

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.**

Petitioners

and

FTI CONSULTING CANADA INC.

Monitor

MOTION FOR THE APPOINTMENT OF A CHIEF RESTRUCTURING OFFICER
(Section 11 of the *Companies Creditors' Arrangements Act* ("CCAA"))

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

I. INTRODUCTION

1. On March 19, 2012, they filed a Petition for the issuance of an Initial Order (the "**Petition**") as it more fully appears from the *Court record*.
2. On March 19, 2012, the Petition was granted and an Initial Order was issued by this Court (the "**Initial Order**").
3. As stated at paragraph 6 of the Petition, over the past three (3) months preceding the filing of the Petition, Air Canada has refused to deliver its equipment for scheduled maintenance, thereby depriving Aveos of both necessary revenue and productive work for its employees, entailing a substantial decrease in revenues for Aveos.

4. Moreover, and as more fully described in Section VI of the Petition, Aveos' view is that Air Canada has taken over the last twelve (12) months a number of actions that have damaged Aveos, its business and its financial position and prospects.
5. Generally speaking, Air Canada has simply failed to pay its contractual monetary obligations owing to Aveos as and when such amounts have become due.
6. In large part as a result of Air Canada's actions and without an infusion of liquidity from Air Canada for amounts owing by it to Aveos and the commitment from Air Canada to honour its agreement with Aveos, Aveos cannot resume its operations.
7. As stated in the Pre-Filing Report to the Court submitted by FTI Consulting Canada inc., in its capacity as proposed Monitor, to which was attached a consolidated cash-flow for a two-week period following the filing of the Petition, it was crucial for Aveos to obtain guarantees from Air Canada of the payment of an amount of \$15,216,000 owed to it by Air Canada in order for it to be able to reasonably consider the prospective of a restructuring.
8. During the Court hearing that was held in connection with the Petition, Air Canada informed the Court of its will to potentially initiate a negotiation process that would have led to the conclusion of agreements mutually satisfactory to both parties.
9. A meeting was scheduled to be held at 3:00 p.m. on March 19, 2012 at the offices of the Petitioners' counsel.
10. Representatives of the Monitor, Third Party Secured Lenders and the Petitioners attended at 3:00 p.m. but Air Canada never appeared.
11. In light of Air Canada's total lack of cooperation and in the absence of any guarantee that Air Canada will both pay to Aveos the amount due to the latter and fulfill its contractual obligations, the Aveos' members of the board have decided that to incur expenses of approximately \$500,000 a day, while having received no sign whatsoever from Air Canada that it would pay its previous arrears, make additional payments as they became due to Aveos or fulfill its contractual obligations, was not a reasonable business decision.
12. In fact, the only effort that was made by Air Canada was to reiterate to Aveos a proposal to offer them a DIP Financing on terms and conditions that are so onerous and uneconomic that both the Petitioners and the Third Parties Secured Lenders are not prepared to agree to said financing.
13. In light of the above, with no reasonable prospect of receiving payments from Air Canada on acceptable terms and to stop the incurrence of significant costs and erosion of the Third Party Secured Lenders, the Board of Directors of Aveos

have decided that they have no other alternative but to completely shut down its operations, including the termination of the balance of employees, commencing at 1:00 p.m. today, except for those employees determined to be necessary to assist in the liquidation of Aveos' assets.

14. In light of the forgoing, the Board of Directors of Aveos have also indicated that they will resign immediately after such shutdown and have appointed a chief restructuring officer ("CRO") which will be, in light of the situation in a better position to guide the Petitioners through the liquidation process.
15. R.e.I. Group Inc. has agreed to be CRO in this matter subject to the approval of its appointment by the Court.
16. The Petitioners, the Monitor, and the Third Parties Secured Lenders believe that it would be in the best interest of all stakeholders to have a CRO appointed in order to conduct in an orderly fashion the liquidation of the assets of Aveos while being in a position to eventually consider any other proposal that may be made to the company in connection with a potential restructuring of the latter.
17. The present Motion is well founded in fact and in law.

WHEREFORE, MAY THIS COURT:

GRANT the present Motion;

DECLARE that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Petition.

DECLARE that the time for service of this Motion is abridged to the time actually given and service of the Motion and supporting material is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with;

DECLARE that all capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Initial Order granted by the undersigned in the present matter and dated March 19, 2012 ("**Initial Order**");

ORDER that R.e.I. Group Inc. be and is hereby appointed as chief restructuring officer over the Petitioners (the "**CRO**") with authority to carry on, manage, operate, and supervise the management and operations of the business and affairs of the Petitioners, subject to the execution of an engagement letter (the "**Engagement Letter**") with the CRO on terms satisfactory to the Monitor and the Administration Agent for the Third Party Secured Lenders;

ORDER that the CRO shall have and may exercise and perform the powers, responsibilities and duties described in the Engagement Letter, together with the

following powers, responsibilities and duties and with the prior consultation of the Monitor (collectively the “CRO Powers”):

- a) to manage the Business, affairs, and Restructuring of the Petitioners in the name of, and on behalf of, the Petitioners;
- b) take such steps as in the opinion of the CRO are necessary or appropriate to maintain control over all receipts and disbursements of the Petitioners including, without limiting the generality of the foregoing, take such steps as necessary or desirable to control and use all bank accounts of the Petitioners;
- c) ensure that Jonathan Solursh or such other persons as he designates in writing (each, a “CRO Signing Officer”) shall become signing officers of all bank accounts of the Petitioners and the Petitioners’ banks are hereby directed, when notified in writing by the CRO, to revoke any existing signing authorities and act on the instructions only of such CRO signing officers;
- d) retain and terminate the employment or remaining services contacts of employees, agents or consultants and otherwise deal with human resources and other organization issues behalf of the Petitioners or any of them;
- e) represent the Petitioners in any negotiations with any party;
- f) retain such agents and advisors that the CRO considers necessary or appropriate on whatever basis, including temporary, to assist the CRO in exercising the CRO powers;
- g) communicate with and provide information to the Monitor regarding the business and affairs of the Petitioners;
- h) such other duties or powers that the CRO may agree to and which are approved by the Monitor or by order of this Court; and
- i) take all such steps and actions, enter into and execute all such agreements and documents and incur such expenses and obligations necessary or incidental to the exercise of the CRO Powers, as are reasonably required to carry out the provisions of this Order, including in the name and on behalf of the Petitioners, as applicable;

provided that in each case such actions, agreements, expenses and obligations, shall be construed to be those of the Petitioners and not of the CRO or any of its shareholders, directors, officers, employees, or advisors.

ORDER that the Petitioners and their shareholders, direct and indirect subsidiaries, former and current officers, directors, employees, servants, agents and representatives (the "**Company Persons**") shall cooperate fully with the CRO in the exercise of its powers and the discharge of its obligations. Without limiting the generality of the foregoing, the Company Persons shall provide the CRO with such access to the Petitioners' and their direct and indirect subsidiaries' books, records, assets and premises as the CRO requires to exercise its powers and perform its obligations under this Order.

ORDER that the CRO shall incur no liability or obligation as a result of its engagement or the fulfillment of its duties in the carrying out of the provisions of its engagement or as may be ordered by this Court, save and except for gross negligence or wilful misconduct on its part, and no action or other proceeding shall be commenced against the CRO as a result of or relating in any way to its engagement as CRO, the fulfillment of its duties as CRO or the carrying out of any of the orders of this Court, except with prior leave of this Court and provided further that the liability of the CRO hereunder shall not in any event exceed the quantum of the fees and disbursements paid to or incurred by it in connection with this matter.

ORDER that the Petitioners shall pay the CRO's fees and pay all of the CRO's disbursements upon approval by the Monitor.

ORDER that the Administration Charge shall secure the fees and disbursements of the CRO as contained in the Engagement Letter. The amount of this charge is not changed by this Order.

ORDER that the CRO may resign or may be removed by order of this Court.

ORDER that the appointment of the CRO and the granting of powers and responsibilities of the CRO hereunder will not constitute the sale or disposition of the Business or the sale or disposition of any of the Property and such Business and Property will continue to be the Business and Property of the Petitioners unless and until sold in whole or in part to a purchaser.

ORDER that the CRO shall be subject to the supervisory jurisdiction of the Court.

ORDER that the CRO may apply to this court from time to time for advice and directions concerning its powers and duties or any other relevant matter.

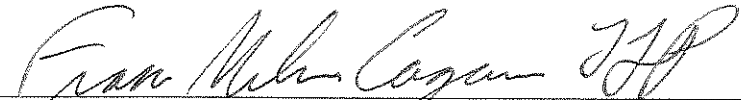
ORDER that none of the CRO or any of the employees or consultants of the CRO shall be deemed to be a director of any of the Petitioners.

ORDER that the Petitioners shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at the

hearing of the Motion and on all parties who received notice of this Motion or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service affected as aforesaid shall be good and sufficient service.

THE WHOLE WITHOUT COSTS, save and except in case of contestation.

Montréal, March 20, 2012

A handwritten signature in cursive script, appearing to read "Fran Milner Casgrain JJP", written over a horizontal line.

FRASER MILNER CASGRAIN LLP

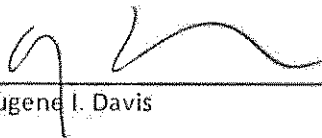
Attorneys for Petitioners

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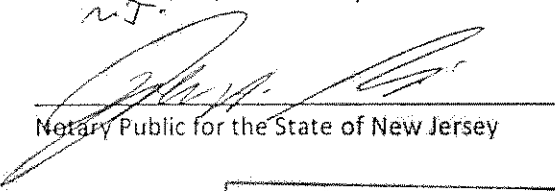
I, Eugene I. Davis, the undersigned, a director of Aveos Fleet Performance Inc. and Aero Technical US, Inc. which have their corporate headquarters at BAN 3, 2311 Alfred-Nobel Blvd., in the City of Montréal, district of Montréal, Province of Québec, Canada, H4S 2B6, do solemnly declare as follows:

1. I am duly authorized by the Petitioners to sign the present affidavit;
2. All the facts contained in the *Motion for the appointment of a chief restructuring officer* dated March 22, 2012 are true.

AND I HAVE SIGNED:


Eugene I. Davis

SOLEMNLY DECLARED before me,
in New York, NY, this 20th day of March 2012.


Notary Public for the State of New Jersey

JOHN A GIANCOLA
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES MAY 27, 2012
I.D.# 2029245

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-042345-120

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.

Petitioners

And

FTI CONSULTING CANADA INC.

Monitor

NOTICE OF PRESENTATION

TO: **See Service List attached**

You are hereby advised that a *Motion for the appointment of a chief restructuring officer* will be presented for adjudication before the Honourable Justice Mark Schrager of the Superior Court of Quebec (Commercial Chamber) on March 20, 2012, at 11h00 a.m. in room 16.12 of the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, Quebec, H2Y 1B6, or as soon thereafter as the Court is available.

Do govern yourselves accordingly.

Montreal, March 20, 2012



Fraser Milner Casgrain LLP
Attorneys for Petitioners

No. 500-11-042345-120

SUPERIOR COURT
Commercial Division
DISTRICT OF MONTRÉAL

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ARRANGEMENT OF :

AVEOS FLEET PERFORMANCE INC. / AVEOS PERFORMANCE
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Monitor

Roger P. Simard

File: 548731-1

**MOTION FOR THE APPOINTMENT OF A CHIEF
RESTRUCTURING OFFICER**

(Section 11 of the Companies Creditors'
Arrangements Act ("CCAA"))

ORIGINAL



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