

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
BROEF/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**

Mis en cause

and
AAR AIRCRAFT SERVICES INC.
and
AVIANOR INC.
and
AVMAX AVIATION SERVICES INC.
and
DISCOVERY AIR TECHNICAL SERVICES INC.
and
PREMIER AVIATION OVERHAUL CENTER LTD.
and
MAYNARDS INDUSTRIES LTD.

Purchasers/Mis en cause

**MOTION FOR AN ORDER AUTHORIZING THE SALE OF CERTAIN ASSETS
OF THE PETITIONERS AND FOR VESTING ORDERS**
(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. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed Monitor of the Petitioners (the "**Monitor**") and a stay of proceedings (the "**Stay of Proceedings**") was granted until April 5, 2012 and subsequently extended until July 20, 2012 (the "**Stay Period**") as appears from the Court record herein;
3. On March 20, 2012, the Petitioners filed a *Motion for the Appointment of a Chief Restructuring Officer* (the "**CRO Motion**") in view of having this Honourable Court appoint a Chief Restructuring Officer ("**CRO**") with authority to carry on, manage,

- operate and supervise the management and operations of the business and affairs of the Petitioners, subject to certain terms and conditions, as appears from the Court record herein;
4. As part of its overall restructuring and intention to propose a plan of compromise or arrangement, the Petitioners filed, on April 18, 2012, a *Motion for Approval of a Divestiture Process* in view of implementing a divestiture process regarding certain lines of business, divisions and other assets of the Petitioners (the "**Divestiture Process**"), the whole as appears from the Court record herein;
 5. An *Order Approving the Divestiture Process* was subsequently issued by this Honourable Court on April 20, 2012 (the "**Divestiture Order**"), the whole as appears from the Court record herein;
 6. In conformity with the Divestiture Order, the Divestiture Process was implemented by the Petitioners under the direction of the CRO and with the assistance of the Monitor;
 7. Immediately following the Divestiture Order, the Petitioners and the CRO began deploying extensive efforts and resources in view of completing the Divestiture Process in a manner that would be most favourable to the Petitioners and their stakeholders. In that regard, numerous discussions, meetings and exchanges took place with various potential purchasers and investors, customers, governmental authorities and other interested parties;
 8. On or around May 2, 2012, Air Canada filed a *De Bene Esse Motion for an Order Lifting the Stay of Proceedings to Confirm the Termination of Certain Contracts*, regarding certain maintenance and repair contracts concluded between Aveos Fleet Performance Inc. ("**Aveos**") and Air Canada;
 9. On May 29, 2012, Air Canada and Aveos concluded an agreement which provided for, among other things:
 - a) the termination of the Airframe Heavy Maintenance contract between Air Canada and Aveos by June 28, 2012;
 - b) Air Canada and Aveos entering into a new exclusive contract for the maintenance of Air Canada's CFM-56A and CFM-56B engines;
 - c) Air Canada modifying its existing Request For Proposal ("**RFP**") process for components maintenance to accommodate and better align with certain elements of the Divestiture Process .
 10. On May 24, 2012, all potential bidders were informed that the original Phase I Bid Deadline, as defined in the Divestiture Process, would be extended, and on May 30, 2012, all potential bidders were informed that the Phase I Bid Deadline, was extended to June 6, 2012 for all asset groupings except the Components Maintenance Centre

(Lot 7) (“**CMC**”), for which the deadline was extended to July 13, 2012, the whole as appears from the Bid Deadline Extension Notice and Phase I Bid Deadline Amendment, communicated herewith, *en liasse*, as **Exhibit R-1**;

11. This deadline was extended by the Petitioners, with the approval of the Monitor, in order to accommodate certain practical issues that arose in the context of the implementation of the Divestiture Process. Among other things, this extension enabled the Petitioners and the CRO to ensure that the Petitioners were receiving the best possible bids in respect of the assets to be divested in the circumstances, for the benefit of all stakeholders;
12. Under the Divestiture Process, Aveos contacted several potential bidders in view of divesting itself of the certain assets under conditions that would be favourable to all interested parties, including attempting to include the said assets as part of the divestiture of an entire division as a going concern;
13. As reported by the CRO in its Second Report to the Court, the Divestiture Process was designed to attract all possible suitors, including going concern buyers, strategic asset purchasers, and liquidators/auctioneers. One of the elements of this strategy was to offer Airframe Maintenance Division assets in smaller, “digestible” lots so that Canadian maintenance, repair and overhaul operators (“**MROs**”) would have an opportunity equal to that of a global buyer to acquire parts of the Aveos Airframe Maintenance Division business if it could not be sold as a going concern. The result is that certain of the strategic asset buyers are Canadian MROs who intend to develop new lines of service in Canada, utilizing these specific assets;
14. With respect to the Engine Maintenance Centre (“**EMC**”), given the complexities associated with this transaction and the unique requirements of certain of the stakeholders and prospective bidders, the interested parties will require additional time to address and resolve various issues, including exhausting all options to determine if there is the possibility of a going concern or a modified going concern solution for the EMC;
15. In addition, the CRO has also determined, after reviewing the offers received, to defer the sale of the landing gear assets (Lot 23), which are physically located in the EMC building, and those assets will be dealt with in conjunction with the EMC assets;
16. The CRO will continue to work with the parties who have submitted preliminary bids on the Air Canada engine contract and the Petitioners will come before the Court on July 26, 2012 to provide a more detailed report and seek the Court’s approval of one or more transactions for the EMC;
17. With respect to the Airframe Maintenance Division, Aveos received a series of bids from various potential purchasers interested in acquiring specific assets and/or asset groupings (also referred to as “lots” in the Divestiture Process) of said division;

18. Unfortunately, despite the concerted efforts of the Petitioners, no going concern or *en bloc* offers were received for the Airframe Maintenance Division;
19. Aveos, the CRO and the Monitor carefully analysed all of the various bids received, while considering and weighing, *inter alia*, the interests of the Petitioners and of all of the Petitioners' stakeholders, as well as the terms and objectives of the Initial Order, the CCAA and the Divestiture Order;
20. The Divestiture Process, the offers and negotiations that ensued, and the analysis conducted by Aveos and the CRO under the supervision of the Monitor resulted in a recommendation to proceed with the following agreements in respect of the Airframe Maintenance Division assets which, subject only to this Court's approval, contemplate the purchase and sale of specific assets and/or of groups of assets of Aveos (the "**Purchased Assets**"), the whole as more fully detailed below:
 - a) Five Asset Purchase Agreements, concluded with five different purchasers, in respect of certain lots within the Airframe Maintenance Division;
 - b) One Liquidation Services Agreement, concluded with the *mis en cause* Maynards Industries Ltd. ("**Maynards**" or the "**Liquidator**") in respect of certain lots within the Airframe Maintenance Division;
21. The present Motion seeks this Court's authorization to complete the aforementioned transactions, which shall be collectively referred to herein as the "**Transactions**" unless specifically indicated to the contrary. The *mis en cause* / Purchasers and the Liquidator, being the counterparties to the Transactions to be ratified by this Court, will be collectively referred to as the "**Purchasers**." The various agreements shall also be referred to by their respective acronyms;
22. By this Motion, Aveos also applies for the necessary Approval and Vesting Orders required to give effect to the Transactions;

II. THE TRANSACTIONS

A. The Airframe Maintenance Division (Heavy Maintenance)

23. Despite significant efforts deployed by Aveos and the CRO, there were no going concern offers received for the assets of the Airframe Maintenance Division. The bids received in respect of this division were therefore limited to specific equipment and asset groupings, as more fully described in the Third Report of the Chief Restructuring Officer;

(1) *Asset Purchase Agreements*
24. Aveos and the CRO endeavoured to secure the most favourable price and conditions for the sale of these assets within the Airframe Maintenance Division in the circumstances

described above. Consequently, the CRO recommends to proceed with the following Asset Purchase Agreements that have been executed, subject to Court approval:

	<u>PURCHASER</u>	<u>NATURE OF AGREEMENT</u>	<u>PURCHASED ASSETS</u>
1	AAR Aircraft Services Inc. ("Purchaser 1")	Asset Purchase Agreement (Exhibit R-2)	Lot 1 Lot 13
2	Avianor Inc. ("Purchaser 2")	Asset Purchase Agreement (Exhibit R-3)	Lot 10 Lot 22
3	Avmax Aviation Services Inc. ("Purchaser 3")	Asset Purchase Agreement (Exhibit R-4)	Lot 21
4	Discovery Air Technical Services Inc. ("Purchaser 4")	Asset Purchase Agreement (Exhibit R-5)	Lot 11
5	Premier Aviation Overhaul Center Ltd. ("Purchaser 5")	Asset Purchase Agreement (Exhibit R-6)	Lot 3 Lot 12 Lot 14

(2) Liquidation Services Agreement

25. Following analysis of the bids and opportunities available to Aveos, the CRO concluded that it would be in the interests of Aveos and its stakeholders to proceed by way of a liquidation in respect of the balance of the assets within the Airframe Maintenance Division, conducted under the auspices of Maynards, a Canadian company which offers professional auction and liquidation services, working in partnership with various other Canadian and U.S. based auctioneers;
26. In order to maximize the revenues to be generated by the liquidation process, Aveos has executed a *Liquidation Services Agreement* with the Liquidator, being **Exhibit R-7** in support hereof ("**LSA**"), pursuant to which the Liquidator received a mandate to proceed with the liquidation of substantially all of the remaining assets within the Airframe Maintenance Division based on a net minimum guarantee to Aveos;
27. Pursuant to the LSA, the Liquidator will proceed to liquidate the assets described therein by way of private sales or a public auction to be conducted at various Aveos premises.

This will enable Aveos to obtain maximum value for the assets being the subject of the LSA;

28. Subject to the terms and conditions contained in the Order to be rendered herein, all of the right, title and interest in and to the assets described in said LSA will be vested in the ultimate buyers of the assets upon payment by such buyers of the purchase price and the receipt of same by the Liquidator in fully released and available funds;

B. Engine Maintenance Division

29. The divestiture of the EMC, which is inherently complex, will take additional time due to the circumstances referenced in paragraph 14 above and discussed in the Third Report to the Court of the Chief Restructuring Officer, to be filed at the hearing as **Exhibit R-8**;
30. As appears from the Third Report of the CRO to the Court, in order to preserve the integrity of the Divestiture Process, as well as to protect the interests of the Secured Lenders, the CRO intends to enter into a conditional agreement with the party who submitted the best liquidation proposal for the assets of the EMC division on the most commercially acceptable terms; this allows Aveos to secure an agreement for liquidation of EMC assets, but still affords Aveos the option of entering into an agreement with another party for the aforementioned Air Canada engine contract and assets of the EMC business;
31. Petitioners and the CRO expect to return before this Court to report further on the divestiture of EMC and to seek the appropriate Approval and Vesting Orders on or before July 26, 2012;

III. MOTIVES JUSTIFYING THE RELIEF SOUGHT FOR ALL TRANSACTIONS

32. The recommendations made by the CRO take into account the capacity of the Purchasers and the Liquidator to complete the Transactions, the conditions attached to the bids, the time required to close the Transactions and other relevant considerations;
33. The terms and conditions of the Transactions were considered by Aveos and the CRO as:
a) being most favourable to Aveos and the stakeholders in the circumstances and
b) best meeting the various criteria and conditions set forth in the Divestiture Process, the whole as more fully appears in the Third Report to the Court of the CRO;
34. It is submitted that the consideration, terms and conditions of the Transactions are favourable to Aveos, and allow Aveos to obtain the best possible value for the Purchased Assets in the current circumstances, the whole as more fully detailed in the Third Report of the CRO to the Court;
35. It is submitted that it is not necessary for the Petitioners to continue to carry the Purchased Assets for the purposes of any other transactions contemplated in the

Divestiture Order and which are currently being pursued as part of the Divestiture Process;

36. Indeed, the Purchased Assets would not provide a strategic benefit to potential purchasers of the remaining divisions and/or other asset groupings. As such, the Transactions constitute a valid opportunity for the Petitioners to sell the Purchased Assets without causing a negative impact to the value of the Components Maintenance or Engine Maintenance Divisions in whole or in part, the whole as appears from the Third Report of the CRO to the Court;
37. It is therefore respectfully submitted that it is in the interest of the Petitioners, their stakeholders and in the interest of justice that Petitioners be authorized by this Honourable Court to proceed with the Transactions and that the Court authorize the Transactions;
38. The CRO has discussed with both the Canada Revenue Agency and the Agence du Revenu du Québec the proposed plan for Aveos to pay the outstanding pre-filing source deductions owed to these agencies. It is contemplated that, cash flow permitting, upon the closing of the Transactions and receipt of payment for transactions relating to each of the three main divisions (Airframe, EMC and CMC), the amounts owed would be paid in three equal installments, from the proceeds of the Divestiture Process;
39. The only beneficiaries of deemed trusts and secured creditors that are likely to be affected by the proposed Transactions are the *mis en cause* and also the members, former members, and any other persons entitled to pension benefits under the Pension Plans as defined at paragraph 19 of the Initial Order, who hold or may assert to hold either deemed trust claims or universal movable hypothecs, as appears from the updated RDPRM search report communicated as **Exhibit R-9**;
40. In view of the universal nature of the Charges under the CCAA, the deemed trusts and the applicable universal movable hypothecs and security interests granted in favour of the *mis en cause* Secured Lenders, the proceeds of sale will automatically be subject to such Charges, deemed trusts and universal hypothecs and security interests without the need for an order of this Court under subsection 36(6) of the CCAA. Notwithstanding the foregoing, the conclusions of this Motion provide, for clarity, that existing Charges, deemed trusts and universal hypothecs and security interests will attach to the proceeds of sale and stand in place and stead of the Purchased Assets;
41. It is moreover respectfully submitted that it is urgent that this Honourable Court approve and authorize the Transactions and that the said Transactions be completed without delay considering, *inter alia*, that:
 - a) time is of the essence in that the expediency with which the Transactions would take place is a significant consideration;

- b) the terms and conditions of the Purchase Agreements are favourable for the Petitioners and it is unlikely that the Petitioners would obtain a more favourable Purchase Price, terms and conditions in the future if the Transactions are not completed forthwith;
- c) if the Petitioners are precluded from effecting the Transactions, this would be prejudicial to the Petitioners and their stakeholders;
- d) the ongoing costs, including rents being paid or payable by Aveos, may become disproportionate to the value of the Purchased Assets if Aveos is unable to conclude the Transactions in a timely fashion.

IV. VESTING ORDERS

- 42. The Transactions contemplate the transfer and conveyance of the Purchased Assets, free and clear of all hypothecs, liens, charges and encumbrances.
- 43. Accordingly, Aveos respectfully seeks an order from this Honourable Court vesting the Purchased Assets in the respective Purchasers and, in the case of the conveyances to take place pursuant to the Liquidation Services Agreements, the purchaser as acknowledged by the Liquidator, free and clear of such charges and encumbrances, upon closing of the Transactions;
- 44. It is submitted that such a vesting order is in the best interests of the Petitioners and of all stakeholders and is essential to the completion of the Transactions, and thus to the maximization of amounts available to the stakeholders;
- 45. Aveos requests that Exhibits R-2 to R-7 be filed under seal of confidentiality and that redacted copies only, removing the Purchase Price, be 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 any particular Transaction;

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 (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 following agreements,

being Exhibits R-2 through R-7 in support of the Motion (the "Purchase Agreements"):

<u>EXHIBIT</u>	<u>CO-CONTRACTANT</u>	<u>NATURE OF AGREEMENT AND DATE</u>
R-2	AAR AIRCRAFT SERVICES INC. ("Purchaser 1")	Asset Purchase Agreement Dated June 21, 2012
R-3	AVIANOR INC. ("Purchaser 2")	Asset Purchase Agreement Dated June 20, 2012
R-4	AVMAX AVIATION SERVICES INC. ("Purchaser 3")	Asset Purchase Agreement Dated June 6, 2012
R-5	DISCOVERY AIR TECHNICAL ("Purchaser 4")	Asset Purchase Agreement Dated June 21, 2012
R-6	PREMIER AVIATION OVERHAUL CENTER LTD. ("Purchaser 6")	Asset Purchase Agreement Dated June 5, 2012
R-7	MAYNARDS INDUSTRIES LTD. ("Purchaser 7")	Liquidation Services Agreement for assets of the Airframe Division Dated June 20, 2012

- [5] **AUTHORIZE** and **RATIFY** the Transactions contemplated by and between Aveos and the Purchaser, as set forth in the Purchase Agreements being Exhibits R-2 through R-7 to the Motion, and **ORDER** that Exhibits R-2 to R-7 be sealed and that redacted copies removing Purchase Price information be filed in the Court record;
- [6] **AUTHORIZE** the sale, transfer and conveyance of the Purchased Assets pursuant to and identified in the Purchase Agreements (the "**Purchased Assets**");
- [7] **AUTHORIZE** Aveos to perform its obligations under the Purchase Agreements;
- [8] **AUTHORIZE** Aveos to :
- a) to take any and all actions necessary to proceed with the Transactions, including, without limitation, to execute and deliver any documents and assurances governing or giving effect to the Transactions as Aveos, in its discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of such deeds, contracts, or

documents as may be contemplated in the Purchase Agreement and all such deeds, contracts or documents are hereby ratified, approved and confirmed; and

b) take steps, as are, in the opinion of Aveos, necessary or incidental to the performance of its obligations pursuant to the Purchase Agreements;

[9] **ORDER and DECLARE** that, upon the delivery of a Monitor's certificate, to each Purchaser, substantially in the form attached as **Schedule A** hereto (the "**Monitor's Certificate**"), all of Aveos' right, title, benefit and interest in and to the Purchased Assets, shall vest absolutely and exclusively in the Purchaser having received delivery of such Monitor's Certificate and identified therein, free and clear of and from any all rights, titles, interests, security interests (whether contractual, statutory, or otherwise), hypothecs (legal or contractual), prior claims, mortgages, pledges, trusts, deeds of trust or deemed trusts (whether contractual, statutory or otherwise), liens (statutory or otherwise), executions, levies, charges or other financial or monetary claims, options, rights of first offer or first refusal, real property licences, encumbrances, obligations, conditional sale arrangements, adverse claims, priorities, levies, options, judgments, writs of seizure and sale, leasing agreements or other similar restrictions of any kind, whether attached, perfected, registered or filed and whether secured, unsecured, legal, possessory or otherwise, remedies from facts which exist as at or before the Closing of the Transactions (as defined in the Purchase Agreements), whether known or unknown, or any and all other rights of use, disputes and debts of all persons or entities of any kind whatsoever and howsoever arising, each of which and collectively being herein referred to as the "**Claims**," including, without limiting the generality of the foregoing:

a) any encumbrance or charge created by the Initial Order, as amended, rendered by the undersigned or by any other order of this Honourable Court in these proceedings;

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 DIRECT** the Monitor to file with the Court a copy of each of the Monitor's Certificates corresponding to each Transaction, forthwith after execution and delivery thereof;

- [11] **ORDER** and **DECLARE** that, for the purposes of and within the meaning of the Order to be rendered herein:
- a) the payment by a buyer (as determined by the Liquidator) of the amounts owing to the Liquidator shall be deemed to constitute and have the same effect as delivery of the Monitor's Certificate and shall also constitute the Closing;
 - b) the buyer designated by the Liquidator pursuant to the Liquidation Services Agreement shall be deemed to be a Purchaser as such term is defined herein;
- [12] **ORDER** and **DECLARE**, for greater certainty, that all hypothecs, encumbrances and Claims affecting or relating to the Purchased Assets, upon delivery of the respective Monitor's Certificates, be and are expunged and discharged as against those Purchased Assets corresponding to the Monitor's Certificate so delivered and filed into Court;
- [13] **ORDER** that, upon receipt of a copy of the signed Monitor's Certificate having been delivered to the Purchaser identified in such Monitor's Certificate, Aveos is authorized to receive payment of the Purchase Price from the Purchaser in respect of the specific Transaction corresponding to such Monitor's Certificate being so received;
- [14] **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 Transactions and sales 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;
- [15] **DECLARE** that the present Order constitutes the only authorization required by Aveos to proceed with the Transactions and, for greater certainty, **DECLARE** that the parties involved in the Transactions are exempted from requiring or obtaining any authorization that may be required from any person or authority whatsoever;

- [16] **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;
- [17] **ORDER** that, upon filing of the Monitor's Certificates and receipt of the proceeds of sale from the Transactions in fully released and available funds, Aveos is authorized to pay amounts subject to the payroll source deductions deemed trusts in favour of the Canada Revenue Agency and the Agence du Revenu du Quebec on terms to be agreed between Aveos and the Canada Revenue Agency and the Agence du Revenu du Quebec;
- [18] **ORDER** that neither the 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 Purchase Agreements or of the present Order);
- [19] **ORDER** that the Agreements being Exhibits R-2 through R-7 to the Motion, and any related or ancillary agreements shall not be repudiated, disclaimed or otherwise compromised in these proceedings;
- [20] **ORDER** that, pursuant to subsection 7(3)(c) of the *Personal Information Protection and Electronic Documents Act (Canada)* and any substantially similar legislation, the Petitioners and the mis en cause are authorized and permitted to disclose and transfer to the Purchasers all human resources and payroll information in the Petitioners' records pertaining to the Petitioners' past and current employees. The Purchasers shall maintain and protect the privacy of such information and shall be entitled to use the personal information provide to it in a manner which is in all material respects identical to the prior use of such information by the Petitioners;
- [21] **ORDER** that all persons shall cooperate fully with Aveos and the mis en cause, the Purchasers 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 present Order, the Purchase Agreements, and the Transactions;
- [22] **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 this Order;

- [23] **ORDER** that this Order shall have full force and effect in all provinces and territories in Canada;
- [24] **ORDER** the provisional execution of the present Order, notwithstanding any appeal and without the necessity of furnishing any security;
- [25] **THE WHOLE WITHOUT COSTS.**

Montréal, June 22, 2012

Fraser Milner Casgrain LLP

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 June ● 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 June ●, 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 the Petitioners on the one hand, and [INSERT NAME OF PURCHASER], on the other hand (the "**Purchaser**"), and provided for, among other things, the vesting in the Purchaser of all of the Petitioners' 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*, which are true.

AND I HAVE SIGNED:

JONATHAN SOLURSH

SOLEMNLY DECLARED before me at Montreal,
this 22nd day of June 2012

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



NOTICE OF PRESENTATION

TO: SERVICE LIST

TO: AAR Aircraft Services Inc.
1100 North Wood Dale Road,
Wood Dale, Illinois, USA 60191,
C/O Baker & Mckenzie LLP
Christopher W. Besant and Frank Spizzirri
E-mails: Frank.Spizzirri@bakermckenzie.com
chris.besant@bakermckenzie.com

TO: AVIANOR Inc.
12405 Service A-2,
Mirabel, Quebec, Canada, J7N 1E4
C/O DE GRANDPRÉ CHAIT
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C/O Spiegel Sohmer
Me Marc Leiter
E-mail: MLeiter@spiegelsohmer.com

TO: PREMIER AVIATION OVERHAUL CENTER LTD.
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Toronto, Ontario M9W 6L9
C/O Larry Suzuki
Email: lsuzuki@maynards.com

TAKE NOTICE that the *Motion for an Order Authorizing the Sale of Certain Assets of the Petitioners and for Vesting Orders* 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 a room to be determined, on June 28, 2012, at 9:30 a.m.** or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, June 22, 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:	<i>En liasse</i> , Bid Deadline Extension Notice of May 24, 2012 and Phase I Bid Deadline Amendment documents of May 30, 2012;
Exhibit R-2	Copy of Asset Purchase Agreement concluded with PURCHASER 1
Exhibit R-3	Copy of Asset Purchase Agreement concluded with PURCHASER 2
Exhibit R-4	Copy of Asset Purchase Agreement concluded with PURCHASER 3
Exhibit R-5	Copy of Asset Purchase Agreement concluded with PURCHASER 4
Exhibit R-6	Copy of Asset Purchase Agreement concluded with PURCHASER 5
Exhibit R-7	Copy of Liquidation Services Agreement (for Airframe Maintenance Division)

Exhibit R-8	Copy of the Chief Restructuring Officer's Third Report to the Court (to be filed at the hearing)
Exhibit R-9	Updated RDPRM Report prepared by Fraser Milner Casgrain LLP

These Exhibits are available upon request.

Montréal, June 22, 2012

Fraser Milner Casgrain LLP

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.

Petitioners

And

FTI CONSULTING CANADA INC.

Monitor

ET AL.

Me Roger P. Simard File: 548732-1

MOTION FOR AN ORDER AUTHORIZING THE SALE OF CERTAIN
ASSETS OF THE PETITIONERS AND FOR VESTING ORDERS
(Sections 11 and 36 of the *Company's Creditors Arrangement Act*
("CCAA")

Notice of presentation and List of Exhibits

ORIGINAL



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