

CANADA
PROVINCE OF QUEBEC
DISTRICT OF BEDFORD

SUPERIOR COURT
COMMERCIAL DIVISION
(Sitting as a court designated pursuant to the
Companies Creditors Arrangement Act)

N°: 460-11-001918-104

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

AAER INC.

and

AAER USA INC.

and

WIND-SMART LLC

Debtors/Petitioners

and

SAMSON BÉLAIR / DELOITTE & TOUCHE INC.

Monitor

**MOTION FOR AUTHORIZATION TO SELL MOST OF AAER INC.'S ASSETS AND
FOR A SECOND EXTENSION OF THE INITIAL ORDER**
(Sections 9, 11 and 36 of the *Companies' Creditors Arrangement Act* ("CCAA"))

**TO THE HONOURABLE GAÉTAN DUMAS, J.S.C., THE PETITIONERS
RESPECTFULLY SUBMIT AS FOLLOWS:**

I. PROCEEDINGS TO DATE

1. On April 8, 2010, this Court issued an order (the "**Initial Order**") pursuant to section 11.02 of the CCAA in respect of the Petitioners, AAER Inc. ("**AAER**"), AAER USA Inc. and Wind Smart LLC (collectively, the "**Petitioners**"), which Initial Order, *inter alia*:
 - (a) declared that the Petitioners are debtor companies to which the CCAA applies;

- (b) ordered an initial stay of proceedings in respect of the Petitioners up to and including May 7, 2010 (the "**Stay Period**");
- (c) authorized the Petitioners to carry on business in a manner consistent with the preservation of their property and to make certain payments in connection with their respective businesses;
- (d) appointed Samson Bélair / Deloitte & Touche Inc. as monitor (the "**Monitor**"); and
- (e) authorized certain measures in order to enhance the prospects of a viable compromise or arrangement between the Petitioners and their creditors, including an interim financing and a investment or purchase offers' solicitation process (the "**Solicitation Process**");

the whole as appears from the Court record.

2. On May 7, 2010, this Court issued an order extending the Stay Period up to and including June 2, 2010, and providing for the procedural matters relating to the claims process and the eventual creditors' meeting to vote on the Petitioners' plan of compromise or arrangement between them and some or all of their respective creditors (the "**Plan**"), as the case may be, as appears from the Court record.

II. PURPOSE OF THE MOTION

3. AAER hereby respectfully requests this honourable Court to:
 - (a) authorize two transactions which will result in the sale of the majority of its assets, except its cash on hand and accounts receivable, respectively (i) to Pioneer Power Solutions Inc., or one or more of its subsidiaries, affiliates or related entities, namely 7525451 Canada Inc. ("**Pioneer**") as instructed on June 1st, 2010 and (ii) to Global Casting Inc. ("**Global**") (collectively, the "**Transactions**");
 - (b) authorize the remittance of the sales proceeds from the Transactions to the Monitor, for such sales proceeds to be used and distributed in the manner provided by the conclusions of the present motion; and
 - (c) extend the Stay Period up to and including June 7, 2010.

III. SALE OF ASSETS

A. SALES PROCESS

4. On or around April 12, 2010, the Monitor sent a "teaser" to approximately 150 prospective offerors.

5. Between April 12 and May 5, 2010, the Petitioners entered into confidentiality agreements with eight prospective offerors who had expressed a preliminary interest in AAER's business.
6. Prospective offerors who signed confidentiality agreements received a copy of the Information Memorandum prepared by the Petitioners, and reviewed by the Monitor, filed herewith as **Exhibit R-1**.
7. Prospective offerors were advised that the deadline to submit offers was May 10, 2010 at 5 PM.
8. On May 10, 2010, at 5 PM, the Monitor had received two offers, one from Pioneer and one from Plessitech Inc. ("**Plessitech**"), an entity related to Global.
9. Pioneer's offer related to Lots number 2, 3 and 5 of the Information Memorandum (R-1), as well as AAER's intellectual property.
10. Plessitech's initial offer was a bulk offer for all of the lots of the Information Memorandum, but attributed more than 90% of the value to Lot number 4.
11. In that context, the Monitor enquired with Plessitech as to whether it would be willing to acquire only Lot number 4 for the value it had attributed to it, and Plessitech agreed.
12. Plessitech later advised AAER and the Monitor that it had assigned its rights in the offer to Global, a related entity, and that Global would proceed to the envisaged acquisition.
13. As for Pioneer, AAER and the Monitor have had many discussions with them to clarify and modify certain of the requested conditions of its offer and an agreement was reached with Pioneer for the sale of Lots number 2, 3 and 5.
14. Between May 20 and May 31, 2010, asset purchase agreements were prepared by AAER and negotiated with Pioneer and Plessitech.

B. THE PROPOSED TRANSACTION WITH PIONEER

15. The proposed transaction with Pioneer (the "**Pioneer Transaction**") envisages the acquisition by Pioneer of Lots number 2 (inventory), 3 (capital assets) and 5 (intangible assets) of the Information Memorandum (R-1), as well as all of AAER's intellectual property.
16. The terms of the Pioneer Transaction are included in the asset purchase agreement, subject to the approval of this Court sought hereby, between AAER and Pioneer, filed herewith as **Exhibit R-2**.
17. In brief, the Pioneer Transaction provides for the following terms:

- (a) the purchase price is for \$450,000;
 - (b) Pioneer shall not assume any of AAER's liabilities, debts or obligations;
 - (c) an amount of \$170,000 shall be set aside in an escrow fund with the Monitor for a sufficient period of time to pay all outstanding wages, salaries, bonuses and vacation pay payable to AAER's employees for the period of time up to the closing of the Pioneer transaction and the "Approval and Vesting Order" sought hereby shall approve and order that the amounts be segregated from the purchase price and be deposited in the escrow fund with the Monitor and the aforementioned payments be made to the employees pursuant to the amounts owed according to the table filed herewith *under seal* as **Exhibit R-3**;
 - (d) the "Approval and Vesting Order" sought hereby shall limit the Purchaser's employee successor liability for any amounts owing to the employees by AAER prior to the closing of the Pioneer Transaction to the fullest extent permitted by law;
 - (e) Propriétés Olymbec Enr. ("**Olymbec**"), the lessor of AAER's premises in Bromont, Quebec (the "**Location**"), and Pioneer entered into a lease and/or occupation agreement permitting Pioneer to continue occupying and operating in the part of the location used and occupied by AAER prior to the closing for a period of three (3) months following the closing of the Pioneer at a gross rent of \$75,000 per month (representing AAER's current monthly rent) (the "**Temporary Lease Condition**");
 - (f) AAER shall have executed all reasonable documents requested by the Purchaser to assign to Pioneer all of its right, title and interest in all of the intellectual property and in the intangible assets listed in lot number 5 of the Information Memorandum (R-1); and
 - (g) the closing of the Pioneer Transaction shall occur no later than June 7, 2010.
18. As a condition to give its consent to the Temporary Lease Condition, Olymbec requested that a portion of AAER's obligations under the lease since the date of the Initial Order, namely the rent for the month of May 2010, be paid directly out of the sales proceeds from the Pioneer Transaction and that the "Approval and Vesting Order" sought hereby provides as such.
19. On May 31, 2010, AAER, Olymbec and Pioneer came to an agreement in order for the Temporary Lease Condition to be met and for the Pioneer Transaction to be able to close in the best interests of AAER and its stakeholders (the "**Olymbec Agreement**"), as appears from a copy of the Olymbec Agreement filed herewith as **Exhibit R-4**.

20. In light of the Pioneer Transaction and the Olymbec Agreement, AAER respectively requests this honourable Court to approve the distribution of the sales proceeds from the Pioneer Transaction in the manner provided in the conclusions of the present motion.
21. The Monitor consents to the Pioneer Transaction and to the Olymbec Agreement as they are fair and reasonable.

C. THE PROPOSED TRANSACTION WITH GLOBAL

22. The proposed transaction with Global (the "**Global Transaction**") envisages the acquisition by Global of the rights of AAER, if any, in the assets being part of Lot number 4 (prepaid expenses and deposits on inventory) of the Information Memorandum (R-1).
23. The terms of the Global Transaction are included in the asset purchase agreement, subject to the approval of this Court sought hereby, between AAER and Global, filed herewith as **Exhibit R-5**.
24. In brief, the Global Transaction provides for the following terms:
 - (a) the purchase price is for \$280,000;
 - (b) Global shall not assume any of AAER's liabilities, debts or obligations, except for the sums owed to Cargolution Inc. relating to unpaid transportation and storage fees which grant it a right of retention over the five generators located in the port of Montreal being part of the assets of lot number 4 acquired by Global; and
 - (c) the closing of the Global Transaction shall occur no later than June 2, 2010.
25. In light of the Global Transaction, AAER respectively requests this honourable Court to approve the distribution of the sales proceeds from the Global Transaction in the manner provided in the conclusions of the present motion.
26. The Monitor consents to the Global Transaction as it is fair and reasonable.

D. APPROVAL OF THE APA IS NECESSARY AND BENEFICIAL

27. In the circumstances of the Solicitation Process and the fact that the sole offers received were the ones from Pioneer and Plessitech, the Transactions, are beneficial to, and in the best interest of, the Petitioners and their stakeholders.
28. This honourable Court's approval of the Transactions will maximize the realization from AAER's assets and allow, *inter alia*, all outstanding wages, salaries, bonuses and vacation pay payable to AAER's employees to be paid.

29. As for any outstanding deductions at source that are subject to a deemed trust in favour of the tax authorities, they will be paid from an escrow fund held by the Monitor, following a settlement agreement with Finexcorp Inc. in the course of the CCAA proceedings.
30. The Pioneer transaction will likely permit the continuation of relationships with several of the Petitioners' suppliers, licensors and customers.
31. This honourable Court's approval of the Transaction is urgent given the fact that (i) the financial position of Petitioners which is deteriorating as time passes and (ii) the uncertainty regarding the Petitioners' stakeholders with respect to the Petitioners' future.

IV. EXTENSION

32. The First Extension expires on June 2, 2010.
33. In light of the elements described above and the order sought herein, the Petitioners require additional time in order to conclude the Transactions, at least the Pioneer Transaction.
34. In that regard, the Petitioners respectfully request an extension of the Stay Period (as extended) for a period of five (5) days, up to and including June 7, 2010, as this will allow time to conclude the Transactions and ensure stability.
35. The Petitioners, in conjunction with the Monitor, has prepared the cash flow forecasts for the period of May 30, 2010 to June 12, 2010 (the "**Cash Flow**"), which cash flow will form part of the Monitor's Report in support of the present motion.
36. As it will be appearing from the Cash Flow and likely be confirmed by the Monitor's Report, AAER has sufficient capital to maintain its operations for the requested extension period.
37. AAER believes that the requested extension will not cause material prejudice to its creditors, and will in fact be beneficial to them as it will ensure stability to conclude the Transactions.
38. AAER has acted and is acting in good faith and with due diligence.
39. In light of the above, the Petitioners therefore respectfully request that the Stay Period be extended for a period of 5 days, up to and including June 7, 2010.

V. GENERAL

40. The conclusions sought herein are urgent and necessary to allow the completion of the Transactions for the benefit of the Peitioners and its stakeholders, notably given the fact that they are conditional upon the approval of this honourable Court.

41. The order sought hereby should be subject to provisional execution notwithstanding appeal as it will allow the Petitioners to conclude the Transactions urgently in light of its deteriorating financial situation.
42. The Petitioners request that all notices or delays of presentation be abridged.
43. The present motion is well founded in fact and in law.

WHEREFORE MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **GRANT** the present Motion for Authorization to Sell Most of AAER Inc.'s ("**AAER**") assets (the "**Motion**");

I. SERVICE

2. **DECLARE** that the time for service of the Motion is hereby abridged such that the Motion is properly presentable.
3. **DECLARE** that the service of the Motion constitutes good and sufficient service on all persons and further **DECLARE** that the Petitioners are relieved of any other requirements for service of the Motion;

II. AUTHORIZATION OF THE SALE OF ASSETS TO 7525451 CANADA INC. ("PIONEER") (A SUBSIDIARY OF PIONEER POWER SOLUTIONS INC.) AND VESTING ORDER

4. **APPROVE** and **AUTHORIZE** AAER to enter into the Asset Purchase Agreement (R-2) (the "**Pioneer APA**") between AAER and Pioneer and **AUTHORIZE** AAER to perform its obligations pursuant thereto;
5. **AUTHORIZE** the sale, transfer and assignment of the Purchased Assets (as defined in the Pioneer APA) (the "**Pioneer Purchased Assets**") to Pioneer in accordance with the terms of the Pioneer APA (the "**Pioneer Transaction**") and **AUTHORIZE** AAER (and the Monitor as the case may be) to take any and all actions necessary to proceed with the Pioneer Transaction including, without limiting the generality of the foregoing, to execute any and all documents that may be necessary or useful to the conclusion of the transactions contemplated in the Pioneer APA;
6. **AUTHORIZE** and **APPROVE** the assignment and transfer to Pioneer of the rights of AAER in the licenses listed in lot number 5 of the Information Memorandum (R-1) and the Intellectual Property being part of the Pioneer Purchased Assets;
7. **ORDER** Samson Bélair / Deloitte & Touche Inc. in its capacity as monitor (the "**Monitor**"), upon the closing of the Pioneer Transaction, to file with the office of this Court a certificate in the form substantially similar to the form attached hereto as *Schedule A*, which is hereby approved (the "**Pioneer Certificate**");

8. **DECLARE** that upon the filing of the duly signed Pioneer Certificate, any and all right, title and interest of AAER in and to the Pioneer Purchased Assets shall be and are hereby vested in Pioneer absolutely and forever free and clear of and from any and all encumbrances, liens, claims, rights, titles, interests, security interests, charges, pledges, mortgages, hypothecations, hypothecs, judgments, deemed trusts, executions, writs of seizure and sale, options, adverse claims, levies, charges, priorities, remedies from facts which exist as of the closing of the Pioneer Transaction 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, whether contractual or statutory, by operation of law or equity or otherwise, whether perfected, attached, registered or filed, whether secured, unsecured or otherwise (each of which, being herein referred to as an "**Encumbrance**");
9. **DECLARE** that Pioneer shall not assume any successor employer liability as the case may be, to the extent permitted by law;
10. **ORDER** AAER to remit forthwith to the Monitor, the proceeds of the Pioneer Transaction, namely, in the amount of \$450,000, for it to be used and distributed by the Monitor in the following order:
 - (a) \$170,000 to be deposited in an escrow fund with the Monitor for a sufficient period of time to pay the outstanding wages, salaries, bonuses and vacation pay payable to the AAER's employees for the period of time up to the closing date of the Pioneer Transaction (expressly excluding severance and any prior notice amounts, contractually or by law, payable to AAER's employees) (the "**Employee Fund for Salaries and Vacations**") pursuant to the amounts owed according to the table filed herewith *under seal* as Exhibit R-3;
 - (b) \$200,000, representing an amount equivalent to the Administrative Charge ("Charge d'administration" as defined in the Initial Order), to be kept by the Monitor to reimburse the sums owed by AAER that are secured by the Administrative Charge until the discharge of same;
 - (c) \$75,000 to Propriétés Olymbec Enr. to pay the rent owed by AAER for the rent of the month of May 2010; and
 - (d) \$15,000, to Finloc Inc., the DIP Lender ("Prêteur temporaire" as defined in the Initial Order) (the "**DIP Lender**"), to reimburse, partially, the DIP Loan ("Financement temporaire" as defined in the Initial Order) which is secured by the DIP Charge ("Charge pour garantir le financement temporaire" as defined in the Initial Order);
11. **AUTHORIZE** the Monitor to pay all outstanding wages, salaries, bonuses and vacation pay payable to the AAER's employees for the period of time up to the closing date of the Pioneer Transaction (expressly excluding severance and any prior notice amounts, contractually or by law, payable to AAER's employees) out of

the Employee Fund for Salaries and Vacations pursuant to the amounts owed according to the table filed herewith *under seal* as Exhibit R-3;

12. **DECLARE** that the Pioneer Transaction shall be binding on any third parties including any trustee in bankruptcy that may be appointed in respect of the Petitioners and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act*, article 1631 and following of the *Civil Code of Québec* or any other applicable federal or provincial legislation;
13. **EXEMPT** the Petitioners and the Monitor, from the requirement (if any) to seek and obtain shareholders' approval pursuant to any Federal or Provincial legislation with regard to the Pioneer Transaction;
14. **AUTHORIZE** AAER or the Monitor as the case may be, in accordance with Section 191 of the *Canada Business Corporations Act* to file within 10 days of the Closing Date (as defined in the APA) articles of reorganization or any other document that may be required and prepared by Pioneer in order to change each of the AAER's name and any business names used by the Petitioners, containing any mention of "AAER" without the requirement (if any) of obtaining director or shareholders' approval pursuant to any Federal or Provincial legislation;
15. **DECLARE** that the Order sought hereby constitutes the only authorization required by Petitioners to proceed with the Pioneer Transaction and, for greater certainty, **DECLARE** that the parties involved in the Pioneer Transaction are exempted from requiring or obtaining any authorization that may have been required from any person or authority whatsoever;

III. AUTHORIZATION OF THE SALE OF ASSETS TO GLOBAL CASTING INC. ("GLOBAL") AND VESTING ORDER

16. **APPROVE** and **AUTHORIZE** AAER to enter into the Asset Purchase Agreement (R-5) (the "**Global APA**") between AAER and Global and **AUTHORIZE** AAER to perform its obligations pursuant thereto;
17. **AUTHORIZE** the sale, transfer and assignment of the Purchased Assets (as defined in the Global APA) (the "**Global Purchased Assets**") to Global in accordance with the terms of the Global APA (the "**Global Transaction**") and **AUTHORIZE** AAER (and the Monitor as the case may be) to take any and all actions necessary to proceed with the Global Transaction including, without limiting the generality of the foregoing, to execute any and all documents that may be necessary or useful to the conclusion of the transactions contemplated in the Global APA;
18. **ORDER** the Monitor, upon the closing of the Global Transaction, to file with the office of this Court a certificate in the form substantially similar to the form attached hereto as *Schedule B*, which is hereby approved (the "**Global Certificate**");

19. **DECLARE** that upon the filing of the duly signed Global Certificate, any and all right, title and interest of AAER in and to the Global Purchased Assets shall be and are hereby vested in Global absolutely and forever free and clear of and from any and all Encumbrances, except for Cargolution Inc.'s retention rights over the five generators located in the port of Montreal being part of the Global Purchased Assets relating to unpaid transportation and storage fees and, as the case may be, the retention rights of any supplier on the Global Purchased Assets;
 20. **ORDER** AAER to remit forthwith to the Monitor, the proceeds of the Global Transaction, namely in the amount of \$280,000, for it to be distributed by the Monitor in the following order:
 - (a) any amount owed by AAER, as the case may be, to Hydro-Québec secured by the legal hypothec registered by Hydro-Québec on the universality of the movable goods of AAER in order to guaranty the cost of energy provided for the operation of the businesses published in the Register of Personal and Moveable Real Rights (the « **RPMRR** ») under the number 10-0104933-0001, subject to the validity of this hypothec if there is any amount owed and a payment is necessary; and
 - (b) the balance, to the DIP Lender, to reimburse, partially, the DIP Loan ("Financement temporaire" as defined in the Initial Order) which is secured by the DIP Charge ("Charge pour garantir le financement temporaire" as defined in the Initial Order);
 21. **DECLARE** that the Global Transaction shall be binding on any third parties including any trustee in bankruptcy that may be appointed in respect of the Petitioners and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act*, article 1631 and following of the *Civil Code of Québec* or any other applicable federal or provincial legislation;
 22. **EXEMPT** the Petitioners and the Monitor, from the requirement (if any) to seek and obtain shareholders' approval pursuant to any Federal or Provincial legislation with regard to the Global Transaction;
 23. **DECLARE** that the Order sought hereby constitutes the only authorization required by Petitioners to proceed with the Global Transaction and, for greater certainty, **DECLARE** that the parties involved in the Global Transaction are exempted from requiring or obtaining any authorization that may have been required from any person or authority whatsoever;
- IV. EXTENSION OF THE STAY PERIOD**
24. **ORDER** that the Stay Period ("*Période de suspension*" as defined in the Initial Order), as subsequently extended by this Court, shall be extended for a period of five (5) days, up to and including June 7, 2010;

25. **DECLARE** that the Initial Order shall be otherwise unchanged, except to expressly provide that the DIP Lender shall not be affected by the stay of Proceedings during the Stay Period;

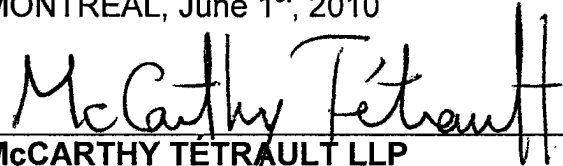
V. AID AND ASSISTANCE OF OTHER COURTS

26. **REQUEST** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order;

VI. GENERAL

27. **ORDER** the provisional execution of the Order notwithstanding any appeal and without the necessity of furnishing any security;
28. **THE WHOLE** without costs, save and except in case of contestation.

MONTREAL, June 1st, 2010



McCARTHY TÉTRAULT LLP

Attorneys for the Petitioners, AAER Inc.,
AAER USA Inc. and Wind-Smart LLC

**Schedule A – Form of Certificate for the “Pioneer Transaction”
(the “Pioneer Certificate”)**

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SAMSON BÉLAIR / DELOITTE & TOUCHE INC.

Monitor

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Court dated June 1st, 2010, the Court approved the asset purchase agreement made as of June 1st, 2010 filed as Exhibit R-2 in support of the Debtors/Petitioners’ motion (the “**Purchase Agreement**”) between AAER Inc. (the “**Debtor**”) and Pioneer Power Solutions Inc. (“**Pioneer**”) and provided for the vesting in Pioneer of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to Pioneer of a certificate confirming (i) the full payment by Pioneer of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing of the Purchase Agreement have been satisfied or waived by the Debtor or Pioneer as

the case may be; and (iii) the Transaction has been completed to the satisfaction of the Debtor and the Monitor.

B. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. Pioneer has fully paid the Purchase Price for the Purchased Assets payable pursuant to the Purchase Agreement.
2. The conditions to Closing of the Purchase Agreement have been satisfied or waived by the Debtor and Pioneer.
3. This Certificate was delivered by the Monitor at on _____, 2010

Samson Bélair / Deloitte & Touche Inc., in its
capacity as Monitor of the Debtors-Petitioners

Per: _____

Name:

Title:

**Schedule B – Form of Certificate for the “Global Transaction”
(the “Global Certificate”)**

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case may be; and (iii) the Transaction has been completed to the satisfaction of the Debtor and the Monitor.

B. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. Global has fully paid the Purchase Price for the Purchased Assets payable pursuant to the Purchase Agreement.
2. The conditions to Closing of the Purchase Agreement have been satisfied or waived by the Debtor and Global.
3. This Certificate was delivered by the Monitor at on _____, 2010

Samson Bélair / Deloitte & Touche Inc., in its
capacity as Monitor of the Debtors-Petitioners

Per: _____

Name:

Title:

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Monitor

AFFIDAVIT

I, the undersigned, **Éric Phaneuf**, Chief Financial Officer, having a place of business at 80, de l'Aéroport Blvd., à Bromont, province of Quebec, J2L 1S9, solemnly declare the following:

1. I am a duly authorized representative of AAER Inc. and of its subsidiaries for the purposes hereof;


2. All the facts alleged in the *Motion for Authorization to Sell Most of AAER Inc.'s Assets and for a Second Extension of the Initial Order* are true.

AND I HAVE SIGNED



Eric Phaneuf

Solemnly declared before me in
Montreal, on this 1st day of June 2010



Commissioner of oaths #105746



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NOTICE OF PRESENTATION

TO : M. Jean-François Nadon
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Monitor

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Me Serge Bourque
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Me Alain Gaul and Me Christian Lachance
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Me Louis Dumont
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Attorneys for Pioneer Power Solutions Inc.

Me William Noonan
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Québec (Québec) G1S 1E5

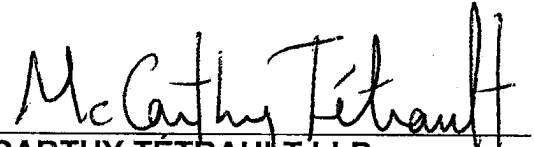
Attorneys for Global Casting Inc.

Benoit Deslauriers et Catherine Guillot
Investissement Québec

TAKE NOTICE that the *Motion for Authorization to Sell Most of AAER Inc.'s Assets and for a Second Extension of the Initial Order* will be presented before the Honourable Gaétan Dumas, J.S.C., sitting as a judge designated pursuant to the *Companies Creditors Arrangement Act* at the **Cowansville courthouse**, located at 920, rue Principale, Cowansville (Québec), J2K 0E3, in a **room to be determined**, on **June 1st, 2010**, at 1:30 PM, or soon thereafter as counsel may be heard.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, June 1st, 2010

A handwritten signature in black ink, appearing to read "McCarthy Tétrault", written over a horizontal line.

McCARTHY TÉTRAULT LLP

Attorneys for the Petitioners, AAER Inc.,
AAER USA Inc. and Wind-Smart LLC.