

returnable today, and that any further service on any party required to be served be and is hereby dispensed with.

2. **THIS COURT ORDERS** that the First Report together with the actions and activities of the Trustee, as more particularly described therein, be and are hereby accepted and approved.

3. **THIS COURT ORDERS** that the Royal Receiver and the Airlines Agent be and are hereby authorized and directed to complete the sales of any and all interest, whether equity and/or debt, in Canada 3000 Cargo Inc. ("C3 Cargo") held by Royal Aviation Inc. ("Royal") and Canada 3000 Airlines Limited/Lignes Aériennes Canada 3000 Limitée ("Airlines"), if any (collectively, the "C3 Cargo Assets"), as more particularly described in the First Report, to 1507746 Ontario Inc. (the "Purchaser") without compliance with Part V of the *Personal Property Security Act* (Ontario) substantially on the terms set out in the First Report and pursuant to and in accordance with the terms and conditions of an agreement of purchase and sale dated January 11, 2002 entered into by the Royal Receiver with the Purchaser (the "Royal Agreement") and the terms and conditions of an agreement of purchase and sale dated January 11, 2002 entered into by the Airlines Agent with the Purchaser (the "Airlines Agreement", and together with the Royal Agreement, the "Purchase Agreements") and that the Purchase Agreements, the transactions contemplated thereunder (the "Transactions") and the conduct of the Royal Receiver, Airlines Agent and Trustee (including, without limitation, the Trustee consenting to the Transactions) with respect thereto be and are hereby authorized and approved.

4. **THIS COURT ORDERS** that each of the Royal Receiver, Airlines Agent and Trustee be and is hereby authorized to complete the Transactions and to execute and deliver such additional or ancillary documents and take such other actions or steps governing or giving effect to the Transactions (including, without limitation, a letter agreement dated February 1, 2002 between the Trustee and C3 Cargo granting a short-term extension of a trademark license granted to C3 Cargo by Canada 3000 Inc. pursuant to a trademark license agreement dated August 1, 2001, as more particularly described in the First Report) as each of the Royal Receiver, Airlines Agent and Trustee, in its discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, and all such documents, actions and steps are hereby authorized and approved.

5. **THIS COURT ORDERS** that upon the delivery to the Purchaser and the filing with this Court of a Trustee's Certificate confirming that the sale of the C3 Cargo Assets has been completed to the satisfaction of the Trustee, with the Trustee being authorized to execute a Trustee's Certificate for the receipt of the Purchase Prices (as defined in the Purchase Agreements), the C3 Cargo Assets shall vest in the Purchaser:


- (a) free and clear of all of the estates, titles, rights, benefits, interests and claims of Royal, Airlines, the Royal Receiver, the Airlines Agent and the Trustee, if any, and;
- (b) free and clear of the estates, titles, rights, benefits, interests and claims of all of the creditors and claimants of Royal, Airlines, the Royal Receiver, the Airlines Agent or the Trustee, and from any and all estates, rights, titles, interests, liens (including statutory, construction and possessory liens), hypothecs, security interests, trusts or deemed trusts, assignments, judgments, executions, options, adverse claims, levies, agreements, taxes, claims, disputes, debts, charges, mortgages, pledges, encumbrances, rights of revendication or repossession or any other rights or claims howsoever arising, whether contractual, statutory, by operation of law or otherwise, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, including without limiting the generality of the foregoing, any created by or pursuant to any orders made in these proceedings and the proceedings of Canada 3000 Inc., Airlines and Royal pursuant to the *Companies' Creditors Arrangement Act*, by or of all persons or entities of any kind whatsoever, including without limitation all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executors, administrators or other legal representatives,

and all persons and entities shall be barred from making a claim against the C3 Cargo Assets.

6. **THIS COURT ORDERS** that the Royal Receiver and Airlines Agent be and are hereby jointly authorized and directed to hold the proceeds of sale of the C3 Cargo Assets (the "Proceeds") in trust for Canadian Imperial Bank of Commerce and Royal Bank of Canada

pending agreement between the Royal Receiver and the Airlines Agent or their successors in interest or further order of the Court with respect to the allocation of the Proceeds among the C3 Cargo Assets.

7. **THIS COURT ORDERS** that the subscription agreement among C3 Cargo, Royal, Flagship International Marketing Inc. and Canada 3000 Inc. dated August 1, 2001 be and the same is hereby terminated effective as of delivery and filing of the Trustee's Certificate, as contemplated by paragraph 5 hereof.



A handwritten signature in black ink, appearing to read "Vikram Singh", is written over a horizontal line.

IN THE MATTER OF THE BANKRUPTCY OF CANADA 3000 INC.

AND IN THE MATTER OF THE BANKRUPTCY OF CANADA 3000 AIRLINES LIMITED/LIGNES AÉRIENNES
CANADA 3000 LIMITÉE

AND IN THE MATTER OF THE BANKRUPTCY OF ROYAL AVIATION INC.

ONTARIO

SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY

Proceeding Commenced at Toronto

ORDER

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