



Court File No. EV-12-9761-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)

THURSDAY, THE 14TH

JUSTICE MORAWETZ)

DAY OF JUNE, 2012)

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 NORTHSTAR AEROSPACE, INC., NORTHSTAR AEROSPACE (CANADA)
INC., 2007775 ONTARIO INC. and 3024308 NOVA SCOTIA COMPANY

Applicants

INITIAL ORDER

THIS APPLICATION, made by Northstar Aerospace, Inc. ("**Northstar Inc.**"), Northstar Aerospace (Canada) Inc. ("**Northstar Canada**"), 2007775 Ontario Inc. and 3024308 Nova Scotia Company (together, the "**CCAA Entities**"), 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 Craig A. Yuen sworn June 13, 2012 and the Exhibits attached thereto (the "**Yuen Affidavit**"), the Pre-filing Report of Ernst & Young Inc., as proposed monitor, and on being advised that Fifth Third Bank ("**Fifth Third**" or the "**DIP Agent**"), The Boeing Company ("**Boeing**") and Boeing Capital Loan Corporation ("**Boeing Capital**") were given notice of this application, and on hearing the submissions of counsel for the CCAA Entities, FTI Consulting Canada

Inc. ("**FTI Consulting**"), in its capacity as Chief Restructuring Officer ("**CRO**"), Fifth Third and Ernst & Young Inc., and on reading the consent of Ernst & Young Inc. to act as the Monitor (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 CCAA Entities are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that any one or more of the CCAA Entities shall have the authority to file and may, subject to further order of this Court, file with this Court a plan or plans of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the CCAA Entities 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 CCAA Entities shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The CCAA Entities shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, the "**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 CCAA Entities shall be entitled to continue to utilize the central cash management system currently in place, as modified to accommodate the DIP Facility (defined below), as described in the Yuen Affidavit, or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank 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 CCAA Entities 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 CCAA Entities, 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, in accordance with the DIP Agreement (as defined below) and the Cash Flow Projections (as defined in the DIP Agreement), the CCAA Entities 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, and amounts owed to any Assistants, 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; and

- (b) the fees and disbursements of any Assistants retained or employed by the CCAA Entities in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, in accordance with the DIP Agreement and the Cash Flow Projections, and except as otherwise provided to the contrary herein, the CCAA Entities shall be entitled but not required to pay all reasonable expenses incurred by the CCAA Entities 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 CCAA Entities following the date of this Order.

8. **THIS COURT ORDERS** that the CCAA Entities 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 (collectively, "Sales Taxes") required to be remitted by the CCAA Entities in connection with the sale of goods and services by the CCAA Entities, 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 CCAA Entities.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the CCAA Entities 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 CCAA Entities 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 CCAA Entities 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 CCAA Entities to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its 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 CCAA Entities shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$1,000,000 in the aggregate, with the consent of the Monitor and the DIP Agent or otherwise on further Order of the Court;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the CCAA Entities to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the CCAA Entities shall provide each of the relevant landlords with notice of the CCAA Entities' 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 CCAA Entities' 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 CCAA Entities, or by further Order of this Court upon application by the CCAA Entities on at least two (2) days' notice to such landlord and any such secured creditors. If the CCAA Entities 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 of the lease shall be without prejudice to the CCAA Entities' 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 CCAA Entities 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 CCAA Entities in respect of such lease or leased premises and such landlord shall be entitled to notify the CCAA Entities of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE CCAA ENTITIES OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including July 14, 2012, 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 CCAA Entities or the Monitor, or affecting the Business or the Property, except with the written consent of the CCAA Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CCAA Entities 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 CCAA Entities or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the CCAA Entities, the Monitor, and the DIP Agent, or leave of this Court, provided that nothing in this Order shall (a) empower the CCAA Entities to carry on any business which the CCAA Entities are not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) 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 CCAA Entities, except with the written consent of the CCAA Entities, the Monitor, and the DIP Agent, 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 the CCAA Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the CCAA Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of

such goods or services as may be required by the CCAA Entities, and that the CCAA Entities 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 CCAA Entities in accordance with normal payment practices of the CCAA Entities or such other practices as may be agreed upon by the supplier or service provider and each of the CCAA Entities, the Monitor, and the DIP Agent, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, but subject to paragraphs 19 to 21 below, 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 CCAA Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

CRITICAL SUPPLIERS

19. **THIS COURT ORDERS AND DECLARES** that each of the entities listed in Schedule "A" hereto is a critical supplier of the CCAA Entities as contemplated by Section 11.4 of the CCAA (each, a "**Critical Supplier**"); provided that such designation shall not constitute a finding or determination that such entities are critical suppliers to any affiliate of the CCAA Entities.

20. **THIS COURT ORDERS** that each Critical Supplier shall continue to supply the CCAA Entities with goods and/or services on terms and conditions that are consistent with existing arrangements and past practices, as may be amended by the payment terms set forth in Schedule "A". No Critical Supplier may require the payment of a deposit or the posting of any security in connection with the supply of goods and/or services to the CCAA Entities after the date of this Order.

21. **THIS COURT ORDERS** that each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (together, the "**Critical Supplier Charge**") on the Property in an amount equal to the value of the goods and services supplied by such Critical Supplier and received by the CCAA Entities after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services. The Critical Supplier Charge shall have the priority set out in paragraphs 57 and 59 hereof.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. **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 CCAA Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the CCAA Entities 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 CCAA Entities, if one is filed, is sanctioned by this Court or is refused by the creditors of the CCAA Entities or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

24. **THIS COURT ORDERS** that the directors and officers of the CCAA Entities and the CRO Indemnified Parties (defined below) 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 \$1,750,000, as security for the indemnity provided to their directors and officers in paragraph 23 and to the CRO Indemnified Parties in paragraph 34 of this Order. The Directors' Charge shall have the priority set out in paragraphs 57 and 59 herein.

25. **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 CCAA Entities' directors and officers and the CRO Indemnified Parties 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 paragraphs 23 and 34 of this Order.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

26. **THIS COURT ORDERS** that FTI Consulting is hereby appointed CRO, an officer of this Court, over and in respect of the CCAA Entities and shall have the powers and obligations set out in the agreement entered into between the CCAA Entities and FTI Consulting dated June 6, 2012 (the “**CRO Agreement**”).

27. **THIS COURT ORDERS** that the CRO Agreement is approved *nunc pro tunc* and the CCAA Entities are authorized to perform all of their obligations pursuant to the CRO Agreement.

28. **THIS COURT ORDERS** that, subject to the terms of this Order, the CRO is hereby empowered, authorized and directed to do all things, carry out all actions and perform all duties described in the CRO Agreement and, without limiting the foregoing, the CRO is hereby directed and empowered to:

- (a) take any and all steps for and in the name of, and on behalf of, the CCAA Entities necessary to carry out the Restructuring;
- (b) implement, in consultation with the Monitor, any process to market and sell the Business and Property approved pursuant to this or any further order of this Court;
- (c) evaluate restructuring, sale or recapitalization alternatives that may be presented to the CCAA Entities;
- (d) represent the CCAA Entities in any negotiations with any party, including creditors, customers and other stakeholders of the CCAA Entities;
- (e) communicate with and provide information to the Monitor, the DIP Agent and the DIP Lenders and other stakeholders regarding the Business and affairs of the CCAA Entities;

- (f) report to this Court at such times and intervals as the CRO 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;
- (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 CCAA Entities, to the extent that it is necessary to adequately assess the Business and the CCAA Entities' 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 CRO deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) perform such other duties as are required by this Order or by this Court from time to time; and
- (j) take all such steps and actions, enter into and execute all such agreements and documents in the name of and on behalf of the CCAA Entities and incur such expenses and obligations necessary or incidental to the exercise of the foregoing powers;

provided that each of the foregoing actions, agreements, expenses and obligations shall be construed to be those of the CCAA Entities and not of the CRO nor any of its officers, directors, employees, representatives or agents.

29. **THIS COURT ORDERS** that the CCAA Entities shall (a) advise the CRO of all material steps taken by the CCAA Entities in these proceedings; and (b) cooperate fully with and provide the CRO with the assistance necessary to enable the CRO to exercise its powers and discharge its obligations under the CRO Agreement, this Order and any other orders issued in this proceeding.

30. **THIS COURT ORDERS** that the CRO shall not take possession of the Property and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof. Without limiting the foregoing, the CRO shall not, as a result of this Order or anything done pursuant to its duties and powers pursuant to this Order, be deemed to be in Possession (as defined below) of any Property within the meaning of any Environmental Legislation (as defined below).

31. **THIS COURT ORDERS** that the CRO shall consult with the Monitor and the DIP Agent regarding all material issues relating to the Business and these proceedings as reasonably determined by the CRO.

32. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the CRO as an officer of this Court, neither the CRO nor any officer, director, employee, or agent of FTI Consulting shall be deemed to be a director or trustee of any of the CCAA Entities.

33. **THIS COURT ORDERS** that neither the CRO nor any officer, director, employee or agent of FTI Consulting shall incur any liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any liability or obligation incurred as a result of any gross negligence or wilful misconduct on its or their part; provided that any liability of the CRO hereunder shall in no event exceed the quantum of the fees paid to the CRO.

34. **THIS COURT ORDERS** that the CCAA Entities shall indemnify and hold harmless the CRO and any officers, directors, employees or agents of FTI Consulting who may assist the CRO with the exercise of its powers and obligations under this Order (collectively with the CRO, the "**CRO Indemnified Parties**") with respect to any liability or obligation that the CRO Indemnified Parties may incur as a result of the appointment of the CRO or the fulfilling of the CRO's duties in carrying out the provisions of this Order, including any claims or liabilities subject to indemnification

pursuant to the CRO Agreement, except to the extent that the obligation or liability was incurred as a result of the CRO Indemnified Parties' gross negligence or wilful misconduct. The CRO Indemnified Parties shall be treated as unaffected and the foregoing indemnity shall be treated as unaffected and may not be compromised in any plan of arrangement or compromise filed by the CCAA Entities under the CCAA, or any proposal filed by the CCAA Entities under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA").

35. **THIS COURT ORDERS** that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the CRO Indemnified Parties, and all rights and remedies of any Person against or in respect of the CRO Indemnified Parties are hereby stayed and suspended, except with the written consent of the CRO or with leave of this Court on notice to the CCAA Entities, the Monitor and the CRO. Notice of any such motion seeking leave of this Court shall be served upon the CCAA Entities, the Monitor and the CRO at least seven (7) days prior to the return date of any such motion for leave.

36. **THIS COURT ORDERS** that the CRO may resign or the appointment of the CRO may be terminated by further order of this Court at any time.

37. **THIS COURT ORDERS** that the CCAA Entities' indemnity in favour of the CRO Indemnified Parties shall survive any termination, replacement or discharge of the CRO.

38. **THIS COURT ORDERS** that the appointment of the CRO and the granting of powers and responsibilities of the CRO hereunder will not constitute the sale or disposition of the Business or the sale or disposition of any of the Property and such Business and Property will continue to be the Business and Property of the CCAA Entities unless and until sold in whole or in part to a purchaser.

APPOINTMENT OF MONITOR

39. **THIS COURT ORDERS** that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the CCAA Entities with the powers and obligations set out in the CCAA or set forth herein and that the CCAA Entities and their shareholders, officers, directors, assistants and the CRO shall advise the Monitor of all material steps taken by the CCAA Entities pursuant to this Order, and shall cooperate 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.

40. **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 CCAA Entities' 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 CCAA Entities, to the extent required by the CCAA Entities, (i) in their dissemination, to the DIP Agent and its counsel of financial and other information that is contemplated to be provided to the DIP Agent under the DIP Documents, and such information may be used in these proceedings, and (ii) provide such other reporting to the DIP Agent as may be reasonably requested by the DIP Agent from time to time;

- (d) advise the CCAA Entities in their preparation of the CCAA Entities' cash flow statements and reporting required by the DIP Agreement, which information shall be reviewed with the Monitor and delivered to the DIP Agent and its counsel in compliance with the DIP Documents or as otherwise agreed to by the DIP Agent;
- (e) advise the CCAA Entities in their development of the Plan and any amendments to the Plan;
- (f) assist the CCAA Entities, to the extent required by the CCAA Entities, 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 CCAA Entities, to the extent that is necessary to adequately assess the CCAA Entities' 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.

41. **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.

42. **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.

43. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the CCAA Entities and the DIP Agent with information provided by the CCAA Entities 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 CCAA Entities 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 CCAA Entities may agree.

44. **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.

45. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO, counsel to the CRO, counsel to the CCAA Entities and independent counsel to Northstar Inc.'s Board of Directors shall be paid their reasonable fees and disbursements, whether incurred before or after the date of this Order, in each case at their standard rates and charges, by the CCAA Entities as part of the costs of these proceedings. The CCAA Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, the CRO, counsel to the CRO, counsel for the CCAA Entities, and Canadian counsel to the DIP Lenders on a weekly basis.

46. **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.

47. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, the CRO, counsel to the CRO, the CCAA Entities' counsel, and independent counsel to Northstar Inc.'s Board of Directors 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 \$1,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor, the CRO, and such counsel, both before and after the making of this Order in respect of

these proceedings. The Administration Charge shall have the priority set out in paragraphs 57 and 59 hereof.

DIP FINANCING

48. **THIS COURT ORDERS** that the CCAA Entities are hereby authorized and empowered to obtain and borrow under the DIP Term Sheet (the "**DIP Term Sheet**") and the Canadian DIP Funding and Agency Agreement (the "**Agency Agreement**", and together with the DIP Term Sheet, the "**DIP Agreement**"), both as attached to the Yuen Affidavit, among the CCAA Entities and Fifth Third as DIP Agent for itself, First Merit Bank, N.A. and North Shore Community Bank & Trust Company (collectively and together with the DIP Agent, the "**DIP Lenders**") in order to finance the CCAA Entities' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under the credit facility shall not exceed the principal amount of \$3,000,000 unless permitted by further Order of this Court.

49. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Agreement, filed.

50. **THIS COURT ORDERS** that the CCAA Entities are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents, including the Intercreditor Agreement (as defined in the DIP Agreement and substantially in the form attached to the Yuen Affidavit) (collectively, the "**DIP Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Agent pursuant to the terms thereof, and the CCAA Entities are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lenders under and pursuant to the DIP Agreement and the DIP Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

51. **THIS COURT ORDERS** that the CCAA Entities are hereby authorized and empowered to execute the Debtor-in-Possession Loan and Security Agreement (the “**U.S. Boeing DIP Agreement**”), substantially in the form attached to the Yuen Affidavit, among Northstar Aerospace (Chicago) Inc., D-Velco Manufacturing of Arizona, Inc., Derlan USA Inc. and Northstar Aerospace (USA) Inc. (collectively, the “**Chapter 11 Entities**”), as Borrowers and Obligors, the CCAA Entities, as Obligors, and Boeing Capital, as DIP lender, pursuant to which the CCAA Entities guarantee the obligations of the Chapter 11 Entities under the U.S. Boeing DIP Agreement.

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

53. **THIS COURT ORDERS** that the DIP Lenders and Boeing Capital shall be entitled to the benefit of and are hereby granted a charge (the “**DIP Lenders’ Charge**”) on the Property. The DIP Lenders’ Charge shall secure (a) the DIP Obligations (as defined in the DIP Term Sheet), and (b) those amounts actually advanced by Boeing Capital to the Chapter 11 Entities pursuant to the U.S. Boeing DIP Agreement on or after the date of this Order and which are covered by the guarantee granted by the CCAA Entities in favour of Boeing Capital pursuant to the U.S. Boeing DIP Agreement. The DIP Lenders’ Charge shall have the priority set out in paragraphs 57 and 59 hereof. As between the DIP Lenders and Boeing Capital

the priority of those parties to the benefit of the DIP Lenders' Charge shall be as established in the Intercreditor Agreement.

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

- (a) the DIP Lenders or the DIP Agent on their behalf and/or Boeing Capital may take such steps from time to time as either may deem necessary or appropriate to file, register, record or perfect the DIP Lenders' Charge, any of the DIP Documents or any of the U.S. Boeing DIP Documents;
- (b) upon the occurrence of an event of default under the DIP Documents or the DIP Lenders' Charge, the DIP Lenders may cease making advances to the CCAA Entities and set off and/or consolidate any amounts owing by the DIP Lenders to the CCAA Entities against the obligations of the CCAA Entities to the DIP Lenders under the DIP Agreement, the DIP Documents or the DIP Lenders' Charge, to make demand, accelerate payment and give other notices, and upon four (4) days written notice to the CCAA Entities, the CRO, and the Monitor, and with leave of the Court, may exercise any and all of its other rights and remedies against the CCAA Entities or the Property under or pursuant to the DIP Agreement, the DIP Documents and the DIP Lenders' Charge, including without limitation, applying to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the CCAA Entities and for the appointment of a trustee in bankruptcy of the CCAA Entities;
- (c) upon the occurrence of an event of default under the U.S. Boeing DIP Documents or the DIP Lenders' Charge, Boeing Capital may make demand, accelerate payment and give other notices, provided that Boeing Capital shall not take any other Collection Action (as defined in the Intercreditor Agreement) other than in accordance with the Intercreditor

Agreement and upon leave of the Court, upon four (4) days written notice to the CCAA Entities, the DIP Agent, the CRO, and the Monitor, and may thereafter exercise any and all of its other rights and remedies against the CCAA Entities or the Property under or pursuant to the U.S. Boeing DIP Documents and the DIP Lenders' Charge, all in accordance with and subject to the Intercreditor Agreement; and

- (d) the foregoing rights and remedies of the DIP Lender and Boeing Capital shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the CCAA Entities or the Property.

55. **THIS COURT ORDERS AND DECLARES** that notwithstanding paragraph 14 but subject to paragraph 54, the DIP Agent and the DIP Lenders and Boeing Capital shall be treated as unaffected in any plan of arrangement or compromise filed by the CCAA Entities under the CCAA, or any proposal filed by the CCAA Entities under the BIA, with respect to any advances made under the DIP Documents or guarantee obligations of the CCAA Entities under the U.S. Boeing DIP Agreement.

56. **THIS COURT ORDERS** that the CCAA Entities are hereby authorized and empowered to execute the Release and Covenant not to Sue in favour of Boeing, which release is a condition to the provision of financing under the U.S. Boeing DIP Agreement (the "**Boeing Release**"); provided that Court approval of the Boeing Release shall be subject to the procedure set forth in paragraph 67 of this Order and further hearing of the Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

57. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Critical Supplier Charge, the DIP Lenders' Charge and the Directors' Charge, as among them, shall be as follows:

First - Administration Charge (to the maximum amount of \$1,000,000);

Second - Critical Suppliers' Charge;

Third - DIP Lenders' Charge; and

Fourth - Directors' Charge (to the maximum amount of \$1,750,000).

58. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the Critical Suppliers' Charge, the DIP Lenders' Charge and the Directors' 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.

59. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to the existing security interests in favour of Fifth Third, as Agent, but behind all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person that has not been served with the notice of the application for this Order. The CCAA Entities and the beneficiaries of the Charges shall be entitled to seek priority ahead of Encumbrances on notice to those parties likely to be affected by such priority (it being the intention of the CCAA Entities to seek, at the Comeback Motion (as defined below), priority for the Charges ahead of all Encumbrances). The security granted by the DIP Documents charging the Property shall have the same priority as the DIP Lenders' Charge.

60. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the CCAA Entities shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the CCAA Entities also obtain the prior written consent of the

Monitor, the CRO, the DIP Agent and the other beneficiaries of the Charges, or further order of this Court.

61. **THIS COURT ORDERS** that the Charges and the DIP Documents 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 Agent 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 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 CCAA Entities, 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 DIP Agreement or the DIP Documents shall create or be deemed to constitute a breach by the CCAA Entities 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 CCAA Entities entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the DIP Documents;
and

- (c) the payments made by the CCAA Entities pursuant to this Order, the DIP Agreement or the DIP 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.

62. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the CCAA Entities' interest in such real property leases.

CROSS BORDER PROTOCOL

63. **THIS COURT ORDERS** that the cross border protocol, in the form attached as Schedule "B" hereto (the "**Cross Border Protocol**"), is hereby approved and shall become effective upon its approval by the United States Bankruptcy Court for the District of Delaware and the parties to these proceedings and any other person shall be governed by it and shall comply with same.

SERVICE AND NOTICE

64. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in the national edition of *The Globe and Mail*, a notice containing the information prescribed under the CCAA, (b) within five (5) days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the CCAA Entities of more than \$1000, and (iii) 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, provided that the Monitor shall not make the names and addresses of individuals who are creditors publicly available.

65. **THIS COURT ORDERS** that the CCAA Entities and the Monitor be at liberty to serve 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 electronic transmission to the CCAA Entities' creditors or other interested parties at their respective addresses as last shown on the records of the CCAA Entities and that any such service or notice by courier, personal delivery or electronic 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.

66. **THIS COURT ORDERS** that the CCAA Entities, the Monitor, the CRO, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.ey.com/ca/northstaraerospace.

67. **THIS COURT ORDERS AND DECLARES** that the following procedures are hereby approved for providing notice to stakeholders of the CCAA Entities of the CCAA Entities' intention to seek approval of Boeing Release:

- (a) The CCAA Entities will publish a notice, substantially in the form attached as Exhibit "O" to the Yuen Affidavit, (the "**Public Notice**") in the *Globe & Mail* and the *Wall Street Journal* as soon as practicable, advising stakeholders of the CCAA Entities that the CCAA Entities will be seeking Court approval of the Boeing Release on a date to be set, which date shall be no earlier than thirty (30) days after the date of this Order;
- (b) The CCAA Entities will publish a notice, in substantially the same form as the Public Notice, on the Northstar website;

- (c) The Monitor will publish a notice, in substantially the same form as the Public Notice, on its website; and
- (d) The CCAA Entities will serve the Service List, including any stakeholder that requests to be added to the Service List, with their motion record for approval of the Boeing Release in accordance with the *Rules of Civil Procedure* and this Order.

COMEBACK MOTION

68. **THIS COURT ORDERS** that the CCAA Entities are authorized to serve their motion materials with respect to the comeback motion (the “**Comeback Motion**”) by forwarding a copy of this Order and any additional materials to be filed with respect to the Comeback Motion by electronic transmission, where available, or by courier to the parties likely to be affected by the relief to be sought at such parties’ respective addresses as last shown on the records of the CCAA Entities as soon as practicable.

GENERAL

69. **THIS COURT ORDERS** that the CCAA Entities, the CRO or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

70. **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 CCAA Entities, the Business or the Property.

71. **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 CCAA Entities, 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 CCAA Entities 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 CCAA Entities and the Monitor and their respective agents in carrying out the terms of this Order.

72. **THIS COURT ORDERS** that each of the CCAA Entities 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.

73. **THIS COURT ORDERS** that any interested party (including the CCAA Entities, the CRO and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) 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.

74. **THIS COURT ORDERS** that notwithstanding paragraph 73, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the DIP Documents or the DIP Lenders' Charge unless notice of a motion for such order is served on the CCAA Entities, the Monitor, and the DIP Agent on at least three (3) business days, returnable no later than June 27, 2012, or the CCAA Entities, the Monitor, the DIP Agent, and Boeing Capital consent to such order.

75. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order.



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

JUN 14 2012

NB

SCHEDULE "A"

A) Suppliers of Raw Materials

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of suppliers of raw materials to be declared Critical Suppliers and subject to the above payment terms

A.M. CASTLE & CO. (CANADA) INC.

ANACHEMIA CANADA INC.

AVOFIX NDT LIMITED

HALEY INDUSTRIES LTD.

CARPENTER TECHNOLOGY (CANADA) LTD.

ALMAG ALUMINIUM INC.

EARLE M. JORGENSEN COMPANY

PC FORGE

STERLING AIRCRAFT PRODUCTS INC

ESSEX METALS

BOTHWELL STEEL DIVISION OF SAMUEL SONANDCO LIMITED

ANCAST INDUSTRIES LTD.

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

B) Utilities

Proposed Payment Terms

- Monthly when due.

Listing of Utility suppliers to be declared Critical Suppliers and subject to the above payment terms

CITY WATER INTERNATIONAL INC.

BELL ALIANT REGIONAL COMMUNICATIONS, LTD PARTNERSHIP & BELL CANADA

CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.

CORPORATION OF THE CITY OF CAMBRIDGE

CULLIGAN OF CANADA

ECNG ENERGY L.P.

HEATON SANITATION LTD

HYDRO ONE NETWORKS INC.

MILTON HYDRO DISTRIBUTION INC.

PRIMUS TELECOMMUNICATIONS CANADA INC.

ROGERS COMMUNICATIONS INC.

S.O.S. CANADA

SAGE SOFTWARE INC.

TELOIP INC.

TELUS COMMUNICATIONS COMPANY

UNION GAS - A SPECTRA ENERGY CO.

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

C) Tooling and Forging Providers

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of tooling and forging providers to be declared Critical Suppliers and subject to the above payment terms

BDI CANADA INC.

CANADIAN BEARINGS LTD

CHECKER INDUSTRIAL LTD.

COMPLETE PACKAGING INC.

DGI SUPPLY- A DoALL COMPANY

FISHER METROLOGY LTD.

HALTON ENGINES & INDUSTRIAL HOSE LTD

HOUGHTON CANADA INC

INDUSTRIAL TOOLS & SUPPLIES (WINDSOR) INC.

ISCAR TOOLS INC.

ISOLAB INC.

JUST-IN-TIME FACTORY SUPPLIES LTD

MITUTOYO CANADA INC.

RME INC.

SANDVIK CANADA INC

THISTLE TOOL LTD.

TRIUMPH TOOL LTD

TYSON TOOL COMPANY LIMITED

WINDSOR FACTORY SUPPLY LTD

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

PROTEK CORPORATION

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

D) Suppliers of Chemicals & Materials

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of suppliers of Chemicals & Materials to be declared Critical Suppliers and subject to the above payment terms

AIR PRODUCTS CANADA LTD.

COMET CHEMICAL CO. LTD.

CORROSION CONTROL COATING LTD

CYANIDE DESTRUCT SYSTEMS INC.

DANGEROUS GOODS PACKAGING LTD

ENTHONE INC.

FUCHS LUBRICANTS CANADA LTD

HOLLAND CLEANING SOLUTIONS LTD

NEWALTA CORPORATION

SUPERIOR ENVIRONMENTAL SERVICES

WASTE MANAGEMENT OF CANADA CORP.

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

E) Providers of Subcontracting Services

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of providers of Sub-contracting services to be declared Critical Suppliers and subject to the above payment terms

NIAGARA FASTENERS INC

DEANE & COMPANY

DELTA GRINDING CO. LTD.

AEROSPACE METAL FINISHING INC.

C.P. TECH, DIVISION OF TECHNIMECA INTERNATIONAL CORP

AEROTEK MANUFACTURING LTD

MCLEARIE & SONS HEAT TREATING LTD

CRITECH MANUFACTURING INC

ST. DENIS MANUFACTURING INC.

A-LINE PRECISION TOOL LTD

AEROCOM INSPECTION SERVICES LTD

GFW TECHNOLOGIES INC.

VAC-AERO INTERNATIONAL INC.

METAL IMPROVEMENT CO LLC

L.H.M. TECHNOLOGIES INC

HEROUX DEVTEK INC.

GENERAL GEAR - A DIVISION OF DONLEE LTD

F.C.R. PRECISION

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

F) Providers of Finished Goods & Processing Services

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of providers of Finished Goods & Processing services to be declared Critical Suppliers and subject to the above payment terms

FITZ MANUFACTURING IND

WESCO AIRCRAFT HARDWARE CORP

SHIMCO NORTH AMERICA INC.

WESCO DISTRIBUTION CANADA LP

NATIONAL CALIBRATION INC.

DONLEE PRECISION - DIVISION OF GENERAL DONLEE LTD

EMBALLAGES CRE-O-PACK INTERNATIONAL INC.

HI-TECH SEALS INC.

TRELLEBORG SEALING SOLUTIONS CANADA INC.

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

G) Providers of Services

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of providers of Services to be declared Critical Suppliers and subject to the above payment terms

ADT SECURITY SERVICES CANADA INC.

CINTAS CANADA LIMITED

SHRED-IT INTERNATIONAL INC.

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

H) Providers of Freight Services

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of providers of Freight services to be declared Critical Suppliers and subject to the above payment terms

C.S WORLD CARGO 2000 LTD.

CON-WAY FREIGHT-CANADA INC.

DELL WILL CUSTOMS BROKERS INC

KINGSWAY: OPERATED BY TFI TRANSPORT L.P.

KUEHNE + NAGEL LTD.

PFS LOGISTICS INC

THOMPSON EMERGENCY FREIGHT SYSTEM

H & H WOOD PRODUCTS INC.

BROWN PACKAGING COMPANY

SHUR-WAY INDUSTRIES (2010) INC.

CRAWFORD PACKAGING MATERIALS LTD

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

I) Providers of Testing Materials

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of providers of Testing Materials to be declared Critical Suppliers and subject to the above payment terms

CAMBRIDGE MATERIALS TESTING LTD

CD NOVA-TECH INC.

COLE-PARMER CANADA INC.

COMPAIR CANADA INC.

EXOVA CANADA INC.

FISHER SCIENTIFIC CO. LTD

INDUSTRIAL SYSTECH LTD,

NADALIN ELECTRIC COMPANY (ONTARIO) INC.

PROTO MFG LTD

SECOND NATURE MECHANICAL INC.

CANADIAN METROLOGY CERTIFICATION INC.

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

I) Providers of Contracting Services

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of providers of Contracting services to be declared Critical Suppliers and subject to the above payment terms

AMBASSADOR BUILDING MAINTENANCE LTD

CENTURY BUILDING MAINTENANCE CO.

IRON MOUNTAIN CANADA CORP.

CRITICAL SUPPLIERS TO NORTHSTAR AEROSPACE - CANADA

K) Providers of Processing Services

Proposed Payment Terms

- The next date on which Northstar normally issues cheques provided such date is at least two business days following the receipt of invoice.

Listing of providers of Processing services to be declared Critical Suppliers and subject to the above payment terms

SCHEDULE "B"

Cross-Border Insolvency Protocol

This cross-border insolvency protocol (the "**Protocol**") shall govern the conduct of all parties in interest in the Insolvency Proceedings (as such term is defined herein).

The Guidelines Applicable to Court-to-Court Communications in Cross-Border Cases (the "**Guidelines**") attached hereto as Schedule A are hereby incorporated by reference and form part of this Protocol. Where there is any discrepancy between the Protocol and the Guidelines, this Protocol shall govern.

A. Background

1. On June 13, 2012, Northstar Aerospace (USA) Inc., Northstar Aerospace (Chicago) Inc., D-Velco Manufacturing of Arizona, Inc. and Derlan USA Inc., as debtors and debtors-in-possession (collectively, the "**U.S. Debtors**"), commenced reorganization proceedings (the "**U.S. Proceedings**") with the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") under chapter 11 of the United States Bankruptcy Code (the "**Bankruptcy Code**"). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Office of the United States Trustee (the “**U.S. Trustee**”) has appointed or may appoint an official committee of unsecured creditors (the “**Creditors’ Committee**”) in the U.S. Proceedings.

3. Each of the U.S. Debtors is a direct or indirect subsidiary of Northstar Aerospace, Inc., an Ontario corporation. On June 14, 2012, Northstar Aerospace, Inc. and certain of its Canadian affiliates, Northstar Aerospace (Canada) Inc., 2007775 Ontario Inc. and 3024308 Nova Scotia Company (collectively, the “**Canadian Debtors**,” and together with the U.S. Debtors, the “**Debtors**”) obtained an initial order from the Ontario Superior Court of Justice (the “**Canadian Court**” and together with the U.S. Court, the “**Courts**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), granting relief from their creditors (collectively, the “**Canadian Proceedings**” and together with these cases, the “**Insolvency Proceedings**”). The Canadian Debtors will continue to manage their properties and operate their businesses under the supervision of the Canadian Court.

B. Purpose and Goals

4. Though full and separate proceedings are pending in the U.S. Court for the U.S. Debtors and in the Canadian Court for the Canadian Debtors, the implementation of administrative procedures and cross-border guidelines is both necessary and desirable to coordinate certain activities in the Insolvency Proceedings, protect the rights of parties thereto, ensure the maintenance of the Court’s respective independent jurisdiction and give effect to the doctrines of

comity. This Protocol has, therefore, been developed to promote the following mutually desirable goals and objectives in the Insolvency Proceedings:

- a. harmonize and coordinate activities in the Insolvency Proceedings before the Courts;
- b. promote the orderly and efficient administration of the Insolvency Proceedings to, among other things, maximize the efficiency of the Insolvency Proceedings, reduce the costs associated therewith and avoid duplication of effort;
- c. honor the independence and integrity of the Courts and other courts and tribunals of the United States and Canada, respectively;
- d. promote international cooperation and respect for comity among the Courts, the Debtors, any Creditors' Committee, any estate representatives in the Canadian Proceedings or U.S. Proceedings (the "**Estate Representatives**") and other creditors and interested parties in the Insolvency Proceedings;
- e. facilitate the fair, open and efficient administration of the Insolvency Proceedings for the benefit of all of the Debtors' creditors and other interested parties, wherever located; and
- f. implement a framework of general principles to address basic administrative issues arising out of the cross-border nature of the Insolvency Proceedings.

As the Insolvency Proceedings progress, the Courts may also jointly determine that other cross-border matters that may arise in the Insolvency Proceedings should be dealt with under and in accordance with the principles of this Protocol. Where an issue is to be addressed only to one Court, in rendering a determination in any cross-border matter, such Court may: (a) to the extent practical or advisable, consult with the other Court; and (b) in its sole discretion

while considering principles of comity, either (i) render a binding decision after such consultation; (ii) defer to the determination of the other Court by transferring the matter, in whole or part, to the other Court, or (iii) seek a joint hearing of both Courts.

C. Comity and Independence of the Courts

5. The approval and implementation of this Protocol shall not divest nor diminish the U.S. Court's and the Canadian Court's respective independent jurisdiction of the subject matter of the U.S. Proceedings and the Canadian Proceedings, respectively. By approving and implementing this Protocol, neither the U.S. Court, the Canadian Court, the Debtors, nor any creditors or interested parties shall be deemed to have approved or engaged in any infringement on the sovereignty of the United States of America or Canada.

6. The U.S. Court shall have sole and exclusive jurisdiction and power over the conduct of the U.S. Proceedings and the hearing and determination of matters arising in the U.S. Proceedings. The Canadian Court shall have sole and exclusive jurisdiction and power over the conduct of the Canadian Proceedings and the hearing and determination of matters arising in the Canadian Proceedings.

7. In accordance with the principles of comity and independence recognized herein, nothing contained herein shall be construed to:

- a. increase, decrease or otherwise modify the independence, sovereignty or jurisdiction of the U.S. Court, the Canadian Court or any other court or

tribunal in the United States or Canada, including the ability of any such court or tribunal to provide appropriate relief under applicable law on an ex parte or "limited notice" basis;

- b. require the U.S. Court to take any action that is inconsistent with its obligations under the laws of the United States;
- c. require the Canadian Court to take any action that is inconsistent with its obligations under the laws of Canada;
- d. require the Debtors, the Creditors' Committee, if any, the Estate Representatives or the U.S. Trustee to take any action or refrain from taking any action that would result in a breach of any duty imposed on them by any applicable law;
- e. authorize any action that requires the specific approval of one or both of the Courts under the Bankruptcy Code or the CCAA after appropriate notice and a hearing (except to the extent that such action is specifically described in this Protocol); or
- f. preclude the Debtors, the Creditors' Committee, if any, the U.S. Trustee, any creditor or other interested party from asserting such party's substantive rights under the applicable laws of the United States, Canada or any other relevant jurisdiction including, without limitation, the rights of parties in interest to appeal from the decisions taken by one or both of the Courts.

8. The Debtors, the Creditors' Committee, if any, the Estate Representatives and their respective employees, members, agents and professionals shall respect and comply with the independent, non-delegable duties imposed upon them, if any, by the Bankruptcy Code, the CCAA, and other applicable laws.

D. Cooperation

9. To assist in the efficient administration of the Insolvency Proceedings and in recognizing that the U.S. Debtors and the Canadian Debtors may be creditors of the others' estates, each of the Debtors and its Estate Representatives shall, where appropriate: (a) cooperate with the others in connection with actions taken in both the U.S. Court and the Canadian Court and (b) take any other appropriate steps to coordinate the administration of the Insolvency Proceedings for the benefit of the Debtors' respective estates.

10. To harmonize and coordinate the administration of the Insolvency Proceedings, the U.S. Court and the Canadian Court each may coordinate activities and consider whether it is appropriate to defer to the judgment of the other Court. In furtherance of the foregoing:

- a. The U.S. Court and the Canadian Court may communicate with one another with respect to any procedural matter relating to the Insolvency Proceedings.
- b. Where the issue of the proper jurisdiction or Court to determine an issue is raised by any party in interest in either of the Insolvency Proceedings with respect to a motion or an application filed in either Court, the Court before which such motion or application is initially filed will contact the other Court and determine an appropriate process by which the issue of jurisdiction will be determined, and which process shall be subject to submissions by the Debtors, the Canadian Debtors, the U.S. Trustee, the Creditors Committee (if any), the Monitor and any party in interest prior to any determination on the issue of jurisdiction being made by either Court.

- c. The Courts may, but are not obligated to, coordinate activities in the Insolvency Proceedings such that the subject matter of any particular action, suit, request, application, contested matter or other proceeding is determined in a single Court.
- d. The U.S. Court and the Canadian Court may conduct joint hearings with respect to any cross-border matter or the interpretation or implementation of this Protocol where both the U.S. Court and the Canadian Court consider such a joint hearing to be necessary or advisable. With respect to any joint hearings, unless otherwise ordered, the following procedures will be followed:
 - i. A telephone or video link shall be established so that both the U.S. Court and the Canadian Court shall be able to simultaneously hear the proceedings in the other Court.
 - ii. Submissions or applications by any party that are or become the subject of a joint hearing of the Courts (collectively, the "**Pleadings**") shall be made or filed initially only to the Court in which such party is appearing and seeking relief. Promptly after the scheduling of any joint hearing, the party submitting such Pleadings to one Court shall file courtesy copies with the other Court. In any event, Pleadings seeking relief from both Courts shall be filed with both Courts.
 - iii. Any party intending to rely on any written evidentiary materials in support of a submission to the U.S. Court or the Canadian Court in connection with any joint hearing or application (collectively, the "**Evidentiary Materials**") shall file or otherwise submit such materials to both Courts in advance of the joint hearing. To the fullest extent possible, the Evidentiary Materials filed in each Court shall be identical and shall be consistent with the procedural and evidentiary rules and requirements of each Court.

- iv. If a party has not previously appeared in or attorned or does not wish to attorn to the jurisdiction of a Court, it shall be entitled to file Pleadings or Evidentiary Materials in connection with the joint hearing without, by the mere act of such filings, being deemed to have attorned to the jurisdiction of the Court in which such material is filed, so long as it does not request in its materials or submissions any affirmative relief from such Court.
- v. The Judge of the U.S. Court and the Justice of the Canadian Court who will preside over the joint hearings shall be entitled to communicate with each other in advance of any joint hearing, with or without counsel being present, to establish guidelines for the orderly submission of Pleadings, Evidentiary Materials, and other papers and for the rendering of decisions by the Courts, and to address any related procedural, administrative or preliminary matters.
- vi. The Judge of the U.S. Court and the Justice of the Canadian Court, shall be entitled to communicate with each other during or after any joint hearing, with or without counsel present, for the purposes of determining whether consistent rulings can be made by both Courts, coordinating the terms upon the Court's respective rulings, and addressing any other procedural or administrative matters.

11. Notwithstanding the terms of paragraph 10 above, this Protocol recognizes that the U.S. Court and the Canadian Court are independent courts. Therefore, although the Courts will seek to cooperate and coordinate with each other in good faith, each of the Courts shall be entitled at all times to exercise its independent jurisdiction and authority with respect to: (a) matters presented to such Court; and (b) the conduct of the parties appearing in such matters.

12. Where one Court has jurisdiction over a matter which requires the application of the law of the jurisdiction of the other Court in order to determine an issue before it, the Court with jurisdiction over such matter may, among other things, hear expert evidence or seek the advice and direction of the other Court in respect of the foreign law to be applied, subject to paragraph 24 herein.

E. Retention and Compensation of Estate Representative and Professionals

13. The Monitor, its officers, directors, employees, counsel and agents, wherever located, (collectively, the “**Monitor Parties**”) and any other estate representatives in the Canadian Proceedings (collectively, the “**Canadian Representatives**”) shall be subject to the sole and exclusive jurisdiction of the Canadian Court with respect to all matters, including: (a) the Canadian Representatives’ tenure in office; (b) the retention and compensation of the Canadian Representatives; (c) the Canadian Representatives’ liability, if any, to any person or entity, including the Canadian Debtors and any third parties, in connection with the Insolvency Proceedings; and (d) the hearing and determination of any other matters related to the Canadian Representatives arising in the Canadian Proceedings under the CCAA or other applicable Canadian law. The Canadian Representatives shall not be required to seek approval of their retention in the U.S. Court for services rendered to the Debtors. Additionally, the Canadian Representatives: (a) shall be compensated for their services to the Debtors solely in accordance with the CCAA and other applicable

Canadian law or orders of the Canadian Court; and (b) shall not be required to seek approval of their compensation in the U.S. Court.

14. The Monitor Parties shall be entitled to the same protections and immunities in the United States as those granted to them under the CCAA. In particular, except as otherwise provided in any subsequent order entered in the Canadian Proceedings, the Monitor Parties shall incur no liability or obligations as a result of the appointment of the Monitor, the carrying out of its duties or the provisions of the CCAA by the Monitor Parties, except as such liability arising from actions of the Monitor Parties constituting gross negligence or willful misconduct.

15. Any estate representative appointed in the U.S. Proceedings, including without limitation any examiners or trustees appointed in accordance with section 1104 of the Bankruptcy Code (collectively, the “**Chapter 11 Representatives**”) shall be subject to the sole and exclusive jurisdiction of the U.S. Court with respect to all matters, including: (a) the Chapter 11 Representatives’ tenure in office; (b) the retention and compensation of the Chapter 11 Representatives; (c) the Chapter 11 Representatives’ liability, if any, to any person or entity, including the U.S. Debtors and any third parties, in connection with the Insolvency Proceedings; and (d) the hearing and determination of any other matters related to the Chapter 11 Representatives arising in the U.S. Proceedings under the Bankruptcy Code or other applicable laws of the United States. The Chapter 11 Representatives and their counsel and

other professionals retained therefor shall not be required to seek approval of their retention in the Canadian Court. Additionally, the Chapter 11 Representatives: (a) shall be compensated for their services to the Debtors solely in accordance with the Bankruptcy Code and other applicable laws of the United States or orders of the U.S. Court; and (b) shall not be required to seek approval of their compensation in the Canadian Court.

16. Any professional retained by or with the approval of the Canadian Debtors (collectively, the "**Canadian Professionals**") shall be subject to the sole and exclusive jurisdiction of the Canadian Court, provided they are not paid by the U.S. Debtors. Accordingly, the Canadian Professionals: (a) shall be subject to the procedures and standards for retention and compensation applicable in Canada with respect to the services performed on behalf of the Canadian Debtors; and (b) shall not be required to seek approval of their retention or compensation in the U.S. Court with respect to services performed on behalf of the Canadian Debtors.

17. Any professionals retained by the U.S. Debtors and any professionals retained by the Creditors' Committee, if any, (collectively, the "**Chapter 11 Professionals**") shall be subject to the sole and exclusive jurisdiction of the U.S. Court. Accordingly, the Chapter 11 Professionals: (a) shall be subject to the procedures and standards for retention and compensation applicable in the U.S. Court under the Bankruptcy Code with respect to services performed on behalf of the U.S. Debtors and any other applicable laws of the United States or

orders of the U.S. Court; and (b) shall not be required to seek approval of their retention of compensation in the Canadian Court with respect to the services performed on behalf of the U.S. Debtors.

F. Appearances

18. Upon any appearance or filing, as may be permitted or provided for by the rules of the applicable Court, the Debtors, their creditors and other interested parties in the Insolvency Proceedings, including the Creditors Committee, if any, the Estate Representatives and the U.S. Trustee, shall be subject to the personal jurisdiction of the Canadian Court or the U.S. Court, as applicable, with respect to the particular matters as to which they appear before that Court.

G. Notice

19. Notice of any motion, application or other pleading or paper filed in one or both of the Insolvency Proceedings involving or relating to matters addressed by this Protocol and notice of any related hearings or other proceedings shall be given by appropriate means (including, where circumstances warrant, by courier, telecopier, or other electronic forms of communication) to the following: (a) all creditors and interested parties, in accordance with the practice of the jurisdiction where the papers are filed or the proceedings are to occur; and (b) to the extent not otherwise entitled to receive notice under clause (a) of this sentence, counsel to the Debtors, the U.S. Trustee, the Monitor, the Creditors Committee, if any, and any other statutory

committees appointed in these cases and such other parties as may be designated by either of the Courts from time to time. Notice in accordance with this paragraph shall be given by the party otherwise responsible for effecting notice in the jurisdiction where the underlying papers are filed or the proceedings are to occur. In addition to the foregoing, upon request, the U.S. Debtors or the Canadian Debtors shall provide the U.S. Court or the Canadian Court, as the case may be, with copies of any orders, decisions, opinions, or similar papers issued by the other Court in the Insolvency Proceedings.

20. When any cross-border issues or matters addressed by this Protocol are to be addressed before a Court, notices shall be provided in the manner and to the parties referred to in paragraph 19 above.

H. Effectiveness; Modification

21. This Protocol shall become effective only upon its approval by both the U.S. Court and the Canadian Court.

22. This Protocol may not be supplemented, modified, terminated, or replaced in any manner except upon the approval of both the U.S. Court and the Canadian Court after notice and a hearing. Notice of any legal proceedings to supplement, modify, terminate, or replace this Protocol shall be given in accordance with the notice provisions set forth in paragraph 19 above.

I. Procedure for Resolving Disputes Under This Protocol

23. Disputes relating to the terms, intent, or application of this Protocol may be addressed by interested parties to the U.S. Court, the Canadian Court, or

both Courts upon notice in accordance with the notice provisions outlined in paragraph 19 above. In rendering a determination in any such dispute, the Court to which the issue is addressed: (a) shall consult with the other Court; and (b) may, in its sole and exclusive discretion, either: (i) render a binding decision after such consultation; (ii) defer to the determination of the other Court by transferring the matter, in whole or in part, to such other Court; or (iii) seek a joint hearing of both Courts in accordance with paragraph 10 above. Notwithstanding the foregoing, in making a determination under this paragraph, each Court shall give due consideration to the independence, comity, and inherent jurisdiction of the other Court established under existing law.

24. In implementing the terms of this Protocol, each of the Courts may, in its sole discretion, provide advice or guidance to the other Court with respect to legal issues in accordance with the following procedures:

- a. the U.S. Court or the Canadian Court, as applicable, may determine that such advice or guidance is appropriate under the circumstances;
- b. the Court issuing such advice or guidance shall provide it to the non-issuing Court in writing;
- c. copies of such written advice or guidance shall be served by the applicable Court in accordance with paragraph 19 hereof; and
- d. the Courts may jointly decide to invite the Debtors, the Creditors' Committee, if any, the Estate Representatives, the U.S. Trustee and any other affected or interested party to make submissions to the appropriate Court in response to or in connection

with any written advice or guidance received from the other Court.

J. Preservation of Rights

25. Except as specifically provided herein, neither the terms of this Protocol nor any actions taken under the terms of this Protocol shall: (a) prejudice or affect the powers, rights, claims, and defenses of the Debtors and their estates, the Creditors' Committee, if any, the Estate Representatives, the U.S. Trustee, or any of the Debtors' creditors under applicable law, including the Bankruptcy Code and the CCAA, and the orders of the Courts; or (b) preclude or prejudice the rights of any person to assert or pursue such person's substantive rights against any other person under the applicable laws of Canada or the United States.

Guidelines

Applicable to Court-to-Court Communications in Cross-Border Cases

Introduction:

One of the most essential elements of cooperation in cross-border cases is communication among the administering authorities of the countries involved. Because of the importance of the courts in insolvency and reorganization proceedings, it is even more essential that the supervising courts be able to coordinate their activities to assure the maximum available benefit for the stakeholders of financially troubled enterprises.

These Guidelines are intended to enhance coordination and harmonization of insolvency proceedings that involve more than one country through communications among the jurisdictions involved. Communications by judges directly with judges or administrators in a foreign country, however, raise issues of credibility and proper procedures. The context alone is likely to create concern in litigants unless the process is transparent and clearly fair. Thus, communication among courts in cross-border cases is both more important and more sensitive than in domestic cases. These Guidelines encourage such communications while channeling them through transparent procedures. The Guidelines are meant to permit rapid cooperation in a developing insolvency case while ensuring due process to all concerned.

A Court intending to employ the Guidelines — in whole or part, with or without modifications — should adopt them formally before applying them. A Court may wish to make its adoption of the Guidelines contingent upon, or temporary until, their adoption by other courts concerned in the matter. The adopting

Court may want to make adoption or continuance conditional upon adoption of the Guidelines by the other Court in a substantially similar form, to ensure that judges, counsel, and parties are not subject to different standards of conduct.

The Guidelines should be adopted following such notice to the parties and counsel as would be given under local procedures with regard to any important procedural decision under similar circumstances. If communication with other courts is urgently needed, the local procedures, including notice requirements, that are used in urgent or emergency situations should be employed, including, if appropriate, an initial period of effectiveness, followed by further consideration of the Guidelines at a later time. Questions about the parties entitled to such notice (for example, all parties or representative parties or representative counsel) and the nature of the court's consideration of any objections (for example, with or without a hearing) are governed by the Rules of Procedure in each jurisdiction and are not addressed in the Guidelines.

The Guidelines are not meant to be static, but are meant to be adapted and modified to fit the circumstances of individual cases and to change and evolve as the international insolvency community gains experience from working with them. They are to apply only in a manner that is consistent with local procedures and local ethical requirements. They do not address the details of notice and procedure that depend upon the law and practice in each jurisdiction. However, the Guidelines represent approaches that are likely to be highly useful in achieving efficient and just resolutions of cross-border insolvency issues. Their use, with such modifications and under such circumstances as may be appropriate in a particular case, is therefore recommended.

Guideline 1

Except in circumstances of urgency, prior to a communication with another Court, the Court should be satisfied that such a communication is consistent with all applicable Rules of Procedure in its country. Where a Court intends to apply these Guidelines (in whole or in part and with or without modifications), the Guidelines to be employed should, wherever possible, be formally adopted before they are applied. Coordination of Guidelines between courts is desirable and officials of both courts may communicate in accordance with Guideline 8(d) with regard to the application and implementation of the Guidelines.

Guideline 2

A Court may communicate with another Court in connection with matters relating to proceedings before it for the purposes of coordinating and harmonizing proceedings before it with those in the other jurisdiction.

Guideline 3

A Court may communicate with an Insolvency Administrator in another jurisdiction or an authorized Representative of the Court in that jurisdiction in connection with the coordination and harmonization of the proceedings before it with the proceedings in the other jurisdiction.

Guideline 4

A Court may permit a duly authorized Insolvency Administrator to communicate with a foreign Court directly, subject to the approval of the foreign Court, or through an Insolvency Administrator in the other jurisdiction or through an autho-

rized Representative of the foreign Court on such terms as the Court considers appropriate.

Guideline 5

A Court may receive communications from a foreign Court or from an authorized Representative of the foreign Court or from a foreign Insolvency Administrator and should respond directly if the communication is from a foreign Court (subject to Guideline 7 in the case of two-way communications) and may respond directly or through an authorized Representative of the Court or through a duly authorized Insolvency Administrator if the communication is from a foreign Insolvency Administrator, subject to local rules concerning ex parte communications.

Guideline 6

Communications from a Court to another Court may take place by or through the Court:

- (a) Sending or transmitting copies of formal orders, judgments, opinions, reasons for decision, endorsements, transcripts of proceedings, or other documents directly to the other Court and providing advance notice to counsel for affected parties in such manner as the Court considers appropriate;
- (b) Directing counsel or a foreign or domestic Insolvency Administrator to transmit or deliver copies of documents, pleadings, affidavits, factums, briefs, or other documents that are filed or to be filed with the Court to the other Court in such fashion as may be appropriate and providing advance notice to counsel for affect-

ed parties in such manner as the Court considers appropriate;

- (c) Participating in two-way communications with the other Court by telephone or video conference call or other electronic means, in which case Guideline 7 should apply.

Guideline 7

In the event of communications between the Courts in accordance with Guidelines 2 and 5 by means of telephone or video conference call or other electronic means, unless otherwise directed by either of the two Courts:

- (a) Counsel for all affected parties should be entitled to participate in person during the communication and advance notice of the communication should be given to all parties in accordance with the Rules of Procedure applicable in each Court;
- (b) The communication between the Courts should be recorded and may be transcribed. A written transcript may be prepared from a recording of the communication which, with the approval of both Courts, should be treated as an official transcript of the communication;
- (c) Copies of any recording of the communication, of any transcript of the communication prepared pursuant to any Direction of either Court, and of any official transcript prepared from a recording should be filed as part of the record in the proceedings and made available to counsel for all parties in both

Courts subject to such Directions as to confidentiality as the Courts may consider appropriate; and

- (d) The time and place for communications between the Courts should be to the satisfaction of both Courts. Personnel other than Judges in each Court may communicate fully with each other to establish appropriate arrangements for the communication without the necessity for participation by counsel unless otherwise ordered by either of the Courts.

Guideline 8

In the event of communications between the Court and an authorized Representative of the foreign Court or a foreign Insolvency Administrator in accordance with Guidelines 3 and 5 by means of telephone or video conference call or other electronic means, unless otherwise directed by the Court:

- (a) Counsel for all affected parties should be entitled to participate in person during the communication and advance notice of the communication should be given to all parties in accordance with the Rules of Procedure applicable in each Court;
- (b) The communication should be recorded and may be transcribed. A written transcript may be prepared from a recording of the communication which, with the approval of the Court, can be treated as an official transcript of the communication;
- (c) Copies of any recording of the communication, of any transcript of the communication prepared pursuant to any Direction of the Court, and of any official tran-

script prepared from a recording should be filed as part of the record in the proceedings and made available to the other Court and to counsel for all parties in both Courts subject to such Directions as to confidentiality as the Court may consider appropriate; and

- (d) The time and place for the communication should be to the satisfaction of the Court. Personnel of the Court other than Judges may communicate fully with the authorized Representative of the foreign Court or the foreign Insolvency Administrator to establish appropriate arrangements for the communication without the necessity for participation by counsel unless otherwise ordered by the Court.

Guideline 9

A Court may conduct a joint hearing with another Court. In connection with any such joint hearing, the following should apply, unless otherwise ordered or unless otherwise provided in any previously approved Protocol applicable to such joint hearing:

- (a) Each Court should be able to simultaneously hear the proceedings in the other Court.
- (b) Evidentiary or written materials filed or to be filed in one Court should, in accordance with the Directions of that Court, be transmitted to the other Court or made available electronically in a publicly accessible system in advance of the hearing. Transmittal of such material to the other Court or its public availability in an electronic system should not subject the party filing the material in one Court to the jurisdiction of the other Court.

- (c) Submissions or applications by the representative of any party should be made only to the Court in which the representative making the submissions is appearing unless the representative is specifically given permission by the other Court to make submissions to it.
- (d) Subject to Guideline 7(b), the Court should be entitled to communicate with the other Court in advance of a joint hearing, with or without counsel being present, to establish Guidelines for the orderly making of submissions and rendering of decisions by the Courts, and to coordinate and resolve any procedural, administrative, or preliminary matters relating to the joint hearing.
- (e) Subject to Guideline 7(b), the Court, subsequent to the joint hearing, should be entitled to communicate with the other Court, with or without counsel present, for the purpose of determining whether coordinated orders could be made by both Courts and to coordinate and resolve any procedural or nonsubstantive matters relating to the joint hearing.

Guideline 10

The Court should, except upon proper objection on valid grounds and then only to the extent of such objection, recognize and accept as authentic the provisions of statutes, statutory or administrative regulations, and rules of court of general application applicable to the proceedings in the other jurisdiction without the need for further proof or exemplification thereof.

Guideline 11

The Court should, except upon proper objection on valid grounds and then only to the extent of such objection, accept that Orders made in the proceedings in the other jurisdiction were duly and properly made or entered on or about their respective dates and accept that such Orders require no further proof or exemplification for purposes of the proceedings before it, subject to all such proper reservations as in the opinion of the Court are appropriate regarding proceedings by way of appeal or review that are actually pending in respect of any such Orders.

Guideline 12

The Court may coordinate proceedings before it with proceedings in another jurisdiction by establishing a Service List that may include parties that are entitled to receive notice of proceedings before the Court in the other jurisdiction (“Non-Resident Parties”). All notices, applications, motions, and other materials served for purposes of the proceedings before the Court may be ordered to also be provided to or served on the Non-Resident Parties by making such materials available electronically in a publicly accessible system or by facsimile transmission, certified or registered mail or delivery by courier, or in such other manner as may be directed by the Court in accordance with the procedures applicable in the Court.

Guideline 13

The Court may issue an Order or issue Directions permitting the foreign Insolvency Administrator or a representative of creditors in the proceedings in the other jurisdiction or an authorized

Representative of the Court in the other jurisdiction to appear and be heard by the Court without thereby becoming subject to the jurisdiction of the Court.

Guideline 14

The Court may direct that any stay of proceedings affecting the parties before it shall, subject to further order of the Court, not apply to applications or motions brought by such parties before the other Court or that relief be granted to permit such parties to bring such applications or motions before the other Court on such terms and conditions as it considers appropriate. Court-to-Court communications in accordance with Guidelines 6 and 7 hereof may take place if an application or motion brought before the Court affects or might affect issues or proceedings in the Court in the other jurisdiction.

Guideline 15

A Court may communicate with a Court in another jurisdiction or with an authorized Representative of such Court in the manner prescribed by these Guidelines for purposes of coordinating and harmonizing proceedings before it with proceedings in the other jurisdiction regardless of the form of the proceedings before it or before the other Court wherever there is commonality among the issues and/or the parties in the proceedings. The Court should, absent compelling reasons to the contrary, so communicate with the Court in the other jurisdiction where the interests of justice so require.

Guideline 16

Directions issued by the Court under these Guidelines are subject to such amendments, modifications, and extensions as

may be considered appropriate by the Court for the purposes described above and to reflect the changes and developments from time to time in the proceedings before it and before the other Court. Any Directions may be supplemented, modified, and restated from time to time and such modifications, amendments, and restatements should become effective upon being accepted by both Courts. If either Court intends to supplement, change, or abrogate Directions issued under these Guidelines in the absence of joint approval by both Courts, the Court should give the other Courts involved reasonable notice of its intention to do so.

Guideline 17

Arrangements contemplated under these Guidelines do not constitute a compromise or waiver by the Court of any powers, responsibilities, or authority and do not constitute a substantive determination of any matter in controversy before the Court or before the other Court nor a waiver by any of the parties of any of their substantive rights and claims or a diminution of the effect of any of the Orders made by the Court or the other Court.

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

Court File No: CV-12-9761-0001

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NORTHSTAR AEROSPACE, INC., NORTHSTAR AEROSPACE (CANADA) INC.,
2007775 ONTARIO INC. and 3024308 NOVA SCOTIA COMPANY

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

INITIAL ORDER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley John Taylor LSUC#: 39932E
Tel: (416) 869-5236

Daniel S. Murdoch LSUC#: 53123L
Tel: (416) 869-5529

Kathryn Esaw LSUC#: 58264F
Tel: (416) 869-6820
Fax: (416) 947-0866

Lawyers for the Applicants