

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)

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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**

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**FOURTH MOTION OF THE PETITIONERS FOR AN ORDER TO EXTEND THE STAY PERIOD**  
(Sections 9 and 11 of the *Companies' Creditors Arrangement Act* R.C.S. 1985 c. C-36)

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**TO THE HONOURABLE JUSTICE MARK SCHRAGER OF THE SUPERIOR COURT, SITTING IN  
COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL, THE  
PETITIONERS RESPECTFULLY SUBMIT THE FOLLOWING:**

1. On March 19, 2012, this Honourable Court issued an Initial Order (as amended on March 30, 2012, April 5, 2012 and May 4, 2012, the "**Initial Order**"), pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") in respect of Aveos Fleet Performance Inc./Aveos Performance Aéronautique Inc. and Aero Technical US, Inc. (collectively referred to as the "**Petitioners**").
2. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as Monitor of the Petitioners (the "**Monitor**") and a stay of proceedings was ordered until April 5, 2012.

3. Pursuant to further Orders of this Court rendered on April 5, 2012, May 4, 2012 and July 19, 2012 the stay of proceedings was extended until October 25, 2012 (the “**Stay Period**”).
4. For the reasons set forth herein, the Petitioners respectfully seek a further extension of the Stay Period until January 31, 2013, as set forth in the conclusions of this Fourth Motion for an Order to Extend the Stay Period (the “**Fourth Motion**”).
5. Petitioners refer this Honourable Court to the Eighth Report of the Chief Restructuring Officer to the Court (the “**CRO Report**”) as well as the Monitor’s Fifteenth Report to the Court (the “**Monitor’s Report**”) to be filed on or prior to the hearing of this Fourth Motion, which shall contain the Monitor’s recommendations in respect of the extension requested herein, as well as a review of the cash flow forecast of the Petitioners through and including February 1, 2013.
6. Since the issuance of the Initial Order, the Petitioners have acted and continue to act in good faith and with due diligence. The Petitioners, under the direction of the Chief Restructuring Officer (“**CRO**”), endeavoured to accomplish and indeed attained many of the objectives and milestones that have been set forth in CRO’s Reports to the Court, including those pertaining to the divestiture process approved by this Court (the “**Divestiture Process**”).
7. Specifically and without limitation, the efforts deployed and elements accomplished by the Petitioners and the CRO since the granting of the Third Motion of the Petitioners to Extend the Stay Period heard on July 19, 2012 include the following:
  - a) Continuing oversight and direction of the management and operations of the business and affairs of the Petitioners;
  - b) Implementing and completing various transactions pursuant to the Divestiture Process with respect to the business divisions and assets of Petitioners, the whole as more fully set forth at paragraphs 8 *et seq.* below;
  - c) Ongoing efforts toward a potential en bloc transaction involving certain assets of the Petitioners’ Engine Maintenance Centre (“**EMC**”) as well as the lease and/or disposition of the EMC building;
  - d) Maintaining ongoing discussions and regular communications with union representatives, government representatives, customers and creditors of the Petitioners as required;
  - e) Continuing to implement the established protocol with respect to the return of property to customers and the collection of amounts payable to Petitioners;
  - f) Continuing to work on identification and retrieval of property belonging to customers or other third parties in the possession of Petitioners and of property

belonging to Petitioners currently in the possession of third parties as well as identifying and settling potential claims by vendors of remaining unpaid goods supplied in the thirty days preceding the Initial Order. Numerous retrieval/release agreements have been executed between the Petitioners and various counterparties. The Petitioners' efforts in this regard are ongoing as there are still certain release and/or retrieval agreements to be concluded with various customers, some of which involve substantial sums of money that would be payable to the Petitioners in the context of such retrieval agreements;

- g) Continuing to work on collection of the sums owed to Petitioners by customers for work completed by Petitioners on behalf of such customers. While considerable progress in the collection of outstanding sums owing has been made, there are substantial amounts still payable by certain customers to the Petitioners for services rendered, which Petitioners will continue to pursue in the coming weeks;
  - h) Dealing with NorthgateArinso Canada Inc.'s *De Bene Esse* Motion to Strike the *De Bene Esse* Notice by the Petitioners to Disclaim or Resiliate an Agreement (with NorthgateArinso Canada Inc.) as well as motions and ongoing litigation involving various former customers of the Petitioners;
  - i) Working with OSFI and the Administrator of the various Aveos employee pension plans with respect to the wind-up of the plans and related issues including priority or deemed trust claims;
  - j) Dealing with the Canada Revenue Agency and the Agence du Revenu du Quebec with respect to their respective claims including issues relating to commodity taxes; and
  - k) Ongoing discussions and negotiations on various outstanding matters with Air Canada.
8. With respect to the Divestiture Process specifically, the Petitioners and CRO have concluded 13 separate Asset Purchase Agreements with 11 purchasers, and entered into two Liquidation Services Agreements.
9. Subsequent to the Court approval of the aforementioned Asset Purchase Agreements and Liquidation Services Agreements, the Petitioners and the CRO have worked to coordinate the closing of the transactions contemplated by the said agreements as well as the auction sales and liquidation process contemplated in the Liquidation Services Agreements.
10. The CRO will continue to focus significant efforts toward completing the Divestiture Process, specifically as it pertains to the EMC division assets and building.

11. As noted above, the CRO will file, on or before the hearing of this Fourth Motion, his Eighth Report to the Court providing more information with respect to the actions taken since the Third Motion including, among other things, the results of the Divestiture Process as well as planned activities to be carried out in the course of the next three months.
12. It is respectfully submitted that this fourth requested extension of the Stay Period until January 31, 2013 is necessary as it is anticipated that it will afford the Petitioners an adequate period of time to make material progress towards completion of the Divestiture Process and other ongoing initiatives.
13. It is submitted that no creditor will suffer any undue prejudice by the extension of the Stay Period and that the extension sought is appropriate in the present circumstances.
14. Based on the foregoing, the Petitioners pray this Honourable Court to further extend the Stay Period up to and including January 31, 2013, the whole subject to all the other terms of the Initial Order, as amended.
15. The Petitioners respectfully submit that the notices given of the presentation of the present Fourth Motion are proper and sufficient.
16. The present Fourth Motion is well founded both in fact and in law.

**WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:**

**GRANT** the Petitioners' *Fourth Motion for an Order to Extend the Stay Period*;

**EXTEND** the Stay Period (as defined in the Initial Order granted by this Honourable Court in this matter, as amended), until January 31, 2013, the whole subject to all the other terms of the Initial Order, as amended;

**DECLARE** that the notices given of the presentation of the present Motion are proper and sufficient;

**ORDER** the provisional execution of the Order to be rendered notwithstanding any appeal and without the necessity of furnishing any security;

**THE WHOLE** without costs, save and except in case of contestation.

Montréal, October 18, 2012



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**FRASER MILNER CASGRAIN LLP**  
Attorneys for the Petitioners

**AFFIDAVIT**

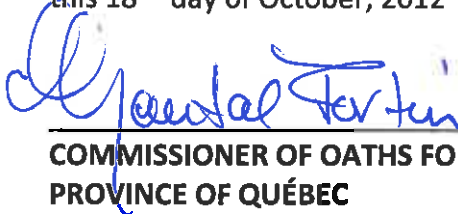
I, the undersigned, **JONATHAN SOLURSH**, Chief Restructuring Officer of the Petitioners in the present matter, domiciled, for the purposes hereof, at 7171 Côte Vertu West, in the City and district of Montreal, Province of Quebec, do solemnly declare:

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 *Fourth Motion for an Order to Extend the Stay Period*, which are true.

AND I HAVE SIGNED:

  
\_\_\_\_\_  
**JONATHAN SOLURSH**

**SOLEMNLY DECLARED** before me at Montreal,  
this 18<sup>th</sup> day of October, 2012

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



**NOTICE OF PRESENTATION**

**TAKE NOTICE** that the *Fourth Motion for an Order Extending the Stay Period* will be presented before the Honourable Mark Schragger, of the Superior Court, sitting in the Commercial Division, at the Montréal Courthouse, situated at 1, Notre-Dame Street East, **in a room to be determined, on October 24, 2012 at 9:15 a.m.** or so soon thereafter as counsel may be heard.

**DO GOVERN YOURSELVES ACCORDINGLY.**

Montréal, October 18, 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

No. 500-11-042345-120

**SUPERIOR COURT**  
(Commercial Division)  
**DISTRICT OF MONTRÉAL**

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Insolvent Debtors/Petitioners

And

**FTI CONSULTING CANADA INC.**

Monitor

Roger P. Simard

File: 548731-001

**FOURTH MOTION OF THE PETITIONERS FOR AN**

**ORDER TO EXTEND THE STAY PERIOD**

(Sections 9 and 11 of the *Companies' Creditors  
Arrangement Act* R.C.S. 1985 c. C-36)

**ORIGINAL**



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