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order of this Court in the CCAA Proceedings, all of which are expressly continued and confirmed.

32. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of these proceedings, nothing herein shall affect, vary, derogate from, limit or amend

any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order of this Court in these proceedings, all of which are expressly continued and confirmed.

RELEASES

33. **THIS COURT ORDERS** that effective as of the delivery of the Monitor's Certificate, (i) the current directors, officers, employees, independent contractors that have provided legal or financial services to the Applicants, legal counsel and advisors of the Applicants, (ii) the directors and officers of Residual Co, and (iii) the Monitor and its legal counsel (collectively, the "**Released Parties**") shall be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the delivery of the Monitor's Certificate, as applicable, and that relate in any manner whatsoever to the Applicants or any of their assets (current or historical), obligations, business or affairs or the CCAA Proceedings, including any actions undertaken or completed pursuant to the terms of this Order, or arising in connection with or relating to the SPA or the completion of the Restructuring Transactions (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar: (i) any liability arising out of the gross negligence or wilful misconduct of a Released Party, (ii) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or that arises in or relates to the period prior to the granting of the Initial Order, or (iii) any of the Released Parties' obligations pursuant to the SPA.

SEALING

34. **THIS COURT ORDERS** that Confidential Exhibits “1 and “2” to the Grant Affidavit be and are hereby sealed pending the earlier of the CCAA Termination Date or further Order of the Court.

GENERAL

35. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA Proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Applicants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicants,

the entering into of the Restructuring Transactions, the SPA and the transactions approved in this Order shall be binding on any trustee-in-bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute, or be deemed to be, a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

36. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or

desirable to recognize and give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

38. **THIS COURT ORDERS** that each of the Applicants and the Monitor 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.

39. **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, without any need for entry and filing.

SCHEDULE “A”
Continuing Liabilities

The following are the “**Continuing Liabilities**” for purposes of this Order to which this is Schedule “A” (capitalized terms have the meaning given to them in the SPA):

- all liabilities associated with existing and ongoing customer contracts;
- all liabilities in connection with current employees of 138969 Ontario Inc.;
- all liabilities in respect of a 2019 Volkswagen Golf to VW Credit Canada Inc., and
- all liabilities in respect of certain leased equipment to CWB National Leasing Inc.

**SCHEDULE “B”
Form of Monitor’s Certificate**

Court File No. CV-22-00690657-00CL

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 A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC. (together referred to as
the “**Applicants**”)

MONITOR’S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 23, 2022, the Applicants were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and MNP Ltd. was appointed as monitor (the “**Monitor**”) of the Applicants.
- B. Pursuant to an Approval and Vesting Order of the Court dated ●, 2023 (the “**Order**”), the Court approved the transactions (the “**Restructuring Transactions**”) contemplated by the Share Purchase Agreement (the “**SPA**”) among 1000488927 Ontario Inc (the “**Purchaser**”) and 1929927 Ontario Inc. and 5010945 Ontario Limited (together, the “**Vendors**”) dated March 28, 2023, and ordered, *inter alia*, that: (i) 1000488910 Ontario Inc. (“**Residual Co**”) be added as an Applicant to these CCAA Proceedings; (ii) all of the Vendors’ right, title and interest in and to the Purchased Shares be vested in the Purchaser, free and clear from any Encumbrances; and (iii) all of the liabilities of the Applicants, other than the Continuing Liabilities, be vested in Residual Co.
- C. Capitalized terms used but not defined herein have the meanings ascribed to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Vendors, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.
2. This Monitor's Certificate was delivered by the Monitor at _____ on _____, 2023.

MNP LTD., in its capacity as Monitor of the Applicants, and not in its personal capacity

Per: _____

Name: Sheldon Title

Title: Senior Vice-President

SCHEDULE "C"
The Real Property

	Property Description	PIN
1.	PCL 12-1 SEC 1M498; BLK 12 PL 1M498 LAIRD EXCEPT PT 1 1R7890; LAIRD; SUBJECT TO AN EASEMENT OVER BLK 12 PL 1M498 EXCEPT PT 1 1R7890 IN FAVOUR OF LT 17 RCP H759 AS IN AL195932	31470-0011
2.	LT 15 RCP H759; LAIRD	31470-0096
3.	LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466; LAIRD; SUBJECT TO AN EASEMENT OVER LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466 IN FAVOUR OF OF LT 17 RCP H759 AS IN AL195932	31470-0098
4.	LT 17 RCP H759; LAIRD; TOGETHER WITH AN EASEMENT OVER BLK 12 PL 1M498, EXCEPT PT 1 1R7890 AS IN AL195932; TOGETHER WITH AN EASEMENT OVER LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466 AS IN AL195932	31470-0099

SCHEDULE “D”
Claims and Encumbrances to be Vacated and Expunged from the Real Property

PIN 31470-0011

	Encumbrance	Registration Number	Party	Amount	Registration Date
1.	Transfer Easement	AL195932	James Daniel Springer and Joanne Marie Robertson Springer	N/A	2019/02/12
2.	Charge	AL213732	Caisse Desjardins Ontario Credit Union Inc.	\$6,500,000	2020/06/30
3.	Charge	AL216665	Community Development Corporation of Sault Ste. Marie & Area East Algoma Community Futures Development Corporation Nickel Basin Federal Development Corporation	\$900,000	2020/09/04
4.	Charge	AL218937	Northern Ontario Heritage Fund Corporation	\$1,000,000	2020/10/23

PIN 31470-0096

	Encumbrance	Registration Number	Party	Amount	Registration Date
1.	Charge	AL207556	Caisse Populaire Vermillon Inc.	\$350,000	2019/12/17
2.	Charge	AL216666	Community Development Corporation Of Sault Ste. Marie & Area East Algoma Community Futures Development Corporation Nickel Basin Federal Development Corporation	\$900,000	2020/09/04

PIN 31470-0098

	Encumbrance	Registration Number	Party	Amount	Registration Date
1.	Transfer Easement	AL195932	James Daniel Springer and Joanne Marie Robertson Springer	N/A	2019/02/12
2.	Charge	AL213732	Caisse Desjardins Ontario Credit Union Inc.	\$6,500,000	2020/06/30

3.	Charge	AL216665	Community Development Corporation of Sault Ste. Marie & Area East Algoma Community Futures Development Corporation Nickel Basin Federal Development Corporation	\$900,000	2020/09/04
4.	Charge	AL218937	Northern Ontario Heritage Fund Corporation	\$1,000,000	2020/10/23

PIN 31470-0099

	Encumbrance	Registration Number	Party	Amount	Registration Date
1.	Charge	AL216664	Community Development Corporation of Sault Ste. Marie & Area East Algoma Community Futures Development Corporation Nickel Basin Federal Development Corporation	\$900,000	2020/09/04

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

APPROVAL AND VESTING ORDER

RECONSTRUCT LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

Sharon Kour (LSO #58328D)
Tel: 416.613.8283
Email: skour@reconllp.com

Caitlin Fell (LSO #60091H)
Tel: 416.613.8282
Email: cfell@reconllp.com

Joël Turgeon (LSO #80984R)
Tel: 416.613.8181
Email: jturgeon@reconllp.com

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Lawyers for the Applicants

Schedule "B"

Remaining Liabilities

[See next page]

The following are the “**Remaining Liabilities**” for purposes of the SPA to which this is **Schedule “B”**:

- all liabilities associated with existing and ongoing customer contracts;
- all liabilities in connection with current employees of 138969 Ontario Inc.;
- all liabilities in respect of a 2019 Volkswagen Golf to VW Credit Canada Inc., and
- all liabilities in respect of certain leased equipment to CWB National Leasing Inc.

TAB 3

Court File No. CV-22-00690657-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	THURSDAY, THE 11 th
)	
MR. JUSTICE PENNY)	DAY OF APRIL, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC. (together referred to as
the "**Applicants**")

APPROVAL AND VESTING ORDER

THIS MOTION, made by Springer Aerospace Holdings Limited ("**Hold Co**") and 1138969 Ontario Inc. ("**Springer**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), for an order, *inter alia*, (i) approving the Share Purchase Agreement between 1000488927 Ontario Inc., as purchaser (the "**Purchaser**"), and each of 1929927 Ontario Inc. and 5010945 Ontario Limited, as vendors (together, the "**Vendors**"), dated March 28, 2023 (the "**SPA**"), and the transactions contemplated thereby; (ii) declaring that 1000488910 Ontario Inc. ("**Residual Co**") is a company to which the CCAA applies; (iii) approving the vesting of all liabilities of the Applicants, other than the Continuing Liabilities (as defined in paragraph 7 herein), in and to Residual Co, and (iv) authorizing the Monitor to file an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") for and on behalf of Residual Co, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the motion record of the Applicants filed in respect of this motion, including the affidavit of Christopher Grant sworn April 6, 2023 and the exhibits attached thereto (the “**Grant Affidavit**”), and on reading the Fourth Report of MNP Ltd. (“**MNP**”) in its capacity as the court-appointed monitor of the Applicants (the “**Monitor**”) dated April ●, 2023 (the “**Fourth Report**”), and on hearing the submissions of counsel for the Applicants, the Monitor, Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) and such other counsel who were present, and on reading the affidavit of service of ● sworn ●, 2023, filed:

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SPA or the Amended and Restated Initial Order of the Honourable Mr. Justice Penny dated December 2, 2022 (the “**Initial Order**”), as applicable.

APPROVAL OF TRANSACTIONS

3. **THIS COURT ORDERS AND DECLARES** that the SPA and the transactions contemplated thereby (the “**Transaction**”) are hereby approved, authorized and ratified, including, for greater certainty, the sale of the Purchased Shares to the Purchaser as fully paid and non-assessable shares, and that the execution of the SPA by the Vendors is hereby authorized, approved and ratified, *nunc pro tunc*, with such minor amendments as the Vendors, with the approval and consent of the Monitor, and the Purchaser, may agree to in writing.

4. **THIS COURT ORDERS** that, subject to this Order and the Initial Order, the Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement and complete the SPA and the Transaction.

5. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Applicants to proceed with the Transaction and that no shareholder or other approval shall be required in connection therewith.

VESTING OF LIABILITIES IN RESIDUAL CO

6. **THIS COURT ORDERS** that Residual Co is a company to which the CCAA applies and that Residual Co shall be added as an Applicant to these CCAA Proceedings such that the term “Applicants” shall refer to and include Residual Co, and the term “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind of Residual Co, whatsoever and wherever situate, and all proceeds thereof (the “**Residual Property**”).

7. **THIS COURT ORDERS** that other than the liabilities listed in **Schedule “A”** hereto (the “**Continuing Liabilities**”), all liabilities, claims, debts, obligations, indebtedness, trusts, or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, rights of distraint, levies, and charges of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not due yet in law or equity and whether based on statute or otherwise of each of Hold Co and Springer including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order; and/or (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) or any other personal property registry system (collectively, the “**Vested Liabilities**”), shall be transferred to, assumed by, and vest absolutely and exclusively in Residual Co, and shall no longer be obligations of Hold Co or Springer, and the Vested Liabilities shall be and are hereby forever released, discharged and expunged as against Hold Co and Springer.

RESTRUCTURING TRANSACTIONS

8. **THIS COURT ORDERS AND DECLARES** that upon delivery to the Purchaser of the Monitor’s certificate (the “**Monitor’s Certificate**”), the form of which is appended hereto as **Schedule “B”**, the following shall occur and shall be deemed to have occurred in the following sequence (the “**Restructuring Transactions**”):

- (a) in consideration for the payments described in the SPA, all the issued and outstanding shares of Hold Co (the “**Purchased Shares**”) shall vest in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the PPSA or any other personal property registry system (all of which are collectively referred to as “**Encumbrances**”), and for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares; and
- (b) Hold Co and Springer shall be deemed to cease being Applicants in the CCAA Proceedings and shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of the CCAA Proceedings, save and except for this Order, the provisions of which shall continue to apply in all respects.

9. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to take such additional steps and execute, register or file such additional documents as may be necessary or desirable for the completion of the Restructuring Transactions and to effect the release, expungement, or discharge of all Claims and Encumbrances released, expunged or discharged pursuant to this Order.

10. **THIS COURT ORDERS** that upon registration in the Land Registry Office #1 for the Land Titles Division of Algoma, the Land Registrar is hereby directed to vacate and expunge from title to the subject real property identified in **Schedule “C”** hereto (the “**Real Property**”) all of the Claims and Encumbrances identified in **Schedule “D”** hereto.

11. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery.

12. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Purchaser regarding the satisfaction or waiver of conditions to closing under the SPA and shall have no liability with respect to the delivery of the Monitor's Certificate.

13. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of the Claims relating to the Property, the proceeds received by the Monitor pursuant to the Restructuring Transactions (the "**Proceeds**") shall stand in the place and stead of the Property of Hold Co and Springer, and claimants shall have the same security and priority as against the Proceeds as they had against the Property of Hold Co and Springer, as applicable, immediately prior to the completion of the Restructuring Transactions, as if the Restructuring Transactions had not occurred.

14. **THIS COURT ORDERS** that, upon delivery by the Monitor of the Monitor's Certificate and subject to paragraph 25 of this Order, the Proceeds received by the Monitor in connection with the consummation of the Restructuring Transactions shall be distributed by the Monitor, without further order of the Court, as follows (together, the "**Distributions**"):

- (a) first, in payment of all amounts accrued and outstanding to the Applicants' counsel, the Monitor, and the Monitor's counsel as of the Closing Date;
- (b) second, in payment of all amounts outstanding to Hillmount Capital Inc. under the DIP Facility as of the Closing Date;
- (c) third, in payment of all amounts outstanding pursuant to the Key Employee Retention Plan approved pursuant to the Endorsement of Justice Penny dated February 27, 2023, up to a maximum of \$70,000 as of the Closing Date;
- (d) fourth, in payment of all amounts which constitute Priority Payables as of the Closing Date; and
- (e) fifth, the balance of funds to Desjardins on account of the amounts (or portion thereof) owing by the Applicants to Desjardins.

15. **THIS COURT ORDERS** that, pursuant to the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Applicants or the Monitor are

authorized, permitted and directed to disclose to the Purchaser all human resources and payroll information in the Applicants' records pertaining to past and current employees. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use personal information provided to it in a manner that is, in all material respects, identical to the prior use of such information by the Applicants.

16. **THIS COURT ORDERS** that except to the extent expressly contemplated by the SPA, all contracts and agreements to which either Applicant is a party at the time of the delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing, which would have entitled a person to enforce rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicants);
- (b) the insolvency of any Applicant or the fact that the Applicants sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Restructuring Transactions or the provisions of this Order, or any other Order of the Court in these CCAA Proceedings; or
- (d) any transfer or assignment, or any change of control of any of the Applicants arising from the implementation of the SPA, the Restructuring Transactions or the provisions of this Order.

17. **THIS COURT ORDERS** that from and after delivery of the Monitor's Certificate, all Persons shall be deemed to have waived any and all defaults of the Applicants then existing or

previously committed by the Applicants, or caused by the Applicants, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, express or implied in any agreement existing between such Person and any Applicant arising directly or indirectly from the filing by the Applicants of the CCAA Proceedings and implementation of the Restructuring Transactions, and any and all notices of default and demands for payment or any step or proceeding taken in connection therewith under an agreement shall be deemed to have been rescinded and of no further force or effect.

18. **THIS COURT ORDERS** that from and after delivery of the Monitor's Certificate, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Applicants or the Property relating in any way to or in respect of any Claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

APPROVAL OF MONITOR'S REPORTS, FEES AND ACTIVITIES

19. **THIS COURT ORDERS** that the Second Report of the Monitor dated December 19, 2022, the Third Report of the Monitor dated February 21, 2023, and the Fourth Report, as well as the actions, conduct and activities of the Monitor as set out therein, be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

20. **THIS COURT ORDERS** that the fees and disbursements of the Monitor up to and including ●, 2023, as set out in the Fourth Report as well as in the fee affidavit of Sheldon Title sworn April 6, 2023, appended to the Fourth Report, are hereby approved.

21. **THIS COURT ORDERS** that the fees and disbursements of the Monitor's counsel up to and including March 23, 2023, as set out in the Fourth Report as well as in the fee affidavit of Ian Aversa sworn March 27, 2023, appended to the Fourth Report, are hereby approved.

22. **THIS COURT ORDERS** that the accruing fees and disbursements of the Monitor and the Monitor's counsel in connection with the completion by the Monitor of its remaining duties and the administration of these proceedings, including, without limitation, in respect of any bankruptcy of Residual Co as provided herein, which accruals are set out in the Fourth Report, are hereby approved.

BANKRUPTCY

23. **THIS COURT ORDERS** that, as soon as practicable following the delivery of the Monitor's Certificate and the Distributions, the Monitor shall be authorized and is hereby directed to file an assignment in bankruptcy pursuant to the BIA for and on behalf of Residual Co and to take any steps incidental thereto.

24. **THIS COURT ORDERS** that MNP is hereby authorized and empowered, but not obligated, to act as trustee in bankruptcy in respect of Residual Co under the BIA.

25. **THIS COURT ORDERS** that the Monitor shall hold from the Distributions an amount of \$20,000 to pay for the costs related to the bankruptcy of Residual Co (the "**Bankruptcy Reserve**"), that the Monitor shall pay such costs from the Bankruptcy Reserve, and that the Monitor is hereby authorized and directed to distribute any excess funds from the Bankruptcy Reserve in accordance with the Distributions order set out above.

EXTENSION OF STAY AND CONCLUSION OF CCAA PROCEEDINGS

26. **THIS COURT ORDERS** that the Stay Period shall expire, unless extended by the Court, on the later of the bankruptcy of Residual Co and April 30, 2023 (the "**CCAA Termination Date**").

27. **THIS COURT ORDERS AND DECLARES** that, effective as of the CCAA Termination Date:

- (a) the CCAA Proceedings shall be terminated without any other act or formality, save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in the CCAA Proceedings or any actions or steps taken

by any Person pursuant to or as authorized by any Orders of the Court made in the CCAA Proceedings; and

- (b) MNP shall be discharged as Monitor and shall incur no further duties, obligations or responsibilities as Monitor in these proceedings.

28. **THIS COURT ORDERS AND DECLARES** that, effective as of the CCAA Termination Date, and subject to the payment in full of all amounts owing to the beneficiaries thereunder, the DIP Lender's Charge, the Administration Charge, the Key Employee Retention Plan Charge approved pursuant to the Endorsement of Justice Penny dated February 27, 2023 made in this proceeding, and the Directors' Charge, shall be terminated, released and discharged without any other act or formality.

29. **THIS COURT ORDERS** that, the Monitor is hereby directed to serve notice of the CCAA Termination Date upon the Service List established for the CCAA Proceedings as soon as is practicable following the occurrence thereof.

30. **THIS COURT ORDERS** that, notwithstanding the discharge of MNP as Monitor, and notwithstanding the termination of the CCAA Proceedings, MNP shall have the authority from and after that time to complete any matters that may be incidental to the termination of the CCAA Proceedings. In completing any incidental matters, MNP shall continue to have the benefit of the provisions of all Orders made in the CCAA Proceedings, including all approvals, protections and stays of proceedings in favour of MNP in its capacity as Monitor, and nothing in this Order shall affect, vary, derogate from, limit or amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order issued in the CCAA Proceedings.

31. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of the CCAA Proceedings, nothing herein shall affect, vary, derogate from, limit or amend any of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order of this Court in the CCAA Proceedings, all of which are expressly continued and confirmed.

32. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of these proceedings, nothing herein shall affect, vary, derogate from, limit or amend

any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other Order of this Court in these proceedings, all of which are expressly continued and confirmed.

RELEASES

33. **THIS COURT ORDERS** that effective as of the delivery of the Monitor's Certificate, (i) the current directors, officers, employees, independent contractors that have provided legal or financial services to the Applicants, legal counsel and advisors of the Applicants, (ii) the directors and officers of Residual Co, and (iii) the Monitor and its legal counsel (collectively, the "**Released Parties**") shall be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the delivery of the Monitor's Certificate, as applicable, and that relate in any manner whatsoever to the Applicants or any of their assets (current or historical), obligations, business or affairs or the CCAA Proceedings, including any actions undertaken or completed pursuant to the terms of this Order, or arising in connection with or relating to the SPA or the completion of the Restructuring Transactions (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar: (i) any liability arising out of the gross negligence or wilful misconduct of a Released Party, (ii) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or that arises in or relates to the period prior to the granting of the Initial Order, or (iii) any of the Released Parties' obligations pursuant to the SPA.

SEALING

34. **THIS COURT ORDERS** that Confidential Exhibits “1 and “2” to the Grant Affidavit be and are hereby sealed pending the earlier of the CCAA Termination Date or further Order of the Court.

GENERAL

35. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA Proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Applicants and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicants,

the entering into of the Restructuring Transactions, the SPA and the transactions approved in this Order shall be binding on any trustee-in-bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute, or be deemed to be, a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

36. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or

desirable to recognize and give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

38. **THIS COURT ORDERS** that each of the Applicants and the Monitor 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.

39. **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, without any need for entry and filing.

SCHEDULE “A”
Continuing Liabilities

The following are the “**Continuing Liabilities**” for purposes of this Order to which this is Schedule “A” (capitalized terms have the meaning given to them in the SPA):

- all liabilities associated with existing and ongoing customer contracts;
- all liabilities in connection with current employees of 138969 Ontario Inc.;
- all liabilities in respect of a 2019 Volkswagen Golf to VW Credit Canada Inc., and
- all liabilities in respect of certain leased equipment to CWB National Leasing Inc.

**SCHEDULE “B”
Form of Monitor’s Certificate**

Court File No. CV-22-00690657-00CL

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 A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC. (together referred to as
the “**Applicants**”)

MONITOR’S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 23, 2022, the Applicants were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and MNP Ltd. was appointed as monitor (the “**Monitor**”) of the Applicants.
- B. Pursuant to an Approval and Vesting Order of the Court dated ●, 2023 (the “**Order**”), the Court approved the transactions (the “**Restructuring Transactions**”) contemplated by the Share Purchase Agreement (the “**SPA**”) among 1000488927 Ontario Inc (the “**Purchaser**”) and 1929927 Ontario Inc. and 5010945 Ontario Limited (together, the “**Vendors**”) dated March 28, 2023, and ordered, *inter alia*, that: (i) 1000488910 Ontario Inc. (“**Residual Co**”) be added as an Applicant to these CCAA Proceedings; (ii) all of the Vendors’ right, title and interest in and to the Purchased Shares be vested in the Purchaser, free and clear from any Encumbrances; and (iii) all of the liabilities of the Applicants, other than the Continuing Liabilities, be vested in Residual Co.
- C. Capitalized terms used but not defined herein have the meanings ascribed to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Vendors, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.
2. This Monitor's Certificate was delivered by the Monitor at _____ on _____, 2023.

MNP LTD., in its capacity as Monitor of the Applicants, and not in its personal capacity

Per: _____

Name: Sheldon Title

Title: Senior Vice-President

**SCHEDULE “C”
The Real Property**

	Property Description	PIN
1.	PCL 12-1 SEC 1M498; BLK 12 PL 1M498 LAIRD EXCEPT PT 1 1R7890; LAIRD; SUBJECT TO AN EASEMENT OVER BLK 12 PL 1M498 EXCEPT PT 1 1R7890 IN FAVOUR OF LT 17 RCP H759 AS IN AL195932	31470-0011
2.	LT 15 RCP H759; LAIRD	31470-0096
3.	LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466; LAIRD; SUBJECT TO AN EASEMENT OVER LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466 IN FAVOUR OF OF LT 17 RCP H759 AS IN AL195932	31470-0098
4.	LT 17 RCP H759; LAIRD; TOGETHER WITH AN EASEMENT OVER BLK 12 PL 1M498, EXCEPT PT 1 1R7890 AS IN AL195932; TOGETHER WITH AN EASEMENT OVER LT 19-20 RCP H759; PT LT 16, 21 RCP H759 AS IN T412466 AS IN AL195932	31470-0099

SCHEDULE "D"
Claims and Encumbrances to be Vacated and Expunged from the Real Property

PIN 31470-0011

	Encumbrance	Registration Number	Party	Amount	Registration Date
1.	Transfer Easement	AL195932	James Daniel Springer and Joanne Marie Robertson Springer	N/A	2019/02/12
2.	Charge	AL213732	Caisse Desjardins Ontario Credit Union Inc.	\$6,500,000	2020/06/30
3.	Charge	AL216665	Community Development Corporation of Sault Ste. Marie & Area East Algoma Community Futures Development Corporation Nickel Basin Federal Development Corporation	\$900,000	2020/09/04
4.	Charge	AL218937	Northern Ontario Heritage Fund Corporation	\$1,000,000	2020/10/23

PIN 31470-0096

	Encumbrance	Registration Number	Party	Amount	Registration Date
1.	Charge	AL207556	Caisse Populaire Vermillon Inc.	\$350,000	2019/12/17
2.	Charge	AL216666	Community Development Corporation Of Sault Ste. Marie & Area East Algoma Community Futures Development Corporation Nickel Basin Federal Development Corporation	\$900,000	2020/09/04

PIN 31470-0098

	Encumbrance	Registration Number	Party	Amount	Registration Date
1.	Transfer Easement	AL195932	James Daniel Springer and Joanne Marie Robertson Springer	N/A	2019/02/12
2.	Charge	AL213732	Caisse Desjardins Ontario Credit Union Inc.	\$6,500,000	2020/06/30

3.	Charge	AL216665	Community Development Corporation of Sault Ste. Marie & Area East Algoma Community Futures Development Corporation Nickel Basin Federal Development Corporation	\$900,000	2020/09/04
4.	Charge	AL218937	Northern Ontario Heritage Fund Corporation	\$1,000,000	2020/10/23

PIN 31470-0099

	Encumbrance	Registration Number	Party	Amount	Registration Date
1.	Charge	AL216664	Community Development Corporation of Sault Ste. Marie & Area East Algoma Community Futures Development Corporation Nickel Basin Federal Development Corporation	\$900,000	2020/09/04

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

APPROVAL AND VESTING ORDER

RECONSTRUCT LLP
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Lawyers for the Applicants

**IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SPRINGER AEROSPACE HOLDINGS
LIMITED AND 1138969 ONTARIO INC.**

Court File No. CV-22-00690657-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

MOTION RECORD

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Lawyers for the Applicants