

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

SECOND MOTION 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)

TO THE HONOURABLE JUSTICE MARK SCHRAGER OR TO ONE OF THE HONOURABLE JUDGES
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 and April 5, 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. Pursuant to an Order made on April 5, 2012 on Petitioners' First Motion for an Order to Extend the Stay Period ("First Motion"), the stay of proceedings was extended until May 4, 2012 (the "Stay Period").

3. The Petitioners hereby seek a further extension of the Stay Period until Friday, July 13, 2012, as set forth in the conclusions of this Second Motion.
4. The Monitor has indicated to the Petitioners that, prior to the hearing to consider this Second Motion, it will be filing its fifth report (the "**Monitor's Fifth Report**") which shall contain the Monitor's recommendations in respect of the requested extension, as well as a review of the cash flow forecast of the Petitioners through and including July 13, 2012.
5. Since the issuance of the Initial Order, the Petitioners have acted and continue to act in good faith and with due diligence. The efforts deployed by the Petitioners and the Chief Restructuring Officer ("**CRO**") since the First Motion include the following:
 - a) The CRO continued to oversee and direct the management and operations of the business and affairs of the Petitioners;
 - b) The CRO and Petitioners implemented the Order issued by this Court on April 5, 2012 with respect to payroll;
 - c) The CRO developed a divestiture process, including identifying the Petitioners' assets, engaging in preliminary discussions with potential purchasers and scheduling of facilities visits with such potential purchasers;
 - d) The Petitioners sought and obtained approval by the Court of the divestiture process on April 20, 2012 ("**Divestiture Process**");
 - e) The CRO visited the Aveos facilities in Winnipeg and Vancouver and met with local union representatives (namely, to discuss their participation in the Divestiture Process);
 - f) The CRO has had ongoing discussions and /or meetings with union representatives, government representatives, prospective purchasers, customers and creditors;
 - g) The CRO and the Monitor established and implemented a protocol with respect to the return of property to customers and the collection of amounts payable to Petitioners ;
 - h) The Petitioners, in cooperation with the Monitor, continued to work on identification and retrieval of property belonging to other third parties in the possession of Petitioners and of property belonging to Petitioners currently in the possession of third parties and numerous retrieval/ release agreements have been executed between the Petitioners and various counterparties;
 - i) The Petitioners, in cooperation with the Monitor, continued to work on identification of the sums owed to Petitioners by customers for work completed by Petitioners on behalf of such customers; and

- j) The CRO continued to work closely with Air Canada on numerous issues of mutual interest, including the Divestiture Process and the retrieval of Air Canada property held by Petitioners.
6. The CRO and the Monitor have continued to work together to stabilize the Petitioners' affairs after the shut down of operations and termination of most of the Petitioners' employees. The CRO and Monitor have also spent considerable time and effort validating the contractual arrangements and related obligations owing between the Petitioners and their former employees, creditors, suppliers, customers and other stakeholders, and such work continues to date.
 7. The CRO will file, on or before the hearing of this Second Motion, a Second Report to the Court providing more information with respect to the actions taken since the First Motion including, among other things, the progress of the Divestiture Process.
 8. It is respectfully submitted that this second requested extension of the Stay Period until July 13, 2012 is necessary as it is anticipated that it will afford the Petitioners an adequate period of time to make material progress towards fulfilment of the Divestiture Process and other initiatives.
 9. The Petitioners are of the view 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.
 10. Based on the foregoing, the Petitioners pray this Honourable Court to further extend the Stay Period up to and including July 13, 2012, the whole subject to all the other terms of the Initial Order, as amended.
 11. The Petitioners respectfully submit that the notices given of the presentation of the present Second Motion are proper and sufficient.
 12. The present Second Motion is well-founded both in fact and in law.

WHEREFORE, MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT the Second 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 July 13, 2012, 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, April 30, 2012

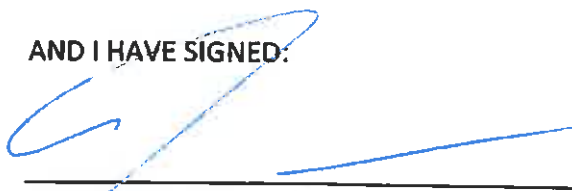
A handwritten signature in blue ink, appearing to read "Fraser Milner Casgrain LLP", is written over a horizontal line.

FRASER MILNER CASGRAIN LLP
Attorneys for the Petitioners

AFFIDAVIT

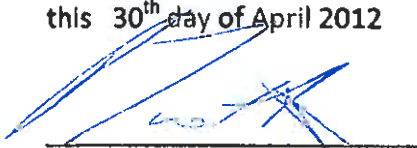
I, the undersigned, **JONATHAN SOLURSH**, Chief Restructuring Officer of the Petitioners in the present matter, domiciled, for the purposes hereof, at **BAN3**, 2311 Alfred Nobel Boulevard, in the City and district of Montreal, Province of Quebec, do solemnly declare:

1. I am the Chief Restructuring Officer of the Petitioners in the present matter;
2. All of the facts alleged in the present *Second Motion for an Order to Extend the Stay Period* are true.

AND I HAVE SIGNED:


JONATHAN SOLURSH

SOLEMNLY DECLARED before me at Montreal,
this 30th day of April 2012



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



NOTICE OF PRESENTATION

TAKE NOTICE that the *Second 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 May 4, 2012 at 9:30 a.m. or so soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, April 30, 2012



FRASER MILNER CASGRAIN LLP

Attorneys for Petitioners

No. 500-11-042345-120

SUPERIOR COURT
COMMERCIAL DIVISION
DISTRICT OF MONTREAL

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

AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE
AÉRONAUTIQUE INC.

and

AERO TECHNICAL US, INC.

Insolvent Debtors/Petitioners

and

FTI CONSULTING CANADA INC.

Monitor

Mtre Roger P. Simard

File 548732-1

**SECOND MOTION FOR AN ORDER TO EXTEND THE
STAY PERIOD, AFFIDAVIT AND NOTICE OF
PRESENTATION**

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

ORIGINAL



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