

**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 "**Applicants**")

**MOTION RECORD**

(Motion for increase to the DIP Loan, approval of the KERP and extension of the Stay Period)  
(Returnable February 22, 2023)

February 20, 2023

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**TO: THE SERVICE LIST**

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  
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 LIMITED AND 1138969 ONTARIO INC. (the "**Applicants**")

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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**")

**NOTICE OF MOTION**  
(Increase to DIP Loan and Approval of the KERP)

The Company 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 February 22, 2023 at 9:00 am, or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion will be heard by Zoom videoconference the details for which will be made available on Caselines prior to the hearing.

**THE MOTION IS FOR:**

1. if necessary, an Order abridging the time for service of this notice of motion and motion record and dispensing with service on any person other than those served;
2. an Order, substantially in the form attached as Tab 3 of the Motion Record:
  - a. increasing the permitted borrowings to \$1,300,000;
  - b. increasing the amount of the DIP Charge (as defined below) to \$1,300,000;

- c. extending the stay of proceedings to April 14, 2023;
  - d. declaring that the Phase II Bid Deadline (as defined in the Order approving the Sales and Investment Solicitation Process (the “**SISP**”) dated December 22, 2022) be extended to March 31, 2023;
  - e. approving a key employee retention plan (the “**KERP**”) and authorizing the Company to make payments in accordance with the terms of the KERP;
  - f. approving a charge in favour of the beneficiaries of the KERP to the maximum amount of \$70,000 (the “**KERP Charge**”); and
  - g. granting a sealing order for the terms of the KERP; and
3. such further and other relief as this Honourable Court deems just.

**THE GROUNDS FOR THIS MOTION ARE:**

***Background***

4. On November 23, 2022, the Company obtained an Initial Order under the CCAA from the Court, which Order was amended and restated pursuant to an Amended and Restated Initial Order dated December 2, 2022 (the “**ARIO**”).
5. Pursuant to the ARIO, among other things, the Court:
  - a. appointed MNP Ltd. as monitor of the Company (the “**Monitor**”);
  - b. authorized the Company to borrow an amount not to exceed \$1,100,000 under a credit facility from Hillmount Capital Inc. (the “**DIP Lender**”) in order to

finance the Company's working capital requirements and other capital expenditures;

- c. granted a charge on the Property to secure the amounts borrowed under the credit facility up to the maximum amount of \$1,100,000 (the "**DIP Lender's Charge**"); and
- d. extended the stay of proceedings in favour of the Company up to and including March 31, 2023 (the "**Stay Period**").

6. On December 22, 2022, the Court granted an Order (the "**SISP Order**") approving the SISP.

***Increase in the DIP Loan and DIP Lender's Charge***

7. Under a Commitment Letter with the DIP Lender, a credit facility of up to \$1,500,00 was extended to the Company. Pursuant to the ARIO, the Company is authorized to borrow the maximum amount of \$1,100,000 (the "**DIP Loan**").
8. The Company seeks to increase the quantum of the authorized borrowings under the DIP Loan to \$1,300,000 to reflect the financing requirements of the Company during Phase II of the SISP and through to April 14, 2023, being the expiry of the proposed stay period (the "**Proposed Stay Period**").
9. The Company, with the assistance of the Monitor, has prepared a revised cash flow projection until the end of the Proposed Stay Period (the "**Revised Cash Flow**"). Based on the Revised Cash Flow, the Company anticipates it will require access to an additional

\$200,000 in interim financing to sustain operations and pay restructuring expenses through the Proposed Stay Period.

10. The Revised Cash Flow projects that the Company will begin to pay down the DIP Loan the week ending April 1, 2023 as it completes existing projects and receives payments from customers. By the week ending April 15, 2023, the Company is projected to pay down the DIP Loan from \$1,300,000 to \$815,000.
11. The Company also seeks an Order expanding the DIP Lender's Charge from \$1,100,000 to \$1,300,000 to match the projected financing needs of the Company over the Proposed Stay Period. The entirety of the DIP Loan is conditional on receiving a first-ranking charge over the Property of the Company, in priority to all other charges and encumbrances except for an Administration Charge.
12. An increase in the maximum borrowing under the DIP Loan and a corresponding increase to the DIP Lender's Charge is necessary and reasonable in order to permit the Company to continue operating during Phase II of the SISP and to enable it to collect on the projected receipts due during the Proposed Stay Period.

***Extension of the Phase II Bid Deadline***

13. The overarching goal of the SISP is to solicit interest in and opportunities for a sale, restructuring or recapitalization of the Company's assets and business that will maximize the value of the Company for all stakeholders.
14. The SISP is a two-phased process. Phase I commenced on January 11, 2023. Under Phase I, potential bidders were given an opportunity to conduct preliminary due diligence and

submit non-binding expressions of interest (“LOIs”) by the Phase I bid deadline, being February 3, 2023.

15. During Phase I of the SISP, bidders expressed difficulty in analyzing the Company’s projected financial performance given certain shortcomings in its historical financial data. Given the lack of reliable financial data as well as the relatively short time frame of Phase I, potential bidders found it challenging to project the Company’s performance and determine a suitable purchase price. Accordingly, the Monitor, with the consent of the Company, extended the deadline to submit Phase I bids to February 13, 2023.
16. The Monitor has received LOIs from potential bidders. The LOIs express interest in purchasing the assets of the Company. The proposed purchase prices vary widely, however the stated purchase prices are non-binding at this stage and are negotiable based on further due diligence.
17. In accordance with the SISP Order, if one or more Qualified Phase I Bids (as defined in the SISP) were received and the Company, with the consent of the Monitor, is satisfied with the number/content of the Qualified Phase I Bids, then the SISP shall proceed to Phase II.
18. With Qualified Phase I Bids received, the Company intends to proceed to Phase II of the SISP in order to allow the bidders to finalize binding offers.
19. Under the SISP, the Phase II bid deadline was initially contemplated to be March 7, 2023. However, the Company has not yet been able to commence Phase II. Accordingly, the Company proposes that the Phase II Bid Deadline be extended until March 31, 2023.

***Extension of the Stay of Proceedings***

20. The current stay of proceedings expires on March 31, 2023. The Company seeks a limited two-week extension of the stay of proceedings, up to and including April 14, 2023.
21. The extension of the Stay Period is intended to facilitate the completion of Phase II of the SISP with the bid deadline being March 31, 2023 as well as a limited period of time for the Monitor to negotiate and work with phase II bidders with a view to improving and finalizing all binding bids received. In addition, the extension of the Stay Period will enable the Company to collect on the projected receipts to pay down the DIP Loan.
22. The Company has acted in good faith and with due diligence in advancing their restructuring goals since the Initial Order was granted, including carrying out the terms of the SISP.

***KERP and KERP Charge***

23. Since the Company filed for protection under the CCAA, it has lost numerous key employees to employment opportunities that employees view as less uncertain. The loss of these employees has affected the Company's operations at a time when its stability is paramount.
24. To address the loss of employees, the Company, in consultation with the Monitor, has developed a KERP to facilitate and encourage the continued participation of certain key employees in the business and the restructuring of the Company. These key employees are critical to the Company's ongoing operations and the CCAA proceeding given these

employees have significant experience and specialized expertise that cannot easily be replicated or replaced.

25. The KERP contemplates paying key employees a bonus totalling 10% of their annual salary on the earlier of April 15, 2023 and the completion of the SISP.
26. As security for the payments contemplated under the KERP, the Company also seeks this Court's approval of the KERP Charge over the Company's property in favour of the KERP beneficiaries, in the maximum amount of \$70,000. It is proposed that the KERP Charge be a third-ranking priority charge, ranking behind the Administration Charge, the DIP Lender's Charge, but ahead of the Director's Charge.
27. The KERP will provide a level of employee continuity and stability that would otherwise be placed at risk by key employee departures.
28. The KERP was developed in consultation with the Monitor. The Monitor is of the view that the KERP Charge is reasonable in the circumstances.
29. The benefits of the KERP far outweigh the nominal cost.

***Sealing Order***

30. Given that the KERP contains certain personal identifiable confidential information regarding the employees of the Company, the Company is seeking a sealing Order from the Court in respect of the KERP and the information contained therein.

***Additional Grounds***

31. Rules 1.04(1), 1.05, 2.03, and 3.02 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

32. The provisions of the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, including sections 10(1), 11, and 36.
33. 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:**

34. the Affidavit of Christopher Grant and the exhibits thereto;
35. the Third Report of the Monitor, to be served and filed; and
36. such further and other evidence as counsel may advise and this Honourable Court may permit.

February 20, 2023

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**Lawyers for the Company**

TO: **THE SERVICE LIST**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced at Toronto

**NOTICE OF MOTION**

(Increase of DIP Loan and DIP Lender's Charge and  
Approval of KERP)  
(returnable February 22, 2023)

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**Lawyers for the Applicants**

# TAB 2

**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. (Collectively  
"Springer")

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**THE AFFIDAVIT OF CHRISTOPHER GRANT**  
(sworn February 20, 2023)

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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 (together with Springer Aerospace Holdings Limited, "**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. I swear this affidavit in support of Springer's motion for an order substantially in the form attached as Tab 3 of Springer's Motion Record, *inter alia*, increasing Springer's DIP Loan and the corresponding DIP Lender's Charge (both as defined below) from \$1,100,000 to \$1,300,000, extending the Stay Period (as defined below) to April 14, 2023, and approving a key employee retention plan (the "**KERP**") and a corresponding charge in favour of the beneficiaries of the KERP.

3. Capitalized terms not otherwise defined in this affidavit have the meaning given to them in the Amended and Restated Initial Order dated December 2, 2022 (the “**ARIO**”), a copy of which is attached hereto at **Exhibit "A"**.

#### **I. BACKGROUND AND CCAA PROCEEDINGS**

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.

5. After 50 years in business, Springer began facing liquidity issues as a result of a rapid expansion that was undertaken just before the unanticipated COVID-19 shutdowns and the ensuing operational inefficiencies related to that expansion. Fortunately, Springer operates in an industry with strong demand and customers often find it challenging to find sufficient MRO capacity to service their fleet. With sufficient time and resources to fix the operational issues that resulted from the growth of the business, I believe that Springer will be a profitable enterprise.

6. On November 23, 2022 (the “**Filing Date**”), Springer 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 Order was amended and restated pursuant to the ARIO granted on December 2, 2022. Pursuant to the ARIO, among other things, the Court:

- a. appointed MNP Ltd. as monitor of Springer (the “**Monitor**”);

- b. approved Springer's engagement of Cedar Croft Consulting Inc. ("**Cedar Croft**") to provide the services of Patrick Walsh as the Chief Restructuring Officer of Springer (the "**CRO**");
- c. authorized Springer to borrow an amount not to exceed \$1,100,000 under a credit facility from Hillmount Capital Inc. (the "**DIP Lender**") in order to finance Springer's working capital requirements and other general corporate purposes and capital expenditures;
- d. approved the terms and conditions of the commitment letter between Springer and the DIP Lender dated November 22, 2022 (the "**Commitment Letter**");
- e. granted to the DIP Lender a charge on the property of Springer up to the maximum amount of \$1,100,000 (the "**DIP Lender's Charge**"); and
- f. extended the stay of proceedings up to and including March 31, 2023 (the "**Stay Period**").

7. On December 22, 2022, the Court granted an Order (the "**SISP Order**") approving a sale and investment solicitation process (the "**SISP**"). Attached as **Exhibit "B"** to my affidavit is a copy of the SISP Order.

8. This affidavit describes the activities and events that have occurred since the SISP Order was granted and the basis for the relief sought in this motion.

## II. UPDATE ON OPERATIONS

9. Springer continues to receive strong demand from customers for its services. Since the Filing Date, unlike many companies that file for CCAA protection, Springer has kept a strong pipeline of customer work.

10. As described above, on December 2, 2022, the Applicants sought the approval of the engagement of Cedar Croft as CRO. Following the Filing Date, the services and expertise of the CRO were utilized to stabilize Springer, including in relation to communications with employees, key suppliers and customers, all with a view to providing comfort and answering questions about the CCAA proceedings.

11. While the CRO was beneficial in this regard, once Springer stabilized, it became clear to Springer that its operations required an individual on the floor with expertise in managing an MRO, rather than a CRO. Given the finite financial resources available to Springer, funds were better utilized in maintaining the operations of Springer throughout the SISP. Accordingly, with the support of the Monitor, Springer ceased the engagement of the services of the CRO at the end of January 2023. Since that time, the Monitor has taken over assisting Springer with its cash flows and reporting to stakeholders, including Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”). Springer intends to solicit a Director of Maintenance and Operations at the appropriate time, having regard to the results of the SISP, including the potential synergies of a proposed purchaser identified therein.

### III. UPDATE ON THE SISP

12. The overarching goal of the SISP is to solicit interest in and opportunities for a sale, restructuring or recapitalization of Springer's assets and business that will maximize the value of Springer for all stakeholders.

13. The SISP was designed as a two-phase process to broadly canvass interest in Springer's assets and business. Phase I was intended to solicit non-binding letters of intent ("**LOIs**") from interested bidders. Any bidders having submitted LOIs would then be entitled, if selected by Springer and the Monitor, to enter into Phase II. Phase II is intended to allow bidders to conduct more extensive due diligence and to submit binding offers.

14. In accordance with Phase I of the SISP, Springer, with the assistance of the Monitor:

- (a) sent a process summary letter ("**Teaser Letter**") and a form of non-disclosure agreement ("**NDA**") to potential bidders;
- (b) published a press release on *Business Wire*;
- (c) published a notice providing details of the SISP in *Skies Magazine*;
- (d) received and reviewed participation letters and executed NDAs from nine parties who requested access to the data room ("**Potential Bidders**");
- (e) prepared a virtual data room and confidential information memorandum ("**CIM**"), which provided details on Springer's assets and operations;
- (f) granted the Potential Bidders access to the virtual data room; and

(g) worked with the Monitor to address questions from Potential Bidders.

15. Twelve parties executed NDAs to gain access to the virtual data room. The Monitor and Springer engaged in discussions with these Potential Bidders.

16. During Phase I of the SISP, it became apparent that Potential Bidders were having difficulty analyzing Springer's projected financial performance given certain shortcomings in its historical financial data. The absence of accurate financial information is due to, in part, the significant turnover that Springer experienced in its finance department starting in 2021, including the departure of its Chief Financial Officer in 2022, and the insufficient liquidity to pay the significant outstanding amounts owing to Springer's accountants to finalize the 2022 financial statements. As a result, Springer's 2022 financial statements, generated from its books and records, are likely inaccurate and are not reliable. Springer and the Monitor communicated the apparent deficiencies in the 2022 financial statements to all Potential Bidders.

17. Given the apparent lack of reliable financial data as well as the relatively short time frame of Phase I of the SISP, Potential Bidders found it challenging to project Springer's performance and determine a suitable purchase price. As a result, some Potential Bidders requested more time to submit bids, and one Potential Bidder requested to have until the summer (due to managing timelines the bidder had on other opportunities it was pursuing) to submit a bid after performing a considerable amount of due diligence. With Springer's cash flow pressures and lack of available DIP funding under the current facility, Springer was not able to commit to an extension of the SISP until the summer.

18. With a view to these challenges for Potential Bidders, the Monitor extended the Phase I Bid Deadline for Potential Bidders to submit their non-binding LOIs (“LOIs”) by ten days, being February 13, 2023.

19. The Monitor has received LOIs in and around the Phase I Bid Deadline. The LOIs express interest in purchasing the assets of Springer. The proposed purchase prices vary widely, however the stated purchase prices are non-binding at this stage and are negotiable based on further due diligence. The number of LOIs as well as copies thereof are attached as Confidential Appendix “A”.

20. Pursuant to the terms of the SISP, if one or more Qualified Phase I Bids are received and Springer, with the consent of the Monitor, is satisfied with the number/content of the Qualified Phase I Bids, then the SISP shall proceed to Phase II. In order to be a Qualified Phase I Bid, the LOI must, *inter alia*, contain an indication of whether the Potential Bidder was looking to acquire the assets or make an investment proposal and the specific diligence it will conduct during Phase II.

21. With Qualified Phase I Bids received, Springer, with the consent of the Monitor, intends to proceed to Phase II of the SISP in order to allow the bidders to conduct further due diligence and finalize binding offers.

22. Pursuant to the terms of the SISP, the Monitor has discretion in determining how to proceed in Phase II based on the number and terms of the LOIs received. Given the issues with Springer’s historical financial data, Springer, in consultation with the Monitor, proposes to allow Potential Bidders who did not submit an LOI to still have the opportunity to submit a binding bid by the

Phase II Bid Deadline. I believe that given the feedback from Potential Bidders about the financial information and timeline, advancing to Phase II with the option of permitting further bidders to submit bids will maximize realization to the extent possible. I am aware of Potential Bidders who may still submit bids even though they were not in a position to finalize an LOI by the Phase I Bid Deadline. Accordingly, I expect that advancing to Phase II will benefit Potential Bidders and Springer's stakeholders.

23. Under the SISP, the Phase II Bid Deadline was initially contemplated to be March 7, 2022. Since the expiry of the of the Phase I Bid Deadline on February 13, 2022, Springer has been in discussions with Desjardins as to next steps.

24. I understand that Desjardins has concerns with proceeding to Phase II of the SISP given the proposed consideration being offered in respect to the submitted non-binding LOIs. However, as Phase I only required non-binding letters of intent, I believe more value can be obtained. I am advised that if a receiver is appointed, Desjardins would not receive any recovery on the projected receipts coming in through to the week ending April 15, 2023 given that existing projects would not be completed. Accordingly, the real property held by Springer will constitute the main realizable asset for Desjardins. To accelerate recovery on existing indebtedness, including for the benefit of Desjardins, as part of Phase II of the SISP, Springer intends to list its real property for sale, including the two residential houses.

25. Phase II of the SISP has not yet commenced. Assuming Phase II commences immediately after this Court's approval of the increased DIP, Springer proposes to amend the Phase II Bid Deadline to be March 31, 2023. As such, Springer seeks this Court's approval regarding same.

#### IV. INCREASED INTERIM FINANCING

26. I believe that progressing to Phase II as a going concern operation is appropriate. In order to do so, Springer requires an additional \$200,000 in interim financing to sustain operations and pay restructuring expenses through the Stay Period.

27. Springer initially anticipated it would need interim financing in the amount of \$1,500,000 to meet the cash flow needs of Springer throughout the CCAA process, including a bid deadline of March 7, 2023. Accordingly, Springer negotiated for the DIP Lender to provide interim financing up to the maximum amount of \$1,500,000 (the “**DIP Facility**”).

28. At the Comeback Hearing, notwithstanding the availability of a \$1.5 million DIP Facility, following discussions with Desjardins, Springer agreed to tighten its cash flow requirements and work within the confines of a \$1,100,000 credit facility. Despite Springer’s best efforts to work with the limited credit facility, as described in the Monitor’s Third Report to the Court, Springer is now facing a \$200,000 cash flow deficiency to get to the week ending April 15, 2023 due to, *inter alia*, the unforeseeable loss of certain projects earlier in the proceedings. The loss of these projects arose from Springer’s inability to give the affected customers, at the time of the filing, a firm commitment on the completion of their project.

29. Springer is projected to bring in receipts from the completion of existing project between the week ending April 1, 2023 and April 15, 2023.

30. With the assistance of the Monitor, Springer has prepared an updated cash flow projection until the end of the Stay Period (the “**Updated Cash Flow**”), a copy of which is included in the Monitor’s Third Report) reflecting the need for an additional \$200,000 in interim financing to

sustain operations and pay restructuring expenses through the Stay Period. In particular, the Updated Cash Flow anticipates that:

- a. for the week ending March 4, 2023, Springer will need access to an additional \$150,000 of interim financing to meet its obligations;
- b. Springer's financing needs will peak at \$1,300,000 in the week ending April 1, 2023;
- c. Springer will begin to pay down the DIP Loan beginning the week ending April 1, 2023 with customer receipts; and
- d. The DIP Loan balance will be reduced from \$1,300,00 to \$815,000 by the week ending April 15, 2023.

31. The variances between the Updated Cash Flow and the previous cash flow projection filed will be discussed in the Monitor's report to be filed.

32. Springer is not seeking a new DIP Lender or DIP Loan at this time. The terms of the DIP Loan remain unchanged from when the Court approved the terms in the ARIO.

#### **V. THE DIP LENDER'S CHARGE**

33. Pursuant to the ARIO, the Court granted the DIP Lender's Charge on the Property up to the maximum amount of \$1,100,000.

34. Springer seeks an Order increasing the DIP Lender's Charge from \$1,100,000 to \$1,300,000 to match the projected financing needs of Springer over the Stay Period. The increase

in the DIP Lender's Charge is necessary as the DIP Lender's funding is conditional on Court approval of a corresponding DIP Lender's Charge.

35. Based on the above, I believe that the increase to the DIP Lender's Charge is necessary and reasonable. It is in the best interest of all stakeholders for Springer to receive additional interim financing, on a short-term basis, to permit Springer to complete Phase II of the SISP and to collect on the projected accounts receivable that are expected to come in during the proposed extension of the Stay Period.

## **VI. THE KERP AND KERP CHARGE**

36. Springer requests this Court's approval of the KERP and the granting of the KERP Charge up to a maximum amount of \$70,000 as security for payments under the KERP.

37. As of the date of this affidavit, Springer has approximately 65 employees, down from 100 employees as of the Filing Date. Springer has lost a number of key employees to employment opportunities where employees do not need to work within the uncertainty of a CCAA proceeding. The loss of these employees has affected Springer's operations at a time when its stability is paramount. At this time, Springer retains sufficient employees to complete the current work-in-progress, with the KERP incentivizing employees to remain with Springer through the earlier of completion of the SISP and April 15, 2023.

38. As noted above, Springer is in the midst of a sales process and significant receipts from operations are expected to come in to pay down the DIP Facility in the week ending April 15, 2023. The CCAA Proceedings have, to date, been intensive. The dedicated assistance of certain key employees through the proposed extension of the Stay Period is critical to maximizing value

through the completion of ongoing projects and the collection of accounts receivable—and drawing potential purchasers in the SISP.

39. I believe that there is a material risk that further key employees may leave their employment at Springer given the perceived uncertainty created by these CCAA proceedings. To address the loss of employees, Springer and the Monitor have created the KERP. The KERP contemplates paying key employees a bonus totalling 10% of their annual salary on the earlier of April 14, 2023 and the completion of the SISP.

40. The continued participation of the key employees is critical to Springer's ongoing operations and the CCAA proceeding, given that these employees have significant experience and specialized expertise that cannot easily be replicated or replaced. In particular, Springer operates in the highly-regulated aviation industry and its employees have significant industry and institutional knowledge and experience.

41. The difficulty that Springer would face in attracting employees with equal skill and knowledge is exacerbated by the fact that Springer is undergoing restructuring and its remote location in Northern Ontario. Springer needs to focus its time and money on its restructuring efforts—supported by its hard-working, knowledgeable employees—and not on scoping the market for replacement employees or more expensive contractors with the assistance of staffing agencies.

42. It is proposed that the KERP Charge be a fourth-ranking priority charge, ranking behind the Administration Charge and the DIP Lender's Charge, but ahead of the Directors' Charge. A

summary of the KERP, and the economics of the KERP, is attached as **Confidential Exhibit “A”**.

43. I believe that, if approved, the KERP will provide a level of employee continuity and stability that could otherwise be placed at risk by key employee departures. The benefits of the KERP far outweigh the nominal cost.

44. I understand that the Monitor is supportive of the KERP.

45. For all the reasons discussed above, I am of the view that the KERP is critical to Springer’s ongoing stability, retention of key employees, and efforts to restructure for the benefit of all stakeholders.

## **VII. PRIORITIES OF CHARGES**

46. For clarity, Springer seeks to modify the priority of the Charges as follows:

FIRST – the Administration Charge up to a maximum of \$250,000 (unchanged);

SECOND – the DIP Lender’s Charge up to a maximum of \$1,300,000 (from \$1,100,000);

THIRD – the KERP Charge to a maximum of \$70,000 (new); and

FOURTH – the Directors’ Charge up to a maximum of \$165,000 (unchanged).

## **VIII. STAY EXTENSION**

47. The current Stay Period expires on March 31, 2023. The Applicants seek a limited two-week extension of the Stay Period, up to and including April 14, 2023.

48. The extension of the Stay Period is intended to facilitate completion of Phase II of the SISF with the bid deadline being March 31, 2023 as well as a limited period of time for the Monitor to negotiate and work with Phase II bidders with a view to improving and finalizing all binding

bids received.

49. I believe that Springer has acted in good faith and with due diligence in advancing their restructuring goals since the Initial Order was granted, including carrying out the terms of the SISP and an extension of the stay will increase the likelihood of a feasible sale transaction.

50. The Updated Cash Flows indicate that Springer will have sufficient funds available to continue operations throughout the requested Stay Period, in accordance with the Initial Order.

51. Springer seeks to avoid a liquidation to prevent the devastating impact of a business closure on this Northern Ontario community. Vulnerable stakeholders such as employees, contractors, customers, and the surrounding Northern Ontario and Indigenous communities will bear a heavy financial and social burden in a liquidation scenario and accordingly, the implementation of Phase II of the SISP is necessary.

## **IX. SEALING ORDER**

52. The LOIs contain commercially sensitive information pertaining to the SISP and the results thereof.

53. The KERP contains commercially sensitive information as well as personal information relating to certain of Springer's employees.

54. Springer therefore seeks an order that **Confidential Exhibit "B"** be sealed and not form part of the court record pending further order of the Court.

## **X. CONCLUSION**

55. Based on the above, I believe that Springer’s requested relief is necessary and reasonable.

56. I swear this affidavit in support of Springer’s motion seeking an Order substantially in the form of the draft Order contained in Tab “3” of Springer’s Motion Record and for no other or improper purpose.

**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 20<sup>th</sup> )  
day of February 2023, in accordance with )  
O. Reg 431/20, *Administering Oath or* )  
*Declaration Remotely.* )



\_\_\_\_\_  
A Commissioner for taking  
Affidavits. Name: Caitlin Fell



\_\_\_\_\_  
**CHRISTOPHER GRANT**

**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 20th day of February  
2023, in accordance with O. Reg 431/20,  
Administering Oath or Declaration Remotely.



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**A COMMISSIONER FOR TAKING AFFIDAVITS  
Caitlin Fell**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	FRIDAY, THE 2 <sup>nd</sup>
	)	
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**")

**AMENDED AND RESTATED 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 22, 2022 and the Exhibits thereto, the Confidential Affidavit of Christopher Grant sworn November 22, 2022 and the Confidential Exhibits thereto (both sealed in accordance with paragraph 47 of this order), the Affidavits of Christopher Grant sworn November 30, and December 1, 2022 and the Exhibits thereto, the Pre-Filing Report of MNP Ltd. as the Monitor appointed pursuant to the CCAA (in such capacity, the "**Monitor**") dated November 22, 2022, and the First Report of the Monitor dated December 1, 2022, 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 the 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 Affidavits of Service of Joël Turgeon

and Levi Rivers, respectively, filed, and on reading the consent of MNP Ltd. 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, restructuring, sale and reorganization of the Business or Property, in whole or part, subject to obtaining prior approval of this Court before effecting any material refinancing, restructuring, sale or reorganization,

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 March 31, 2023 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 40 and 43 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 Ltd. 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.

#### **APPOINTMENT OF CHIEF RESTRUCTURING OFFICER**

31. THIS COURT ORDERS that:

- a. the agreement dated November 30, 2022, pursuant to which the Applicants have engaged Cedar Croft Consulting to provide the services of Patrick Walsh to act as

the chief restructuring officer of the Applicants (collectively referred to, in such capacities, as the “CRO”), a copy of which is attached as Exhibit “A” to the affidavit of Christopher Grant sworn December 1, 2022 (the “**CRO Engagement Letter**”), and the appointment of the CRO pursuant to the terms of the CRO Engagement Letter, are hereby approved, including, without limitation, the payment of the fees and expenses contemplated in the CRO Engagement Letter;

- b. the Applicants are hereby authorized and directed to pay the fees and expenses of the CRO pursuant to the CRO Engagement Letter;
- c. the CRO shall not be, nor be deemed to be, a director or employee of the Applicants;
- d. the CRO shall not, as a result of the performance of the obligations and services in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation;
- e. the CRO shall have no liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this Order except to the extent that such losses, claims, damages or liabilities result from gross negligence or wilful misconduct on the part of the CRO;
- f. during the Stay Period, no Proceeding shall be commenced or continued against or in respect of the CRO, except with the written consent of the CRO or with leave of this Court;
- g. during the Stay Period, all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with the written consent of the CRO or leave of this Court, provided that nothing in this Order shall empower the CRO to carry on any business which the CRO is not lawfully entitled to carry on; and
- h. the obligations of the Applicants to the CRO pursuant to the CRO Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or

proposal filed under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”) in respect of the Applicants.

#### **ADMINISTRATION CHARGES**

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, the Applicants’ counsel, and the CRO 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 \$250,000, as security for, in the case of the Monitor and such counsel, their professional fees and disbursements incurred at the standard rates and charges both before and after the making of this Order in respect of these proceedings, and, in the case of the CRO, the monthly fees and expenses contemplated in the CRO Engagement Letter, but not the success fee contemplated in the CRO Engagement Letter. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

33. THIS COURT ORDERS that the CRO shall be entitled to the benefit of, and is hereby granted, a charge (the “**Administration Charge II**”) to secure any success fees owing to it, up to a maximum of \$75,000. The Administration Charge II shall have the priority set out in paragraphs 40 and 42 hereof, and shall rank behind any Encumbrance in favour of Desjardins.

#### **DIP FINANCING**

34. 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 \$1,100,000 unless permitted by further Order of this Court.

35. 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.

36. 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.

37. 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 40 and 42 hereof.

38. 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.

39. 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 BIA, with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

40. 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 \$250,000);

Second – DIP Lender's Charge (to the maximum amount of \$1,100,000);

Third – Administration Charge II (to the maximum amount of \$75,000); and

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

41. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the Administration Charge II 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.

42. 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.

43. THIS COURT ORDERS that the Administration Charge II and the Directors' Charge shall constitute charges on the Property, and such Administration Charge II shall rank in priority to the Directors' Charge, and both charges shall rank in priority to all other Encumbrances in favour of any Person, save and except any Encumbrance in favour of 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.

44. 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, the Administration Charge II 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, the Administration Charge, the Administration Charge II and Desjardins, or further Order of this Court.

45. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, the Administration Charge II, the CRO Engagement Letter, 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, the CRO Engagement

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 or the CRO Engagement 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, the CRO Engagement 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.

46. 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**

47. 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 of arrangement with respect to the Applicants under the CCAA, or further court order.

#### **SERVICE AND NOTICE**

48. 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.

49. 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**”).

50. 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.

51. 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.

52. 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

53. 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.

54. 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.

55. 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.

56. 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.

57. 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.

58. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order 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.

59. 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.



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**Schedule “A”  
Real Property: Legal Description**

	<b>PIN</b>	<b>Legal Description</b>
<b>1.</b>	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
<b>2.</b>	31470-0096 (LT)	LT 15 RCP H759; LAIRD
<b>3.</b>	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.

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

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

***COMPANIES' CREDITORS ARRANGEMENT ACT  
AMENDED AND RESTATED INITIAL ORDER***

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

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Fax: 416.613.8290

**Lawyers for the Applicants**

**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 20th day of  
February 2023, in accordance with O. Reg 431/20,  
Administering Oath or Declaration Remotely.



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**A COMMISSIONER FOR TAKING AFFIDAVITS  
Caitlin Fell**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	WEDNESDAY, THE 22 <sup>nd</sup>
	)	
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.



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

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"

	<b>Contact</b>	<b>Contact Information</b>
1.	<p><b>MNP LTD.</b> 111 Richmond Street West Suite 300 Toronto, ON M5H 2G4</p> <p>The Monitor</p>	<p><b>Sheldon Title</b> Sheldon.title@mnp.ca</p> <p><b>Matthew Lem</b> Matthew.Lem@mnp.ca</p>
2.	<p><b>AIRD &amp; BERLIS LLP</b> Brookfield Place 181 Bay St., Suite 1800 Toronto, ON M5J 2T9</p> <p>Lawyers for the Monitor</p>	<p><b>Ian Aversa</b> iaversa@airdberlis.com</p> <p><b>Miranda Spence</b> mspence@airdberlis.com</p> <p><b>Matilda Lici</b> mlici@airdberlis.com</p>
3.	<p><b>RECONSTRUCT LLP</b> 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><b>Sharon Kour</b> skour@reconllp.com</p> <p><b>Caitlin Fell</b> cfell@reconllp.com</p>
4.	<p><b>COZEN O'CONNOR</b> 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><b>Steven Weisz</b> sweisz@cozen.com</p>

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

***COMPANIES' CREDITORS ARRANGEMENT ACT  
SALE PROCESS ORDER***

**RECONSTRUCT LLP**  
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200 Bay Street, Suite 2305, P.O. Box 120  
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**Lawyers for the Applicants**

# TAB 3

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

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

THE HONOURABLE	)	WEDNESDAY, THE 22 <sup>nd</sup>
	)	
MR. JUSTICE PENNY	)	DAY OF FEBRUARY, 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,  
the "**Applicants**")

**ORDER**

(Re: DIP Increase and KERP)

**THIS MOTION**, made by the Applicants, for an Order substantially in the form attached as Tab 3 of Motion Record was heard this day at 330 University Avenue, Toronto, Ontario by Zoom videoconference.

**ON READING** the affidavit of Christopher Grant sworn February 20, 2023 and the Exhibits thereto and the Third Report of MNP Ltd. as the Monitor appointed pursuant to the *Companies' Creditors Arrangement Act* (in such capacity, the "**Monitor**") dated February ●, 2023, and on hearing the submissions of counsel for the Applicants, the Monitor, Caisse Desjardins Ontario Credit Union Inc., and such other counsel as were present, no one else appearing although properly served as appears from the affidavit of service of ● sworn February ●, 2023, filed:

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Amended and Restated Initial Order dated December 2, 2022.

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the motion record and the Third Report are hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **SALE PROCESS**

2. **THIS COURT ORDERS** that the Phase II Bid Deadline (as defined in the Sale and Investment Solicitation Order dated December 22, 2022) shall be March 31, 2023.

### **DIP FINANCING INCREASE**

3. **THIS COURT ORDERS** that the maximum borrowings under the credit facility from the DIP Lender is increased from \$1,100,000 to \$1,300,000.

4. **THIS COURT ORDERS** that the DIP Lender's Charge is increased to the maximum amount of \$1,300,000.

### **APPROVAL OF KEY EMPLOYEE RETENTION PLAN**

5. **THIS COURT ORDERS** that the Key Employee Retention Plan (the "**KERP**"), appended as Confidential Appendix "A" to the Grant Affidavit, is hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms thereof.

6. **THIS COURT ORDERS** that each of the beneficiaries of the KERP shall be entitled to the benefit of and are hereby granted a charge on the Property (the "**KERP Charge**"), which

KERP Charge shall not exceed an aggregate amount of \$70,000, to secure the amounts payable under the KERP pursuant to paragraph 5 hereof. The KERP Charge shall have the priority set out in paragraph 8 hereof.

7. **THIS COURT ORDERS** that the defined term “Charges” in the ARIIO shall be inclusive of the KERP Charge.

8. **THIS COURT ORDERS** that the priorities of the Directors’ Charge, the Administration Charge, the DIP Lender’s Charge, and the KERP Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000);

Second – DIP Lender’s Charge (to the maximum amount of \$1,300,000);

Third – KERP Charge (to the maximum amount of \$70,000); and

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

#### **SEALING ORDER**

9. **THIS COURT ORDERS** that Confidential Appendix “A” to the Grant Affidavit shall be and is hereby sealed, kept confidential, and shall not form part of the public record.

#### **GENERAL**

10. **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.

11. **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.

12. **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.

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

Proceedings commenced at Toronto

**ORDER**  
**(Re: DIP Increase and KERP Approval)**

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**Lawyers for the Applicants**

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

Proceedings commenced at Toronto

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**MOTION RECORD**  
(Returnable February 22, 2023)

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