

No. S-169079
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1982, c. C36, AS AMENDED**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED
STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS
WITH RESPECT TO THE COMPANIES LISTED ON SCHEDULE "A" HERETO**

NOTICE OF APPLICATION

Names of applicant: 0921528 B.C. Ltd. ("Argo")

To: The Service List

TAKE NOTICE that an application will be made by Argo to the Honourable Mr. Justice Masuhara at the courthouse at 800 Smith Street, in the City of Vancouver, in the Province of British Columbia, on February 14, 2017 at 10:00am for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. A declaration that Argo acquired specific property pursuant the Purchase and Sale Agreement dated June 30, 2011, as amended, and in particular, acquired, *inter alia*:

- (a) the portion of the property situate at 4300 – 80th Street, Delta BC (the "Premises") charged by the sublease dated July 31, 2006 made between CHC Helicopters International Inc. as subtenant and Alpha Aviation Inc., as sub-landlord (the "Alpha Lease");
- (b) all buildings, improvements, structures, fixtures, appurtenances and attachments to the Premises, including all systems therein of a mechanical nature and without restricting the generality of the foregoing, all heating, lighting, air-conditioning, plumbing, electrical, ventilation, drainage, water, elevator and mechanical fixtures and systems, but excluding the Trade Fixtures as that term is defined in the Alpha Lease (the "Buildings"); and,
- (c) that equipment, furniture, inventory, appliances, chattels and personal property used for the general operation and management of the Premises and



the Buildings (other than chattels owned by Heli-One Canada Inc. and used in its operation in the Premises), including overhead hoists and cranes, Encon evaporators, Skeans air compressor and Cobra integrated security system (collectively, the “**Argo Property**”).

2. A declaration that Heli-One Canada ULC (“**Heli-One**”) has no entitlement to possess or make any use of the Argo Property, including no right to remove any of the Argo Property from the Premises or the Buildings.

3. An Order that, within 1 business day, Heli-One must provide Argo with a list of the specific property, equipment and assets removed from the Premises or the Buildings.

4. An Order that, to the extent Heli-One has removed or attempted to remove any of the Argo Property from the Premises or the Buildings:

- (a) Heli-One must forthwith return and reinstall that Argo Property at Heli-One’s expense;
- (b) if Heli-One is unable to return the Argo Property, Argo is entitled to the replacement cost of any items not returned;
- (c) if Heli-One is unable to reinstall the Argo Property, Argo is entitled to full indemnity for any installation costs; and
- (d) if Heli-One’s removal, attempted removal or reinstallation of the Argo Property has caused damage to the Premises or the Buildings, Argo is entitled to full indemnity for any repair costs.

5. An Order that Argo is entitled to damages resulting from its inability to re-let the Premises or the Buildings, with the amount of such damage to be equal to the rent under the Heli-One Lease (as defined below) from February 1, 2017 until: (a) all of the Argo Property is returned; (b) all of the Argo Property is reinstalled, or indemnity is provided to Argo for such reinstallation; and (c) all damage caused by the removal or attempted removal of the Argo Property is repaired.

6. An Order that to the extent Heli-One removing its trade fixtures in accordance with the Lease (as defined below) has caused damage to the Premises or the Building:

- (a) Heli-One must, forthwith, repair any such damage; or

- (b) in the alternative, Heli-One must reimburse Argo for the costs of repairing such damage on a full indemnity basis.

7. An Order that Heli-One pay Argo its costs of this Application on a full indemnity basis.

Part 2: FACTUAL BASIS

The Boundary Bay Airport

8. The property in question is located at the Boundary Bay airport in Delta, British Columbia. The land and structures are owned by the Corporation of Delta (the “**City**”).

9. Since at least 1983, the property has been used as an airport. Throughout this time, the legal owner has leased the property to other entities responsible for the operation and management of the property as an airport.

10. The City acquired its interest in the property in 1997 from her Majesty in Right of Canada, as represented by the Minister of Transport (the “**Crown**”).

11. The City’s acquisition was subject to an Operating Agreement dated December 4, 1997 that, among other things, required that the City provide the Crown with notice if it intended to cease operating the property as an airport and gave the Crown an option to purchase.

City Lease to Alpha

12. Since 2004, the City has leased the property to Alpha Aviation Inc. (“**Alpha**”) pursuant to an Amended and restated Lease Agreement dated December 1, 2005 (the “**City Lease**”).

13. The City Lease requires that, among other things, Alpha operate, maintain and repair the premises as an airport, including to “keep in good and substantial repair and condition, as is fitting to the standard of a first class regional airport”.

Alpha Sub-Lease

14. In 2006, Heli-One (through its predecessor, CHC Helicopters International Inc.) and Alpha entered into the Alpha Lease. As will be described further below, in 2011, Heli-One sold, among other things, its interest in the Alpha Lease to Argo.

15. The Alpha Lease requires that, among other things, the property is used solely for the purpose of storing, maintaining and repairing aircraft, related material and equipment. The Alpha Lease expressly prohibits use of the property and premises for any other purpose.

16. The Alpha Lease also provides that Alpha owns all improvements on the lands, including all buildings and "Leasehold Improvements" (as that term is defined in the Alpha Lease), even improvements installed by the subtenant (initially Heli-One, now Argo).

17. At the end of the term, the Alpha Lease requires that the subtenant deliver the premises, including all Leasehold Improvements, to Alpha. The subtenant is permitted to retain "Trade Fixtures" (as that term is defined in the Alpha Lease).

18. The Alpha Lease defines "Trade Fixtures" as:

the unattached, movable chattels and equipment installed prior to or during the Term in, on or which serve any of the Buildings, for the purpose of [Heli-One] or an Occupant carrying on its business in such Buildings and which Trade Fixtures and Subtenant or Occupant is permitted to remove only to the extent permitted by the terms of this Agreement, but Trade Fixtures do not include Leasehold Improvements.

19. The Alpha Lease defines "Leasehold Improvements" as:

all improvements, fixtures, equipment and Alterations¹ from time to time made, constructed, erected or installed by, for or on behalf of [Heli-One] in, on, to or for the Premises, whether or not easily disconnected or movable.

20. Accordingly, under the Alpha Lease, "Trade Fixtures" are unattached, movable items and does not include items that are installed on the premises (whether or not those installed items may be disconnected and moved.)

Sale to Argo

21. In 2011, Heli-one decided to sell, among other things, its interest in the Alpha Lease.

¹ The Alpha Lease defines "Alterations" as: alterations, adjustments, changes, repairs, renewals, restorations, additions, reconstructions, replacements, modifications, improvements, betterments and installations.

22. On June 30, 2011, Argo Ventures Inc. (“AVI”) and Heli-One Canada Inc.² entered into a purchase and sale agreement (the “**Sale Agreement**”), pursuant to which, *inter alia*:

- (a) AVI agreed to pay Heli-One \$37 million;
- (b) Heli-One agreed to sell to AVI the property at the Premises, including the Argo Property and Heli-One’s rights to the Alpha Lease; and,
- (c) AVI agreed to sub-lease the Premises to Heli-One.

23. AVI and Heli-One entered into a number of amending agreements, but none of those amendments changed the property to be acquired or the purchase price.

24. On April 17, 2012, AVI assigned its interest in the Sale Agreement to Argo.

25. On April 18, 2012, the sale and lease-back transaction contemplated by the Sale Agreement concluded. Heli-One received \$37 million in exchange for the Argo Property, and ownership of the Argo Property transferred to Argo.

26. The Sale Agreement definition of “Property” contains within it a number of defined terms and the definitions of those terms contain further defined terms.

27. The Sale Agreement defines “Property” as:

the property situate at 4300 – 80th Street, Delta, BC and means collectively, the following:

- (a) the Leasehold Premises;
- (b) the Buildings;
- (c) the Chattels; and
- (d) the Rights.

28. The meanings of the terms within the Sale Agreement definition of property are:

- (a) “Leasehold Premises” are that portion of the Property (as defined in the Sale Agreement) charged by the Alpha Lease (as defined above) and excluding all Buildings (as defined in the Sale Agreement);

² On October 21, 2014, Heli-One Canada Inc. was continued into British Columbia as an unlimited liability corporation.

- (b) “Buildings” are all buildings, improvements, structures, fixtures, appurtenances and attachments to the Leasehold Premises (as defined in the Sale Agreement), including all systems therein of a mechanical nature and without restricting the generality of the foregoing, all heating, lighting, air-conditioning, plumbing, electrical, ventilation, drainage, water, elevator and mechanical fixtures and systems (but excluding the trade fixtures which shall be removable under the Alpha Lease (as defined above) and fixtures and improvements provided pursuant to any service contracts and not owned by Heli-One or Argo);
- (c) “Chattels” are that equipment, furniture, inventory, appliances chattels and personal property used for the general operation and management of the Leasehold Premises (as defined in the Sale Agreement) and the Buildings (as defined in the Sale Agreement) (other than chattels owned by Heli-One and used in its operation in the Leasehold Premises (as defined in the Sale Agreement) shown on Schedule C; and,
- (d) “Rights” are all rights of Heli-One in the Leasehold Premises (as defined in the Sale Agreement) and the Buildings (as defined in the Sale Agreement), Heli-One’s interest in Service Contracts (as defined in the Sale Agreement) relating to the Leasehold Premises and the Buildings and all other rights and benefits pertaining to the Leasehold Premises, the Buildings and the Chattels (as defined in the Sale Agreement), including the legal interests therein as held by the Nominee (as defined in the Sale Agreement).

29. With respect to the definition of “Chattels”, Schedule C of the Sale Agreement provides “chattels located at the Leasehold Premises include the following: (1) Overhead hoists and cranes; (2) Encon evaporators; (3) Skeans air compressor; (4) Cobra integrated security system.”

30. Pursuant to the Sale Agreement, Argo acquired all of the Argo Property, and Heli-One retained very few rights with respect to the property that remained on the Premises. In particular, the Sale Agreement was structured to ensure that if the Heli-One Lease ended and Heli-One vacated the Premises, the requirements of the Alpha Lease would be maintained.

31. Accordingly, pursuant to the Sale Agreement, Heli-One is entitled to retain:
- (a) chattels used in its business, other than those expressly sold and transferred to Argo pursuant to the Sale Agreement; and,
 - (b) trade fixtures, as defined in the Alpha Lease which, as noted above, are limited to “the unattached, movable chattels and equipment...” and expressly excludes “all improvements, fixtures, equipment and Alterations from time to time made, constructed, erected or installed by, for or on behalf of [Heli-One] in, on, to or for the Premises, whether or not easily disconnected or removable.”

Leaseback to Heli-One

32. Pursuant to the Sale Agreement, on April 17, 2012, Heli-One Canada Inc. and Argo entered into a sub-lease pursuant to which Heli-One would continue to operate its business at the Premises (the “**Heli-One Lease**”). Consistent with the City Lease and the Alpha Lease, the Heli-One Lease restricted use of the building and the Premises.

33. The Heli-One Lease further provides that in the event any provision of the Heli-One Lease is in conflict with the Alpha Lease (whether by discrepancy, contradiction or ambiguity), the Alpha Lease will govern and the Heli-One Lease is deemed to be amended accordingly.

Chapter 11 Proceedings

34. On May 5, 2016, Heli-One and related entities commenced proceedings (the “**Chapter 11 Proceedings**”) in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “**US Court**”) under Chapter 11 of title 11 of the United States Code (the “**US Code**”). The Chapter 11 Proceedings are ongoing.

Canadian Recognition Proceedings

35. On October 13, 2016, this Court made an Order (the “**Recognition Order**”), among other things, recognizing the Chapter 11 Proceedings as a “foreign main proceeding” and imposing a stay of proceedings for all proceedings that might be taken against Heli-One and affiliated entities operating in Canada.

36. In its materials in support of its application for the Recognition Order and related relief, CHC Group Ltd. indicated that the Heli-One Lease would need to be re-negotiated or otherwise dealt with.

37. Argo agreed that the US Court has jurisdiction regarding the Heli-One Lease.

38. On January 24, 2017, the US Court entered an Order with respect to the rejection of the Heli-One Lease. In the same Order, the US Court directed that this Court determine any disputes with respect to Heli-One and Argo's respective interests in the Argo Property.

Attempt to Negotiate an Exit Agreement

39. Following the Recognition Order, Heli-One opened negotiations with Argo. These discussions took place on a without prejudice basis. No agreement was reached.

40. In late November and into December 2016, Heli-One and Argo discussed the potential terms of a consensual exit agreement.

41. In the course of those discussions, Heli-One took the position that all fixtures in and at the premises were trade fixtures and could be removed.

42. Argo clarified its position that Heli-One could not remove any property or assets that it had sold to Argo pursuant to the Sale Agreement.

43. Following that correspondence, Heli-One took the position that the Heli-One Lease governs the parties' entitlement with respect to the Argo Property and that Heli-One is entitled to remove all fixtures used in its business, in part on the basis that not allowing it to remove the fixtures would be detrimental to Heli-One.

44. As a result, Argo became concerned that Heli-One was removing property without assessing whether or not that property had been sold to Argo pursuant to the Sale Agreement. Argo also became concerned that Argo Property had been, or would be, removed.

45. Argo promptly advised Heli-One that it was not entitled to remove the Argo Property, and that the removal of property could not include anything sold to Argo pursuant to the Sale Agreement, or any property that must remain on the premises pursuant to the City Lease or the Alpha Lease.

Removal of Property

46. Heli-One has vacated the Premises and removed nearly all of the equipment and assets that were previously there. This includes at least some of the Argo Property. The specific Argo Property removed by Heli-One is within the knowledge of Heli-One.

47. The removal of the Argo Property has caused certain damage to the premises. However, Argo has not yet had an opportunity to thoroughly investigate the premises, through inspections by environmental, electrical, mechanical, structural and roofing engineers, to confirm the extent to which the removal of the Argo Property has caused damage. Argo is in the process of obtaining such inspections and reports as quickly as possible. In the meantime, Argo requires resolution on the Argo Property so that it can mitigate its damages and re-let the Premises.

The Paint Booths

48. Part of aircraft repair and maintenance includes a finishing process of applying coatings. Aviation coatings require precise environmental control over temperature and humidity in order to cure properly, and they must meet government safety regulations. Accordingly, the coating is applied in specially designed paint booths. These paint booths are large structures, and must be affixed to the building, including links to the ventilation and temperature control systems.

49. The Argo Property includes paint booths (the “**Paint Booths**”) that are bolted and welded to the building and the floor at the Premises.

50. In April 2012, the Paint Booths were installed and in use. Given the nature of the affixation of the Paint Booths, they form part of the Argo Property, as defined in the Sale Agreement.

51. In particular, pursuant to the Sale Agreement, Argo retained only “Trade Fixtures” as defined in the Alpha Lease. The Paint Booths are affixed to the building with metal beams in such a way that they could not easily be removed and, accordingly, are a “Leasehold Improvement” under the Alpha Lease (and would be even if they could be “easily removed”) and expressly excluded from the definition of “Trade Fixtures” under the Alpha Lease.

52. Heli-One has removed the Paint Booths. Based on the manner of affixation to the building and its systems, the Paint Booths could not be removed without causing damage to the ventilation, electrical and plumbing systems. Argo has also observed that the removal of the Paint Booths has left hanging metal ductwork on the premises.

The Engine Test Beds

53. A key component of aircraft maintenance is the ability to remove engines from the aircraft and run diagnostics testing. This process requires the use of engine test beds, which are large pieces of equipment that secure the engine being tested into a fixed position and allow various components of the engine, its inputs, and its outputs, to be safely monitored by computer sensors while the engine is running.

54. Engine test beds have some mobility, but require extensive support from electrical, plumbing and ventilation installations, as well as fire prevention, grease collection and drainage systems, to function safely and effectively. Such supporting installations and systems affix engine test beds to the building such that their removal would cause damage to the Premises.

55. The Argo Property includes sophisticated engine test beds (the “**Engine Test Beds**”) that were attached to the electrical, plumbing and ventilation systems on the Premises in a manner that affixed them to the Premises such that the Engine Test Beds could not be removed without causing damage to the Premises. In particular, the Engine Test Beds are fixed and attached to a concrete slab and connected by large pipes and ventilation ducting.

56. In April 2012, the Engine Test Beds were installed and in use. Given the manner of affixation of the Engine Test Beds, they were Leasehold Improvements and formed part of the Argo Property, as defined in the Sale Agreement.

57. Heli-One has removed the Engine Test Beds.

Cooling Towers

58. The Argo Property includes two cooling towers (the “**Cooling Towers**”). In April 2012, the Cooling Towers were installed and in use. The Cooling Towers were bolted to dedicated concrete pads outside the Buildings. Given the manner of affixation, the Cooling

Towers were Leasehold Improvements and formed part of the Argo Property, as defined in the Sale Agreement.

59. Heli-One has removed the Cooling Towers, but left the piping and steel tower bases that bolted the Cooling Towers to the concrete pads.

The Generator

60. The Argo Property includes a generator (the “**Generator**”). The Generator is a large piece of equipment intended to power the entire Premises in the event of a power outage. The Generator was bolted to dedicated concrete pads. In April 2012, the Generator was installed and in use at the Premises. Given the manner of affixation, the Generator was a Leasehold Improvement and formed part of the Argo Property, as defined in the Sale Agreement.

61. Heli-One has removed the Generator, but left exposed pipes to which the Generator was attached.

Cleaning Station

62. The Argo Property includes a cleaning station (the “**Cleaning Station**”). The Cleaning Station was attached to the floor of the Building through large bolts.

63. Heli-One has removed the Cleaning Station.

Other Property

64. In addition to the property set out above, additional Argo Property has been removed. Argo is gathering additional information regarding the property taken, but the specific Argo Property removed is within the knowledge of Heli-One, and could be easily summarized by Heli-One, as the party that removed it (and the party currently in possession of such property).

Damage

65. Argo is in the process of assessing the damage to the Premises caused by the removal of the Argo Property. It will require professional assessments and reports to confirm any issues that must be addressed and ensure that such damage is adequately and appropriately addressed. Some of these assessments and reports cannot be prepared until the snow melts.

66. In the meantime, Argo has observed redundant metal pipes, exposed wires and hanging wires. These issues will need to be addressed before Argo can re-let the property.

Re-Letting the Premises

67. As a result of the Argo Property having been removed, Argo is unable to lease the Premises and Buildings to a similar tenant or to properly market it for lease. Argo has significant ongoing expenses in connection with the Premises. These costs are a direct result of Heli-One's actions in removing property that does not belong to it, thereby rendering the Premises and the Buildings difficult and impractical to offer for lease.

Part 3: LEGAL BASIS

This Court has Jurisdiction over this Application

68. Pursuant to the January 24, 2017 Order of the US Court, this application and all disputes regarding ownership of certain property at the Premises and Building are to be determined by this Court.

Heli-One has no Rights to the Argo Property

69. Heli-One, as Argo's tenant, has a common law right to remove tenants' fixtures, "absent an express stipulation or trade custom to the contrary". At common law, trade fixtures are those installed by the tenant during their tenancy.

Deloitte & Touche Inc. and 1035839 Ontario Inc. et al (1996), O.J. No. 874 at pg 10 (QL)

70. Accordingly, Heli-One is permitted to remove only: (a) the items it installed after April 18, 2012 and (b) items that it retained under the Sale Agreement. Heli-One cannot remove items that it sold to Argo in 2012. For ease of reference, a summary of the applicable definitions is attached as Schedule "B".

71. In particular, Argo notes that the Alberta Court of Queen's Bench has held that property of a similar nature to the Paint Booths and Engine Test Beds are fixtures that cannot be removed and sold by a tenant in the course of their insolvency proceedings.

Southern Property Rentals Ltd. v. Deloitte & Touche Inc., [1998] A.J. No. 1439 ("**Southern Property**")

72. The terms of the Sale Agreement are clear and unambiguous. Pursuant to the Sale Agreement and that transaction, Heli-One sold its entire interest in the Argo Property. In exchange, Heli-One received \$37 million, the fair market value for the Argo Property, as determined by the arms-length negotiation between sophisticated parties. Argo also obtained an appraisal for the Premises and Buildings, conducted on the basis that the Argo Property would remain.

73. Under the terms of the Sale Agreement, Heli-One retained only the right to enter into the Heli-One Lease and an option to purchase. Heli-One did not retain any ownership interest in the Argo Property.

74. Neither the Chapter 11 Proceedings nor these recognition proceedings displace or undermine Argo's ownership interest in the Argo Property.

75. The Chapter 11 Proceedings and these proceedings are intended to preserve the status quo to allow the Heli-One organization to restructure. Nothing in the Chapter 11 Proceedings or these proceedings create a legal or equitable right for Heli-One to acquire the property of third parties, however beneficial that may be to its restructuring efforts.

76. Similarly, to the extent that Heli-One (or any other entity) is interfering, or seeks to interfere with, the Argo Property, the stay of proceedings imposed by the Recognition Order should not apply to Argo's efforts to protect its ownership interest in the Argo Property. The CCAA is a shield, not a sword.

77. Further, Heli-One's actions in removing the Argo Property, or a portion thereof, may be in conflict with the provisions of the Alpha Lease or the City Lease. In particular, Heli-One is prohibited from acting contrary to the Alpha Lease since, by the terms of the Heli-One Lease, the Alpha Lease governs in the event of any conflict or ambiguity as between the Alpha Lease and the Heli-One Lease.

Damages

78. Heli-One has unlawfully and wrongfully take possession of the Argo Property or a portion of the Argo Property. Argo seeks to repossess the Argo Property immediately, and seeks reimbursement for any costs that it incurs, whether with respect to reinstalling the Argo Property wrongfully taken or to any damage caused to the Argo Property or the Premises as a

result of the unlawful taking. Argo also seeks reimbursement for losses as a result of its inability to re-let the Premises due to the loss of the Argo Property unlawfully removed and damage caused to the Premises as a result.

79. The Alberta Court of Queen's Bench has held that where a landlord's property has been improperly sold to third parties in insolvency proceedings, the appropriate measure of damages is replacement value and expenses incurred as a result of the removal.

Southern Property at Para 40

80. In this case, the Argo Property, to the extent it has been removed, the property has not been delivered to a third party purchaser for value. Accordingly, Argo submits that return and reinstallation of the Argo Property removed is appropriate, with replacement value for any items that Heli-One is unable or unwilling to return.

81. The removal of the Argo Property has also caused damage to the Premises and the Building. The extent of this damage will not be fully known until the necessary inspections and reports are complete. Argo submits that it is entitled to damages arising from the damage caused to the Premises as a result of Heli-One's unlawful taking of the Argo Property, and that the appropriate amount of such damages is full indemnity for any necessary repairs.

82. Further, Heli-One's removal of the Argo Property and resulting damage to the Premises, has limited Argo's ability to lease the Premises to a tenant in accordance with the Alpha Lease, or at all. Argo submits that such damage directly relates to Heli-One's unlawful taking of the Argo Property, and that the appropriate amount of such damages can only be determined when the Argo Property is returned and the Premises repaired. Accordingly, Argo seeks an order for damages in an amount to be agreed between Argo and Heli-One or as ordered by this Court if the parties cannot agree.

Argo ought to recover its full costs of this Application

83. Argo is entitled to full indemnity costs of this Application. Rule 14-1(14) provides that where a party takes steps "improperly or unnecessarily", the Court may order that the party pay the costs incurred by any other party by reason of that act. In this case, Heli-One has taken the Argo Property, or a portion of it, without legal or equitable justification. Heli-

One persisted in this taking, despite prompt and repeated warnings from Argo, necessitating this Application. Argo submits that, in such circumstances, Heli-One ought to reimburse Argo for any legal expenses incurred.

Supreme Court Civil Rules, B.C. Reg. 168/2009, Rule 14-1(14)

Part 4: MATERIAL TO BE RELIED ON

- 84. The Initial Recognition Order made October 13, 2016;
- 85. The Affidavit #1 of Paul King made September 29, 2016;
- 86. The Affidavit #1 of Sandra Brown-John made September 28, 2016 (Affidavit text and Exhibit B at page 133 only);
- 87. The Affidavit #1 of Cristine Bosma made January 13, 2017;
- 88. The Affidavit #1 of Eric Lee made February 6, 2017; and
- 89. Such further and other materials as counsel may advise and this Honourable Court may permit.

The Applicants estimate that the application will take 1 day.

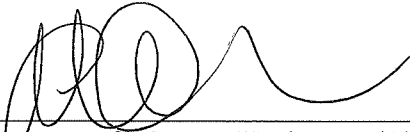
- ☐ This matter is within the jurisdiction of a master.
- ☒ This matter is not within the jurisdiction of a master. Mr. Justice Masuhara is seized of these proceedings and this application has been scheduled to be heard before Justice Masuhara by Trial Scheduling.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the Applicants 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;

- (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
- (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: February 6, 2017



Signature of Magnus Verbrugge/Lisa Hiebert
☐ applicant ☒ lawyer for the Applicant

To be completed by the court only:

Order made

- ☐ in the terms requested in paragraphs _____ of Part 1 of this notice of application
- ☐ with the following variations and additional terms:

Date: _____ Signature of ☐ Judge ☐ Master

SCHEDULE "A"
LIST OF COMPANIES

CHC Group Ltd.	CHC Hoofddorp B.V.
6922767 Holding SARL	CHC Leasing (Ireland) Limited
Capital Aviation Services B.V.	CHC Netherlands B.V.
CHC Cayman ABL Borrower Ltd.	CHC Norway Acquisition Co AS
CHC Cayman ABL Holdings Ltd.	Heli-One (Netherlands) B.V.
CHC Cayman Investments I Ltd.	Heli-One (Norway) AS
CHC Den Helder B.V.	Heli-One (U.S.) Inc.
CHC Global Operations (2008) ULC	Heli-One (UK) Limited
CHC Global Operations Canada (2008) ULC	Heli-One Canada ULC
CHC Global Operations International ULC	Heli-One Holdings (UK) Limited
CHC Helicopter (1) S.á.r.l.	Heli-One Leasing (Norway) AS
CHC Helicopter (2) S.á.r.l.	Heli-One Leasing ULC
CHC Helicopter (3) S.á.r.l.	Heli-One USA Inc.
CHC Helicopter (4) S.á.r.l.	Heliworld Leasing Limited
CHC Helicopter (5) S.á.r.l.	Integra Leasing AS
CHC Helicopter Australia Pty Ltd	Lloyd Bass Strait Helicopters Pty. Ltd.
CHC Helicopter Holding S.á.r.l.	Lloyd Helicopter Services Limited
CHC Helicopter S.A.	Lloyd Helicopter Services Pty. Ltd.
CHC Helicopters (Barbados) Limited	Lloyd Helicopters International Pty. Ltd.
CHC Helicopters (Barbados) SRL	Lloyd Helicopters Pty. Ltd.
CHC Holding (UK) Limited	Management Aviation Limited
CHC Holding NL B.V.	

Schedule "B"

Summary of the "Property" acquired under the Sale Agreement

"Leasehold Premises" as defined by the Sale Agreement

Included	Excluded	Source
That portion of the Property charged by the Alpha Lease	Buildings, as defined in the Sale Agreement (and described below)	Sale Agreement <ul style="list-style-type: none"> - Definition of "Leasehold Premises" - Definition of "Property" - Definition of "Head Lease"

"Buildings" as defined by the Sale Agreement

Included	Excluded	Source
All buildings, improvements, structures, fixtures, appurtenances and attachments to the Leasehold Premises (as defined in the sale agreement and described above), including all systems therein of a mechanical nature and without limiting the generality of the foregoing, all heating, lighting, air-conditioning, plumbing, electrical, ventilation, drainage, water, elevator and mechanical fixtures and systems	All trade fixtures which shall be removable under the Alpha Lease and fixtures and improvements provided pursuant to any service contracts and not owned by Heli-One or Argo.	Sale Agreement <ul style="list-style-type: none"> - Definition of "Buildings" - Definition of "Head Lease" Alpha Lease <ul style="list-style-type: none"> - Definition of "Trade Fixtures"

"Trade Fixtures" as defined by the Alpha Lease

Included	Excluded	Source
The unattached, movable chattels and equipment installed prior to or during the Term... for the purpose of Heli-One's business	All improvements, fixtures, equipment and Alterations from time to time made, constructed, erected or installed by, for or on behalf of Heli-One in, on, to or for the Premises, whether or not easily disconnected or movable.	Alpha Lease <ul style="list-style-type: none"> - Definition of "Trade Fixtures" - Definition of "Leasehold Improvements"

“Chattels” as defined in the Sale Agreement

Included	Excluded	Source
Equipment, furniture, inventory, appliances, chattels and personal property for the general operation and management of the Premises and the Buildings, including (1) overhead hoists and cranes, (2) Encon evaporators, (3) Skeans air compressor, and (4) Cobra integrated security system.	Chattels owned by Heli-One and used in its operation in the Leasehold Premises	Sale Agreement <ul style="list-style-type: none">- Definition of “Chattels”- Schedule C

“Rights” as defined in the Sale Agreement

Included	Excluded	Source
All rights of Heli-One in the Leasehold Premises and the Buildings, Heli-One’s interest in Service Contracts relating to the Leasehold Premises and the Buildings and all other rights and benefits pertaining to the Leasehold Premises, the Buildings, and the Chattels		Sale Agreement <ul style="list-style-type: none">- Definition of “Rights”

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matters concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ other

No. S-169079
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT,
R.S.C. 1982, c. C36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN
THE UNITED STATES BANKRUPTCY COURT FOR THE
NORTHERN DISTRICT OF TEXAS WITH RESPECT TO THE
COMPANIES LISTED ON SCHEDULE "A" HERETO

NOTICE OF APPLICATION

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