

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C. 1985, c.
C-36)

No: 500-11-042345-120

IN THE MATTER OF THE PROPOSED PLAN OF
COMPROMISE AND ARRANGEMENT OF:

AVEOS FLEET PERFORMANCE INC./
AVEOS PERFORMANCE AÉRONAUTIQUE INC.
and
AERO TECHNICAL US, INC.

Insolvent Debtors/Petitioners

and

FTI CONSULTING CANADA INC.

Monitor

and

WELLS FARGO BANK NATIONAL ASSOCIATION, as
Fondé de Pouvoir

and

CRÉDIT SUISSE AG, CAYMAN ISLAND BRANCH, as
Fondé de Pouvoir

and

AVEOS HOLDING COMPANY as Fondé de Pouvoir

and

BREOF/BELMONT BAN L.P.

and

THE ATTORNEY GENERAL OF CANADA

and

AON HEWITT, as administrator of the Aveos Fleet
Performance Inc. pension plans

and

QUEBEC REVENUE AGENCY

and

CANADA REVENUE AGENCY

and

REGISTRAR OF THE PERSONAL AND MOVABLE
REAL RIGHTS REGISTER OF QUEBEC

and

CASP AEROSPACE INC.

Mis en cause

**MOTION FOR AN ORDER AUTHORIZING THE SALE OF CERTAIN ASSETS
OF THE PETITIONERS AND FOR VESTING ORDERS**
(Safety, Gas and Battery Shop)

(Sections 11 and 36 of the *Companies' Creditors Arrangement Act* ("CCAA"))

**TO THE HONOURABLE JUSTICE MARK SCHRAGER J.S.C., SITTING IN COMMERCIAL DIVISION, IN
AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONERS RESPECTFULLY SUBMIT
THE FOLLOWING:**

I. INTRODUCTION

1. Further to the filing of a *Petition for the Issuance of an Initial Order* (the "**Initial CCAA Petition**") as well as a *Motion for the Issuance of an Amended and Restated Initial Order*, this Honourable Court issued an *Initial Order* on March 19, 2012, as amended and restated by further orders issued on March 30, 2012, April 5, 2012 and May 4, 2012 (collectively, the "**Initial Order**"), the whole as appears from the Court record herein. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Initial Order.
2. On or around July 23, 2012, the Petitioners filed a *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for Vesting Orders (Engines Maintenance Division)* (the "**EMC Motion**") in the present matter.
3. For the purposes of providing context and by way of introduction, the Petitioners hereby refer this Honourable Court to the EMC Motion and reiterate, to the extent applicable, the allegations contained therein.
4. In the context of the offers received and negotiations conducted as part of the Divestiture Process, and following the analysis conducted by Aveos Fleet Performance Inc. ("**Aveos**") and the CRO, under the supervision of the Monitor, the CRO recommended to proceed with an additional agreement, namely an asset purchase agreement, with the mis en cause CASP Aerospace Inc. (the "**Purchaser**").
5. This asset purchase agreement was concluded and accepted by Aveos on July 24, 2012 but is dated July 11, 2012, being the date of the original offer. This asset purchase agreement pertains to certain assets which were not included under the EMC Motion, namely equipment, components and inventory within the Safety, Gas, and Battery shop at Aveos' premises (collectively referred to as the "**Purchased Assets**"), the whole as appears from a copy of the Agreement, **Exhibit R-1** (the "**Agreement**").

6. By the present Motion, the Petitioners seek this Court's approval and corresponding vesting order in respect of the Agreement.
7. Indeed, the Agreement with CASP Aerospace Inc. remains subject to Court approval and contemplates an order of this Court for the transfer and conveyance of the Purchased Assets, free and clear of all hypothecs, liens, charges and encumbrances.
8. It is submitted that it is not necessary for Aveos to continue to carry the Purchased Assets for the purposes of the other agreements contemplated in the Divestiture Order and which are currently being pursued as part of the Divestiture Process.
9. The Petitioners hereby reiterate the grounds submitted in support of the EMC Motion, upon which the present Motion is similarly predicated. Indeed, the CRO, under the supervision of the Monitor, has recommended the Agreement following the same rigorous analysis and taking into account such factors as the capacity of the Purchaser to complete the Agreement, the conditions attached to the bids, the time required to close the Agreement, the interests of the Petitioners and their stakeholders and other relevant considerations.
10. In light of the foregoing, Aveos respectfully seeks an order from this Honourable Court vesting the Purchased Assets in CASP Aerospace Inc., pursuant to the Agreement, free and clear of any charges and encumbrances, upon closing of the Transaction (as defined in the Agreement).
11. Aveos requests that Exhibit R-1 be filed under seal of confidentiality and that a redacted copy only, removing the financial details, be filed in the Court record and made available to the Service List, in order to avoid any prejudice should Aveos need to return to the market in the event of a problem with closing the Transaction (as defined in the Agreement).

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

- [1] **GRANT** the *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for Vesting Orders (Safety, Gas, and Battery shop)* (the "**Motion**");
- [2] **DECLARE** sufficient and valid the service and notice of the Motion on all persons and **DISPENSE** with any further requirements for service or notice thereof;
- [3] **DECLARE** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order, as amended and restated, or, otherwise, in the Motion;
- [4] **AUTHORIZE** Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. (hereinafter "**Aveos**") to enter into and complete the asset purchase agreement (the "**Agreement**") between Aveos and CASP Aerospace Inc. ("the "**Purchaser**");

- b) all charges, security interests or claims, inasmuch as they relate to property of Aveos, evidenced by registration at or with the Quebec Personal and Movable Real Rights Registry (Québec) (“**RDPRM**”), the Quebec Land Registry, any provincial personal property registry system including without limitation, registrations pursuant to the Personal Property Security Act (Ontario), the Personal Property Security Act (Manitoba) and the Personal Property Security Act (British Columbia), the Canadian Intellectual Property Office or any other personal property registry system, or pursuant to the Bank Act (Canada), the Trademarks Act (Canada) or any other legislation;
- [10] **ORDER** and **DECLARE**, for greater certainty, that all hypothecs, encumbrances and Claims affecting or relating to the Purchased Assets, upon delivery of the Monitor’s Certificate, be and are expunged and discharged as against those Purchased Assets corresponding to the Monitor’s Certificate so delivered and filed into Court;
- [11] **ORDER** that, upon receipt of a copy of the signed Monitor’s Certificate having been delivered to the Purchaser, Aveos is authorized to receive payment of the Purchase Price from the Purchaser;
- [12] **DECLARE** that notwithstanding
- a) the pendency of these proceedings;
 - b) any application for a bankruptcy order issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) in respect of Aveos and any bankruptcy order issued pursuant to any such applications; and
 - c) any assignment in bankruptcy or any receivership;
 - d) the Agreement and sale shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of Aveos and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent preference, assignment, or fraudulent conveyance, transfer for under value or other reviewable transaction under the CCAA, the BIA, Articles 1631 et seq. of the *Civil Code of Québec*, S.Q. 1991, c. 164 (“**CCQ**”) or any other applicable federal or provincial legislation;
- [13] **ORDER** and **DIRECT** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after execution and delivery thereof;
- [14] **DECLARE** that the present Order constitutes the only authorization required by Aveos to proceed with the Agreement and, for greater certainty, **DECLARE** that the parties involved in the Agreement are exempted from requiring or obtaining

any authorization that may be required from any person or authority whatsoever;

- [15] **DECLARE** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in place and stead of the Purchased Assets and that, from and after the delivery of the Monitor's Certificate, all Claims shall attach to the proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold;
- [16] **ORDER** that neither a Purchaser nor any affiliate thereof shall assume or be deemed to assume any liabilities or obligations whatsoever of any of Aveos or the mis en causes (other than as expressly assumed under the terms of the Agreement or of the Order to be rendered herein);
- [17] **ORDER** that the Agreement being Exhibit R-1 to the Motion, and any related or ancillary agreement shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [18] **ORDER** that all persons shall cooperate fully with Aveos and the mis en cause, the Purchaser and their respective affiliates and the Monitor and do all such things that are necessary or desirable for the purposes of giving effect to and in furtherance of the Order to be rendered herein, the Agreement, and the Transaction (as defined in the Agreement);
- [19] **REQUEST** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order to be rendered herein;
- [20] **ORDER** that the Order to be rendered herein shall have full force and effect in all provinces and territories in Canada;
- [21] **ORDER** the provisional execution of the Order to be rendered herein, notwithstanding any appeal and without the necessity of furnishing any security;

[22] THE WHOLE WITHOUT COSTS.

Montréal, July 25, 2012

A handwritten signature in blue ink, appearing to read "Fraser Milner Casgrain LLP", is written over a horizontal line.

FRASER MILNER CASGRAIN LLP

Attorneys for Petitioners

SCHEDULE A
Superior Court of Quebec 500-11-042345-120
Monitor's Certificate
(Pursuant to the order rendered by Hon. Mark Schrager, j.s.c., on July ● 2012)

Pursuant to an Order of the Honourable Mark Schrager, j.s.c. of the Superior Court of Quebec (the "Court") dated March 19, 2012, as amended and restated by further Orders issued on March 30, 2012, April 5, 2012 and May 4, 2012 (collectively, the "Initial Order"), FTI Consulting Canada Inc. was appointed monitor (the "Monitor") of Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. and of Aero Technical US, Inc. (collectively, the "Petitioners") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA");

Pursuant to the Initial Order and from further Orders issued by the Court, the Petitioners benefit from a stay of proceedings granted thereby pursuant to the CCAA;

Pursuant to an Order of the Court dated July ●, 2012, (the "Authorization of Sale and Vesting Order") the Court, *inter alia*, authorized and approved the transaction and conveyance of certain assets (the "Purchased Assets") by and between Aveos Fleet Performance Inc. on the one hand, and CASP Aerospace Inc., on the other hand (the "Purchaser"), and provided for, among other things, the vesting in the Purchaser of all of Aveos Fleet Performance Inc.'s rights, title and interest in and to the Purchased Assets, free and clear of any and all Claims, encumbrances, charges, liens and hypothecs, the whole in accordance with the *Authorization of Sale and Vesting Order*, which vesting is to be effective with respect to the Purchased Assets upon delivery by the Monitor to the Purchaser of this certificate;

Unless otherwise indicated herein, capitalized terms have the meaning ascribed to them in the Authorization of Sale and Vesting Order;

THE MONITOR HEREBY CERTIFIES that:

1. It has received written confirmation from the Petitioners that the closing of the Transaction has occurred; and
2. The Transaction has been completed to the satisfaction of the Monitor.

MADE AT MONTRÉAL, THIS ● DAY OF ●, 2012.

FTI CONSULTING CANADA INC.
in its capacity as Monitor of the Petitioners

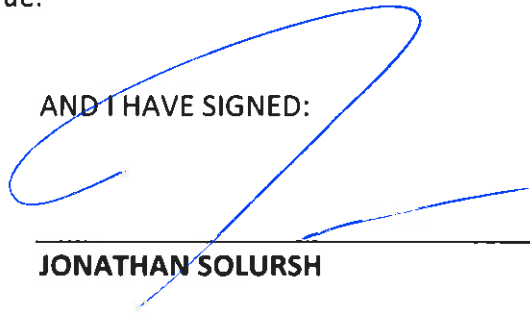
MS. TONI VANDERLAAN, MR. GREG WATSON, OR
ANOTHER DULY AUTHORIZED REPRESENTATIVE

AFFIDAVIT

I, the undersigned, **JONATHAN SOLURSH**, of R.e.I. Group inc. and authorized representative of the Chief Restructuring Officer of the Petitioners in the present matter, domiciled, for the purposes hereof, at BAN3, 4th Floor, 2311 Blvd. Alfred Nobel, in the City of Montreal, Province of Quebec, do solemnly declare:

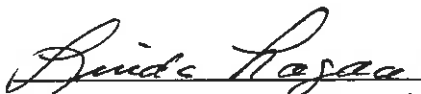
1. I am the Chief Restructuring Officer of the Petitioners in the present matter;
2. I have personal knowledge of all of the facts alleged in the present *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for Vesting Orders (Safety, Gas, and Battery shop)*, which are true.

AND I HAVE SIGNED:



JONATHAN SOLURSH

SOLEMNLY DECLARED before me at Montreal,
this 25th day of July 2012


**COMMISSIONER OF OATHS FOR THE
PROVINCE OF QUÉBEC**



NOTICE OF PRESENTATION

TO: SERVICE LIST

CASP AEROSPACE INC.

98 Columbus Avenue
Pointe-Claire
Quebec H9R 4K4

C/o Mr. Alan Templeton
Email: atempleton@caspaerospace.com

TAKE NOTICE that the *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for Vesting Orders (Safety, Gas, and Battery shop)* will be presented before the Honourable Mark Schrager, j.s.c., of the Superior Court, sitting in and for the Commercial Division for the District of Montreal, in the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, in room 2.13, on July 26, 2012, at 2h15 p.m. or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, July 25, 2012



FRASER MILNER CASGRAIN LLP
Attorneys for Petitioners

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36)

No: 500-11-042345-120

IN THE MATTER OF THE PROPOSED PLAN OF
COMPROMISE AND ARRANGEMENT OF:

**AVEOS FLEET PERFORMANCE INC./
AVEOS PERFORMANCE AÉRONAUTIQUE INC.**
and
AERO TECHNICAL US, INC.

Insolvent Debtors/Petitioners

and

FTI CONSULTING CANADA INC.

Monitor

Et al.

PETITIONERS' LIST OF EXHIBITS

| | |
|--------------------|---|
| Exhibit R-1 | Asset Purchase Agreement concluded with CASP Aerospace Inc. |
|--------------------|---|

This Exhibit is available upon request.

Montréal, July 25, 2012



FRASER MILNER CASGRAIN LLP
Attorneys for Petitioners

No. 500-11-042345-120

SUPERIOR COURT (Commercial Division)
DISTRICT OF MONTRÉAL

IN THE MATTER OF THE PROPOSED PLAN OF COMPROMISE
ARRANGEMENT OF :

AVEOS FLEET PERFORMANCE INC./
AVEOS PERFORMANCE AÉRONAUTIQUE INC.

and

AERO TECHNICAL US, INC.

Insolvent Debtors/Petitioners

and

FTI CONSULTING CANADA INC.

Monitor

and

CASP AEROSPACE INC.

ET AL.

Mis en cause

Me Roger P. Simard

File: 548732-1

**MOTION FOR AN ORDER AUTHORIZING THE SALE OF
CERTAIN ASSETS
OF THE PETITIONERS AND FOR VESTING ORDERS
(Safety, Gas and Battery Shop)
Affidavit, Notice of Presentation and List of Exhibits**

ORIGINAL



Fraser Milner Casgrain LLP
1 Place Ville Marie, Suite 3900
Montréal, QC, Canada H3B 4W7

MAIN 514 878 8800
FAX 514 866 2241

BB0822