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This is **Exhibit "F"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.

  
A Commissioner for Taking Affidavits  
for British Columbia

PETER BYCHAWSKI  
*Barrister & Solicitor*  
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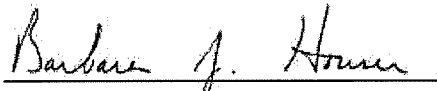
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed February 23, 2017

  
United States Bankruptcy Judge

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

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	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16- 31854 (BJH)
	:	
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 363 AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h), 6006 AND 9019 AUTHORIZING THE DEBTORS TO (I) ENTER INTO AND PERFORM UNDER A RESTRUCTURING LEASE TERM SHEET WITH WAYPOINT LEASING (IRELAND) LIMITED AND (II) ASSUME CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS WITH WAYPOINT LEASING (IRELAND) LIMITED AND CERTAIN OF ITS AFFILIATES**

Upon the motion dated January 23, 2017 (the "**Motion**")<sup>1</sup> of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the "**Debtors**"), pursuant to sections 105(a), 363(b)(1) and 365(a) of the Bankruptcy Code and Bankruptcy Rules 6004(h), 6006 and 9019, seeking to authority to (I) enter into, and perform under, a Term Sheet Regarding Restructuring

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

of Lease Transactions for Certain Rotor Wing Aircraft and Certain Other Transactions, dated as of January 23, 2017 (together with all exhibits to such restructuring lease term sheet, the “**Term Sheet**”) related to certain helicopters (the “**Helicopters**”) and the associated agreements (the “**Existing Operative Documents**”), between the Debtors and Waypoint Leasing (Ireland) Limited and several of its affiliates (collectively, “**Waypoint**”), and (II) assume certain unexpired leases and executory contracts related to the Helicopters and identified on **Schedule 1** to this Order, as amended by the Term Sheet (the “**New Operative Documents**”) related to the Helicopters, and upon consideration of (i) the Del Genio Declaration and (ii) the Declaration of David W. Fowkes in Support of the Debtors' Motions for Orders Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004(h), 6006 and 9019 Authorizing the Debtors to Enter into and Perform Under (A) Restructuring Lease Term Sheets and Settlement Agreements with Certain Helicopter Lessor Parties and (B) Framework Agreements with Export Development Canada, Lombard North Central Plc, and The Royal Bank of Scotland Plc [Docket No. 1653]; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of

the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to Waypoint; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby

ORDERED that:

1. The relief requested in the Motion is hereby granted.
2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Term Sheet.
3. The Term Sheet, and the transactions contemplated therein, represent a valid exercise of the Debtors’ business judgment and are hereby approved in their entirety.



4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Term Sheet.

5. Subject to the occurrence of the Approval Order Effective Date (as defined in the Term Sheet), Waypoint shall receive allowed general unsecured non-priority pre-petition claims against the estates of the Debtors as set forth below in full satisfaction of any and all claims related to Waypoint's rejected aircraft and any modifications of the Existing Operative Documents regarding the Helicopters:

<b><u>Debtor Entity</u></b>	<b><u>Claim Amount</u></b>	<b><u>Plan Classification</u></b>
Capital Aviation Services B.V.	\$1,000,000	Allowed Primary General Unsecured Claim in Class 7
CHC Helicopters (Barbados) Limited	\$83,300,000	Allowed Primary General Unsecured Claim in Class 7
CHC Helicopters (Barbados) SRL	\$99,800,000	Allowed Primary General Unsecured Claim in Class 7
Heli-One Leasing ULC	\$25,800,000	Allowed Primary General Unsecured Claim in Class 7
Heliworld Leasing Limited	\$36,900,000	Allowed Primary General Unsecured Claim in Class 7
CHC Leasing (Ireland) Limited	\$17,700,000	Allowed Primary General Unsecured Claim in Class 7
Heli-One Canada ULC	\$8,900,000	Allowed Primary General Unsecured Claim in Class 7
6922767 Holding SARL	\$273,400,000	Allowed Secondary General Unsecured Claim in Class 7
Capital Aviation Services B.V.	\$9,800,000	Allowed Secondary General Unsecured Claim in Class 7
CHC Helicopter Australia Pty. Ltd.	\$87,800,000	Allowed Secondary General Unsecured Claim in Class 7
CHC Helicopter S.A.	\$159,100,000	Allowed Secondary General Unsecured Claim in Class 7
CHC Helicopters (Barbados) Limited	\$74,200,000	Allowed Secondary General Unsecured Claim in Class 7
Heli-One Leasing ULC	\$62,000,000	Allowed Secondary General Unsecured Claim in Class 7
Heliworld Leasing Limited	\$67,900,000	Allowed Secondary General Unsecured Claim in Class 7
CHC Leasing (Ireland)	\$21,800,000	Allowed Secondary General Unsecured Claim

Limited		in Class 7
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6. Subject to the occurrence of the Lease Amendment Effective Date, the Debtors are authorized to assume, pursuant to section 365 of the Bankruptcy Code, the New Operative Documents and each related operative document to which a Debtor is a party that is integral to the New Operative Documents.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

*/s/ Jasmine Ball*

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-and-

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kelly.dibiasi@weil.com

*Attorneys for Debtors and Debtors in Possession*

**Schedule 1**

**General Notes to the Assumption of Existing Operative Documents**

The assumption of the Existing Operative Documents shall be subject to the occurrence of the Lease Amendment Effective Date and the following provisions:

1. Neither the exclusion nor the inclusion of a lease or contract by the Debtors on the list of Existing Operative Documents, nor anything contained in the Motion, shall constitute an admission by the Debtors that any such document is an unexpired lease or executory contract or that any Debtor, or its respective affiliates, has any liability thereunder. In addition, out of an abundance of caution, the Debtors have listed certain documents that have or may have either terminated or expired (or will terminate or expire) prior to the hearing on the Motion pursuant to the terms of such leases or contracts.
2. As a matter of administrative convenience, in many cases the Debtors have listed the original parties to the documents set forth on the list of Existing Operative Documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not be named is not intended to change the treatment of such documents.
3. Although in most instances only certain agreements governing an aircraft lease or financing transaction are currently described, each other related operative document to which a Debtor is a party that is integral to such transaction (including, without limitation, (x) any lessee consent to any leveraging transaction in connection with any lease, (y) any residual value guarantee issued for the benefit of any Debtor and (z) any security assignments in connection with any listed aircraft sublease and sub-sublease) also will be deemed to be part of this Order and the list of Existing Operative Documents and each related operative document, whether described herein or deemed to be part of this Order, shall be assumed if the related aircraft lease is assumed unless (i) such operative document has otherwise been rejected or (ii) a term sheet filed with the Court expressly provides for termination, replacement or other discontinuance of such operative document or any obligations of any Debtor, any affiliate thereof or any operator of the applicable aircraft under, with respect to or resulting from such operative document.

Row	Aircraft MSN	Existing Operative Documents
1	31319	<p>Amendment and Restatement Deed, dated as of March 11, 2015, between AE Helicopter (5) Limited, AE Helicopter (6) Limited, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., 6922767 Holding S.à.r.l. and CHC Helicopter S.A., but only in so far as it relates to msn 31319 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Terms Agreement, dated as of March 11, 2015, between Bank of Utah, AE Helicopter (5) Limited, AE Helicopter (6) Limited, CHC Helicopters (Barbados) Limited, Heli-one Leasing ULC, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31319 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Schedule No. 5, dated as of March 11, 2015, between AE Helicopter (5) Limited and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of February 18, 2011, between Heliworld Leasing Limited and Lloyd Off-Shore Helicopters Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of February 15, 2011, between Heliworld Leasing Limited and Lloyd Off-Shore Helicopters Pty. Ltd., but only in so far as it relates to msn 31319 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of April 1, 2016, between CHC Helicopter Australia Pty. Ltd. (formerly Lloyd Off-Shore Helicopters Pty. Ltd.) and Lloyd Helicopters Pty Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of November 28, 2012, between CHC Helicopter Australia Pty. Ltd. (formerly Lloyd Off-Shore Helicopters Pty. Ltd.) and Lloyd Helicopters Pty Ltd., but only in so far as it relates to msn 31319 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
2	31320	<p>Amendment and Restatement Deed, dated as of March 11, 2015, between AE Helicopter (5) Limited, AE Helicopter (6) Limited, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., 6922767 Holding S.à.r.l. and CHC Helicopter S.A., but only in so far as it relates to msn 31319 and not any other aircraft, as the same has been or may from time to time be supplemented,</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>modified or amended.</p> <p>Amended and Restated Lease Terms Agreement, dated as of March 11, 2015, between Bank of Utah, AE Helicopter (5) Limited, AE Helicopter (6) Limited, CHC Helicopters (Barbados) Limited, Heli-one Leasing ULC, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31320 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Schedule No. 6, dated as of dated as of March 11, 2015, between AE Helicopter (6) Limited and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of February 18, 2011, between Heliworld Leasing Limited and Lloyd Off-Shore Helicopters Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of February 15, 2011, between Heliworld Leasing Limited and Lloyd Off-Shore Helicopters Pty. Ltd., but only in so far as it relates to msn 31320 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of April 1, 2016, between CHC Helicopter Australia Pty. Ltd. (formerly Lloyd Off-Shore Helicopters Pty. Ltd.) and Lloyd Helicopters Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of November 28, 2012, between CHC Helicopter Australia Pty. Ltd. (formerly Lloyd Off-Shore Helicopters Pty. Ltd.) and Lloyd Helicopters Pty Ltd., but only in so far as it relates to msn 31320 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
3	31041	<p>Amendment and Restatement Deed, dated as of January 27, 2015, between Bank of Utah, CHC Helicopters (Barbados) SRL, CHC Helicopters (Barbados) Limited, Heliworld Leasing Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31041 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Terms Agreement, dated as of January 27, 2015, between Bank of Utah, AE Helicopter (5) Limited, AE Helicopter (6) Limited, CHC Helicopters (Barbados) Limited, Heli-one Leasing ULC, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31041 and not any other aircraft, as the same has been or may from time to time be</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>supplemented, modified or amended.</p> <p>Amended and Restated Lease Schedule No. 9, dated as of January 27, 2015, between Bank of Utah and Capital Aviation Services, B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of January 27, 2015, between Capital Aviation Services B.V. and CHC Helicopters Netherlands B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of July 3, 2014, between Capital Aviation Services B.V. and CHC Helicopters Netherlands B.V., but only in so far as it relates to msn 31041 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
4	31046	<p>Amendment and Restatement Deed, dated as of January 27, 2015, between Bank of Utah, CHC Helicopters (Barbados) SRL, CHC Helicopters (Barbados) Limited, Heliworld Leasing Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31046 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Terms Agreement, dated as of January 27, 2015, between Bank of Utah, AE Helicopter (5) Limited, AE Helicopter (6) Limited, CHC Helicopters (Barbados) Limited, Heli-one Leasing ULC, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31046 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Schedule No. 8, dated as of January 27, 2015, between Bank of Utah and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of August 18, 2015, between Heliworld Leasing Limited and CHC Helicopters Netherlands B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of August 18, 2015, between Heliworld Leasing Limited and CHC Helicopters Netherlands B.V., but only in so far as it relates to msn 31046 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
5	31308	<p>Amendment and Restatement Deed, dated as of January 27, 2015, between Bank of Utah, CHC Helicopters (Barbados) SRL, CHC Helicopters (Barbados) Limited, Heliworld Leasing Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31046 and not any other aircraft, as the same has</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Terms Agreement, dated as of January 27, 2015, between Bank of Utah, AE Helicopter (5) Limited, AE Helicopter (6) Limited, CHC Helicopters (Barbados) Limited, Heli-one Leasing ULC, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31308 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Schedule No. 4, dated as of January 27, 2015, between Bank of Utah and CHC Helicopters (Barbados) SRL, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of September 10, 2010, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of October 30, 2014, between CHC Helicopters (Barbados) SRL and CHC Scotia Limited, but only in so far as it relates to msn 31308 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
6	920030	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, but only in so far as it relates to msn 920030 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 6, dated as of November 21, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of April 17, 2014, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 19, 2011, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, but only in so far as it relates to msn 920030 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
7	920112	<p>Amendment and Restatement Agreement, dated as of January 29, 2015, between Bank of Utah, Heli-One Leasing ULC, CHC Helicopters (Barbados) Limited, 6922767 Holding S.à.r.l., CHC Helicopter S.A., CHC Helicopter Australia Pty.</p>



Row	Aircraft MSN	<u>Existing Operative Documents</u>
		<p>Ltd. and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Agreement, dated as of January 29, 2015, between Bank of Utah and Heli-One Leasing ULC, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Supplement No. 1, dated as of January 29, 2015, between Bank of Utah and Heli-One Leasing ULC, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of January 29, 2015, between Heli-One Leasing ULC and Capital Aviation Services B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of August 29, 2008, between Heli-One Leasing ULC and Capital Aviation Services B.V., but only in so far as it relates to msn 920112 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amendment and Restatement Agreement to Aircraft Specific Lease Agreement, dated as of January 29, 2015, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of August 29, 2008, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., but only in so far as it relates to msn 920112 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
8	920113	<p>Amendment and Restatement Agreement, dated as of April 14, 2015, between Bank of Utah, Heli-One Leasing ULC, CHC Helicopters (Barbados) Limited, 6922767 Holding S.à.r.l., CHC Helicopter S.A., CHC Helicopter Australia Pty. Ltd. and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Agreement, dated as of April 14, 2015, between Bank of Utah and Heli-One Leasing ULC, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Supplement No. 1, dated as of April 14, 2015, between Bank of Utah and Heli-One Leasing ULC, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of November 30, 2009, between</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>Heli-One Leasing Inc. and Capital Aviation Services B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of November 6, 2009, between Heli-One Leasing Inc. and Capital Aviation Services B.V., but only in so far as it relates to msn 920113 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amendment and Restatement Agreement to Aircraft Specific Lease Agreement, dated as of April 14, 2015, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of November 6, 2009, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., but only in so far as it relates to msn 920113 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
9	920152	<p>Amendment and Restatement Agreement, dated as of March 2, 2016, between Bank of Utah, Heliworld Leasing Limited, Heli-One Leasing ULC, CHC Helicopters (Barbados) Limited, 6922767 Holding S.à.r.l., CHC Helicopter S.A., CHC Helicopter Australia Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Agreement, dated as of March 2, 2016, between Bank of Utah and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Supplement No. 1, dated as of March 2, 2016, between Bank of Utah and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of May 17, 2012, between Heliworld Leasing Limited and Capital Aviation Services B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of May 17, 2012, between Heliworld Leasing Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 920152 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amendment and Restatement Agreement to Aircraft Specific Lease Agreement, dated as of March 2, 2016, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., as the same has been or may from</p>

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Row	Aircraft MSN	Existing Operative Documents
		<p>time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of May 17, 2012, Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A, but only in so far as it relates to msn 920152 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
10	920024	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, but only in so far as it relates to msn 920024 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 5, dated as of November 21, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of April 17, 2014, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 19, 2011, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, but only in so far as it relates to msn 920024 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
11	920141	<p>Amendment and Restatement Agreement, dated as of March 2, 2016, between Bank of Utah, CHC Leasing (Ireland) Limited, Heliworld Leasing Limited, Heli-One Leasing ULC, CHC Helicopters (Barbados) Limited, 6922767 Holding S.à.r.l., CHC Helicopter S.A. and CHC Helicopter Australia Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Agreement, dated as of March 2, 2016, between Bank of Utah and CHC Leasing (Ireland) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Supplement No. 1, dated as of March 2, 2016, between Bank of Utah and CHC Leasing (Ireland) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of November 23, 2011 between CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 23, 2011,</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>between CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 920141 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amendment and Restatement Agreement to Aircraft Specific Lease Agreement, dated as of March 2, 2016, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of August 29, 2008, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., but only in so far as it relates to msn 920112 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
12	920047	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, but only in so far as it relates to msn 920047 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 9, dated as of December 19, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of April 23, 2014, between CHC Helicopters (Barbados) Limited and CHC Helikopter Service AS, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of June 20, 2008, between CHC Helicopters (Barbados) Limited and CHC Helikopter Service AS, but only in so far as it relates to msn 920047 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
13	920117	<p>Amendment and Restatement Agreement, dated as of April 14, 2015, between Waypoint Asset Co. 6 Limited, CHC Helicopters (Barbados) Limited, Heli-One Leasing ULC, 6922767 Holding S.à.r.l., CHC Helicopter S.A., CHC Helicopter Australia Pty. Ltd. and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Agreement, dated as of April 14, 2015, between Waypoint Asset Co. 6 Limited and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Supplement No. 1, dated as of April 14, 2015,</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>between Waypoint Asset Co. 6 Limited and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of January 5, 2010, between CHC Helicopters (Barbados) Limited and CHC Norway A.S., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of January 5, 2010, between CHC Helicopters (Barbados) Limited and CHC Norway A.S., but only in so far as it relates to msn 920117 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
14	920125	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, but only in so far as it relates to msn 920125 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 2, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of March 27, 2014, between CHC Helicopters (Barbados) Limited and CHC Scotia Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 19, 2011, between CHC Helicopters (Barbados) Limited and CHC Scotia Ltd., but only in so far as it relates to msn 920125 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended</p>
15	920095	<p>Amendment and Restatement Agreement, dated as of March 10, 2015, between Waypoint Asset Company Number 1 (Ireland) Ltd, Heli-One Leasing ULC, 6922767 Holding S.à.r.l., CHC Helicopter S.A., CHC Helicopters (Barbados) Limited, CHC Helicopter Australia Pty. Ltd. and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Agreement, dated as of March 10, 2015, between Waypoint Asset Company Number 1 (Ireland) Ltd and Heli-One Leasing ULC, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Supplement No. 1, dated as of March 10, 2015,</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>between Waypoint Asset Company Number 1 (Ireland) Ltd and Heli-One Leasing ULC, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of March 10, 2015, between Heli-One Leasing ULC and CHC Helikopter Service AS, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of July 24, 2008, between Heli-One Leasing Inc. and CHC Helikopter Service AS, but only in so far as it relates to msn 920095 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
16	920153	<p>Amendment and Restatement Agreement, dated as of April 7, 2016, between Bank of Utah, Heliworld Leasing Limited, Heli-One Leasing ULC, CHC Helicopters (Barbados) Limited, 6922767 Holding S.à.r.l., CHC Helicopter S.A. and CHC Helicopter Australia Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Agreement, dated as of April 7, 2016, between Bank of Utah and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Supplement No. 1, dated as of April 7, 2016, between Bank of Utah and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of December 20, 2011, between Heliworld Leasing Limited and Capital Aviation Services B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 20, 2011, between Heliworld Leasing Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 920153 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amendment and Restatement Agreement to Aircraft Specific Lease Agreement, dated as of April 7, 2016, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 20, 2011, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., but only in so far as it relates to msn 920153 and not any other aircraft, as the same has been or may from time to time be supplemented,</p>

Row	Aircraft MSN	Existing Operative Documents
		modified or amended.
17	31295	<p>Amendment and Restatement Agreement, dated as of January 27, 2015, between Bank of Utah, CHC Helicopters (Barbados) SRL, CHC Helicopters (Barbados) Limited, 6922767 Holding S.à.r.l., CHC Helicopter S.A., Capital Aviation Services B.V. and Heliworld Leasing Limited, but only in so far as it relates to msn 31295 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Terms Agreement, dated as of January 27, 2015, between Bank of Utah, AE Helicopter (5) Limited, AE Helicopter (6) Limited, CHC Helicopters (Barbados) Limited, Heli-one Leasing ULC, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31295 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Schedule No. 9, dated as of January 27, 2015, between Bank of Utah and CHC Helicopters (Barbados) SRL, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of December 19, 2011, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 19, 2011, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, but only in so far as it relates to msn 31295 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of December 19, 2011, between CHC Scotia Limited and CHC Helicopters Netherlands B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 19, 2011, between CHC Scotia Limited and CHC Helicopters Netherlands B.V., but only in so far as it relates to msn 31295 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
18	31407	<p>Master Lease Facility Agreement, dated as of October 10, 2011, between Leonardo Helicopter (1) LLC and CHC Leasing (Ireland) Limited, but only in so far as it relates to msn 31407 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule, dated as of March 1, 2012, between Leonardo Helicopter (3) LLC and Heliworld Leasing Limited, as the same has been or may from time to</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of October 26, 2015, between Heliworld Leasing Limited and CHC Scotia Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of February 28, 2006, between Heliworld Leasing Limited and CHC Scotia Limited, but only in so far as it relates to msn 31407 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
19	31444	<p>Master Lease Facility Agreement, dated as of November 6, 2012, between Leonardo Helicopter (6) LLC and CHC Helicopters (Barbados) Limited, but only in so far as it relates to msn 31444 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule, dated as of November 7, 2012, between Leonardo Helicopter (6) LLC and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of November 28, 2012, between CHC Helicopters (Barbados) Limited and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of September 14, 2008, between CHC Helicopters (Barbados) Limited and Heliworld Leasing Limited, but only in so far as it relates to msn 31444 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of November 28, 2012, between Heliworld Leasing Limited and CHC Helicopter Australia Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of September 28, 2012, between Heliworld Leasing Limited and CHC Helicopter Australia Pty. Ltd., but only in so far as it relates to msn 31444 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of November 28, 2012, between CHC Helicopter Australia Pty. Ltd. and Lloyd Helicopters Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of September 28, 2012, between CHC Helicopter Australia Pty. Ltd. and Lloyd Helicopters Pty. Ltd., but only in so far as it relates to msn 31444 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>



Row	Aircraft MSN	Existing Operative Documents
20	31492	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, but only in so far as it relates to msn 31492 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 3, dated as of October 21, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of December 9, 2014, between CHC Helicopters (Barbados) Limited and Capital Aviation Services B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of September 15, 2008, between CHC Helicopters (Barbados) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31492 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amendment and Restatement Agreement to Aircraft Specific Lease Agreement, dated as of March 30, 2015, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of August 29, 2008, between Capital Aviation Services B.V. and BHS – Brazilian Helicopter Services Taxi Aereo S.A., but only in so far as it relates to msn 31492 and not any other aircraft, as the same has been or may from time to time be supplemented</p>
21	920022	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd., and CHC Helicopters (Barbados) Limited but only in so far as it relates to msn 920022 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 1, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of June 30, 2016, between Heli-One Canada ULC. and CHC Helikopter Service AS, as the same has been or may from time to time be supplemented, modified or amended.</p>

Row	Aircraft MSN	Existing Operative Documents
		Aircraft Lease General Terms Agreement, dated as of July 16, 2014, between Heli-One Canada Inc. and CHC Helikopter Service AS, but only in so far as it relates to msn 920022 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.
22	920110	<p>Amendment and Restatement Agreement, dated as of January 29, 2015, between Waypoint Asset Co. 3 Limited, Heli-One Leasing ULC, CHC Helicopters (Barbados) Limited, 6922767 Holding S.à.r.l., CHC Helicopter S.A., CHC Helicopter Australia Pty. Ltd. and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Agreement, dated as of January 29, 2015, between Waypoint Asset Co. 3 Limited and Heli-One Leasing ULC, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Supplement No. 1, dated as of January 29, 2015, between Waypoint Asset Co. 3 Limited and Heli-One Leasing ULC, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of January 29, 2015, between Heli-One Leasing ULC and CHC Helikopter Service A.S., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of July 24, 2008, between Heli-One Leasing Inc. and CHC Helikopter Service AS, but only in so far as it relates to msn 920110 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
23	31203	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd., and CHC Helicopters (Barbados) Limited but only in so far as it relates to msn 31203 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 13, dated as of November 25, 2014, between Wells Fargo Bank Northwest, N.A. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of November 25, 2014, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 19, 2011, between CHC Helicopters (Barbados) Limited and CHC Scotia Ltd., but only in so far as it relates to msn 31203 and not any other aircraft, as the same has been</p>

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Row	Aircraft MSN	Existing Operative Documents
		or may from time to time be supplemented, modified or amended
24	31255	<p>Amendment and Restatement Agreement, dated as of January 27, 2015, between Bank of Utah, Heli-One Leasing ULC, CHC Helicopters (Barbados) Limited, 6922767 Holding S.à.r.l., CHC Helicopter S.A., CHC Helicopter Australia Pty. Ltd. and Heliworld Leasing Limited, but only in so far as it relates to msn 31255 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Terms Agreement, dated as of January 27, 2015, between Bank of Utah, AE Helicopter (5) Limited, AE Helicopter (6) Limited, CHC Helicopters (Barbados) Limited, Heli-one Leasing ULC, Heliworld Leasing Limited, CHC Helicopter Australia Pty. Ltd., CHC Leasing (Ireland) Limited and Capital Aviation Services B.V., but only in so far as it relates to msn 31255 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Amended and Restated Lease Schedule No. 1, dated as of January 27, 2015, between Bank of Utah and CHC Helicopters (Barbados) SRL, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of January 27, 2015, between CHC Helicopters (Barbados) SRL and CHC Scotia Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of October 1, 2009, between CHC Helicopters (Barbados) Limited and CHC Scotia Limited, but only in so far as it relates to msn 31255 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
25	31498	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, but only in so far as it relates to msn 31498 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 4, dated as of October 31, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of February 5, 2016, between CHC Helicopters (Barbados) SRL and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of February 5, 2016, between</p>

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Row	Aircraft MSN	Existing Operative Documents
		<p>Heliworld Leasing Limited and CHC Australia Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of November 28, 2012, between Heliworld Leasing Limited and CHC Australia Pty. Ltd., but only in so far as it relates to msn 31498 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of February 5, 2016, between CHC Australia Pty. Ltd., and Lloyd Helicopters Pty. Ltd., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of November 28, 2012, between CHC Australia Pty. Ltd. and Lloyd Helicopters Pty. Ltd., but only in so far as it relates to msn 31498 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
26	31431	<p>Master Lease Facility Agreement, dated as of April 29, 2013, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, but only in so far as it relates to msn 31431 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule No. 7, dated as of March 5, 2014, between Waypoint Asset Company Number 1 (Ireland) Ltd. and CHC Helicopters (Barbados) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of March 5, 2014, between CHC Helicopters (Barbados) Limited and CHC Helicopters Netherlands B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of June 5, 2008, between CHC Helicopters (Barbados) Limited and CHC Helicopters Netherlands B.V., but only in so far as it relates to msn 31431 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
27	31387	<p>Master Lease Facility Agreement, dated as of October 10, 2011, between Leonardo Helicopter (1) LLC and CHC Leasing (Ireland) Limited, but only in so far as it relates to msn 31387 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule, dated as of December 5, 2011, between Leonardo Helicopter (1) LLC and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p>

Row	Aircraft MSN	Existing Operative Documents
		<p>Aircraft Specific Lease Agreement, dated as of December 5, 2011, between Heliworld Leasing Limited and CHC Helicopters Netherlands B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 5, 2011, between Heliworld Leasing Limited and CHC Helicopters Netherlands B.V., but only in so far as it relates to msn 31387 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended</p>
28	31406	<p>Master Lease Facility Agreement, dated as of October 10, 2011, between Leonardo Helicopter (1) LLC and CHC Leasing (Ireland) Limited, but only in so far as it relates to msn 31406 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Schedule, dated as of February 24, 2012, between Leonardo Helicopter (2) LLC and Heliworld Leasing Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of February 24, 2012, between Heliworld Leasing Limited and CHC Helicopters Netherlands B.V., as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 5, 2011, between Heliworld Leasing Limited and CHC Helicopters Netherlands B.V., but only in so far as it relates to msn 31406 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>
29	920150	<p>Lease Agreement, dated as of December 20, 2011, between SE Helicopter (12) LLC and CHC Leasing (Ireland) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Lease Supplement No. 1, dated as of December 20, 2011, between SE Helicopter (12) LLC and CHC Leasing (Ireland) Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Specific Lease Agreement, dated as of December 20, 2011, between CHC Leasing (Ireland) Limited and CHC Ireland Limited, as the same has been or may from time to time be supplemented, modified or amended.</p> <p>Aircraft Lease General Terms Agreement, dated as of December 20, 2011, between CHC Leasing (Ireland) Limited and CHC Ireland Limited, but only in so far as it relates to msn 920150 and not any other aircraft, as the same has been or may from time to time be supplemented, modified or amended.</p>

This is **Exhibit "G"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.



A Commissioner for Taking Affidavits  
for British Columbia

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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	:	
<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>CHC GROUP LTD. et al.,</b>	:	<b>Case No. 16-31854 (BJH)</b>
	:	
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
-----	X	

**DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 363, AND 365  
OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY  
PROCEDURE 6004(h), 6006, AND 9019 AUTHORIZING THE DEBTORS TO ENTER  
INTO AND PERFORM UNDER THE 2017 OMNIBUS RESTRUCTURE AGREEMENT  
WITH AIRBUS HELICOPTERS (SAS) REGARDING CERTAIN OF THE DEBTORS'  
EXECUTORY CONTRACTS**

**THE DEBTORS HAVE REQUESTED A HEARING TO BE CONDUCTED ON THIS  
MATTER ON FEBRUARY 13, 2017 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR  
OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT**



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OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100  
COMMERCE ST., DALLAS, TEXAS 75242.

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY  
JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors  
in possession (collectively, the “**Debtors**”)<sup>1</sup>, respectfully represent as follows:

**Relief Requested**

1. The Debtors hereby submit this motion (the “**Motion**”), pursuant to sections 105(a), 363(b), and 365(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6004(h), 6006, and 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), respectfully requesting entry of an order, substantially in the form attached hereto as **Exhibit B** (the “**Order**”), authorizing the Debtors to enter into, and perform under, the 2017 Omnibus Restructure Agreement, between Airbus Helicopters (SAS) and the Debtors, dated as of January 24, 2017 (together with all exhibits and schedules thereto, the “**Restructure Agreement**”) regarding certain executory contracts between the Debtors and Airbus Helicopters (SAS) (“**Airbus**”) and settlement of related claims.

2. A redacted copy of the Restructure Agreement is attached hereto as **Exhibit C**.<sup>2</sup>

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<sup>1</sup> A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

<sup>2</sup> Contemporaneous with the filing of this Motion, the Debtors filed a *Motion for an Order Pursuant to 11 U.S.C. §§ 105(a) and 107(b) and Fed. R. Bankr. P. 9018 Authorizing the Filing of Certain Information Under Seal in Connection with the Debtors’ Motion for an Order Pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004(h), 6006, and 9019 Authorizing the Debtors to Enter Into and Perform Under the 2017 Omnibus Restructure Agreement with Airbus Helicopters (SAS)*



**Jurisdiction and Venue**

3. The United States Bankruptcy Court for the Northern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested herein are sections 105(a) and 363(b) of the Bankruptcy Code.

**Background**

4. On May 5, 2016 (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

5. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

**The Debtors’ Businesses**

6. The Debtors, together with their non-debtor affiliates (collectively, “**CHC**”), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies.

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*Regarding Certain of the Debtors’ Executory Contracts* requesting authorization to file certain confidential information contained in the Restructure Agreement under seal.

In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business, which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in the chapter 11 proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their business in the ordinary course.

7. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* [Docket No. 13] (the “**Del Genio Declaration**”).

#### **The CHC/Airbus Relationship**

8. Helicopters manufactured by Airbus are expected to make up a significant portion of the CHC's fleet on a go-forward basis. The Debtors' agreements with Airbus extend not only to the purchase of helicopters, spare parts, and other key services required to operate CHC's existing fleet, but also to other aspects of CHC's business, including its maintenance repair and overhaul business. Airbus provides critical licenses as well as technical and parts support to CHC's maintenance, repair and overhaul businesses. CHC and Airbus are parties to several executory contracts relating to the Debtors' helicopters, maintenance and other aspects of Debtors' operations that are fundamental to the Debtors' operations and ongoing success.

9. Airbus has filed certain proofs of claims alleging over \$4,603,409 of general unsecured claims and \$1,601,168 of administrative priority claims. In addition, the

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Debtors scheduled over \$467,268 in general unsecured claims held by Airbus and certain of its affiliates. These filed and scheduled claims are set forth below:

#Claim	Creditor	Debtor(s)	General Unsecured	Admin Priority
353	Airbus Helicopters (SAS)	Heli-One Canada ULC	\$65,776.05	\$27,295.18
365	Airbus Helicopters (SAS)	Heli-One (Norway) (AS)	\$4,537,633.72	\$1,573,873.10
Scheduled	Airbus Group Australia Pacific Ltd	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. CHC Helicopter Australia Pty, Ltd. Lloyd Helicopters Pty. Ltd.	\$3,260.51	
Scheduled	Airbus Group Australia Pacific Ltd	Heli-One (Norway) (AS)	\$179,059.35	
Scheduled	Airbus Helicopters Canada Limited	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. Lloyd Helicopters Pty. Ltd. CHC Helicopter Australia Pty, Ltd.	\$3,289.38	
Scheduled	Airbus Helicopters Simulation Center	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. CHC Helicopter Australia Pty, Ltd. Lloyd Helicopters Pty. Ltd.	\$142,500.06	
Scheduled	Airbus Helicopters Simulation Center	CHC Global Operations (2008) ULC	\$139,159.31	

**The Restructure Agreement**

10. During the pendency of the chapter 11 cases, the Debtors have engaged in extensive good-faith discussions and negotiations with Airbus with respect to their existing contracts and the claims associated therewith, in order to ensure a beneficial ongoing relationship between the parties. These discussions have culminated in the Restructure Agreement which, as stated, provides for a comprehensive contractual framework governing the relationship between the Debtors and Airbus post-emergence and the resolution of the various claims asserted by Airbus.

11. The Restructure Agreement provides for the termination or amendment of various executory contracts between the Debtors and Airbus, as well as the entry into certain new contracts upon emergence, as discussed in more detail below.<sup>3</sup>

- A. **Termination of Certain Existing Agreements.** The Restructure Agreement contemplates that the following agreements (the “**Airbus Terminated Agreements**”) will be terminated on the Effective Date (as defined in the Restructure Agreement):
- i. The Damper PBH Contract (NCA-03-SCE 100) dated January 9, 2003, by and among Airbus and Heli-One Norway (AS) (“**Heli-One**”), as successor to ASTEC NW, as amended and supplemented, which sets forth the scope of work, pricing and terms for part and technical support for the EC225 and EC332L2 dampers;
  - ii. The EC155 PBH Contract (PBH EC155B&B1) dated January 6, 2006, by and among Airbus Group Australia Pacific Ltd (previously called Australian Aerospace Limited) and Heli-One, which sets forth the conditions on which parts and technical support was received. The final helicopters covered by this contract will be consensually removed from

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<sup>3</sup> Capitalized terms used in this section but not otherwise defined shall have the meaning ascribed to them in the Restructure Agreement. The summary of the terms of the Restructure Agreement contained in this Motion is qualified in its entirety by the terms of the Restructure Agreement. To the extent the Motion and the Restructure Agreement are inconsistent, the Restructure Agreement shall control.

coverage under this contract.

- B. **Amendments of Certain Agreements.** The Restructure Agreement contemplates that the following agreements (the “**Airbus Amended Agreements**”) will be amended and revised as set forth below:
- i. Helicopter Purchase Agreement (EC No 225.118/2011) dated September 13, 2011, by and among Airbus (previously called Eurocopter) and CHC Leasing (Ireland) Designated Activity Company (previously called CHC Leasing (Ireland) Ltd.), relating to the purchase of Airbus helicopter model EC 225 helicopters, will be amended and revised on the Effective Date as set forth in Amendment 3 to Purchase Agreement No. 225.118/2011 and the associated letter agreements referenced therein, all in the form of Exhibit 1 to the Restructure Agreement, which sets forth adjusted order provisions on a go-forward basis;
  - ii. Colorado RCA 555-2010 dated June 9, 2010, by and among Airbus and Heli-One American Support LLC, shall be amended and revised on the Effective Date as set forth in Amendment No. 4 to Colorado RCA (RCAM-555-2010) and the associated letter agreements referenced therein, all in the form of Exhibit 2 to the Restructure Agreement, which authorizes Heli-One to continue to perform specific maintenance and overhaul tasks on certain Airbus helicopter types and certain Airbus components for certain customers in specific regions;
  - iii. EC135/EC145 Contract dated January 6, 2014, by and among Airbus Group Australia Pacific Ltd (previously called Australian Aerospace Limited) and Heli-One, shall be amended and revised on the Effective Date as set forth in Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) and the associated letter agreements referenced therein, all in the form of Exhibit 3 to the Restructure Agreement, which sets forth the ongoing scope of work, pricing and terms, under which parts and technical support for the Airbus helicopter type EC135 and EC145 are to be sourced;
  - iv. Amendment Nos. 18 and 19 to the Damper PBH Contract (NCA-03-SCE 100), dated January 9, 2003, shall be approved and effective as of the Effective Date, all in the form of Exhibit 4 to the Restructure Agreement, which sets forth the ongoing scope of work, pricing and terms for support of part and technical support for EC225 and EC332L2 dampers.
- C. **Entry into New Agreements.** The Restructure Agreement provides that on or after the Effective Date, the parties will enter into the following new

agreements:

- i. A new Norway RCA Agreement, by and among Airbus and Heli-One, relating to the licensing of Heli-One Norway (AS) (“**Heli-One**”), effective as of January 1, 2018, as set forth in Exhibit 5 to the Restructure Agreement, to perform specific maintenance and overhaul tasks on certain Airbus helicopter types and certain Airbus components for certain customers in specific regions;
  - ii. A new Damper PBH Contract, entered into as of the Effective Date, by and among Airbus and Heli-One, as set forth in Exhibit 6 to the Restructure Agreement, which sets forth the scope of work, pricing and terms for part and technical support for the EC225 and EC332L2 dampers;
  - iii. A new HUMS Contract, entered into as of the Effective Date, by and among Airbus and CHC Group Ltd., as set forth in Exhibit 7 to the Restructure Agreement, which sets forth the scope of work, and condition for which support is received for the Health Usage Monitoring System (HUMS), a system that records the status of critical systems and components on helicopters.
- D. **Reaffirmation of Norway RCA 671-2012.** Lastly, the Restructure Agreement provides that the Norway RCA Agreement (RCEA-671-2012) dated January 17, 2013, by and among Airbus and Heli-One (the “**Norway RCA Agreement**”, together with the Airbus Terminated Agreements and the Airbus Amended Agreements, the “**Airbus Existing Agreements**”), under which Airbus authorized performance of maintenance services for certain agreed Airbus helicopter models, as amended and supplemented, will be reaffirmed and assumed, without being amended or revised, on the Effective Date.

12. The Restructure Agreement also contains a comprehensive resolution and global settlement of the various claims and cure amounts associated with the Airbus Existing Agreements. More specifically, upon the Effective Date, Airbus will be entitled to a settlement payment of \$2,693,328 (the “**Settlement Payment**”) in full satisfaction of any and all Airbus Claims (as defined in the Restructure Agreement), including but not limited to all general unsecured claims and priority administrative expense claims asserted by Airbus on behalf of itself or its Affiliates (as defined in the Restructure Agreement) under the Airbus Existing

Agreements. Upon receipt of the Settlement Payment, Airbus and its Affiliates shall be deemed to have waived all Airbus Claims without further action required by any of the Debtors or Airbus, including but not limited to their scheduled and filed proofs of claims that constitute Airbus Claims, which shall be withdrawn from the Debtors' claims register.

13. In addition, pursuant to the Restructure Agreement, Airbus shall issue for the benefit of the Debtors, two credit notes (each, a "**Credit Note**"), which shall be effective in 2017 and 2018. Each Credit Note issued shall be fully available and useable by CHC without any restrictions.

**Basis for Relief**

**The Debtors Should Be Authorized to Enter into the Restructure Agreement Pursuant to Sections 105(a), 363(b) and 365(a) of the Bankruptcy Code**

14. The Bankruptcy Code authorizes the use of property outside the ordinary course of business with court approval and given a valid business reason. More specifically, section 363 of the Bankruptcy Code, in pertinent part, authorizes a debtor in possession to "use, sell, or lease, other than in the course of business, property of the estate," after notice and a hearing. 11 U.S.C. § 363(b)(1). Although section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts routinely authorize the use of debtor's property if it is based upon the reasonable business judgment of the debtor. *See, e.g., Institutional Creditors of Cont'l Air Lines, Inc. v. Cont'l Air Lines, Inc. (In re Cont'l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.") (citing *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir.1983)); *In re ASARCO, LLC*, 441 B.R. 813, 830 (Bankr. S.D. Tex. 2010); *In re*

*Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Elpida Memory, Inc.*, No. 12-10947 (CSS), 2012 WL 6090194, at \*5 (Bankr. D. Del. Nov. 20, 2012); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999).

15. The standard for approval of the use of property outside the ordinary course of business is a deferential one. *See GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (Bankr. N.D. Tex. 2005) (“[g]reat judicial deference is given to the Trustee’s exercise of business judgment.”)

16. In addition, the Court also may grant the requested relief pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, which provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

17. The Debtors believe that the comprehensive agreement and framework set forth in the Restructure Agreement is a valid exercise of their business judgment and that entry into the Restructure Agreement is consistent with their fiduciary duties to maximize value for their estates and creditors. The treatment of the Airbus Existing Agreements and the related claims thereunder contained in the Restructure Agreement will provide the Debtors with the opportunity to continue their contractual relationship with Airbus post-emergence basis on more favorable terms. In addition, the Debtors will be able to avoid costly, and potentially lengthy, litigation that would distract the Debtors from their restructuring efforts and diminish their limited liquidity. Accordingly, the Debtors respectfully request that the court enter the Order authorizing the Debtors to enter into, and perform under, the Restructure Agreement.

18. Further, Section 365(a) allows the debtor in possession to maximize the value of a debtor’s estate by assuming executory contracts or unexpired leases that benefit the



estate and by rejecting those that do not. *In re Nat'l Gypsum Co.*, 208 F.3d 498, 505 (5th Cir. 2000). A court should approve a decision to assume or reject an executory contract or unexpired lease pursuant to section 365 if based on a sound exercise of the debtor's business judgment. *See Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985); *see also In re Wolflin Oil, L.L.C.*, 318 B.R. 392, 396 (Bankr. N.D. Tex. 2004) (same).

19. Based on the foregoing, the Debtors respectfully submit that the decision to enter into the Restructure Agreement and assume, as amended, the Airbus Amended Agreements, and to reaffirm the Norway RCA Agreement, as part of the Restructure Agreement, represents a reasonable exercise of the Debtors' business judgment. As the Restructure Agreement reaffirms the Norway RCA Agreement and modifies the terms of the Airbus Amended Agreements relating to helicopters, maintenance and other critical aspects of the Debtors' operations while allowing the Debtors to realize cost savings, the Debtors submit that assuming these agreements, as reaffirmed or amended pursuant to the Restructure Agreement, is in the best interests of the Debtors' estates. Further, the Restructure Agreement provides a framework for the Debtors and Airbus to continue a business relationship post-emergence. Given this relationship's critical importance to the operations and ongoing success of the Debtors, assumption of the agreements, as amended in the Restructure Agreement, represents a reasonable exercise of the Debtors' business judgment and will benefit the Debtors and their estates.

20. Similarly, the Debtors submit that, pursuant to section 365 of the Bankruptcy Code, the Court should authorize the rejection of the Airbus Termination Agreements, as those agreements are no longer needed for the Debtors operations and will be

replaced with new Airbus agreements under the Restructure Agreement. Accordingly, the Airbus Termination Agreements are no longer beneficial for the Debtors' operations.

21. The Debtors believe they have sound business reasons to enter into, and perform under, the Restructure Agreement and that entry into the Restructure Agreement is consistent with their fiduciary duties to maximize value for their estates and creditors.

**The Settlement Contained in the Restructure Agreement Should Be Approved Pursuant to Bankruptcy Rule 9019(a)**

22. In addition, the settlement embodied in the Restructure Agreement should be approved pursuant to Bankruptcy Rule 9019. A bankruptcy court may approve a settlement in accordance with Bankruptcy Rule 9019, which provides that “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Fed. R. Bankr. P. 9019(a).

23. “Compromises are ‘a normal part of the process of reorganization,’” *Protective Comm. for Indep. S’holders of TMT Trailer Ferry Inc., v. Anderson*, 390 U.S. 414, 424 (1968), and are favored in bankruptcy because they minimize litigation costs and further the parties’ interest in expediting the administration of the bankruptcy case. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996); *In re Bond*, 1994 U.S. App. Lexis 1282, \*9-\*14 (4th Cir. 1994). “One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves.” *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005).

24. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); 9 Collier on Bankruptcy at ¶ 9019.02. Approval of a settlement is appropriate “when the settlement is fair and equitable and the best interests of the estate.” *Official Committee of*

*Unsecured Creditors v. Moeller (In re Age Refining, Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015); *In re Heritage Organization, LLC*, 375 B.R. 230, 260 (Bankr. N.D. Tex. 2007). In determining whether to approve a settlement, courts in the Fifth Circuit have applied a three factor test with a focus on comparing “the terms of the compromise with the likely rewards of litigation.” *In re Age Refining, Inc.*, 801 F.3d at 540 (citing *In re Jackson Brewing Co.*, 624 F.2d 599, 607 (5th Cir. 1980)). A bankruptcy court must evaluate: (a) the probability of success in the litigation, with due consideration for the uncertainty in fact and law, (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (c) all other factors bearing on the wisdom of the compromise. *See In re Age Refining, Inc.*, 801 F.3d at 540; *In re Cajun Elec. Power Coop.*, 119 F.3d 349, 356 (5th Cir. 1997); *In re Jackson Brewing Co.*, 624 F.2d at 607; *In re Mirant Corp.*, 348 B.R. 725, 739-40 (Bankr. N.D. Tex. 2006). Furthermore, “[u]nder the rubric of the third, catch-all provision, [the Fifth Circuit has] specified two additional factors that bear on the decision to approve a proposed settlement.” *Id.* These “other factors” include consideration of (i) “the best interest of creditors, with proper deference to their reasonable views;” and (ii) “the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.” *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; *see also In re Age Refining, Inc.*, 801 F.3d at 540.

25. “In evaluating a Rule 9019 settlement, a bankruptcy court does not ‘conduct a mini-trial to determine the probable outcome of any claims waived in the settlement.’” *In re Age Refining*, 801 F.3d at 541. “Rather, the bankruptcy court must apprise [itself] of the relevant facts and law so that [it] can make an informed and intelligent decision.” *Id.*; *see also TMT Trailer Ferry*, 390 U.S. at 425 (noting that a court should “compare the terms of the compromise with the likely rewards of litigation”); *In re Cajun Elec. Power Coop.*, 119

F.3d at 356; *In re Heritage Organization, LLC*, 375 B.R. at 260 (“it is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement. The judge need only apprise himself of the relevant facts and law so that he can make an informed and intelligent decision....”); *In re Mirant*, 348 B.R. at 741, n.36 (“For a settlement to meet the best interests test, the amount being paid or received by the estate (or, here, Mirant) need only be within the extremes of the range.”); *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004)) (holding that a court need not be convinced that the proposed settlement is the best possible outcome, rather “[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.”).

26. In the Debtors’ business judgment, the resolution (including, without limitation, the settlement of the Airbus Claims) embodied in the Restructure Agreement is fair and equitable and in the best interest of the Debtors, their estates and creditors, and should be approved. In addition to providing the Debtors with clarity on the treatment of the Airbus Existing Agreements, the Restructure Agreement also provides for a prompt and complete global resolution of the Airbus Claims. Such claims, if litigated, could be distracting, impose significant demands on certain of the Debtors’ personnel, and result in significant litigation costs. Failure to approve the Restructure Agreement could result in extensive and protracted litigation that could drain the Debtors’ limited liquidity and adversely impact their ability to timely emerge from chapter 11. In addition, such litigation may impair the Debtors’ ability to utilize Airbus’ services with respect to various helicopters in CHC’s fleet.

27. Lastly, the Restructure Agreement is the product of lengthy good faith, arm's length negotiations between the Debtors and Airbus that culminated in a global settlement that falls well within the range of reasonable litigation outcomes. Accordingly, each of the applicable factors weighs in favor of approving the Restructure Agreement.

28. Based on the foregoing, the Debtors respectfully request that the Court authorize the Debtors to enter into, and perform under, the Restructure Agreement as such action is a reasonable exercise of the Debtor's business judgment and is supported by a good business reason.

**The Assumption of the Airbus Assumed Agreements Under the Restructure Agreement Represents a Sound Exercise of Business Judgment and Should Be Approved**

29. Section 365 allows the debtor in possession to maximize the value of a debtor's estate by assuming executory contracts or unexpired leases that benefit the estate and by rejecting those that do not. *In re Nat'l Gypsum Co.*, 208 F.3d 498, 505 (5th Cir. 2000). A court should approve a decision to assume or reject an executory contract or unexpired lease pursuant to section 365 if based on a sound exercise of the debtor's business judgment. *See Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985); *see also In re Wolflin Oil, L.L.C.*, 318 B.R. 392, 396 (Bankr. N.D. Tex. 2004) (same). Section 365 of the Bankruptcy Code provides as follows:

(a) Except as provided in . . . subsections (b), (c), and (d) of this section, the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor.

(b)(1) If there has been a default in an executory contract or unexpired lease of the debt the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee:

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default . . . ;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

*See* 11 U.S.C. §§ 365(a), (b)(1).

30. The Debtors submit that assumption of the Airbus Amended Agreements, as amended, and assumption of the Norway RCA Agreement (together with the Airbus Amended Agreements, the “**Airbus Assumed Agreements**”) represents a reasonable exercise of the Debtors’ business judgment and will benefit the Debtors’ estates. As described above, the assumption of the Airbus Assumed Agreements, as amended by the Restructure Agreement (wherever applicable), provides significant benefits to the Debtors and their estates, including the ability to continue to provide to, and receive services from, Airbus on a go-forward basis.

31. Moreover, pursuant to the Restructure Agreement, Airbus has agreed to the assumption of the Airbus Assumed Agreements on the terms and conditions discussed therein and herein.

#### **Rule 6004(h) Waiver**

32. The Debtors respectfully request that any order approving this Motion be effective immediately, thereby waiving the 14-day stay period imposed by Bankruptcy Rule 6004(h). Waiver of the stay period is necessary for the Restructure Agreement to be implemented as expeditiously as possible and within the time frames contemplated by the parties.

#### **Notice**

33. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the

Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to Airbus; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

**No Prior Request**

34. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to enter into, and perform under, the Restructure Agreement and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York  
January 24, 2017

By: /s/ Jasmine Ball  
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*Attorneys for Debtors and Debtors in  
Possession*



**EXHIBIT A****Debtors**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

**Exhibit B**

**Proposed Form of Order**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

-----	x	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16– 31854 (BJH)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	x	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO  
SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES  
OF BANKRUPTCY PROCEDURE 6004(h), 6006, AND 9019 AUTHORIZING THE  
DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS  
RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING  
CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS

Upon the motion dated January 24, 2017 (the “**Motion**”)<sup>1</sup> of CHC Group Ltd. and its  
above-captioned debtor affiliates (collectively, the “**Debtors**”), pursuant to sections 105(a),  
363(b), and 365(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules  
6004(h), 6006, and 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy**

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

**Rules**”), respectfully requesting entry of an order authorizing the Debtors to enter into, and perform under, the 2017 Omnibus Restructure Agreement, between Airbus Helicopters (SAS) and the Debtors, dated as of January 24, 2017 (together with all exhibits and schedules thereto, the “**Restructure Agreement**”) regarding certain executory contracts between the Debtors and Airbus Helicopters (SAS) (“**Airbus**”) and settlement of related claims, and upon consideration of the Del Genio Declaration, and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and

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Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.
2. Pursuant to sections 105(a), 363(b)(1) and 365(a) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Restructure Agreement.
3. The Restructure Agreement, and the transactions contemplated therein, represent a valid exercise of the Debtors’ business judgment and are hereby approved in their entirety.
4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Restructure Agreement.
5. Subject to the occurrence of the Effective Date, the Debtors are authorized to assume, pursuant to section 365 of the Bankruptcy Code, the Airbus Assumed Agreements (as defined in the Motion), as amended by the Restructure Agreement.

6. Subject to the occurrence of the Effective Date, pursuant to section 365 of the Bankruptcy Code, the Airbus Terminated Agreements shall be deemed rejected and terminated.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

*/s/ Jasmine Ball*

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Richard F. Hahn (*pro hac vice*)  
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*Attorneys for Debtors and Debtors in Possession*

**Exhibit C**

**The Restructure Agreement**



2017 OMNIBUS RESTRUCTURE AGREEMENT

between

AIRBUS HELICOPTERS (SAS) AND ITS AFFILIATES

and

CHC GROUP, LTD AND ITS AFFILIATES

THIS 2017 OMNIBUS RESTRUCTURE AGREEMENT ("**2017 Omnibus Restructure Agreement**") is entered into as of January 24, 2017, by and between Airbus Helicopters (SAS), a French societe par actions simplifiee with offices in Marignane, France ("**Airbus**") and CHC Group, Ltd., a Cayman limited liability corporation with offices in Irving, Texas, together with its Affiliates and their successors and permitted assigns ("**CHC**" or "**Customer**", and together with Airbus, individually, a "**Party**", and collectively, the "**Parties**");

WHEREAS, Airbus (previously called Eurocopter) and CHC Leasing (Ireland) Designated Activity Company (previously called CHC Leasing (Ireland) Ltd.) entered into Helicopter Purchase Agreement (EC No 225.118/2011) dated September 13, 2011, relating to the purchase of Airbus helicopter model EC 225 helicopters, as amended and supplemented ("**Purchase Agreement No. 225.118/2011**");

WHEREAS, Airbus and Heli-One Norway (AS) ("**Heli-One**") entered into Norway RCA Agreement (RCEA-671-2012) dated January 17, 2013, under which Airbus authorized performance of maintenance services for certain agreed Airbus helicopter models, as amended and supplemented ("**Norway RCA 671-2012**");

WHEREAS, Airbus and Heli-One American Support LLC entered into Colorado RCA (RCAM-555-2010) dated June 9, 2010, under which Airbus authorized Heli-One American Support LLC to perform maintenance Services for certain agreed Airbus helicopter models as amended and supplemented ("**Colorado RCA 555-2010**");

WHEREAS, Airbus and Heli-One, as successor to ASTEC NW, entered into Damper PBH Contract (NCA-03-SCE 100) dated January 9, 2003, relating to maintenance services for Super Puma dampers, as amended and supplemented ("**Damper PBH Contract**");

WHEREAS, Airbus Group Australia Pacific Ltd (previously called Australian Aerospace Limited) and Heli-One entered into EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) dated January 6, 2014, relating to maintenance services of the Airbus Helicopter model EC135 and EC145 helicopters, as amended and supplemented ("**EC135/EC145 Contract**");

WHEREAS, Airbus and Heli-One entered into EC155 PBH Contract (PBH EC155B&B1) dated January 6, 2006, relating to maintenance services of the Airbus Helicopter model EC155 helicopters, as amended and supplemented ("**EC155 Contract**");

WHEREAS, Airbus and Heli-One will, upon CHC's emergence from its current voluntary bankruptcy case (the "**Bankruptcy Case**") under title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Northern District of Texas (the "**Bankruptcy Court**"), enter into a new Norway RCA Agreement that will become effective on January 1, 2018, under which Airbus authorizes Heli-One to perform maintenance services for certain agreed Airbus helicopter models ("**New Norway RCA**");

WHEREAS, Airbus and Heli-One will, upon CHC's emergence from the Bankruptcy Case, enter into a new Damper PBH Contract relating to maintenance services of Super Puma dampers, which will only become effective on the Final Approval Date ("**New Damper PBH**");

WHEREAS, Airbus and Heli-One will, upon CHC's emergence from the Bankruptcy Case, enter into a new HUMS Contract relating to software and technical support for the HUMS product, which will only become effective on the Final Approval Date ("**New HUMS Contract**");

WHEREAS, Airbus and Customer have existing agreements in place and will reaffirm certain existing agreements, amend certain existing agreements, and enter into new agreements with specified effective dates as overviewed herein and referenced in Schedule A attached hereto ("**Airbus Reaffirmed Agreements**"), Schedule B attached hereto ("**Airbus Amended Agreements**"), Schedule C attached hereto ("**Airbus New Agreements**") and Schedule D attached hereto ("**Airbus Terminated Agreements**");

WHEREAS, Airbus acknowledges that Customer and certain of its Affiliates are debtors in possession ("**Debtors**") under the Bankruptcy Code filed on May 5, 2016 ("**Petition Date**") and pending in the Bankruptcy Court ("**Pending Cases**");

WHEREAS, the Parties desire to restructure and amend the Purchase Agreement No. 225.118/2011, Colorado RCA 555-2010, and EC135/EC145 Contract in accordance with and subject to certain terms and conditions listed herein;

WHEREAS, the Parties desire to enter into the New Norway RCA, New Damper PBH and New HUMS Contract in accordance with and subject to certain terms and conditions listed herein;

WHEREAS, the Parties desire to terminate the Damper PBH Contract and the EC155 Contract in accordance with and subject to certain terms and conditions listed herein;

WHEREAS, subject to the terms and conditions herein, Airbus and Customer desire that Customer assume the Airbus Amended Agreements (as amended by this 2017 Omnibus Restructure Agreement and the applicable Amending Documents), and to reject the Airbus Terminated Agreements, each in accordance with Section 365 of the Bankruptcy Code, and that Customer and Airbus otherwise reaffirm and agree that the Airbus Reaffirmed Agreements are to remain in effect in accordance with their existing terms;

WHEREAS, the Parties desire to resolve certain claims of Airbus and its Affiliates that have been asserted or may be asserted in the Pending Cases, and to agree upon mutual releases of other claims between Customer and its Affiliates and Airbus and its Affiliates as set forth herein.

NOW THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, Customer and Airbus hereby agree as follows:

**1. Definitions.**

(a) *Affiliate* means any individual, partnership, corporation, or other entity of whatever nature, directly or indirectly controlling or controlled by or under direct or indirect common control with another individual, partnership, corporation, or other entity of whatever nature. For purposes of this definition, "control" means the possession, directly or indirectly, of at least fifty percent (50%) of the voting equity of another entity (or other comparable interest for an entity other than a corporation), by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(b) *Amending Documents* means Amendment No. 3 to the Purchase Agreement No.225.118/2011, Amendment No. 4 to Colorado RCA (RCAM-555-2010), Amendments No. 18 and 19 to the Damper PBH Contract and Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) that are to be executed and delivered by Airbus and Customer at Closing pursuant to this 2017 Omnibus Restructure Agreement and in the form of the applicable Exhibits attached hereto.

(c) *Assumption and Approval Order* means an order of the Bankruptcy Court (i) approving and authorizing the assumption, upon emergence, by Customer of the Airbus Amended Agreements (as amended by this 2017 Omnibus Restructure Agreement and the applicable Amending Documents) and the assumption by Customer of the Airbus Reaffirmed Agreements, (ii) approving and authorizing in all respects this 2017 Omnibus Restructure Agreement and all of the actions and transactions contemplated herein in accordance with the terms hereof and thereof, and (iii) issued by the Bankruptcy Court under and pursuant to the appropriate provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, including, without limitation 11 U.S.C. §§105, 363 and 365 and Federal Rules of Bankruptcy Procedure 9014 and 9019, and following such notice and opportunity for a hearing as provided by the rules of the Bankruptcy Court and the Bankruptcy Code. The Parties acknowledge that the proposed form of the

Assumption and Approval Order submitted to the Bankruptcy Court by Customer in connection with a motion requesting such approvals and authorizations will be in a form determined reasonably satisfactory to both Parties. Any such determination on behalf of Airbus will only apply to such portions of the Assumption and Approval Order that relate to the approvals and authorizations required of the Bankruptcy Court in regard to this 2017 Omnibus Restructure Agreement, and such determination will not be unreasonably withheld or delayed by Airbus.

(d) **CHC Payments** means the payment required under Section 8 below which shall be a condition precedent, for the sole benefit of Airbus, for the effectiveness of the Amending Documents and the Airbus New Agreements and the Airbus obligations under this 2017 Omnibus Restructure Agreement including without limitation the obligations under Section 8 (e)(ii), (f), (g) and (h).

(e) **Closing** means the execution and delivery by Airbus and Customer of duplicate counterpart originals of each of the Closing Documents, and the completion of all other Closing Actions as defined in and set forth in Section 2(g), below.

(f) **Closing Documents** means the Amending Documents and the Exhibits attached hereto.

(g) **Conditions Precedent** means each of the conditions precedent set forth in Section 2 (a) below.

(h) **Effective Date** means the date and time the Closing is effected and all Closing Actions completed as provided in Section 2 (g) below.

(i) **Execution Date** means the date of Airbus and Customer entering into this 2017 Omnibus Restructure Agreement as set forth on the first page hereof.

(j) **Existing Agreements** means the Helicopter Purchase Agreement (EC No 225.118/2011), Norway RCA 671-2012, Colorado RCA 555-2010, Damper PBH Contract (NCA-03-SCE 100), EC135/145 Contract (AAL/AH/H1-PBH 135/145) and EC155 PBH Contract (PBH EC155B&B1).

(k) **Final Approval Date** means the first date upon which both of the following events have occurred: (i) the Assumption and Approval Order has been entered on the docket of the Bankruptcy Court, and (ii) such Assumption and Approval Order is in full force and effect and is not, in any way, stayed as to its effectiveness, including by order of the Bankruptcy Court or pursuant to Federal Rule of Bankruptcy Procedure 6004(h) or otherwise.

(l) **Knowledge** means, with respect to a Party, the actual knowledge of the person or persons acting on behalf of such Party or an Affiliate of such Party and primarily responsible for the negotiation and finalization of this 2017 Omnibus Restructure Agreement; and for the avoidance of doubt, and absent such actual knowledge, this term

shall not include any knowledge imputed to, or otherwise deemed to be possessed by, any such person or persons.

(m) All other capitalized terms used herein but not otherwise defined in this 2017 Omnibus Restructure Agreement shall have the same meaning assigned in the Existing Agreements, as applicable in connection with the context in which used.

**2. Effectiveness and Conditions Precedent.**

(a) The Closing, and simultaneous occurrence of the Effective Date, shall be subject to the satisfaction of all of the following Conditions Precedent:

- (i) Customer has assumed, pursuant to section 365 of the Bankruptcy Code, each of the Airbus Amended Agreements as amended by this 2017 Omnibus Restructure Agreement and the Amending Documents, and each of the Airbus Reaffirmed Agreements; provided that notwithstanding anything to the contrary set forth in this 2017 Omnibus Restructure Agreement, the Airbus Amended Agreements (each as amended by the Amending Documents), the Airbus Reaffirmed Agreements, shall only be deemed assumed pursuant to section 365 of the Bankruptcy Code upon Closing;
- (ii) The Bankruptcy Court shall have issued an Assumption and Approval Order and such order shall be in full force and effect and not subject to any stay at the time of Closing;
- (iii) Customer shall have rejected or filed with the Bankruptcy Court a motion or notice to reject pursuant to Section 365 of the Bankruptcy Code the Airbus Terminated Agreements (or shall have listed such rejected agreements on the Customer's plan supplement schedules); and
- (iv) The earlier to occur of (x) substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of the Second Amended Joint Chapter 11 Plan of CHC Group, Ltd. And Its Affiliated Debtors, filed on December 19, 2016 (as amended and supplemented from time to time, the "Plan") and (y) the effective date (as defined in the Plan) of the Plan.

(b) Satisfaction of the Conditions Precedent set forth above may be waived in whole or in part by Customer or Airbus at or prior to Closing, in each case in the sole discretion of the Party benefiting from such Condition Precedent.

(c) There shall be no other conditions to the effectiveness of the Closing Documents or this 2017 Omnibus Restructure Agreement, other than the conditions precedent set forth in Section 2(a) and the completion of all Closing Actions as set forth in Section 2(g).

(d) If the Assumption and Approval Order entered by the Court imposes material conditions upon Airbus or Customer that are not in the proposed form of the Assumption and Approval Order as determined reasonably satisfactory by Airbus and Customer in accordance with the provisions of Section 1(d) of this 2017 Omnibus Restructure Agreement and that materially restrict the rights of Airbus or Customer as contemplated herein or impose material obligations upon Airbus or Customer other than as contemplated herein, such conditions set forth in the Assumption and Approval Order must be reasonably satisfactory to the applicable Party upon which such conditions are imposed in order for the Conditions Precedent set forth in clause (a)(ii) of this Section 2 to be considered satisfied. Each Party shall be entitled, at its discretion, to object to the material conditions imposed by the Court and terminate this 2017 Omnibus Restructure Agreement by sending a written notice to the other Party, specifying in detail any such conditions which are not satisfactory within ten (10) calendar days after the entry of such Assumption and Approval Order. Each Party shall be deemed to have no objection to any such conditions and to have deemed such conditions reasonably satisfactory if the Party has not given a written notice to the other Party in accordance with the proceeding sentence.

(g) Provided that all Conditions Precedent have been satisfied or waived in writing at or prior thereto, a Closing shall be held as promptly as possible following the Final Approval Date, but no later than 10:00 am local time on the tenth (10<sup>th</sup>) calendar day thereafter, or at such other date and time as the parties may mutually agree in writing. Closing shall be held at Airbus' offices in France, unless otherwise agreed. Should any Conditions Precedent not be satisfied or waived in writing as of the scheduled date and time of Closing, then subject to the provisions of Section 11 below, the Closing shall be continued until the first calendar day thereafter on which all Conditions Precedent are satisfied or waived in writing as provided in this Section 2; provided that, notwithstanding anything to the contrary in this 2017 Omnibus Restructure Agreement, Airbus and Customer shall have no obligation to participate in, or effect, the Closing if the Conditions Precedent are not fully satisfied or waived in writing as permitted herein on or before June 30, 2017. At Closing, the following actions shall take place (*Closing Actions*):

(i) Airbus and Customer shall execute and deliver to each other duplicate counterpart originals of each of the Closing Documents;

(ii) Each of Customer and Airbus and the applicable Affiliates of Airbus (including Airbus Group Australia Pacific Ltd.) and Customer, respectively, will take such actions and execute and deliver to each other such documentation as reasonably required to effect the matters set forth in Section 8 below;

(iii) Customer will make the payments required under Section 8 below;

(iv) Airbus will issue to Customer the Credit Notes required in, and defined in, Section 7 below; and

(v) Each of Customer and Airbus, respectively, will execute such additional documents and take such further actions as reasonably requested by the other and necessary to implement the provisions of this 2017 Omnibus Restructure Agreement in accordance with the terms hereof.

Upon completion of the Closing Actions, (i) the Airbus Amended Agreements, as amended by this 2017 Omnibus Restructure Agreement and the Amending Documents, and to the extent applicable the Airbus Reaffirmed Agreements, shall be deemed assumed pursuant to section 365 of the Bankruptcy Code, (ii) the Closing Documents, and all other matters that the terms and conditions of this 2017 Omnibus Restructure Agreement provide will be effective upon or take place upon or after the Effective Date, including, without limitation, the provisions of Section 8(h) and Section 8(i), shall be effective, binding and enforceable in accordance with their respective terms, and (iii) Closing shall be deemed effected and completed. Entry into this 2017 Omnibus Restructure Agreement does not constitute an obligation of Customer to assume or reject, nor constitute or be construed as an assumption, rejection, or assumption and assignment of the Existing Agreements, the Reaffirmed Agreements, or any other applicable agreement referenced herein (including Contract No. 611/2013 for the performance of repair services in the frame of support and service activities and including for the avoidance of doubt, the agreements under which the claims listed in Section 8(a) were filed or scheduled) ("**Referenced Agreements**"), nor cause any of the Referenced Agreements to become a new post-petition agreement binding and enforceable upon Customer, except upon Closing and only in accordance with the terms and conditions herein. In addition, entry into this 2017 Omnibus Restructure Agreement does not impact Airbus' rights under the Bankruptcy Code or applicable law with respect to the Customer's determination whether to assume or reject the Referenced Agreements or Customer's defenses or objections related thereto, provided that Airbus agrees not to assert that the Referenced Agreements are post-petition agreements. Additionally, entry into this 2017 Omnibus Restructure Agreement or any performance by Customer or Airbus hereunder shall not affect any rights of Customer or Airbus under the Bankruptcy Code, except as specifically provided herein (including, without limitation, as provided in the last sentence of Section 8(h) hereof) upon the occurrence of the Effective Date.

### **3. Reaffirmation Relating to Restructuring**

(a) Norway RCA Agreement (RCEA-671-2012) shall be reaffirmed, without being amended and revised, on the Effective Date.

### **4. Amendments Relating to Restructuring.**

(a) Purchase Agreement No. 225.118/2011 shall be amended and revised on the Effective Date as set forth in Amendment No. 3 to Purchase Agreement No. 225.118/2011 and the associated letter agreements referenced therein, all in the form of Exhibit 1 hereto.

(b) Colorado RCA 555-2010 shall be amended and revised on the Effective Date as set forth in Amendment No. 4 to Colorado RCA (RCAM-555-2010) and the associated letter agreements referenced therein, all in the form of Exhibit 2 hereto.

(c) EC135/EC145 Contract shall be amended and revised on the Effective Date as set forth in Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) and the associated letter agreements referenced therein, all in the form of Exhibit 3 hereto.

(d) Amendment Nos. 18 and 19 to the Damper PBH Contract (NCA-03-SCE 100), dated January 9, 2003, shall be approved and effective as of the Effective Date, all in the form of Exhibit 4.

**5. New Agreements Relating to Restructuring.**

(a) The Parties shall enter into the New Norway RCA on the Effective Date in the form of Exhibit 5 hereto, which agreement shall not be effective until January 1, 2018.

(b) The Parties shall enter into the New Damper PBH on the Effective Date in the form of Exhibit 6 hereto.

(c) The Parties shall enter into the New HUMS Contract on the Effective Date in the form of Exhibit 7 hereto.

**6. Termination of Certain Existing Agreements; Related Credits; Certain Other Agreements.**

(a) The Damper PBH Contract shall be terminated on the Effective Date and Airbus will credit all dampers currently covered by the contract, except that those dampers on the helicopters with manufacturer serial numbers 2396, 2484, 2493, 2675 and 2930 (and their associated deposits) will be transferred to the New Damper PBH.

(b) The EC155 Contract shall be terminated on the Effective Date.

(c) At the Closing, Airbus will, as of the Effective Date and as further provided in Section 8 below, waive, discharge and release Customer from any liability whatsoever for or as a result of, and all rights and remedies of Airbus in connection with any existing defaults or payment delays under the Existing Agreements, including, but not limited to, any interest that Airbus may claim or has claimed to have been due as a result of such delay in payment and any rights or remedies of Airbus attributable to any claim that Customer is or was in default or breach of the Existing Agreements, or any other related agreements between Customer and Airbus by reason of any such delay in payment, provided, the waiver contained herein shall not relieve Customer from payment of the amounts due or to become due under the Referenced Agreements, as amended by the 2017 Omnibus Restructure Agreement, or for claims for the provision by Airbus and its Affiliates for goods and services provided to the Debtors under the Referenced Agreements which accrued or were incurred after the Petition Date (the “Post-Petition



**Obligations**”), which shall continue to be invoiced, paid and discharged in the ordinary course of business and in accordance with the payment terms in the Referenced Agreements. Nothing herein shall be construed as an admission by Customer as to any default in or breach of any such agreements or default or delay in any such payment, or the accrual or any liability of Customer for any such interest, or a waiver of Customer’s rights or defenses related to the Post-Petition Obligations.

#### 7. Credit Note Delivery.

On the Effective Date, Airbus shall issue two credit notes (each, a “**Credit Note**”) in the amount of \$857,924 each, with the first effective for 2017 and the second effective for 2018. Each Credit Note issued shall be fully available and useable by Customer, without any use restrictions. Notwithstanding that the currency related to the Credit Notes is set forth in U.S. Dollars, the calculations with respect to the usage of the Credit Notes will be calculated at the prevailing Euro/U.S. Dollar foreign exchange rate at each time the Credit Note is used or credited against usage.

#### 8. Cure of Prepetition Claims and Release of Claims

(a) Airbus and its Affiliates have claims (as defined in the Bankruptcy Code) for amounts which became due from Customer on or before the Petition Date (“**Bankruptcy Claims**”) in connection with the Pending Cases (collectively, the “**Airbus Claims**”) as described in more detail on Exhibit 8, including proofs of claim numbers 353 and 365 and claims which were scheduled by various Debtors, as set forth below:

#Claim	Creditor	Debtor(s)	General Unsecured	Admin Priority
353	Airbus Helicopters (SAS)	Heli-One Canada ULC	\$65,776.05	\$27,295.18
365	Airbus Helicopters (SAS)	Heli-One (Norway) (AS)	\$4,537,633.72	\$1,573,873.10
Scheduled	Airbus Group Australia Pacific Ltd	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. CHC Helicopter Australia Pty, Ltd. Lloyd Helicopters Pty. Ltd.	\$3,260.51	
Scheduled	Airbus Group Australia Pacific Ltd	Heli-One (Norway) (AS)	\$179,059.35	
Scheduled	Airbus Helicopters Canada Limited	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. Lloyd Helicopters Pty. Ltd. CHC Helicopter Australia Pty, Ltd.	\$3,289.38	
Scheduled	Airbus Helicopters Simulation Center	Lloyd Bass Strait Helicopters Pty. Ltd. Lloyd Helicopter Services Pty. Ltd. Lloyd Helicopters International Pty. Ltd. CHC Helicopter Australia Pty, Ltd. Lloyd Helicopters Pty. Ltd.	\$142,500.06	
Scheduled	Airbus Helicopters Simulation Center	CHC Global Operations (2008) ULC	\$139,159.31	

(b) Airbus represents and warrants that it owns and controls or otherwise has authority to settle one hundred percent (100%) of the Airbus Claims.

(c) Conditioned upon the occurrence of the Effective Date, Airbus waives, for and behalf of itself and each of its Affiliates, excluding for the avoidance of doubt, Vector Aerospace Financial Services Ireland Limited, Vector Aerospace Helicopter Services Inc. and Vector Aerospace International Limited (collectively, "*Vector*"), each of the Airbus Claims and agrees that each such claim may be disallowed. The Bankruptcy Claims asserted by Vector (the "*Vector Claims*") shall not constitute Airbus Claims hereunder and nothing in this Section 8 shall constitute a waiver of any party's right with respect to the Vector Claims. Prior to the occurrence of the Effective Date, nothing in this Section 8 shall constitute a waiver by Airbus of any liability or obligation or a waiver of any right with respect to any Airbus Claims.

(d) Airbus represents and warrants to Customer that the Airbus Claims constitute and at Closing will constitute any and all claims of Airbus and any Affiliates of Airbus (other than the Vector Claims) arising out of facts and circumstances occurring on or before the Petition Date that have been or may be asserted against Customer or any Affiliate of Customer in the Pending Cases. In the event that either of the Parties discover one or more Bankruptcy Claims of Airbus or any Affiliate of Airbus (other than and in addition to the Airbus Claims or Vector Claims), that have been filed in the Pending Cases arising out of facts and circumstances occurring on or before the Petition Date, then Airbus will, and will (as applicable) cause its Affiliates to, withdraw each of such additional Bankruptcy Claims. Airbus further agrees, for itself and on behalf of each of its Affiliates, and for the avoidance of doubt, that upon the Effective Date none of the Airbus Claims or any such additional Bankruptcy Claims shall form the basis for any claim that any event of default has occurred or is continuing under the Existing Agreement as amended or any other agreement related to this 2017 Omnibus Restructure Agreement, and none of the Debtors shall have any obligation or liability (whether directly or indirectly) with respect to such additional Bankruptcy Claims.

(e) Customer and Airbus, individually and on behalf of their respective Affiliates, agree that in full satisfaction of all Airbus Claims:

(i) On the Effective Date, Customer will pay to Airbus an amount equal to \$2,693,328, which will be paid in Euros at the applicable foreign exchange rate in effect on the Effective Date.

(ii) Upon the occurrence of the Effective Date, and in accordance with Section 6 of this 2017 Omnibus Restructure Agreement, Airbus (x) hereby completely and irrevocably waives, discharges and releases the Airbus Claims, and (y) agrees it shall not take any action whatsoever to recover, collect, or assert any of the Airbus Claims against Customer or any of its Affiliates, and (z) consents to the expungement of the Airbus Claims by Customer's claims agent.

(f) Airbus agrees that, upon the occurrence of the Effective Date and the payment by Customer of the amount due Airbus in Section 8(e)(i), above:

(i) Airbus will, and will (as applicable) cause its Affiliates to, withdraw each of the Airbus Claims, and

(ii) Airbus shall not and shall cause its Affiliates to not take any action whatsoever to recover, collect, or assert any of the Airbus Claims against Customer or any of its Affiliates.

(g) Upon the occurrence of the Effective Date and subject to the provisions of this Section 8, including, without limitation, Sections 8(h) and 8(j) below, Customer and each of its Affiliates (collectively, the “**Customer Release Parties**”) hereby completely and irrevocably releases, waives and discharges Airbus and its Affiliates, and any agent or trustee acting on behalf of any of the foregoing (collectively, the “**Airbus Release Parties**”), from all claims of any kind that any of the Customer Release Parties has, had, or may have arising out of facts and circumstances occurring on or before the date hereof against any of the Airbus Release Parties, in any way concerning or relating to the Referenced Agreements, provided that nothing in this Section 8(g) (or otherwise in this 2017 Omnibus Restructure Agreement or any of the exhibits attached hereto) shall be deemed or construed to alter or otherwise effect or change any rights or claims that CHC or any of its Affiliates may have against Airbus or any of its Affiliates arising out of accidents involving the EC225 and AS332 L2 helicopter types and the resulting regulatory actions, including, without limitation, the April 29, 2016 EC225 helicopter type accident near the Flesland Airport in Bergen, Norway and the resulting regulatory suspension of flight operations of such helicopter type. Nothing in this Section 8(g) (or otherwise in this 2017 Omnibus Restructure Agreement or any of the exhibits attached hereto) shall be deemed or construed to alter or otherwise affect or change any rights, defenses or claims, including, without limitation, any objections to jurisdiction, venue, forum or choice of law, that Airbus or its Affiliates may have should CHC or any of its Affiliates bring a claim against Airbus or any of its Affiliates arising out of accidents involving the EC225 and AS332 L2 helicopter types and the resulting regulatory actions, including, without limitation, the April 29, 2016 EC225 helicopter type accident near the Flesland Airport in Bergen, Norway and the resulting regulatory suspension of flight operations of such helicopter type, and, with respect to any such claims, nothing in this paragraph (or otherwise in this 2017 Omnibus Restructure Agreement) shall be argued, deemed or construed as consent by Airbus or its Affiliates to the jurisdiction of any court, including, without limitation, the United States Bankruptcy Court or the United States District Court for the Northern District of Texas, or any other federal or state court in the United States of America.

(h) Upon the occurrence of the Effective Date and subject to the provisions of this Section 8, including without limitation Sections 8(i) and 8(j) below, Airbus, for itself and on behalf of each of the other Airbus Release Parties, hereby completely and irrevocably releases, waives and discharges the Customer Release Parties from any and all liability under or for the Airbus Claims and any and all claims of any kind that Airbus or any of

the Airbus Release Parties has, had, or may have arising out of facts and circumstances occurring on or before the date hereof against the Customer Release Parties in any way concerning or relating to the Referenced Agreements, provided, such release shall not include (1) the Vector Claims and all rights the Parties may have with respect to the Vector Claims or (2) the Post-Petition Obligations, which Customer shall pay according to the credit terms provided in the Referenced Agreements, as amended in this 2017 Omnibus Restructure Agreement, and in the ordinary course of its business, however the Customer retains its rights to dispute any such amounts and such disputes shall be resolved in accordance with the terms and conditions of the Referenced Agreements.

(i) Notwithstanding anything to the contrary set forth in this Section 8, and without limiting in any way the terms of Section 8(j) hereof, nothing in this Section 8 shall, or shall be deemed or construed to, amend, alter, waive, limit, release, discharge or otherwise change any condition, obligation, or requirement of Customer or Airbus set forth in this 2017 Omnibus Restructure Agreement or in any Closing Document to be executed and delivered by Customer, Airbus, or any of the Airbus Release Parties on the Effective Date, or amend, alter, waive, limit, release, discharge or otherwise change any of the following

(i) any claims by or obligations, rights, defenses, objections, offsets, counterclaims or remedies of Airbus or Customer, or their respective Affiliates, that arise out of facts and circumstances first occurring after the date hereof;

(ii) any rights, defenses, objections, counterclaims or claims, or other waivers, credits or offsets specifically allowed under the terms of this 2017 Omnibus Restructure Agreement;

(iii) any rights, remedies or recovery, or rights of defense or offset, whether such claims arise before or after the Petition Date, with respect to a warranty, guarantee, or similar product support claim in connection with any Aircraft, Engine or Part (as such terms are defined in the Existing Agreements or any other applicable agreements) that is covered under the Existing Agreements, the Airbus Reaffirmed Agreements, or any other agreements,

(iv) the Post-Petition Obligations; or

(v) the Vector Claims.

(j) Airbus and Customer hereby agree that the Airbus Reaffirmed Agreements (i) have not been terminated, and (ii) to the Knowledge of each of Airbus and Customer, are not subject to any right of termination thereunder due to any fact or circumstance occurring on or prior to the date hereof, and (iii) are as of the date hereof, and upon the occurrence of the Effective Date, shall be and remain, in full force and effect in accordance with their terms.

(k) For the avoidance of doubt, notwithstanding anything to the contrary set forth in this 2017 Omnibus Restructure Agreement or any of the exhibits attached hereto, nothing

in this 2017 Omnibus Restructure Agreement shall be deemed or construed to alter or otherwise affect or change any rights or claims that CHC, Airbus or any of their Affiliates may have arising out of the accidents involving the EC225 and AS332 L2 helicopter types and the resulting regulatory actions, including, without limitation, the April 29, 2016 EC225 helicopter type accident near the Flesland Airport in Bergen, Norway and the resulting regulatory suspension of flight operations of such helicopter type. If there is any conflict between any provisions in any documents related to the EC225 and AS332 L2 helicopter type (including, without limitation, the existing documents, the documents referenced herein, the documents attached as exhibits hereto and the Referenced Agreements) and the provisions contained in this 2017 Omnibus Restructure Agreement, including, for the avoidance of doubt, the immediately preceding sentence, the provisions herein shall control. The provisions herein can only be modified by a writing signed by both CHC and Airbus.

(l) Airbus, for itself and on behalf of its Affiliates, hereby confirms that in connection with the assumption by the Customer at Closing of the Airbus Amended Agreements, as amended by this 2017 Omnibus Restructure Agreement and the Amending Documents, and to the extent applicable, the Airbus Reaffirmed Agreements, in accordance with Section 365 of the Bankruptcy Code, as contemplated in this 2017 Omnibus Restructure Agreement, Customer has provided adequate assurance that Customer will continue to perform under the terms of each of such agreements.

(m) Airbus agrees to vote all of its claims in support of the Plan in the Pending Cases.

(n) Upon the occurrence of the Effective Date and the payment by Customer of the amount due to Airbus in Section 8(e)(i), the Customer's claims and noticing agent is authorized and directed to amend the claims register to reflect the terms of this 2017 Omnibus Restructure Agreement.

## **9. Confidentiality and Disclosure.**

(a) Airbus and Customer agree that all commercial and financial information set forth or referred to, in this 2017 Omnibus Restructure Agreement is confidential and proprietary. Accordingly, Airbus and Customer further agree that neither Airbus nor Customer shall disclose any of such information to any other person or entity, without the prior written consent of the other party hereto, provided that, Airbus and Customer may disclose such information to their respective professional advisors who have a need to know such information in connection with the Pending Cases and the transactions contemplated hereby, including without limitation, counsel and advisors retained by Airbus or Customer in connection with the Pending Cases, negotiation of the amendments and agreements, and the performance of the obligations contemplated in this 2017 Omnibus Restructure Agreement and further, such information may be disclosed in accordance with the following terms of this Section 9(a). Notwithstanding the foregoing, any information which is contained or referenced in the Existing Agreements (as such agreements currently exist and as may be amended upon the Effective Date), or upon their execution and delivery at Closing, any information which is contained or referenced in the Amending Documents, will be governed by and may be disclosed in accordance

with the terms of the Existing Agreements and the Amending Documents, as applicable. In the event of any conflict between this Section 9(a) and the provisions of such Existing Agreements, or the Amending Documents, the terms and conditions herein will govern and control.

(b) Airbus and Customer acknowledge that Airbus and Customer may be asked to provide to the Official Committee of Unsecured Creditors, and its counsel and advisors (the “**Committee**”), appointed in the Pending Cases, this 2017 Omnibus Restructure Agreement or other information relating to this 2017 Omnibus Restructure Agreement or the matters contemplated herein, including without limitation all of the Existing Agreements (this 2017 Omnibus Restructure Agreement and all such information and agreements referred to herein as “**Confidential Information**”). Notwithstanding any provision of the Existing Agreements (including any associated letter agreement) and this Section 9 to the contrary, Customer may provide such Confidential Information to the Committee solely in accordance with the following, unless otherwise agreed by Airbus. In connection with the production of any such Confidential Information to the Committee, Customer shall, and unless Airbus otherwise agrees, designate such Confidential Information as “Highly Confidential – Attorneys’ or Advisors’ Eyes Only”; and Customer shall specify that such Confidential Information may not be shared with any member of the Committee, or any member of any subcommittee. Subject to the execution and delivery of a confidentiality agreement, mutually acceptable in form and substance to Airbus and Customer, among Airbus, Customer and the Ad Hoc Committee, Customer may provide to the Ad Hoc Committee and its counsel and advisors Confidential Information in the same, or substantially the same, form as provided to the Committee in accordance with the foregoing provisions.

(c) Airbus shall not, unless Customer otherwise agrees or unless Airbus is directed by order of the Court, produce any Confidential Information to the Committee, but shall advise Customer of any request from the Committee such that Customer may produce the Confidential Information to the Committee with the designation specified above. Airbus and Customer shall promptly notify the other of any receipt of a request for production by the Committee that would encompass any Confidential Information. Airbus and Customer agree that they will confer and cooperate with each other in responding to any such request. Prior to any production to the Committee, Customer shall provide to Airbus a complete description of the Confidential Information that will be provided as part of the production. If Airbus and Customer cannot agree on the scope or terms of any such disclosure of Confidential Information to the Committee, Airbus and Customer shall have the right to seek relief from the Court on at least five (5) days’ prior notice to other party. If any such production is made, then Customer shall request that the Committee and its attorneys and advisors destroy all Confidential Information so produced and provide proof of such destruction.

(d) Airbus and Customer shall consult with respect to what Confidential Information shall be included in any pleadings filed with the Court, or in any material provided to the Committee, in connection with satisfying the conditions precedent set forth in Section 2, above.

**10. Miscellaneous.**

(a) No provision of this 2017 Omnibus Restructure Agreement may be amended, supplemented, waived, modified, discharged, terminated, or otherwise varied orally, but only by an instrument in writing that specifically identifies the provision of this 2017 Omnibus Restructure Agreement that it purports to amend, supplement, waive, modify, discharge, terminate, or otherwise vary and is signed by Airbus and Customer. Each such amendment, supplement, waiver, modification, discharge, termination, or variance shall be effective only in the specific instance and for the specific purpose for which it is given. No provision of this 2017 Omnibus Restructure Agreement shall be varied or contradicted by oral communication, course of dealing or performance, or other manner not set forth in an agreement, document, or instrument in writing and signed by Airbus and Customer.

(b) This 2017 Omnibus Restructure Agreement is not intended to provide, and shall not provide, any person not a party hereto with any rights of any nature whatsoever against any of the parties hereto, and no person not a party hereto shall have any right, power, or privilege in respect of this 2017 Omnibus Restructure Agreement, or have any benefit or interest arising out of this 2017 Omnibus Restructure Agreement.

(c) This 2017 Omnibus Restructure Agreement and any amendments, waivers, consents, or supplements hereto may be executed in any number of counterparts (or upon separate signature pages bound together into one or more counterparts), each fully-executed set of which when so executed shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument.

(d) The headings of the Sections and clauses of this 2017 Omnibus Restructure Agreement are inserted for convenience only and shall not affect the interpretation hereof.

(e) This 2017 Omnibus Restructure Agreement shall be binding upon, and shall inure to the benefit of and shall be enforceable by, the parties hereto and their respective successors and assigns, in accordance with its terms and subject to the Conditions Precedent, as applicable; provided, however, that no party may assign, delegate or otherwise transfer all or any part of its rights or obligations under this 2017 Omnibus Restructure Agreement without the prior written consent of the other party hereto.

(f) Each of the parties hereto agrees that the Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of or relating to this 2017 Omnibus Restructure Agreement; provided, however, if the Bankruptcy Court does not have subject matter jurisdiction over any such matter or declines to hear any dispute in regard to such matter, then the foregoing exclusive jurisdiction shall no longer apply. This 2017 Omnibus Restructure Agreement shall be governed by United States bankruptcy law and to the extent that United States bankruptcy law does not supply a rule of decision, this 2017 Omnibus Restructure Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, including all matters of validity, performance and enforceability, but without regard to conflict of law principles that would lead to the

application of the laws of a state or jurisdiction other than the State of New York. For the avoidance of doubt, this paragraph applies only to matters arising out of or relating to this 2017 Omnibus Restructure Agreement; nothing in this paragraph (or otherwise in this 2017 Omnibus Restructure Agreement) is intended to (a) alter or otherwise affect or change the choice of law, jurisdiction, venue or forum selection provisions (or their effect) in any other agreement among the Parties, their Affiliates, successors or assigns, including without limitation all the exhibits and agreements attached to this 2017 Omnibus Restructure Agreement, the Airbus Reaffirmed Agreements, the Airbus Terminated Agreements or any future agreement or (b) govern the choice of law, jurisdiction, venue or forum selection for any claim of any kind arising out of any such other or future agreement among the Parties, their affiliates, successors or assigns.

(g) This 2017 Omnibus Restructure Agreement and Exhibits on and as of the date hereof constitute the entire agreement of the parties hereto with respect to the subject matter hereof, and all prior understandings or agreements, whether written or oral, between the parties hereto with respect to such subject matter are superseded in their entireties, except to the extent expressly provided or incorporated herein. If there are any discrepancies between, on the one hand, the Closing Documents or any other Exhibit hereto and, on the other hand, any provision of this 2017 Omnibus Restructure Agreement, the provisions of the Closing Documents and any such other Exhibit shall control and govern.

(h) The terms set forth in this 2017 Omnibus Restructure Agreement are part of a comprehensive compromise and resolution and each element is an integral aspect of the agreed settlement and is non-severable.

#### **11. Expiration and Good Faith Negotiations.**

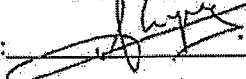
(a) Except for Sections 9 and 10 herein which shall survive and remain in full force and effect in accordance with their terms, this 2017 Omnibus Restructure Agreement will expire and terminate if the Conditions Precedent have not been satisfied or waived as provided herein on or prior to June 30, 2017 (the “**Expiration Date**”).

(b) In the event of the expiration and termination of this 2017 Omnibus Restructure Agreement, Airbus and Customer shall have no further liability or obligation hereunder except for Sections 9 and 10 herein which shall survive and remain in full force and effect in accordance with their terms as noted above. For avoidance of doubt, if Closing occurs prior to the Expiration Date, this 2017 Omnibus Restructure Agreement will not expire or be terminated on any Expiration Date as set forth above, but will be and remain in full force and effect in accordance with its terms.



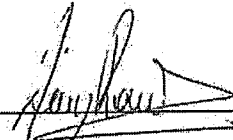
IN WITNESS WHEREOF, Airbus and Customer have executed this 2017 Omnibus Restructure Agreement as of the Execution Date first above written.

**AIRBUS HELICOPTERS (SAS)**

By: 

Name: ALAIN VIGNEAU


Title: Senior Manager Sales & Mktg.

By: 

Name: FABRICE RENARD

Title: Sales manager at a Gas

**CHC GROUP, LTD.**

By: 

Name: Hooman Yazhari

Title: Senior Vice President, Legal & Administration

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and Agreed Solely With Respect to the EC135/EC145 Contract (AAL/AH/H1-PBH 135/145) dated January 6, 2014, between Airbus Group Australia Pacific Ltd (previously called Australian Aerospace Limited) and Heli-One Norway (AS)

**AIRBUS GROUP AUSTRALIA PACIFIC LTD.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**2017 OMNIBUS RESTRUCTURE AGREEMENT**  
**TABLE OF CONTENTS**

**EXHIBITS**

1. Amendment No. 3 to the Purchase Agreement No.225.118/2011
2. Amendment No. 4 to Colorado RCA (RCAM-555-2010)
3. Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145)
4. Amendment Nos. 18 and 19 to the Damper PBH Contract
5. New Norway RCA
6. New Damper PBH
7. New HUMS Contract
8. Negotiated Offset Calculation

SCHEDULES

**Schedule A: Airbus Reaffirmed Agreements**

Norway RCA 671-2012

**Schedule B: Airbus Amended Agreements**

Purchase Agreement No. 225.118/2011

Colorado RCA 555-2010

EC135/EC145 Contract

**Schedule C: Airbus New Agreements**

New Norway RCA

New Damper PBH

New HUMS Contract

**Schedule D: Airbus Terminated Agreements**

Damper PBH Contract

EC155 Contract

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**Exhibit 1**

Amendment No. 3 to the Purchase Agreement No. 225.118/2011

Filed Under Seal

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**Exhibit 2**

Amendment No. 4 to Colorado RCA (RCAM-555-2010)

Filed Under Seal

304

**Exhibit 3**

Amendment No. 4 to EC135/EC145 Contract (AAL/AH/H1-PBH 135/145)

Filed Under Seal

305

**Exhibit 4**

Amendment Nos. 18 and 19 to the Damper PBH Contract

Filed Under Seal



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**Exhibit 5**

New Norway RCA

Filed Under Seal

307

**Exhibit 6**

New Damper PBH

Filed Under Seal

308

**Exhibit 7**

New HUMS Contract

Filed Under seal

309

**Exhibit 8**

Negotiated Offset Calculation

Filed Under Seal

This is **Exhibit "H"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.



A Commissioner for Taking Affidavits  
for British Columbia

PETER BYCHAWSKI  
*Barrister & Solicitor*  
BLAKE, CASSELS & GRAYDON LLP  
Suite 2600, Three Bentall Centre  
595 Burrard St., P.O. Box 49314  
Vancouver, B.C. V7X 1L3  
(604) 631-4218



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

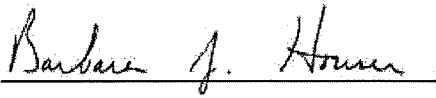
**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

311

The following constitutes the ruling of the court and has the force and effect therein described.

Signed February 23, 2017

  
United States Bankruptcy Judge

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

-----	X	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16- 31854 (BJH)
	:	
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	


**ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO  
SECTIONS 105, 363, AND 365 OF THE BANKRUPTCY CODE AND FEDERAL RULES  
OF BANKRUPTCY PROCEDURE 6004(h), 6006, AND 9019 AUTHORIZING THE  
DEBTORS TO ENTER INTO AND PERFORM UNDER THE 2017 OMNIBUS  
RESTRUCTURE AGREEMENT WITH AIRBUS HELICOPTERS (SAS) REGARDING  
CERTAIN OF THE DEBTORS' EXECUTORY CONTRACTS**

Upon the motion dated January 24, 2017 (the "**Motion**")<sup>1</sup> of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the "**Debtors**"), pursuant to sections 105(a), 363(b), and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6004(h), 6006, and 9019 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy**

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

**Rules**”), respectfully requesting entry of an order authorizing the Debtors to enter into, and perform under, the 2017 Omnibus Restructure Agreement, between Airbus Helicopters (SAS) and the Debtors, dated as of January 24, 2017 (together with all exhibits and schedules thereto, the “**Restructure Agreement**”) regarding certain executory contracts between the Debtors and Airbus Helicopters (SAS) (“**Airbus**”) and settlement of related claims, and upon consideration of the Del Genio Declaration, and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and




Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby

ORDERED that:

1. The relief requested in the Motion is hereby granted.
2. Pursuant to sections 105(a), 363(b)(1) and 365(a) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Restructure Agreement.
3. The Restructure Agreement, and the transactions contemplated therein, represent a valid exercise of the Debtors’ business judgment and are hereby approved in their entirety.
4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Restructure Agreement.
5. Subject to the occurrence of the Effective Date, the Debtors are authorized to assume, pursuant to section 365 of the Bankruptcy Code, the Airbus Assumed Agreements (as defined in the Motion), as amended by the Restructure Agreement.





6. Subject to the occurrence of the Effective Date, pursuant to section 365 of the Bankruptcy Code, the Airbus Terminated Agreements shall be deemed rejected and terminated.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

*/s/ Jasmine Ball*

---

Jasmine Ball (*pro hac vice*)  
Richard F. Hahn (*pro hac vice*)  
919 Third Avenue  
New York, New York 10022  
Telephone: (212) 909-6000  
Facsimile: (212) 909-6836  
Email: jball@debevoise.com  
rfhahn@debevoise.com

*Special Aircraft Attorneys for Debtors and  
Debtors in Possession*

**WEIL, GOTSHAL & MANGES LLP**

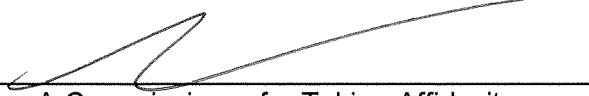
Stephen A. Youngman (22226600)  
200 Crescent Court, Suite 300  
Dallas, Texas 75201  
Telephone: (214) 746-7700  
Facsimile: (214) 746-7777  
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice*)  
Kelly DiBlasi (*pro hac vice*)  
767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007  
Email: gary.holtzer@weil.com  
kelly.dibiasi@weil.com

*Attorneys for Debtors and Debtors in Possession*

This is **Exhibit "I"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.



A Commissioner for Taking Affidavits  
for British Columbia

PETER BYCHAWSKI  
*Barrister & Solicitor*  
**BLAKE, CASSELS & GRAYDON LLP**  
Suite 2600, Three Bentall Centre  
595 Burrard St., P.O. Box 49314  
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(604) 631-4218

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Stephen A. Youngman (22226600)  
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**IN THE UNITED STATES BANKRUPTCY COURT  
 FOR THE NORTHERN DISTRICT OF TEXAS  
 DALLAS DIVISION**

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	:	
<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>CHC GROUP LTD. et al.,</b>	:	<b>Case No. 16-31854 (BJH)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
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**DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 362, 363 AND 364 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO (i) ENTER INTO AND PERFORM UNDER FRAMEWORK AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2053, 2067, 2139, 31209, 920051, 920052, AND 920097, (ii) OBTAIN POSTPETITION FINANCING IN ACCORDANCE WITH THE LOAN AGREEMENTS ATTACHED TO THE FRAMEWORK AGREEMENTS, AND (iii) ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH**



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**MANUFACTURER'S SERIAL NUMBERS  
2395, 2567, 760687, 760711, 760743 AND 760697**

**THE DEBTORS HAVE REQUESTED A HEARING TO BE CONDUCTED ON THIS MATTER ON FEBRUARY 13, 2017 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242.**

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”)<sup>1</sup>, respectfully represent as follows:

**Relief Requested**

1. The Debtors hereby submit this motion (the “**Motion**”), pursuant to sections 105(a), 362, 363(b) and 364(c) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6004(h) and 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), respectfully requesting entry of an order, substantially in the form attached hereto as **Exhibit B** (the “**Order**”), authorizing the Debtors to (i) enter into, and perform under, seven framework agreements (each, together with all exhibits and schedules attached to such framework agreement, a “**Framework Agreement**”, and together, the “**Framework Agreements**”), related to (A) three (3) Airbus Helicopters AS332L model helicopters with manufacturer’s serial numbers 2053 (“**MSN 2053**”), 2067 (“**MSN 2067**”), and 2139 (“**MSN 2139**”), (B) one (1) AgustaWestland AW139 model helicopter with manufacturer’s serial number 31209 (“**MSN 31209**”), and (C) three (3) Sikorsky S92A model helicopters with

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<sup>1</sup> A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

manufacturer's serial numbers 920051 ("**MSN 920051**"), 920052 ("**MSN 920052**") and 920097 ("**MSN 920097**" and, together with MSN 2053, MSN 2067, MSN 2139, MSN 31209, MSN 920051 and MSN 920051, the "**Restructured Helicopters**") and the related Transaction Documents (as defined in each of the Framework Agreements), among CHC Cayman Borrower II Limited (the "**Buyer**"), Export Development Canada ("**EDC**") both in its capacity as the new security trustee, the existing lender and the new lender (the "**New Security Trustee**," "**Existing Lender**" and "**New Lender**," respectively), and Lombard North Central Plc as the seller and existing lessor (the "**Seller**" and the "**Existing Lessor**," respectively), in addition to other parties set forth in the Framework Agreements, (ii) enter into and perform under new loan agreements (each, together with all exhibits and schedules to such new loan agreement, a "**New Loan Agreement**", and, together, the "**New Loan Agreements**") attached as Schedule 2 to each Framework Agreement, with the New Lender and the New Security Trustee totaling an aggregate \$73 million of post-petition financing secured by the Helicopters pursuant to the Aircraft Security Agreements (as defined in each Framework Agreement) attached as Schedule 3 to each Framework Agreement; and (iii) enter into, and perform under, settlement agreements (each, a "**Settlement Agreement**", and together, the "**Settlement Agreements**") among the Existing Lessor, the Existing Lender and The Royal Bank of Scotland PLC (the "**Existing Security Trustee**", and, together with the Existing Lessor and the Existing Security Trustee, the "**Claimants**," and each, a "**Claimant**"), related to the settlement of claims arising out of (A) the rejection of the agreements related to two (2) Airbus Helicopters AS332L2 model helicopters with manufacturer's serial numbers 2395 ("**MSN 2395**") and 2567 ("**MSN 2567**"), and three (3) Sikorsky S76C++ model helicopters with manufacturer's serial numbers 760687 ("**MSN 760687**"), 760711 ("**MSN 760711**"), and 760743 ("**MSN 760743**" and together with MSN 2395,

MSN 2567, MSN 760687 AND MSN 760611, the “**Rejected Helicopters**”) and (B) the consensual rejection and return of one (1) Sikorsky S76C++ model helicopter with manufacturer’s serial number 760697 (“**MSN 760797**”, and together with the Rejected Helicopters, the “**Settlement Agreement Helicopters**”).

2. Redacted copies of the Framework Agreements related to MSN2053, MSN 2067, MSN 2139, MSN 31209, MSN 920051, MSN 920052 and MSN 920097 are attached hereto as **Exhibits C-1, C-2, C-3, C-4, C-5, C-6** and **C-7**, respectively. Redacted copies of the Settlement Agreements related to MSN 2395, MSN 2567, MSN 760687, MSN 760711, MSN 760743 and MSN 760697 are attached hereto as **Exhibits D-1, D-2, D-3, D-4, D-5** and **D-6**, respectively.<sup>2</sup>

#### **Jurisdiction and Venue**

3. The United States Bankruptcy Court for the Northern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested herein are sections 105(a) and 363(b) of the Bankruptcy Code.

#### **Background**

4. On May 5, 2016 (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are

<sup>2</sup> On December 23, 2016, the Debtors filed a *Motion for an Order Pursuant to 11 U.S.C. §§ 105(a) and 107(b) and Fed. R. Bankr. P. 9018 Authorizing the Filing of Certain Information Under Seal in Connection with Motions of the Debtors for Orders Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004(h) and 9019 to Enter Into and Perform Under Restructuring Lease Term Sheets with Certain Helicopter Lessor Parties* [Docket No.1396] requesting authorization to file certain confidential information contained in the Term Sheets under seal.

authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

5. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

**The Debtors' Businesses**

6. The Debtors, together with their non-debtor affiliates (collectively, "CHC"), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business, which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in the chapter 11 proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their business in the ordinary course.

7. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in



the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* [Docket No. 13] (the “**Del Genio Declaration**”).

**The Framework Agreements, the Loan Agreements, and the Settlement Agreements**

8. In connection with the commencement of its chapter 11 cases, CHC has undertaken to formulate a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC identified cost savings to be achieved through a significant reduction in its fleet by eliminating helicopters and other related equipment that were not, currently are not, or soon will not be, used to generate revenue in CHC's businesses. In addition, CHC is in the process of reducing the complexity of its fleet, which will decrease costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet created a significant surplus of helicopters and other related equipment owned and leased by CHC.

9. As of the Petition Date, CHC maintained a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) (collectively, the “**CHC Fleet**”). A significant portion of the CHC Fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the CHC Fleet as of the Petition Date, CHC owned 67 helicopters and CHC leased the remainder from various third-party lessors. In most cases CHC subleases helicopters to affiliated operating entities. These leasing structures provide maximum regulatory and business flexibility.

10. The Debtors have undertaken to accelerate their fleet replacement strategy in exiting from non-revenue generating helicopters and five older technology helicopter types, in

order to meet their customers' demands for newer technology helicopters and reduce the number of different helicopter types in their fleet. Since the Petition Date, the Court has approved the rejection of 76 helicopters. *See, e.g.*, Docket No. 273, 427, 428, 565, 833, 1042, 1145 and 1492. The Court has also approved the abandonment of 5 helicopters. *See* Docket No. 1299.

11. Concurrent with the rejection of non-revenue generating helicopters and older technology helicopter types, the Debtors have also engaged in extensive negotiations with lessors to reduce and eliminate the significant costs associated with the continued leasing and operation of productive helicopters during the pendency of these chapter 11 cases and upon emergence from bankruptcy.

12. After arms-length, good faith negotiations between the Debtors, the Existing Lender, the Existing Security Trustee and the Seller, the parties entered into an interim agreement (the "**Interim Term Sheet**") on certain interim restructured lease terms with respect to the use of the Restructured Helicopters and certain of the Settlement Agreement Helicopters during the pendency of these chapter 11 cases, while the Debtors, the Existing Lender, the Existing Security Trustee and the Seller completed negotiation of final long form term sheets.

13. Accordingly, on September 15, 2016, the Debtors filed the *Debtors' Motion for an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 6004(h) Authorizing the Debtors to Enter into and Perform Under an Interim Restructuring Term Sheet with Lombard North Central Plc and Export Development Canada* [Docket No. 863], which the Court approved on October 12, 2016 [Docket No. 959].

14. As contemplated by the Interim Term Sheets, the Debtors, the Seller and the Existing Lender subsequently engaged in good faith, arms-length negotiations with respect to detailed Framework Agreements for each Restructured Aircraft and the Settlement Agreements

related to the Settlement Agreement Aircraft. As reflected in the Framework Agreements<sup>3</sup>, the Debtors, the Existing Lender and the Seller have reached an agreement to terminate the Existing Operative Documents (as defined in the Framework Agreements) and enter into a restructured transaction with respect to the Restructured Helicopters where the Seller (as Existing Lessee, the current owner of each Restructured Helicopter and the current obligor on the Existing Loans) would terminate the existing leases with CHC, transfer ownership of each Restructured Helicopter to the Buyer and EDC, as Existing Lender, would finance 100% of the purchase of each Restructured Helicopter by issuing the New Loans to each Buyer as the New Lender.


15. Each Framework Agreement sets forth the terms pursuant to which the Buyer will purchase each Restructured Helicopter from the Seller, with the Lender providing a loan to finance 100% of each of the purchases. Attached to each Framework Agreement as schedules (1)-(10) thereto, are forms of the required sale, financing, and transfer documents for each Restructured Helicopter.

16. Each Framework Agreement provides, as damages for any breach, termination, rejection or modification of the Existing Lease Agreement and all other Existing Operative Documents (each as defined in each Framework Agreement) (including, without limitation, any unpaid rent for any period prior to the Petition Date), the Existing Lender shall receive a separate and distinct stipulated, allowed general unsecured non-priority pre-petition claim as set forth below:

(a) With respect to MSN 2053,

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<sup>3</sup> The summary of the terms of each of the Framework Agreements contained in this Motion is qualified in its entirety by the terms of each of the Framework Agreements. To the extent this Motion and the Framework Agreements are inconsistent, the Framework Agreements shall control.

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- (i) an Allowed Primary General Unsecured Claim (as defined in the Framework Agreement) classified in Heliworld Leasing Limited's Class 7 General Unsecured Claims class of \$1,606,743, and
    - (ii) an Allowed Secondary General Unsecured Claim (as defined in the Framework Agreement) classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,606,743;
  - (b) With respect to MSN 2067,
    - (i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,428,571, and
    - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
  - (c) With respect to MSN 2139,
    - (i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,428,571, and
    - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
  - (d) With respect to MSN 31209, an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of 1,437,656;
  - (e) With respect to MSN 920051,
    - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$1,428,571, and
    - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
  - (f) With respect to MSN 920052,
    - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$1,428,571, and

(ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571; and

(g) With respect to MSN 920097,

(i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$2,370,055, and

(ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,370,055.

17. Each Framework Agreement provides that, other than as specifically provided therein, upon the Title Transfer Date (as defined in each Framework Agreement), the Existing Operative Documents (as defined in each Framework Agreement) will terminate, and, as provided in the New Loans, the New Lender will lend to the Buyer one hundred per cent (100%) of the purchase price of each Restructured Helicopter, and the Buyer will acquire that Restructured Helicopter from the Seller.

18. Upon the Title Transfer Date, each Restructured Helicopter shall absolutely vest and be transferred to the Buyer, and, other than the liens, security interests, claims and obligations held by the New Security Trustee and the New Lender under the Transaction Documents (as defined in each Framework Agreement), such transfer shall be free and clear of any and all security interests (whether contractual, statutory, or otherwise), liens, claims and obligation; provided, however, that nothing contained in the proposed Order shall derogate from the terms of the Transaction Documents (as defined in each Framework Agreement) with respect to, and the subject Restructured Helicopters shall not be free and clear of, the liens, claims, security and obligations held by the New Security Trustee and the New Lender under such Transaction Documents.

19. The Debtors believe that each Framework Agreement (and the corresponding agreements and documents contained in the schedules thereto) provide the Debtors with the ability to reduce their long-term leasing costs by purchasing the Restructured Helicopters, and thereby allow the Debtors to continue to operate the Restructured Helicopters in the CHC Fleet on a post-petition basis and following emergence from bankruptcy in accordance with their restructured business plan at a lower overall cost than the Existing Lease transactions for each Restructured Helicopter and at a better borrowing rate than the Debtors could receive in the market with respect to such New Loans. Each new Loan Agreement provides for 100% of the purchase price of each Restructured Helicopter, which the Debtors do not believe, based on the ongoing restructuring and fleet negotiations with numerous other lessors and lender parties, the Debtors would have received from alternative lending sources. In addition, Restructured Helicopters are the only assets pledged to secure the New Loans. The New Loans, and related funded purchase price with respect to the Restructured Helicopters total \$73 million.

20. As part of the overall restructuring transaction related to the Framework Agreements, after good faith, arms-length negotiations, the Debtors, the Existing Security Trustee, the Seller and the Existing Lender also settled all claims with respect to the Settlement Agreement Helicopters. Pursuant to each Settlement Agreement, in full and final satisfaction of the Settled Claims (as defined in the Settlement Agreements), upon the effectiveness of the Settlement Agreements, and without the need for any of the Claimants to file proofs of claim or request for payment or take any other action, the Existing Lender shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims as set forth below:

- (a) With respect to MSN 2395,

- (i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,813,944, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,813,944;
- (b) With respect to MSN 2567,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$2,374,055, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,374,055;
- (c) With respect to MSN 760687,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,050,935, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,050,935;
- (d) With respect to MSN 760711,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,726,801, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,726,801;
- (e) With respect to MSN 760743,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,562,736, and

- (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,562,736;
- (f) With respect to MSN 760697,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,004,045, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,004,045.

21. Each Settlement Agreement (including the related waiver, release and claims allowances) will be effective upon the earlier to occur of (x) Substantial Consummation (as defined in each Framework Agreement) of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan.

**Basis for Relief**

**The Debtors Should Be Authorized to Enter into the Framework Agreements and the Settlement Agreements Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code**

22. The Bankruptcy Code authorizes the use of property outside the ordinary course of business with court approval and given a valid business reason. More specifically, section 363 of the Bankruptcy Code, in pertinent part, authorizes a debtor in possession to "use, sell, or lease, other than in the course of business, property of the estate," after notice and a hearing. 11 U.S.C. § 363(b)(1). Although section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts routinely authorize the use of debtor's property if it is based upon the reasonable business judgment of the debtor. *See, e.g., Institutional Creditors of Cont'l Air Lines, Inc. v. Cont'l Air Lines, Inc. (In re Cont'l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and



equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”) (citing *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir.1983)); *In re ASARCO, LLC*, 441 B.R. 813, 830 (Bankr. S.D. Tex. 2010); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Elpida Memory, Inc.*, No. 12-10947 (CSS), 2012 WL 6090194, at \*5 (Bankr. D. Del. Nov. 20, 2012); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999).

23. The standard for approval of the use of property outside the ordinary course of business is a deferential one. See *GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (Bankr. N.D. Tex. 2005) (“[g]reat judicial deference is given to the Trustee’s exercise of business judgment.”)

24. In addition, the Court also may grant the requested relief pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, which provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

25. Based on the considerations set forth herein, the Debtors respectfully submit that the decision to enter into the transactions contemplated by the Framework Agreements and the Settlement Agreements represents a reasonable exercise of the Debtors’ business judgment and is consistent with the Debtors’ fiduciary duties to maximize value for their estates and creditors.

26. The provisions contained in each Framework Agreement will provide the Debtors with the opportunity to own and operate the Restructured Helicopters on a go-forward and post-emergence basis, improving overall fleet operation costs with respect to the Restructured Helicopters. Approval of the Framework Agreements will further the Debtors’

goals of reducing high fixed lease expenses in order to maximize revenue and to operate a more efficient and streamlined fleet post-petition.

27. The settlement of the claims associated with the Settlement Helicopters avoids costly and potentially lengthy litigation over complex contractual terms and allows the Debtors to efficiently and quickly resolve such matters for amounts that the Debtors believe are fair and appropriate for the Debtors' estates and creditors given the complex nature of the claims, the potential issues related to interpretation of such complex contractual terms, the potential extended time periods involved in resolving such issues through a contested process and the likely recoveries associated with such claims.

**The Framework Agreements and the Settlement Agreements Should Be Approved Pursuant to Bankruptcy Rule 9019(a)**

28. In addition, the settlements embodied in the Framework Agreements and the Settlement Agreements should be approved pursuant to Bankruptcy Rule 9019. A bankruptcy court may approve a settlement in accordance with Bankruptcy Rule 9019, which provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a).

29. "Compromises are 'a normal part of the process of reorganization,'" *Protective Comm. for Indep. S'holders of TMT Trailer Ferry Inc., v. Anderson*, 390 U.S. 414, 424 (1968), and are favored in bankruptcy because they minimize litigation costs and further the parties' interest in expediting the administration of the bankruptcy case. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996); *In re Bond*, 1994 U.S. App. Lexis 1282, \*9-\*14 (4th Cir. 1994). "One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves." *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005).

30. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); 9 Collier on Bankruptcy at ¶ 9019.02. Approval of a settlement is appropriate “when the settlement is fair and equitable and the best interests of the estate.” *Official Committee of Unsecured Creditors v. Moeller (In re Age Refining, Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015); *In re Heritage Organization, LLC*, 375 B.R. 230, 260 (Bankr. N.D. Tex. 2007). In determining whether to approve a settlement, courts in the Fifth Circuit have applied a three factor test with a focus on comparing “the terms of the compromise with the likely rewards of litigation.” *In re Age Refining, Inc.*, 801 F.3d at 540 (citing *In re Jackson Brewing Co.*, 624 F.2d 599, 607 (5th Cir. 1980)). A bankruptcy court must evaluate: (a) the probability of success in the litigation, with due consideration for the uncertainty in fact and law, (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (c) all other factors bearing on the wisdom of the compromise. See *In re Age Refining, Inc.*, 801 F.3d at 540; *In re Cajun Elec. Power Coop.*, 119 F.3d 349, 356 (5th Cir. 1997); *In re Jackson Brewing Co.*, 624 F.2d at 607; *In re Mirant Corp.*, 348 B.R. 725, 739-40 (Bankr. N.D. Tex. 2006). Furthermore, “[u]nder the rubric of the third, catch-all provision, [the Fifth Circuit has] specified two additional factors that bear on the decision to approve a proposed settlement.” *Id.* These “other factors” include consideration of (i) “the best interest of creditors, with proper deference to their reasonable views;” and (ii) “the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.” *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; see also *In re Age Refining, Inc.*, 801 F.3d at 540.

31. “In evaluating a Rule 9019 settlement, a bankruptcy court does not ‘conduct a mini-trial to determine the probable outcome of any claims waived in the

settlement.”” *In re Age Refining*, 801 F.3d at 541. “Rather, the bankruptcy court must apprise [itself] of the relevant facts and law so that [it] can make an informed and intelligent decision.” *Id.*; see also *TMT Trailer Ferry*, 390 U.S. at 425 (noting that a court should “compare the terms of the compromise with the likely rewards of litigation”); *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; *In re Heritage Organization, LLC*, 375 B.R. at 260 (“it is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement. The judge need only apprise himself of the relevant facts and law so that he can make an informed and intelligent decision....”); *In re Mirant*, 348 B.R. at 741, n.36 (“For a settlement to meet the best interests test, the amount being paid or received by the estate (or, here, Mirant) need only be within the extremes of the range.”); *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004)) (holding that a court need not be convinced that the proposed settlement is the best possible outcome, rather “[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.”).

32. In the Debtors’ business judgment, the resolutions (including, without limitation, the settlement of the general unsecured prepetition claims) embodied in the Framework Agreements and the Settlement Agreements are fair and equitable and in the best interest of the Debtors, their estates and creditors, and should be approved. As noted above, in addition to providing the Debtors with beneficial terms to purchase the Restructured Helicopters, the Framework Agreements and the Settlement Agreements also provide for a prompt and complete global resolution of the various claims of the Existing Lessor, Existing Lender and Existing Security Trustee, and reflect fair value for the obligations being settled. Such claims, if

litigated, could be distracting, impose significant demands on certain of the Debtors' personnel, and result in significant litigation costs. Failure to approve the Framework Agreements and the Settlement Agreements could result in extensive and protracted litigation that could drain the Debtors' limited liquidity and adversely impact their ability to timely emerge from chapter 11. In addition, such litigation may impair the Debtors' ability to utilize the Restructured Helicopters. Lastly, both the Framework Agreements and the Settlement Agreements are products of lengthy good faith, arm's length negotiations between the parties. Accordingly, each of the applicable factors weighs in favor of approving the Framework Agreements and the Settlement Agreements.

*The Loan Agreements Meet the Requirements of Section 364 of the Bankruptcy Code and Should be Approved*

33. Section 364(c) of the Bankruptcy Code provides that if a debtor is unable to obtain unsecured credit allowable under section 503(b)(1) as an administrative expense, then the Court, after notice and hearing, may authorize the debtor to obtain credit or incur debt:

- a. with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of [the Bankruptcy Code];
- b. secured by a lien on property of the estate that is not otherwise subject to a lien; or
- c. secured by a junior lien on property of the estate that is subject to a lien.

*11 U.S.C. §364(c).*

34. Courts engage in a three-part inquiry in order to determine whether a debtor is entitled to the approval of financing under section 364(c). Specifically, courts look to whether:

- a. the debtor is unable to obtain unsecured credit under section 364(d), i.e., by allowing a lender an administrative claim only;

- b. the credit transaction benefits and is necessary to preserve the assets of the estate; and
- c. the terms of the credit transaction are fair, reasonable and adequate given the circumstances of the debtor and the proposed lender.

*In re Ames Dept. Stores, Inc.*, 115 B.R. 34, 37-39 (Bankr. S.D.N.Y. 1990).

35. The statute does not require the debtor to seek alternate financing from every possible lender. *In re Cent. Park Ave. Corp.*, 136 B.R. 626, 630-31 (Bankr. S.D.N.Y. 1992). Rather, a debtor must demonstrate that it made a reasonable effort to seek credit from other sources available under sections 364(a) and (b) of the Bankruptcy Code. *See In re Snowshoe, Inc.*, 789 F.2d 1085, 1088 (4th Cir. 1986).

36. When reviewing a debtor's business decision, such as the Debtors' decision to enter into the Loan Agreements, courts routinely defer to the debtor's business judgment, so long as the decision was "made in good faith, upon a reasonable basis, and within the scope of [such debtor's] authority under the [Bankruptcy] Code." *In re Curlew Valley Assocs.*, 14 B.R. 506, 513-14 (Bankr. D. Utah 1981); *see also Frostbaum v. Ochs*, 277 B.R. 470, 475-76 (E.D.N.Y. 2002); *Ames*, 115 B.R. at 40 ("[C]ases consistently reflect that the court's discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party in interest.").

37. The applicable standards are satisfied here. First, the Debtors are unable to obtain unsecured credit to finance the Restructured Helicopters, or to finance them solely as an administrative expense pursuant to section 503(b)(1) of the Bankruptcy Code. As part of the Debtors' global restructuring, the Debtors have been negotiating with a significant number of lessors and lenders in the helicopter leasing and lending market to renegotiate the leasing and

lending terms with respect to the helicopters in the CHC Fleet. As part of these negotiations, the Debtors discussed with certain lessors and lenders the extension of additional credit, and did obtain certain new credit commitments, but such new credit commitments were conditioned on receipt of specific helicopters (or helicopter types) as collateral for such credit. Given the Debtors' extensive involvement in ongoing discussions with most of the significant lessors and lenders in the helicopter leasing and financing market, the Debtors do not believe that unsecured credit was available to the Debtors with respect to the Restructured Helicopters.

38. Second and most significantly, the Loan Agreements will materially benefit the Debtors. As described above, the Helicopter Loans will allow the Debtors to finance 100% of the purchase of the Restructured Helicopters while pledging only the Restructured Helicopters as collateral. This will permit the Debtors to continue to use the Restructured Helicopters in their fleet, while significantly reducing the costs associated with the continued operation of the Restructured Helicopters.

39. Finally, the Loan Agreements were negotiated in good faith and at arm's-length between the Debtors and the New Lender and New Security Trustee. The terms and conditions of the Loan Agreements and related transactions are fair, reasonable and appropriate under the circumstances and the granting of liens in the Restructured Helicopters to the New Security Trustee is appropriate given the structure of the transactions contemplated by the Framework Agreements and the Debtors should be authorized to obtain postpetition financing pursuant to the Loan Agreements in accordance with the terms and conditions set forth in the Framework Agreements.

40. Section 364(e) of the Bankruptcy Code provides that "the reversal or modification on appeal of an authorization under this section to obtain credit or incur debt, or of

a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien granted, to an entity that extended such credit in good faith ..." 11 U.S.C. § 364(e). The New Lender will extend credit to the Borrower in good faith. As a result, the Existing Lender, the New Lender, the Lessor, the Existing Security Trustee, the New Security Trustee and the Debtors should be entitled to the protection and benefits of section 364(e) of the Bankruptcy Code.

**Reservation of Rights**

41. Notwithstanding anything contained or requested in this Motion, the Framework Agreements or the Settlement Agreements, nothing herein contemplates or constitutes an assumption of any lease or executory contract with the Existing Lessor, the Existing Security Trustee or the Existing Lender pursuant to section 365 of the Bankruptcy Code. In addition, nothing contained or requested in this Motion, the Framework Agreements or the Settlement Agreements shall be an acknowledgement that section 1110 of the Bankruptcy Code or the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment are applicable.

**Rule 6004(h) Waiver**

42. The Debtors respectfully request that any order approving this Motion be effective immediately, thereby waiving the 14-day stay period imposed by Bankruptcy Rule 6004(h). Waiver of the stay period is necessary for the Framework Agreements and Settlement Agreements to be implemented as expeditiously as possible and within the time frames contemplated by the parties.



**Notice**

43. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Existing Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

**No Prior Request**

44. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

*[The remainder of this page is intentionally blank]*

WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to enter into, and perform under, each of the Framework Agreements (including each of the Loan Agreements contemplated thereunder), and each of the Settlement Agreements, (b) authorizing the Debtors to enter into, and incur, the new debt contemplated by the Loan Agreements and provide the liens and security interests contemplated under the Loan Agreements and related Framework Agreement, and (c) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York  
January 25, 2016

By: /s/ Jasmine Ball  
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**EXHIBIT A****Debtors**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

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**Exhibit B**

**Proposed Form of Order**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

-----	X	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16– 31854 (BJH)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 362, 363 AND 364 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO (i) ENTER INTO AND PERFORM UNDER FRAMEWORK AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2053, 2067, 2139, 31209, 920051, 920052, AND 920097, (ii) OBTAIN POSTPETITION FINANCING IN ACCORDANCE WITH THE LOAN AGREEMENTS ATTACHED TO THE FRAMEWORK AGREEMENTS, AND (iii) ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2395, 2567, 760687, 760711, 760743 AND 760697

Upon the motion dated January 25, 2017 (the “**Motion**”)<sup>1</sup> of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the “**Debtors**”), pursuant to sections 105(a), 362, 363(b) and 364(c) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6004(h) and 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), respectfully requesting entry of an order, substantially in the form attached hereto as **Exhibit B** (the “**Order**”), authorizing the Debtors to (i) enter into, and perform under, seven framework agreements (each, together with all exhibits and schedules attached to such framework agreement, a “**Framework Agreement**”, and together, the “**Framework Agreements**”), related to (A) three (3) Airbus Helicopters AS332L model helicopters with manufacturer’s serial numbers 2053 (“**MSN 2053**”), 2067 (“**MSN 2067**”), and 2139 (“**MSN 2139**”), (B) one (1) AgustaWestland AW139 model helicopter with manufacturer’s serial number 31209 (“**MSN 31209**”), and (C) three (3) Sikorsky S92A model helicopters with manufacturer’s serial numbers 920051 (“**MSN 920051**”), 920052 (“**MSN 920052**”) and 920097 (“**MSN 920097**” and, together with MSN 2053, MSN 2067, MSN 2139, MSN 31209, MSN 920051 and MSN 920051, the “**Restructured Helicopters**”) and the related Transaction Documents (as defined in each of the Framework Agreements), among CHC Cayman Borrower II Limited (the “**Buyer**”), Export Development Canada (“**EDC**”) both in its capacity as the new security trustee, the existing lender and the new lender (the “**New Security Trustee**,” “**Existing Lender**” and “**New Lender**,” respectively), and Lombard North Central Plc as the seller and existing lessor (the “**Seller**” and the “**Existing Lessor**,” respectively), in addition to other parties set forth in the Framework Agreements, (ii) enter into and perform under new loan agreements (each, together with all exhibits and schedules to such new loan agreement, a “**New Loan Agreement**”, and,

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

together, the “**New Loan Agreements**”) attached as Schedule 2 to each Framework Agreement, with the New Lender and the New Security Trustee totaling an aggregate \$73 million of post-petition financing secured by the Helicopters pursuant to the Aircraft Security Agreements (as defined in each Framework Agreement) attached as Schedule 3 to each Framework Agreement; and (iii) enter into, and perform under, settlement agreements (each, a “**Settlement Agreement**”, and together, the “**Settlement Agreements**”) among the Existing Lessor, the Existing Lender and The Royal Bank of Scotland PLC (the “**Existing Security Trustee**”, and, together with the Existing Lessor and the Existing Security Trustee, the “**Claimants**,” and each, a “**Claimant**”), related to the settlement of claims arising out of (A) the rejection of the agreements related to two (2) Airbus Helicopters AS332L2 model helicopters with manufacturer’s serial numbers 2395 (“**MSN 2395**”) and 2567 (“**MSN 2567**”), and three (3) Sikorsky S76C++ model helicopters with manufacturer’s serial numbers 760687 (“**MSN 760687**”), 760711 (“**MSN 760711**”), and 760743 (“**MSN 760743**” and together with MSN 2395, MSN 2567, MSN 760687 AND MSN 760611, the “**Rejected Helicopters**”) and (B) the consensual rejection and return of one (1) Sikorsky S76C++ model helicopter with manufacturer’s serial number 760697 (“**MSN 760797**”, and together with the Rejected Helicopters, the “**Settlement Agreement Helicopters**”), and upon consideration of the Del Genio Declaration, and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and



Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Existing Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.
2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under each of the Framework Agreements and each of the Settlement Agreements.

3. The Framework Agreements and the Settlement Agreements, and the transactions contemplated in the Framework Agreements, including the New Loan Agreements and Aircraft Security Agreements (as defined in the Framework Agreements), represent a valid exercise of the Debtors' business judgment and are hereby approved in their entirety.

4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as necessary or appropriate to implement and effectuate the entry into, and performance under, the Framework Agreements (including, but not limited to the New Loan Agreements and Aircraft Security Agreements) and the Settlement Agreements.

5. Pursuant to Section 364(c) of the Bankruptcy Code, the Debtors are hereby authorized enter into, and perform under, the New Loan Agreements and the Aircraft Security Agreements, and are authorized to obtain postpetition financing in accordance with the provisions of the New Loan Agreements and the Aircraft Security Agreements.

6. Pursuant to Section 364(e) of the Bankruptcy Code, all liens granted on the Restructured Helicopters pursuant to the Loan Agreements and the Aircraft Security Agreements, and any payments made by the Debtors pursuant to the Loan Agreements, shall be binding (subject to the terms of this Order) on the Debtors, any trustee or examiner, the Existing Lender, the Existing Lessor, Existing Security Trustee, the New Lender, the New Security Trustee and all creditors of the Debtors, as provided in section 364(e) of the Bankruptcy Code.

7. The automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby lifted, as necessary, to permit the Debtors to extend liens on the Restructured Helicopters to the New Security Trustee, and to make payments pursuant to, or otherwise carry out the provisions of, the Loan Agreements and the Aircraft Security Agreements.

8. Pursuant to sections 363 and 365 of the Bankruptcy Code, upon the Title Transfer Date (as defined in each Framework Agreement), each Restructured Helicopter shall absolutely vest and be transferred to the Buyer, and, other than the liens, security interests, claims and obligations held by the New Security Trustee and the New Lender under the Transaction Documents (as defined in each Framework Agreement), such transfer shall be free and clear of any and all security interests (whether contractual, statutory, or otherwise), liens, claims and obligation; provided, however, that nothing contained in this Order shall derogate from the terms of the Transaction Documents with respect to, and the subject Restructured Helicopters shall not be free and clear of, the liens, claims, security and obligations held by the New Security Trustee and the New Lender under such Transaction Documents

9. Pursuant to the Framework Agreements, as damages for any breach, termination, rejection or modification of the Existing Lease Agreement and all other Existing Operative Documents (each as defined in each Framework Agreement) (including, without limitation, any unpaid rent for any period prior to the Petition Date), the Existing Lender shall receive a separate and distinct stipulated, allowed general unsecured non-priority pre-petition claim as set forth below:

- (a) With respect to MSN 2053,
  - (i) an Allowed Primary General Unsecured Claim (as defined in the Framework Agreement) classified in Heliworld Leasing Limited's Class 7 General Unsecured Claims class of \$1,606,743, and
  - (ii) an Allowed Secondary General Unsecured Claim (as defined in the Framework Agreement) classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,606,743;
- (b) With respect to MSN 2067,

- (i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,428,571, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
- (c) With respect to MSN 2139,
  - (i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,428,571, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
- (d) With respect to MSN 31209, an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of 1,437,656;
- (e) With respect to MSN 920051,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$1,428,571, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
- (f) With respect to MSN 920052,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$1,428,571, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571; and
- (g) With respect to MSN 920097,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$2,370,055, and

(ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,370,055.

13. Pursuant to each Settlement Agreement, in full and final satisfaction of the Settled Claims (as defined in the Settlement Agreements), upon the effectiveness of the Settlement Agreements, and without the need for any of the Claimants to file proofs of claim or request for payment or take any other action, the Existing Lender shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims as set forth below:

- (a) With respect to MSN 2395,
  - (i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,813,944, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,813,944;
- (b) With respect to MSN 2567,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$2,374,055, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,374,055;
- (c) With respect to MSN 760687,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,050,935, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,050,935;

- (d) With respect to MSN 760711,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,726,801, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,726,801;
- (e) With respect to MSN 760743,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,562,736, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,562,736;
- (f) With respect to MSN 760697,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,004,045, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,004,045.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

15. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

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Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

*/s/ Jasmine Ball*

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*Attorneys for Debtors and Debtors in Possession*

This is **Exhibit "J"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.



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A Commissioner for Taking Affidavits  
for British Columbia

PETER BYCHAWSKI  
*Barrister & Solicitor*  
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CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

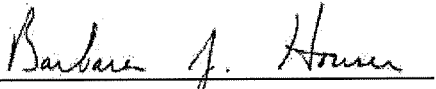
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**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed February 23, 2017

  
United States Bankruptcy Judge

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

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	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16- 31854 (BJH)
	:	
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105, 362, 363 AND 364 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO (i) ENTER INTO AND PERFORM UNDER FRAMEWORK AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2053, 2067, 2139, 31209, 920051, 920052, AND 920097, (ii) OBTAIN POSTPETITION FINANCING IN ACCORDANCE WITH THE LOAN AGREEMENTS ATTACHED TO THE FRAMEWORK AGREEMENTS, AND (iii) ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH EXPORT DEVELOPMENT CANADA, LOMBARD NORTH CENTRAL PLC, AND THE ROYAL BANK OF SCOTLAND PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2395, 2567, 760687, 760711, 760743 AND 760697

Upon the motion dated January 25, 2017 (the “**Motion**”)<sup>1</sup> of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the “**Debtors**”), pursuant to sections 105(a), 362, 363(b) and 364(c) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6004(h) and 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), respectfully requesting entry of an order, substantially in the form attached hereto as **Exhibit B** (the “**Order**”), authorizing the Debtors to (i) enter into, and perform under, seven framework agreements (each, together with all exhibits and schedules attached to such framework agreement, a “**Framework Agreement**”, and together, the “**Framework Agreements**”), related to (A) three (3) Airbus Helicopters AS332L model helicopters with manufacturer’s serial numbers 2053 (“**MSN 2053**”), 2067 (“**MSN 2067**”), and 2139 (“**MSN 2139**”), (B) one (1) AgustaWestland AW139 model helicopter with manufacturer’s serial number 31209 (“**MSN 31209**”), and (C) three (3) Sikorsky S92A model helicopters with manufacturer’s serial numbers 920051 (“**MSN 920051**”), 920052 (“**MSN 920052**”) and 920097 (“**MSN 920097**” and, together with MSN 2053, MSN 2067, MSN 2139, MSN 31209, MSN 920051 and MSN 920051, the “**Restructured Helicopters**”) and the related Transaction Documents (as defined in each of the Framework Agreements), among CHC Cayman Borrower II Limited (the “**Buyer**”), Export Development Canada (“**EDC**”) both in its capacity as the new security trustee, the existing lender and the new lender (the “**New Security Trustee**,” “**Existing Lender**” and “**New Lender**,” respectively), and Lombard North Central Plc as the seller and existing lessor (the “**Seller**” and the “**Existing Lessor**,” respectively), in addition to other parties set forth in the Framework Agreements, (ii) enter into and perform under new loan agreements (each, together with all exhibits and schedules to such new loan agreement, a “**New Loan Agreement**”, and,

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

together, the “**New Loan Agreements**”) attached as Schedule 2 to each Framework Agreement, with the New Lender and the New Security Trustee totaling an aggregate \$73 million of post-petition financing secured by the Helicopters pursuant to the Aircraft Security Agreements (as defined in each Framework Agreement) attached as Schedule 3 to each Framework Agreement; and (iii) enter into, and perform under, settlement agreements (each, a “**Settlement Agreement**”, and together, the “**Settlement Agreements**”) among the Existing Lessor, the Existing Lender and The Royal Bank of Scotland PLC (the “**Existing Security Trustee**”, and, together with the Existing Lessor and the Existing Security Trustee, the “**Claimants**,” and each, a “**Claimant**”), related to the settlement of claims arising out of (A) the rejection of the agreements related to two (2) Airbus Helicopters AS332L2 model helicopters with manufacturer’s serial numbers 2395 (“**MSN 2395**”) and 2567 (“**MSN 2567**”), and three (3) Sikorsky S76C++ model helicopters with manufacturer’s serial numbers 760687 (“**MSN 760687**”), 760711 (“**MSN 760711**”), and 760743 (“**MSN 760743**” and together with MSN 2395, MSN 2567, MSN 760687 AND MSN 760611, the “**Rejected Helicopters**”) and (B) the consensual rejection and return of one (1) Sikorsky S76C++ model helicopter with manufacturer’s serial number 760697 (“**MSN 760797**”, and together with the Rejected Helicopters, the “**Settlement Agreement Helicopters**”), and upon consideration of (i) the Del Genio Declaration and (ii) the Declaration of David W. Fowkes in Support of the Debtors' Motions for Orders Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004(h), 6006 and 9019 Authorizing the Debtors to Enter into and Perform Under (A) Restructuring Lease Term Sheets and Settlement Agreements with Certain Helicopter Lessor Parties and (B) Framework Agreements with Export Development Canada, Lombard North Central Plc, and The Royal Bank of Scotland Plc [Docket No. 1653]; and the Court having jurisdiction to consider the Motion and

the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Existing Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having

considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.
2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under each of the Framework Agreements and each of the Settlement Agreements.
3. The Framework Agreements and the Settlement Agreements, and the transactions contemplated in the Framework Agreements, including the New Loan Agreements and Aircraft Security Agreements (as defined in the Framework Agreements), represent a valid exercise of the Debtors' business judgment and are hereby approved in their entirety.
4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as necessary or appropriate to implement and effectuate the entry into, and performance under, the Framework Agreements (including, but not limited to the New Loan Agreements and Aircraft Security Agreements) and the Settlement Agreements.
5. Pursuant to Section 364(c) of the Bankruptcy Code, the Debtors are hereby authorized enter into, and perform under, the New Loan Agreements and the Aircraft Security Agreements, and are authorized to obtain postpetition financing in accordance with the provisions of the New Loan Agreements and the Aircraft Security Agreements.
6. Pursuant to Section 364(e) of the Bankruptcy Code, all liens granted on the Restructured Helicopters pursuant to the Loan Agreements and the Aircraft Security Agreements, and any payments made by the Debtors pursuant to the Loan Agreements, shall be binding (subject to the terms of this Order) on the Debtors, any trustee or examiner, the Existing

Lender, the Existing Lessor, Existing Security Trustee, the New Lender, the New Security Trustee and all creditors of the Debtors, as provided in section 364(e) of the Bankruptcy Code.


7. The automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby lifted, as necessary, to permit the Debtors to extend liens on the Restructured Helicopters to the New Security Trustee, and to make payments pursuant to, or otherwise carry out the provisions of, the Loan Agreements and the Aircraft Security Agreements.

8. Pursuant to sections 363 and 365 of the Bankruptcy Code, upon the Title Transfer Date (as defined in each Framework Agreement), each Restructured Helicopter shall absolutely vest and be transferred to the Buyer, and, other than the liens, security interests, claims and obligations held by the New Security Trustee and the New Lender under the Transaction Documents (as defined in each Framework Agreement), such transfer shall be free and clear of any and all security interests (whether contractual, statutory, or otherwise), liens, claims and obligation; provided, however, that nothing contained in this Order shall derogate from the terms of the Transaction Documents with respect to, and the subject Restructured Helicopters shall not be free and clear of, the liens, claims, security and obligations held by the New Security Trustee and the New Lender under such Transaction Documents

9. Pursuant to the Framework Agreements, as damages for any breach, termination, rejection or modification of the Existing Lease Agreement and all other Existing Operative Documents (each as defined in each Framework Agreement) (including, without limitation, any unpaid rent for any period prior to the Petition Date), the Existing Lender shall receive a separate and distinct stipulated, allowed general unsecured non-priority pre-petition claim as set forth below:

(a) With respect to MSN 2053,

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- (i) an Allowed Primary General Unsecured Claim (as defined in the Framework Agreement) classified in Heliworld Leasing Limited's Class 7 General Unsecured Claims class of \$1,606,743, and
    - (ii) an Allowed Secondary General Unsecured Claim (as defined in the Framework Agreement) classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,606,743;
  - (b) With respect to MSN 2067,
    - (i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,428,571, and
    - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
  - (c) With respect to MSN 2139,
    - (i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,428,571, and
    - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
  - (d) With respect to MSN 31209, an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of 1,437,656;
  - (e) With respect to MSN 920051,
    - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$1,428,571, and
    - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571;
  - (f) With respect to MSN 920052,
    - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$1,428,571, and

(ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,428,571; and

(g) With respect to MSN 920097,

(i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$2,370,055, and

(ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,370,055.

13. Pursuant to each Settlement Agreement, in full and final satisfaction of the Settled Claims (as defined in the Settlement Agreements), upon the effectiveness of the Settlement Agreements, and without the need for any of the Claimants to file proofs of claim or request for payment or take any other action, the Existing Lender shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims as set forth below:

(a) With respect to MSN 2395,

(i) an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$1,813,944, and

(ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,813,944;

(b) With respect to MSN 2567,

(i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$2,374,055, and

(ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,374,055;


(c) With respect to MSN 760687,



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- (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,050,935, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,050,935;
- (d) With respect to MSN 760711,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,726,801, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,726,801;
- (e) With respect to MSN 760743,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,562,736, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,562,736;
- (f) With respect to MSN 760697,
  - (i) an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims (as defined in the Framework Agreement) class of \$1,004,045, and
  - (ii) an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$1,004,045.

14. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.



15. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

16. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

*/s/ Jasmine Ball*

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*Attorneys for Debtors and Debtors in Possession*

This is **Exhibit "K"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.



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A Commissioner for Taking Affidavits  
for British Columbia

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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:  
In re: : Chapter 11  
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CHC GROUP LTD. et al., : Case No. 16-31854 (BJH)  
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:  
Debtors. : (Jointly Administered)  
:  
----- X

**DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105 AND 363 OF  
THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY  
PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO (i)  
ENTER INTO AND PERFORM UNDER RESTRUCTURING LEASE  
TERM SHEETS WITH LOMBARD NORTH CENTRAL PLC WITH  
RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS  
31155, 920034, AND 920127 AND (ii) ENTER INTO  
AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH LOMBARD  
NORTHCENTRAL PLC WITH RESPECT TO AIRCRAFT WITH  
MANUFACTURER'S SERIAL NUMBERS 2707 AND 760720**



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**THE DEBTORS HAVE REQUESTED A HEARING TO BE CONDUCTED ON THIS MATTER ON FEBRUARY 13, 2017 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242. IF SUCH HEARING DATE REQUEST IS GRANTED, A HEARING ON THE MOTION WILL BE HELD ON FEBRUARY 13, 2017 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242.**

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”)<sup>1</sup>, respectfully represent as follows:

**Relief Requested**

1. The Debtors hereby submit this motion (the “**Motion**”), pursuant to sections 105(a) and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6004(h) and 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), respectfully requesting entry of an order, substantially in the form attached hereto as **Exhibit B** (the “**Order**”), authorizing the Debtors to (i) enter into, and perform under, restructuring lease term sheets (together with all exhibits to such restructuring lease term sheets, the “**Term Sheets**” and each, a “**Term Sheet**”), related to the following three (3) helicopters (the “**Helicopters**”): (A) a Term Sheet related to an AgustaWestland Model AW139 helicopter with manufacturer’s serial number 31155 (“**MSN 31155**”) between Lombard North Central Plc (the “**Lessor**”) and one or more of its affiliates, and Heliworld Leasing Limited, (B) a Term Sheet

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<sup>1</sup> A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

related to a Sikorsky Model S92A helicopter with manufacturer's serial number 920034 ("**MSN 920034**") between the Lessor and one or more of its affiliates and Heli-One Leasing ULC, and (C) a Term Sheet related to a Sikorsky Model S92A helicopter with manufacturer's serial number 920127 ("**MSN 920127**") between the Lessor and one or more of its affiliates and CHC Helicopters (Barbados) Limited, and the associated agreements (the "**Existing Operative Documents**"), and (ii) enter into, and perform under, settlement agreements (together, the "**Settlement Agreements**" and each, a "**Settlement Agreement**") between the Lessor and one or more of its affiliates and CHC Helicopters (Barbados) SRL with respect to MSN 2707 (as defined below), and between the Lessor and one or more of its affiliates and Heli-One Leasing ULC with respect to MSN 760720 (as defined below), related to the settlement of claims arising out of the rejection of the agreements related to an Airbus EC 225 helicopter with manufacturer's serial number 2707 ("**MSN 2707**") and a Sikorsky Model S76C++ helicopter with manufacturer's serial number 760720 ("**MSN 760720**", together with MSN 2707, the "**Rejection Helicopters**").

2. Redacted copies of the Term Sheets related to the Helicopters with manufacturer's serial numbers 31155, 920034 and 920127 are attached hereto as **Exhibits C-1, C-2, and C-3**, respectively.<sup>2</sup>

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<sup>2</sup> On December 23, 2016, the Debtors filed a *Motion for an Order Pursuant to 11 U.S.C. §§ 105(a) and 107(b) and Fed. R. Bankr. P. 9018 Authorizing The Filing of Certain Information Under Seal in Connection With Motions of The Debtors For Orders Pursuant To Sections 105 And 363 Of The Bankruptcy Code And Federal Rules Of Bankruptcy Procedure 6004(h) and 9019 to Enter Into And Perform Under Restructuring Lease Term Sheets With Certain Helicopter Lessor Parties* [Docket No.1396] requesting authorization to file certain confidential information contained in the Term Sheets under seal.

3. Copies of the Settlement Agreements related to the Rejection Helicopters with manufacturer's serial numbers 2707 and 760720 are attached hereto as Exhibits D-1 and D-2, respectively.

#### Jurisdiction and Venue

4. The United States Bankruptcy Court for the Northern District of Texas (the "**Court**") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested herein are sections 105(a) and 363(b) of the Bankruptcy Code.

#### Background

5. On May 5, 2016 (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

6. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

#### The Debtors' Businesses

7. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter



services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business, which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in the chapter 11 proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their business in the ordinary course.

8. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* [Docket No. 13] (the “**Del Genio Declaration**”).

#### **The Term Sheets and the Settlement Agreements**

9. In connection with the commencement of its chapter 11 cases, CHC has undertaken to formulate a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC identified cost savings to be achieved through a significant reduction in its fleet by eliminating helicopters and other related equipment that were not, currently are not, or soon will not be, used to generate revenue in CHC's businesses. In addition, CHC is in the process of reducing the complexity of its fleet, which will decrease costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet created a significant surplus of helicopters and other related equipment owned and leased by CHC.

10. As of the Petition Date, CHC maintained a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) (collectively, the “**CHC Fleet**”). A significant portion of the CHC Fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the CHC Fleet as of the Petition Date, CHC owned 67 helicopters and CHC leased the remainder from various third-party lessors. In most cases CHC subleases helicopters to affiliated operating entities. These leasing structures provide maximum regulatory and business flexibility.

11. The Debtors have undertaken to accelerate their fleet replacement strategy in exiting from non-revenue generating helicopters and five older technology helicopter types, in order to meet their customers’ demands for newer technology helicopters and reduce the number of different helicopter types in their fleet. Since the Petition Date, the Court has approved the rejection of 74 helicopters. *See* Docket No. 273, 427, 428, 565, 833, 1042, and 1145. The Court has also approved the abandonment of 5 helicopters. *See* Docket No. 1299.

12. Concurrent with the rejection of non-revenue generating helicopters and older technology helicopter types, the Debtors have also engaged in extensive negotiations with lessors to reduce and eliminate the significant costs associated with the continued leasing and operation of productive helicopters during the pendency of these chapter 11 cases and upon emergence from bankruptcy.

13. After good faith negotiations between the Debtors and the Lessor, the parties entered into an interim agreement (the “**Interim Term Sheet**”) on certain interim restructured lease terms with respect to the use of the Helicopters during the pendency of these

chapter 11 cases, while the Debtors and the Lessor complete negotiation of final long-form term sheets.

14. Accordingly, on July 1, 2016, the Debtors filed the *Debtors' Motion for an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 6004(h) Authorizing the Debtors to Enter into and Perform Under an Interim Restructuring Term Sheet with Lombard North Central Plc* Docket No. 437], which the Court approved on August 9, 2016. [Docket No. 735].

15. As contemplated by the Interim Term Sheets, the Debtors and the Lessor subsequently engaged in good faith, arms-length negotiations with respect to detailed Term Sheets to modify and restructure the Existing Operative Documents, which will govern the Helicopters upon the Debtors' emergence from chapter 11 protection. As reflected in the Term Sheets, the Debtors and the Lessor have reached an agreement to restructure certain terms of the Existing Operative Documents to govern the Helicopters upon the Debtors' emergence from bankruptcy.

16. In accordance with the Term Sheets, the Debtors and the Lessor have agreed to the following salient provisions<sup>3</sup>:

- a. reduced monthly lease payments to operate the Helicopters;
- b. modification of the onerous return conditions set forth in the Existing Operative Documents;
- c. amended purchase options for the Helicopters with MSN 31155 and MSN 920127, which eliminate any provisions that could increase the amounts payable by the relevant Lessee in connection with exercising the purchase option;

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<sup>3</sup> The summary of the terms of the Term Sheets contained in this Motion is qualified in its entirety by the terms of the Term Sheets. To the extent the Motion and the Term Sheets are inconsistent, the Term Sheets shall control.

- d. a provision permitting the Lessee to make certain agreed upon modifications and alterations to the Helicopters, the engines or other parts;
- e. that nothing in the Term Sheets constitutes an assumption by the Debtors of the Existing Operative Documents under section 365 of the Bankruptcy Code (to the extent such section is applicable); and
- f. that, other than as specifically set forth in such Term Sheets, the Term Sheets do not otherwise affect any term or provision of the Existing Operative Documents and that the parties reserve all of their respective rights and remedies with respect thereto.

17. With the effect as of the Lease Amendment Effective Date (as defined in the Term Sheets), and as set forth in more detail in the Term Sheets, including, without limitation, section 4.2 thereof, the Term Sheets also provide that the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims against the estates of the various Debtors as set forth below (the “**Prepetition Damages Claims**”):

- a. With respect to MSN 31155, an Allowed Primary General Unsecured Claim (as defined in the Term Sheets) classified in Heliworld Leasing Limited’s Class 7 General Unsecured Claims (as defined in the Term Sheets) class of \$315,855.70; and an Allowed Secondary General Unsecured Claim (as defined in the Term Sheets) classified in CHC Helicopter S.A.’s Class 7 General Unsecured Claims class of \$315,855.70;
- b. With respect to MSN 920034, an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC’s Class 7 General Unsecured Claims class of \$125,117.26; and an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.’s Class 7 General Unsecured Claims class of \$125,117.26;
- c. With respect to MSN 920127, an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) Limited’s Class 7 General Unsecured Claims class of \$852,253; and an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.’s Class 7 General Unsecured Claims class of \$852,253.

18. Notably, the Term Sheets provide that, other than as specifically provided in the Term Sheets, the amendments to the Existing Operative Documents (including the related

waiver, release and claims allowance) will be effective as of the earlier of (i) substantial consummation of a plan of reorganization and (ii) the effective date of a plan of reorganization.

19. In addition, pursuant to the Term Sheets and the Settlement Agreements (defined below), the Lessor has agreed to vote all of its claims under the Existing Operative Documents and Transaction Documents (respectively), including, without limitation, the Prepetition Damages Claims and the Allowed Unsecured Claims (as defined in the Settlement Agreements) (respectively), in support of any plan that is consistent with the terms and conditions of the Term Sheets. Accordingly, approval of the Term Sheets and the Settlement Agreements will further enable the Debtors to achieve a consensual emergence from chapter 11.

20. Notwithstanding anything in the Bankruptcy Code to the contrary, including the provisions of sections 363(e) and 365(d)(5) of the Bankruptcy Code (to the extent applicable), the Debtors shall not be obligated to make, and the Lessor shall not seek, any payments under the Existing Operative Documents or with respect to the Helicopters, except as set forth in the Term Sheets.

21. The Debtors believe the Term Sheets (and the ensuing completion of definitive amendments pursuant to the Term Sheets) will provide the Debtors with the ability to reduce their long-term leasing costs in connection with the continued operation of the Helicopters in the CHC Fleet and enable the Debtors to continue operating their businesses on a post-petition basis and following emergence from bankruptcy in accordance with their restructured business plan.

22. As part of the overall restructuring transaction related to the Term Sheets, after arms-length negotiations, the Debtors and the Lessor also settled their claims with respect

to the Rejection Helicopters with agreed allowed general unsecured non-priority pre-petition claims as detailed in the Settlement Agreements and as set forth below:

- a. With respect to MSN 2707, an Allowed Primary General Unsecured Claim (as defined in the Settlement Agreements) classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims (as defined in the Settlement Agreements) class of \$4,120,724; and an Allowed Secondary General Unsecured Claim (as defined in the Settlement Agreements) classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$4,120,724.
- b. With respect to MSN 760720, an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$2,549,250; and an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,549,250.

23. The Settlement Agreements (including the related waiver, release and claims allowances) will be effective upon the earlier to occur of (x) Substantial Consummation (as defined in the Term Sheets) of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan.

**Basis for Relief**

**The Debtors Should Be Authorized to Enter into the Term Sheets and the Settlement Agreements Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code**

24. The Bankruptcy Code authorizes the use of property outside the ordinary course of business with court approval and given a valid business reason. More specifically, section 363 of the Bankruptcy Code, in pertinent part, authorizes a debtor in possession to "use, sell, or lease, other than in the course of business, property of the estate," after notice and a hearing. 11 U.S.C. § 363(b)(1). Although section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts routinely authorize the use of debtor's property if it is based upon the reasonable business judgment of the debtor. *See, e.g., Institutional Creditors of Cont'l Air Lines,*

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*Inc. v. Cont'l Air Lines, Inc. (In re Cont'l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”) (citing *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir.1983)); *In re ASARCO, LLC*, 441 B.R. 813, 830 (Bankr. S.D. Tex. 2010); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Elpida Memory, Inc.*, No. 12-10947 (CSS), 2012 WL 6090194, at \*5 (Bankr. D. Del. Nov. 20, 2012); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999).

25. The standard for approval of the use of property outside the ordinary course of business is a deferential one. *See GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (Bankr. N.D. Tex. 2005) (“[g]reat judicial deference is given to the Trustee’s exercise of business judgment.”)

26. In addition, the Court also may grant the requested relief pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, which provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

27. Based on the foregoing considerations, the Debtors respectfully submit that the decision to enter into the Term Sheets and the Settlement Agreements represents a reasonable exercise of the Debtors’ business judgment.

28. The amended restructured lease terms contained in the Term Sheets will provide the Debtors with the opportunity to operate the Helicopters on a go-forward and post-emergence basis at reduced lease rental rates, improve overall fleet operation costs, improve return conditions and avoid onerous engine parts substitution requirements. The onerous and

off-market lease terms relating to the CHC Fleet was a significant factor that precipitated the filing of these chapter 11 cases. Approval of the Term Sheets will allow the Debtors to restructure the go-forward and post-emergence terms of the Existing Operative Documents and further the Debtors' goals of reducing high fixed lease expenses in order to maximize revenue and to operate a more efficient and streamlined fleet post-petition. The Debtors believe they have sound business reasons to enter into, and perform under, the Term Sheets and that entry into the Term Sheets is consistent with their fiduciary duties to maximize value for their estates and creditors.

29. In addition, the Debtors respectfully submit that the decision to enter in to the Settlement Agreements as part of the overall transaction between the parties represents a reasonable exercise of the Debtors' business judgment. The settlement of the claims associated with the Rejection Helicopters avoids costly and potentially lengthy litigation over complex contractual terms and allows the Debtors to efficiently and quickly resolve such matters for amounts that the Debtors believe are appropriate given the amounts and issues in question and maximize value for their estates and the creditors.

**The Term Sheets and the Settlement Agreements Should Be Approved Pursuant to Bankruptcy Rule 9019(a)**

30. In addition, the settlement embodied in the Term Sheets and the Settlement Agreements should be approved pursuant to Bankruptcy Rule 9019. A bankruptcy court may approve a settlement in accordance with Bankruptcy Rule 9019, which provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a).

31. "Compromises are 'a normal part of the process of reorganization,'" *Protective Comm. for Indep. S'holders of TMT Trailer Ferry Inc., v. Anderson*, 390 U.S. 414,



424 (1968), and are favored in bankruptcy because they minimize litigation costs and further the parties' interest in expediting the administration of the bankruptcy case. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996); *In re Bond*, 1994 U.S. App. Lexis 1282, \*9-\*14 (4th Cir. 1994). "One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves." *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005).

32. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); 9 Collier on Bankruptcy at ¶ 9019.02. Approval of a settlement is appropriate "when the settlement is fair and equitable and the best interests of the estate." *Official Committee of Unsecured Creditors v. Moeller (In re Age Refining, Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015); *In re Heritage Organization, LLC*, 375 B.R. 230, 260 (Bankr. N.D. Tex. 2007). In determining whether to approve a settlement, courts in the Fifth Circuit have applied a three factor test with a focus on comparing "the terms of the compromise with the likely rewards of litigation." *In re Age Refining, Inc.*, 801 F.3d at 540 (citing *In re Jackson Brewing Co.*, 624 F.2d 599, 607 (5th Cir. 1980)). A bankruptcy court must evaluate: (a) the probability of success in the litigation, with due consideration for the uncertainty in fact and law, (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (c) all other factors bearing on the wisdom of the compromise. *See In re Age Refining, Inc.*, 801 F.3d at 540; *In re Cajun Elec. Power Coop.*, 119 F.3d 349, 356 (5th Cir. 1997); *In re Jackson Brewing Co.*, 624 F.2d at 607; *In re Mirant Corp.*, 348 B.R. 725, 739-40 (Bankr. N.D. Tex. 2006). Furthermore, "[u]nder the rubric of the third, catch-all provision, [the Fifth Circuit has] specified two additional factors that bear on the decision to approve a proposed settlement." *Id.* These "other

factors” include consideration of (i) “the best interest of creditors, with proper deference to their reasonable views;” and (ii) “the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.” *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; *see also In re Age Refining, Inc.*, 801 F.3d at 540.

33. “In evaluating a Rule 9019 settlement, a bankruptcy court does not ‘conduct a mini-trial to determine the probable outcome of any claims waived in the settlement.’” *In re Age Refining*, 801 F.3d at 541. “Rather, the bankruptcy court must apprise [itself] of the relevant facts and law so that [it] can make an informed and intelligent decision.” *Id.*; *see also TMT Trailer Ferry*, 390 U.S. at 425 (noting that a court should “compare the terms of the compromise with the likely rewards of litigation”); *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; *In re Heritage Organization, LLC*, 375 B.R. at 260 (“it is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement. The judge need only apprise himself of the relevant facts and law so that he can make an informed and intelligent decision....”); *In re Mirant*, 348 B.R. at 741, n.36 (“For a settlement to meet the best interests test, the amount being paid or received by the estate (or, here, Mirant) need only be within the extremes of the range.”); *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004)) (holding that a court need not be convinced that the proposed settlement is the best possible outcome, rather “[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.”).

34. In the Debtors’ business judgment, the resolutions (including, without limitation, the settlement of the general unsecured prepetition claims) embodied in the Term

Sheets and the Settlement Agreements are fair and equitable and in the best interest of the Debtors, their estates and creditors, and should be approved. In addition to providing the Debtors with beneficial lease terms for the Helicopters, the Term Sheets and the Settlement Agreements also provide for a prompt and complete global resolution of the various claims of the Lessor under the Existing Operative Documents for the Helicopters and the Transaction Documents (as defined in the Settlement Agreements) for the Rejection Helicopters and reflect fair value for the obligations being settled. Such claims, if litigated, could be distracting, impose significant demands on certain of the Debtors' personnel, and result in significant litigation costs. Failure to approve the Term Sheets and the Settlement Agreements could result in extensive and protracted litigation that could drain the Debtors' limited liquidity and adversely impact their ability to timely emerge from chapter 11. In addition, such litigation may impair the Debtors' ability to utilize the Helicopters. The Term Sheets also provide for significantly reduced payments for the Helicopters upon emergence. Lastly, both the Term Sheets and the Settlement Agreements are the product of lengthy good faith, arm's length negotiations between the parties that culminated in a global settlement that falls well within the range of reasonable litigation outcomes and that reflect fair value for the obligations being settled. Accordingly, each of the applicable factors weighs in favor of approving the Term Sheets and the Settlement Agreements.

35. Based on the foregoing, the Debtors respectfully request that the Court authorize the Debtors to enter into, and perform under, the Term Sheets and Settlement Agreements, as such actions are a reasonable exercise of the Debtor's business judgment and are supported by a good business reason.

#### **Reservation of Rights**

36. Notwithstanding anything contained or requested in this Motion, the Term Sheets or the Settlement Agreements, nothing herein contemplates or constitutes an assumption

of any lease or executory contract with the Lessor pursuant to section 365 of the Bankruptcy Code. In addition, nothing contained or requested in this Motion, the Term Sheets or the Settlement Agreements shall be an acknowledgement that section 1110 of the Bankruptcy Code or the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment are applicable.

**Rule 6004(h) Waiver**

37. The Debtors respectfully request that any order approving this Motion be effective immediately, thereby waiving the 14-day stay period imposed by Bankruptcy Rule 6004(h). Waiver of the stay period is necessary for the Term Sheets and Settlement Agreements to be implemented as expeditiously as possible and within the time frames contemplated by the parties.

**Notice**

38. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.),

counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

**No Prior Request**

39. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

*[The remainder of this page is intentionally blank]*

WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to enter into, and perform under, the Term Sheets and the Settlement Agreements and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York  
January 17, 2017

By: /s/ Jasmine Ball  
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Possession*

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**EXHIBIT A****Debtors**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

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**Exhibit B**

**Proposed Form of Order**



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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

-----	X	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16– 31854 (BJH)
	:	
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO (i) ENTER INTO AND PERFORM UNDER RESTRUCTURING LEASE TERM SHEETS WITH LOMBARD NORTH CENTRAL PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 31155, 920034, AND 920127 AND (ii) ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH LOMBARD NORTHCENTRAL PLC WITH RESPECT TO AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBERS 2707 AND 760720

Upon the motion dated January 17, 2017 (the "**Motion**")<sup>1</sup> of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the "**Debtors**"), pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code and Bankruptcy Rules 6004(h) and 9019, seeking to

<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

authority to (i) enter into, and perform under, restructuring lease term sheets (together with all exhibits to such restructuring lease term sheets, the “**Term Sheets**” and each, a “**Term Sheet**”), related to the following three (3) helicopters (the “**Helicopters**”): (A) a Term Sheet related to an AgustaWestland Model AW139 helicopter with manufacturer’s serial number 31155 (“**MSN 31155**”) between Lombard North Central Plc (the “**Lessor**”) and one or more of its affiliates, and Heliworld Leasing Limited, (B) a Term Sheet related to a Sikorsky Model S92A helicopter with manufacturer’s serial number 920034 (“**MSN 920034**”) between the Lessor and one or more of its affiliates and Heli-One Leasing ULC, and (C) a Term Sheet related to a Sikorsky Model S92A helicopter with manufacturer’s serial number 920127 (“**MSN 920127**”) between the Lessor and one or more of its affiliates and CHC Helicopters (Barbados) Limited, and the associated agreements (the “**Existing Operative Documents**”), and (ii) enter into, and perform under, settlement agreements (together, the “**Settlement Agreements**” and each, a “**Settlement Agreement**”) between the Lessor and one or more of its affiliates and CHC Helicopters (Barbados) SRL with respect MSN 2707 (as defined below), and between the Lessor and one or more of its affiliates and Heli-One Leasing ULC with respect to MSN 760720 (as defined below), related to the settlement of claims arising out of the rejection of the agreements related to an Airbus EC 225 helicopter with manufacturer’s serial number 2707 (“**MSN 2707**”) and a Sikorsky Model S76C++ helicopter with manufacturer’s serial number 760720 (“**MSN 760720**”, together with MSN 2707, the “**Rejection Helicopters**”), and upon consideration of the Del Genio Declaration, and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409;

and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby

ORDERED that:

1. The relief requested in the Motion is hereby granted.

2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Term Sheets and the Settlement Agreements.

3. The Term Sheets and the Settlement Agreements, and the transactions contemplated therein, represent a valid exercise of the Debtors' business judgment and are hereby approved in their entirety.

4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Term Sheets and the Settlement Agreements.

5. With the effect as of the Lease Amendment Effective Date (as defined in the Term Sheets), and as set forth in more detail in the Term Sheets, including, without limitation, section 4.2 thereof, the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims against the estates of the various Debtors as set forth below:

a) With respect to MSN 31155:

- i. an Allowed Primary General Unsecured Claim (as defined in the Term Sheets) classified in Heliworld Leasing Limited's Class 7 General Unsecured Claims (as defined in the Term Sheets) class of \$315,855.70; and
- ii. an Allowed Secondary General Unsecured Claim (as defined in the Term Sheets) classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$315,855.70.

b) With respect to MSN 920034:

- i. an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$125,117.26 ; and

- ii. an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$125,117.26.

c) With respect to MSN 920127:

- i. an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) Limited's Class 7 General Unsecured Claims class of \$852,253; and
- ii. an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$852,253.

6. Upon the effectiveness of the Settlement Agreements and as set forth in more detail in the Settlement Agreements, and without the need for the Lessor to file proofs of claim or request for payment or take any other action, the Lessor shall receive separate and distinct stipulated, general unsecured non-priority pre-petition claims against the estates of the various Debtors as set forth below:

a) With respect to MSN 2707:

- i. an Allowed Primary General Unsecured Claim (as defined in the Settlement Agreements) classified in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims (as defined in the Settlement Agreements) class of \$4,120,724; and
- ii. an Allowed Secondary General Unsecured Claim (as defined in the Settlement Agreements) classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$4,120,724.

b) With respect to MSN 760720:

- i. an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$2,549,250; and
- ii. an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,549,250.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

8. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

*/s/ Jasmine Ball*

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**Exhibit C-1**

**The Term Sheet related to an AgustaWestland Model AW139  
helicopter with manufacturer's serial number 31155**



January 17, 2017

**HELIWORLD LEASING LIMITED**

**RESTRUCTURING OF LEASE FOR AIRCRAFT MSN NO. 31155**

**SUMMARY OF TERMS AND CONDITIONS**

This term sheet (this "Term Sheet") sets forth terms and conditions agreed among Heliworld Leasing Limited (the "Lessee" or the "lessee" or "CHC") and the Lessor named below with respect to the aircraft listed on Exhibit A-1 hereto (as more fully described on Exhibit A-1, the "Aircraft"). This Term Sheet is entered into pursuant to an interim term sheet attached to *Debtors' Motion for an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 6004(h) Authorizing the Debtors to Enter Into and Perform Under an Interim Restructuring Term Sheet with Lombard North Central PLC*, filed with the Bankruptcy Court (as defined below) on July 1, 2016 (Docket No. 437) and approved by the Bankruptcy Court on August 9, 2016 (Docket No. 735) (the "Proposal Approval Date") (in so far as it relates to the Aircraft, the "Existing Interim Term Sheet").

This Term Sheet contains recitals of certain matters relating to the existing transaction (in Part 1), a summary of terms and conditions for amendments to the existing transaction (in Part 2), the terms and conditions of interim arrangements (in Part 3), certain termination events (in Part 4), agreement on the Prepetition Damages Claims (as defined herein) (in Part 5), extension of the 60-day period (in Part 6), certain waivers (in Part 7) and provisions on authority, transaction costs and disputes, as well as miscellaneous provisions (in Part 8).

This Term Sheet is subject to approval by the Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"). CHC agrees that it shall diligently seek the approval of the Bankruptcy Court for this Term Sheet and the transactions contemplated hereby; provided that CHC shall not be obligated to submit this Term Sheet for Bankruptcy Court approval until the Official Committee of Unsecured Creditors' (the "Committee") in its Chapter 11 case has had an opportunity to review this Term Sheet; provided further that CHC agrees that it shall promptly after execution of this Term Sheet provide this Term Sheet to the Committee for its review.

\* \* \*

**Part 1****Certain Matters Relating to Existing Transaction****1.1 Parties to Existing Transaction:**

CHC, as lessee under the Existing Lease Agreement referred to below. CHC together with Heli-One (as defined in Section 1.2), CHC Helicopter (as defined in Section 1.2), 6922767 Holding (as defined in Section 1.2), CHC Barbados (as defined in Section 1.2), CHC Barbados SRL (as defined in Section 1.2), Lloyd Helicopters (as defined in Section 1.2) and CHC Australia (as defined in Section 1.2), any other affiliate of CHC that is a party to any of the Existing Operative Documents (as defined in Section 1.2) and, but only if CHC Group Ltd. or its successor shall be required to be the sole guarantor in accordance with the provisions set forth under "Other Terms" in Exhibit A hereto, such guarantor, are referred to in this Term Sheet, each, as a "CHC Party" and, collectively, as the "CHC Parties".

Lombard North Central Plc, as lessor under the Existing Lease Agreement referred to below (the "Lessor"). The Lessor together with, any Lessor Parties named on the signature pages to this Term Sheet and any person who by, through or under the Lessor may have claims against CHC, any other CHC Party, any affiliate or joint venture partner or strategic aircraft operating partner or customer thereof, any operator of the Aircraft or any other person in respect of the Aircraft or any of the Existing Operative Documents or any portion thereof are referred to in this Term Sheet, each, as a "Lessor Party" and, collectively, as the "Lessor Parties".

**1.2 Existing Operative Documents:**

- (a) Master Lease Facility Agreement, dated as of 28 April 2006, between Heli-One Leasing ULC ("Heli-One") and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft the "Existing Master Agreement").
- (b) Lease Supplement 45, dated 18 January 2009, between the Lessee and Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Lease Supplement") together with the Existing Master Agreement the "Existing Lease Agreement".
- (c) Master Guarantee, dated as of 10 March 2011, by CHC Helicopter S.A. ("CHC Helicopter") (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Guarantee").
- (d) Right-Sizing Agreement, dated as of 21 October 2013, between Heli-One, CHC Helicopter and the Lessor (as

amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Right-Sizing Agreement").

- (e) Deed of Undertaking, dated 14 October 2011, between 6922767 Holding S.à.r.l. ("6922767 Holding") and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Deed of Undertaking").
- (f) Intercreditor Deed, dated 10 March 2011, between The Royal Bank of Scotland PLC ("RBS"), Export Development Canada ("EDC"), the Lessor, Heli-One, CHC Helicopters (Barbados) Limited ("CHC Barbados"), CHC Helicopters (Barbados) SRL ("CHC Barbados SRL"), the Lessee and CHC Helicopter (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Intercreditor Deed").
- (g) Lease Extension Agreement, dated 3 May 2016, between the Lessee, the Lessor, Heli-One and CHC Helicopter (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Lease Extension Agreement").
- (h) Junior Loan Agreement, dated 18 January 2009, between the Lessee (as lender) and RBS (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Junior Loan").
- (i) Remarketing Agreement, dated 18 January 2009, between Lessor and Heli-One (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Remarketing Agreement").
- (j) Deed of Application of Proceeds, dated 18 January 2009, between Lessor, the Lessee, RBS and Heli-One (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Deed of Proceeds").
- (k) Security Assignment, dated 1 August 2014, between the Lessee and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Security Assignment").
- (l) Sub-Lessee Security Assignment, dated 1 August 2014, between the Lessee and CHC Helicopter Australia Pty, Ltd ("CHC Australia") (as amended, supplemented or otherwise modified prior to the date here, the "Existing Sub-Lessee Security Assignment")
- (m) Residual Value Guarantee Agreement, dated 14 August 2009, from Finmeccanica S.p.A. Helicopter Division to Heli-

one and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing RVG")

- (n) Aircraft Specific Lease Agreement, dated 1 August 2014, between CHC Australia and Lloyd Helicopters Pty. Ltd ("Lloyd Helicopters") (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing ASLA").
- (o) Assignment of Insurances, dated 1 August 2014, between CHC Australia and Lloyd Helicopters (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Assignment of Insurances").
- (p) Asset Swap Agreement, dated 21 October 2013, between RBS, EDC, Lessor, Heli-One, CHC Barbados, the Lessee and CHC Helicopter (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Asset Swap Agreement").
- (q) Aircraft Lease General Terms Agreement No. 12000, dated 28 November 2012, between CHC Australia and Lloyd Helicopters (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing ALGTA No.12000").
- (r) Conditional Sale Agreement, dated 18 January 2009, between the Lessee and CHC Australia (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Conditional Sale Agreement") and, collectively with the Existing Lease Agreement, the Existing Guarantee, the Existing Right-Sizing Agreement, the Existing Deed of Undertaking, the Existing Intercreditor Deed, the Existing Lease Extension Agreement, the Existing Junior Loan, the Existing Remarketing Agreement, the Existing Deed of Proceeds, the Existing Security Assignment, the Existing Sub-Lessee Security Assignment, the Existing RVG, the Existing ASLA, the Existing Assignment of Insurances, the Existing Asset Swap Agreement, the Existing ALGTA No.12000 and the other Transaction Documents, Finance Documents and Facility Documents referred to in the Existing Master Agreement (and any comparable document referred in any such Transaction Document, Finance Document and Facility Document) in so far as each such Transaction Document, Finance Document and Facility Document (and each such comparable document) relates to the Aircraft and not any other aircraft, the "Existing Operative Documents").

Capitalized terms used herein without definition shall have the meanings specified therefor in the Existing Lease Agreement.

For the avoidance of doubt, nothing in this Term Sheet shall, and nothing in this Term Sheet is intended to, affect any agreement referenced in this Section 1.2 in so far as any such agreement relates to any aircraft other than the Aircraft and, to the extent necessary, each such agreement shall be deemed severed such that such agreement in so far as it relates to the Aircraft is separate from such agreement in so far as it relates to any other aircraft.

**Part 2**

**Summary of Terms and Conditions for Amendments to Existing Transaction**

**2.1 Incorporation of Exhibit A:**

Exhibit A hereto is incorporated herein by this reference.

**2.2 Events of Default:**

The Events of Default in the Amended Operative Documents (as defined in Section 2.6 below) shall be substantially the same as those in the Existing Lease Agreement except that:

- (a) prior to the substantial consummation (as defined in Section 1101(2) of title 11 of the United States Code (the "Bankruptcy Code")) of any plan of reorganization filed, among others, by CHC in its current Chapter 11 case, which plan shall not be materially inconsistent with this Term Sheet and shall provide for the assumption by reorganized CHC (or any applicable successor) of the Amended Operative Documents to which it is a party ("Substantial Consummation" and "Plan"), the Events of Default in the Existing Operative Documents relating to the bankruptcy of any person shall be limited to dismissal of CHC's current case under Chapter 11 of the Bankruptcy Code or the conversion of such case to a case under Chapter 7 of the Bankruptcy Code, and for all purposes of the Amended Operative Documents, the term "Events of Default" shall not include any Event of Default arising from the commencement or continuation of the current Chapter 11 cases of CHC and certain of its affiliates or relating to any other supplemental, analogous or alternative case or liquidation process involving any CHC Party or any other person commenced in any jurisdiction other than the United States (each, a "Foreign Proceeding" and, collectively, the "Foreign Proceedings") at any time prior to the Substantial Consummation;
- (b) at and following Substantial Consummation, the term "Events of Default" shall not include (1) any Event of Default arising from the commencement or continuation of any Foreign Proceeding in respect of a person that is not a CHC Party, (2) any Event of Default arising from the

commencement or continuation of any Foreign Proceeding that was commenced at any time prior to Substantial Consummation in respect of any CHC Party, provided that the relief sought in any such Foreign Proceeding is not materially inconsistent with this Term Sheet and will not materially adversely affect the Lessor's position under this Term Sheet and the Amended Operative Documents, (3) any Event of Default based on group restructuring, reorganization or other transaction relating to any CHC Party and contemplated pursuant to the Plan (including, without limitation, any future debt or equity conversions contemplated pursuant to the Plan); provided that, for the avoidance of doubt, the above shall not diminish any obligations of the lessee with respect to "know your customer" requirements set forth in Exhibit A, or (4) any Event of Default relating to abandonment or surrender of any aircraft or other asset (other than the Aircraft), or rejection or renegotiation of any lease or other contract, prior to Substantial Consummation; and

- (c) at any time, the term "Events of Default" shall not include any Event of Default relating to any other aircraft or defaults under any other indebtedness or lease or other transaction of any CHC Party or any other person, except that, at and following Substantial Consummation, for so long as Lombard North Central Plc shall remain the Lessor under the Amended Lease, an "Event of Default" that shall have occurred and be continuing under any Related Lease (as such term is defined below) shall be an Event of Default under the Amended Lease.

As used in this Term Sheet, the term "Related Lease" means an "Amended Lease" that shall become effective in accordance with each of the term sheets entered into by Lombard North Central Plc and the lessee substantially contemporaneously with this Term Sheet with respect to one Sikorsky S92A aircraft bearing MSN 920127 and one Sikorsky S92A aircraft bearing MSN 920034, but, in the case of each such "Amended Lease", only for so long as Lombard North Central Plc shall remain the "Lessor" under such "Amended Lease".

For the avoidance of doubt, nothing in this Section 2.2 shall, and nothing in this Section 2.2 is intended to, constitute a waiver of any event of default under any agreement that relates to any aircraft other than the Aircraft (including, without limitation, and without limiting the generality of the last sentence in Section 1.2, under any agreement referenced in Section 1.2 in so far as any such agreement relates to any aircraft other than the Aircraft) or otherwise prejudice rights that any Lessor Party may have in respect of any aircraft other than the Aircraft.

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**2.3 Indemnities:**

On and after the Lease Amendment Effective Date, the indemnity, tax indemnity, payment gross-up, VAT and other tax provisions of the Amended Operative Documents will be unchanged from those in the corresponding Existing Operative Documents, as applicable, provided that none of the CHC Parties will indemnify for any loss, cost, expense, liability, tax, damage or claim of any kind (i) attributable to or arising out of the current Chapter 11 case or any Foreign Proceedings or the entry into of the Term Sheet Modifications or the Substitute Operative Document Amendments and the transactions contemplated by effectuating such agreements, (ii) relating to any of the other claims addressed pursuant to Sections 3.1, 5.1 and 8.2 below or waived under Section 7.1 below, or (iii) that would have been payable or borne by the lessee or any other CHC Party pursuant to any provision of the Existing Operative Documents that has been deleted or rendered ineffective in the Amended Operative Documents as contemplated by this Term Sheet or that is expressly stated in any Amended Operative Document (including, without limitation, as set forth in Exhibit A hereto) as (x) being payable or borne by a person other than the lessee or any other CHC Party or (y) not being payable or borne by the lessee or, in the case of any other CHC Party, by such CHC Party.

**2.4 Representations and Warranties at Lease Amendment Effective Date:**

- (a) At the Lease Amendment Effective Date (as defined below), the Lessor will be deemed to represent and warrant as set forth on Exhibit B-1 hereto.
- (b) At the Lease Amendment Effective Date, the lessee and, but only if CHC Group Ltd. or its successor shall be required to be the sole guarantor in accordance with the provisions set forth under "Other Terms" in Exhibit A hereto, such guarantor, will be deemed to represent and warrant, in each case, as to itself, as set forth on Exhibit B-2 hereto.

**2.5 Other Terms:**

The Existing Lease Agreement and the other Existing Operative Documents shall remain unchanged, except to the extent provided for in this Term Sheet.

**2.6 Implementation:**

The modifications to the Existing Operative Documents set forth in this Term Sheet (the "Term Sheet Modifications") shall become effective automatically and without further act on the date when each of the following conditions precedent shall be met (such date, the "Lease Amendment Effective Date"; the Existing Lease Agreement so modified is referred to herein as the "Amended Lease" and the Existing Operative Documents so modified are collectively referred to herein as the "Amended Operative Documents");

- (i) Bankruptcy Court approval of this Term Sheet and the transactions contemplated hereunder; and
- (ii) The earlier to occur of (x) Substantial Consummation of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan.

There shall be no other conditions to the effectiveness of the Term Sheet Modifications.

To the extent, if any, that (a) the Amended Scheduled Expiry Date (as defined on Exhibit A) falls after the scheduled expiry date under the Existing Lease Agreement and (b) Article XI to the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the "Convention") applies and the Term Sheet Modifications when effective create a new International Interest (as defined in the Convention) in the Aircraft under the Convention, the parties hereto agree to cooperate in good faith with each other to effect any required registration of such International Interest in respect of the Aircraft (but, for the avoidance of doubt, not in respect of any Engine or engine) on the International Registry.

**2.7 Substitute  
Amendment  
Documentation:**

Following the execution of this Term Sheet, the parties shall conduct good faith negotiations of formal amendments to the Existing Operative Documents incorporating the Term Sheet Modifications (such amendments, the "Substitute Operative Document Amendments"). As soon as practicable following approval of this Term Sheet by the Bankruptcy Court, the CHC Parties shall prepare and provide drafts of the Substitute Operative Document Amendments to Lessor. The parties shall use good faith efforts to finalize, execute and deliver such Substitute Operative Document Amendments as soon as practicable. If the Substitute Operative Document Amendments have not been entered into by the Lease Amendment Effective Date, the Amended Operative Documents shall be in full force and effect on the Lease Amendment Effective Date as set forth in Section 2.6, but this shall not relieve any party from continuing good faith negotiations of the Substitute Operative Document Amendments following the Lease Amendment Effective Date.

**2.8 Plan Treatment of  
Amended Operative  
Documents:**

Subject to CHC's right to terminate the Amended Operative Documents as set forth in Section 4.1 below, any plan of reorganization filed, among others, by CHC in its current Chapter 11 case shall provide that the Amended Operative Documents (or, if the Substitute Operative Document Amendments have been executed and delivered by the necessary parties thereto, the "Amended Operative Documents")



referred to in such Substitute Operative Document Amendments) shall be assumed and shall become the valid, binding and enforceable obligations of reorganized CHC (or any applicable successor) on the earlier to occur of (x) Substantial Consummation of such plan and (y) the effective date (as defined in such plan) of such plan, and the Lessor Parties agree, subject to receipt of a disclosure statement approved by the Bankruptcy Court, to vote all of their claims under the Existing Operative Documents, including, without limitation, the Prepetition Damages Claims set forth in Section 5.1 herein, in support of any plan that is consistent with the terms and conditions set forth herein.

### Part 3

#### Interim Arrangements

**3.1 Interim Payments:** In lieu of any payments of Lease Payments that may be due but remain unpaid under the Existing Lease Agreement for the period (such period, the "Interim Period") after the date of Bankruptcy Court approval of this Term Sheet (the "Bankruptcy Court Approval Date") to, but excluding, the date that is the earliest of (i) the Lease Amendment Effective Date, (ii) the date this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents are terminated pursuant to Section 4.1 below and (iii) the date the Existing Lease Agreement is deemed rejected pursuant to a written demand for surrender and return of the Aircraft in the circumstances when this Term Sheet has been terminated in accordance with Section 6.1 of this Term Sheet, CHC shall make payments (such payments, the "Interim Payments") to the Lessor during the Interim Period at a rate equal to the Amended Basic Rent (as such term is defined on Exhibit A), payable monthly in arrears (pro-rated for partial months) on the same monthly payment dates as specified in the Existing Interim Term Sheet for interim payments pursuant to the Existing Interim Term Sheet, commencing on the first such date following the Bankruptcy Court Approval Date. Subject to Part 4 of this Term Sheet, the Interim Payments together with any payment made pursuant to clause (a) or clause (b) under the heading "Interim Arrangements" of the Existing Interim Term Sheet shall be in full satisfaction of all administrative expense claims and other claims with respect to the Aircraft, the Existing Operative Documents, this Term Sheet and the transactions contemplated hereby and thereby for the period from and after the Petition Date until the end of the Interim Period.

**3.2 Certain Payment Conventions:**

If any payment contemplated by this Term Sheet is due on a day that is not a business day, such payment shall be made on the next succeeding business day with the same force and effect as if paid on the scheduled date. Any payments under

this Term Sheet that are to be pro-rated shall be pro-rated based on a 360-day year of twelve 30-day months.

**3.3 Compliance with Other Terms:**

During the Interim Period, CHC shall maintain, operate and insure the Aircraft in compliance with the Existing Lease Agreement as modified by the terms herein and such compliance shall constitute compliance with the Existing Lease Agreement.

**3.4 CHC's Agreement not to Reject Existing Lease Agreement:**

Without limiting CHC's termination rights provided in Section 4.1 below, and subject to the terms and conditions set forth in this Term Sheet, CHC agrees not to reject the Existing Lease Agreement with respect to the Aircraft.

**3.5 Section 1110; Section 365; Convention:**

Except as provided in Section 6.1 below or in this Section 3.5, nothing in this Term Sheet shall affect the Lessor's rights, if any, to the protection of Section 1110 of the Bankruptcy Code or the Convention with respect to the Existing Lease Agreement, if either Section 1110 or the Convention is applicable, or the right of CHC Parties or any other person to challenge any and all claims to such protection. This Term Sheet shall not constitute an election or agreement within the meaning of Section 1110 or any other provision of the Bankruptcy Code. Nothing herein constitutes an assumption by any CHC Party or any other person of any contract or lease under Section 365(a) of the Bankruptcy Code and CHC reserves all of the rights of any CHC Party or any other person to reject any contract or lease except as otherwise provided in this Term Sheet.

**3.6 Maintenance Reserves/Security Deposits:**

Any Maintenance Reserves/Security Deposits held under the Existing Operative Documents by, or for the ultimate benefit of, Lessor or any other Lessor Party shall be retained by Lessor and applied to and set off against the Prepetition Damages Claims set forth in Section 5.1 without further notice or order of the Bankruptcy Court. CHC Parties shall have no obligation to replenish any such Maintenance Reserves/Security Deposits.

**Part 4**

**Certain Termination Events**

**4.1 Termination at CHC's Option:**

In the event that a Material Restructuring Change (as defined below) occurs, notwithstanding anything in this Term Sheet to the contrary, CHC may reject or terminate the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet (but, in any event, without prejudice to any arrangements with the Lessor in respect of any other aircraft) upon not less than 30 days notice to the Lessor. In the event of such rejection or termination, the Lessor shall be entitled to:

(x) an allowed administrative expense priority claim under

Section 503 of the Bankruptcy Code for any unpaid Interim Payment for the period from the Petition Date up to, but excluding, the date on which the Aircraft is tendered for return to the Lessor (such date, the "Section 4.1 Return Date");

- (y) an allowed administrative expense priority claim under Section 503 of the Bankruptcy Code equal to three months of Amended Basic Rent, which, together with the administrative expense priority claims in clause (x), shall be the only administrative claim allowed against CHC with respect to the rejection, termination or breach of the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet, and the payment of which, once paid in full, shall be in full satisfaction of any and all administrative claims related to the rejection, termination or breach of, or any other administrative claims arising under, the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet; and
- (z) in addition to the Prepetition Damages Claims (as defined in Section 5.1 below), an allowed general unsecured non-priority pre-petition claim for all other claims and damages (not captured by the Prepetition Damages Claims) incurred as a result of the termination or breach of this Term Sheet (including, without limitation, any damages measured by reference to a stipulated loss value or termination value or for basic rent that would otherwise be payable after the Section 4.1 Return Date, and any damages for breach of or failure to comply with any return conditions), whether or not such claim would otherwise be entitled to priority as an administrative expense.

In the event of rejection or termination under this Section 4.1, without duplication of any amount previously credited to any payment made pursuant to clause (a) or clause (b) under the heading "Interim Arrangements" of the Existing Interim Term Sheet or Interim Payment pursuant to Section 3.1, CHC shall be entitled to a credit for any claims under the preceding clause (x) or (y) for the pro-rated amount of (i) any monthly advance rent payments made prior to the Petition Date to the extent allocable to any period after the Petition Date and (ii) any interim payments made pursuant to the Existing Interim Term Sheet or Interim Payment, in each case, to the extent allocable to any period after the Section 4.1 Return Date.

For the avoidance of doubt, CHC is not required to comply with any return conditions in connection with any termination pursuant to this Section 4.1.

As used in this Term Sheet, the term "Material Restructuring Change" means occurrence of any of the following:

- (aa) CHC confirms a Chapter 11 plan of reorganization contemplating that CHC discontinues revenue flight operations; or
- (bb) CHC or any of its affiliates consummate sale(s) of a material portion of their assets and such sales cause the number of aircraft in the fleet of CHC and its affiliates in revenue service under customer contracts to be less than 50 aircraft; or
- (cc) CHC's Chapter 11 case is dismissed or converted to a case under Chapter 7 and CHC suspends revenue flight operations.

**4.2 Term Sheet Termination:**

If the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet are rejected or terminated by CHC pursuant to Section 4.1 above, subject to the terms of Section 4.1, the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet will become wholly void and of no further force and effect without liability to the parties hereto or thereto or their respective Affiliates, and each will be fully released and discharged from any other liability or obligation under or resulting from this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents and the parties hereto will have no other remedy or cause of action under or relating to this Term Sheet, the Existing Lease Agreement, the other Existing Operative Documents or any applicable law including, without limitation, for reimbursement of expenses, except that Section 4.1, this Section 4.2, Section 5.1 and Part 8 of this Term Sheet will remain in full force and effect.

**Part 5**

**Prepetition Damages Claims**

**5.1 Liquidation of Prepetition Damages Claims:**

Notwithstanding anything to the contrary set forth in this Term Sheet, the parties agree that, with effect as of the Lease Amendment Effective Date as damages for any breach, termination, rejection or modification of the Existing Lease Agreement and any other Existing Operative Documents (including, without limitation, any unpaid rent for any period prior to the Petition Date), the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority prepetition claims as follows:

- (a) an Allowed Primary General Unsecured Claim in Heliworld Leasing Limited's Class 7 General Unsecured Claims class of \$315,855.70; and
- (b) an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$315,855.70 (with (a) and this (b) together referred to as the "Prepetition Damages Claims").

The defined terms set forth in (a) and (b) above are as set forth in that certain Second Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors (Docket No. 1371) filed on December 19, 2016 in the Debtors' Chapter 11 Cases.

**5.2 Transferability of Prepetition Damages Claims:**

Subject to compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, any order of the Bankruptcy Court, any confirmed plan of reorganization and any other applicable law (including, without limitation, applicable securities laws), the Prepetition Damages Claims shall be freely transferable by the Lessor, in whole or in part, at any time before or after the confirmation of a reorganization plan in CHC's current Chapter 11 case; provided that, with respect to any transfers prior to the confirmation of a reorganization plan in CHC's current Chapter 11 case, prior to any such transfer any such transferee agrees in writing for the benefit of the CHC Parties to be bound by all the terms of this Term Sheet (including, without limitation, Section 2.8 hereof) applicable to the Lessor Parties by executing a joinder agreement.

**Part 6**

**Extension of 60-Day Period**

**6.1 Extension of 60-Day Period:**

Nothing contained herein constitutes a stipulation or an admission that the Aircraft is entitled to the Protection of Section 1110 of the Bankruptcy Code or to Article XI of the Convention, and CHC reserves all of its rights under applicable agreements

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and law, including, without limitation, the right to contest that either Section 1110 or the Convention are applicable. However, if either Section 1110 or the Convention is applicable, the parties hereby agree to grant an extension of the 60-day period for all purposes under Section 1110 of the Bankruptcy Code and Article XI of the Convention until the earlier of (i) the Lease Amendment Effective Date and (ii) the date this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents are rejected or terminated pursuant to the terms of Section 4.1 above (such period, the "Extension Period"); provided that, if CHC breaches its material obligations under this Term Sheet, such Extension Period shall terminate and the automatic stay with respect to the Aircraft shall be lifted, effective after 30 days following the provision of an enforcement notice by the Lessor to CHC, unless such breach has been cured prior to the expiration of such 30-day notice period; provided, further, that the Lessor may not give an enforcement notice to CHC unless any applicable cure period set forth in the Existing Lease Agreement has lapsed without such breach being cured.

## Part 7

### Certain Waivers

#### **7.1 Waiver:**

Except as expressly provided in Sections 3.1, 4.1, 5.1 and 8.2, upon the Lease Amendment Effective Date, each of the Lessor Parties (each, on behalf of itself and its respective successors and assigns) does hereby fully, finally and forever waive, release and discharge CHC, the other CHC Parties, their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries, predecessors and any operator of the Aircraft, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of the foregoing from any and all Claims (as defined below) owned or controlled by such Lessor Party in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, (i) current bankruptcy proceedings of any CHC Party or any of their affiliates or any Foreign Proceedings, (ii) the Existing Lease Agreement or any other Existing Operative Document (including, without limitation, any breach, termination, rejection or modification of any Existing Operative Document, any default relating to other aircraft or any exercise or purported exercise of remedies thereunder) or (iii) the negotiation, preparation, execution, delivery or performance of the Existing Interim Term Sheet or this Term Sheet (including, without limitation, the Term Sheet Modifications or the Substitute Operative Document Amendments), and, upon CHC's request,

shall execute a release with respect thereto.

Upon the Lease Amendment Effective Date, each of CHC and the other CHC Parties (each, on behalf of itself and its respective successors and assigns) does hereby fully, finally and forever waive, release and discharge each of the Lessor Parties, each of their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries, predecessors and any operator of the Aircraft, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of the foregoing from any and all Claims owned or controlled by such CHC Party in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, (i) the Existing Lease Agreement or any other Existing Operative Document (including, without limitation, any breach, termination, rejection or modification of any Existing Operative Document, any default relating to other aircraft or any exercise or purported exercise of remedies thereunder) or (ii) the negotiation, preparation, execution, delivery or performance of the Existing Interim Term Sheet or this Term Sheet (including, without limitation, the Term Sheet Modifications or the Substitute Operative Document Amendments), and, upon the Lessor's request, shall execute a release with respect thereto.

As used in this Term Sheet, the term "Claims" means claims (as defined in section 101(5) of the Bankruptcy Code), causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses or demands (including, without limitation, under any tax indemnity, general indemnity, reimbursement, rental or any other provision in any Existing Operative Document or in any Amended Operative Document or in any other agreement relating to any of the foregoing), of whatsoever kind and nature, character and description, whether pre-petition unsecured, priority, administrative or post-petition/administrative, whether sounding in tort, contract or under other applicable law of any jurisdiction, whether known or unknown, whether anticipated or unanticipated, whether presently existing or existing at any time in the future, whether or not asserted, and whether founded in fact or law or in equity.

For the avoidance of doubt, nothing in this Section 7.1 shall be deemed to waive, release, or discharge any of the Lessor's or the Lessee's rights with respect to the performance of the Amended Operative Documents.

## Part 8

**Authority, Transaction Costs, Disputes and Miscellaneous**

**8.1 Authority:**

Subject to Bankruptcy Court approval of this Term Sheet, CHC hereby represents that it has authority to execute this Term Sheet and to enter into the transactions contemplated hereby. The Lessor hereby represents and warrants that it is the sole "Lessor" (as defined in the Existing Lease Agreement) and has all necessary authority to execute this Term Sheet and enter into the transactions contemplated hereby for itself and for each Lessor Party that is not a signatory to this Term Sheet, and each other Lessor Party that is a signatory to this Term Sheet hereby represents and warrants that it has all necessary authority to execute this Term Sheet and enter into the transactions contemplated hereby. Each Lessor Party that is a signatory to this Term Sheet, as to itself, and the Lessor as to itself and as to each other Lessor Party that is not a signatory to this Term Sheet hereby (i) represents and warrants that no consents or approvals are required for the consummation of the transactions contemplated hereby under its organizational or constitutive documents, under the Existing Operative Documents or from any person who has provided financing to it that is secured by an Encumbrance on any of the Aircraft or the Existing Operative Documents, except any consent or approval that has been obtained and is in full force and effect, and (ii) agrees not to sell or otherwise transfer any equity, debt or other interest in or related to the Aircraft or the Existing Operative Documents unless such sale or transfer is expressly subject to the terms and conditions of this Term Sheet and the potential purchaser or transferee agrees to be bound by the terms hereof.

**8.2 Transaction Costs:** Except as provided below, CHC Parties shall not be liable for any costs and expenses (including, without limitation, fees, expenses and disbursements of counsel) incurred by any other party in connection with entering into the Existing Interim Term Sheet, this Term Sheet, any and all of the transactions contemplated by this Term Sheet or the Substitute Operative Document Amendments and no indemnification or reimbursement with respect thereto will be provided by any CHC Party under any indemnity or reimbursement provision in the Existing Operative Documents or the Amended Operative Documents; provided that, upon the Lease Amendment Effective Date, CHC agrees to pay the reasonable and documented fees, expenses and disbursements of a single firm of legal counsel for the Lessor Parties up to a total of \$10,000 in connection with the Existing Interim Term Sheet, this Term Sheet, any and all of the transactions contemplated in this Term Sheet and the Substitute Operative Document Amendments (which cap shall be inclusive of all legal and other advisory fees, expenses and disbursements).



**8.3 Disputes:**

All disputes arising under or in connection with this Term Sheet, the Existing Lease Agreement, any other Existing Operative Document or any agreement entered pursuant hereto shall, prior to the issuance of a final decree from the Bankruptcy Court closing CHC's current Chapter 11 case, be resolved by the Bankruptcy Court, which shall have exclusive jurisdiction over such disputes; provided that all disputes arising under or in connection with any Amended Operative Document shall be resolved in accordance with the terms thereof following Substantial Consummation of CHC's plan of reorganization in its current Chapter 11 case.

**8.4 Miscellaneous:**

This Term Sheet may not be amended or modified except by an agreement in writing signed by all parties hereto. This Term Sheet may be executed in one or more counterparts (including, without limitation, by facsimile or electronic (e.g., pdf) transmission), each of which together or separately shall constitute an original and, which taken together, shall be considered one and the same binding agreement. This Term Sheet shall be binding upon and inure to the benefit of the parties hereto together with their respective successors and permitted assigns, including, without limitation, any transferee of the interest of any such person in the Aircraft or any Existing Operative Document and any other person asserting an interest in the Aircraft under the Existing Operative Documents. Each of the parties hereto agrees that it shall cooperate in good faith to implement and consummate the transactions contemplated hereby in a timely manner. The words "hereof", "herein" and "hereby" and words of similar import, when used in this Term Sheet, shall refer to this Term Sheet as a whole, including, without limitation, all the schedules and exhibits attached hereto, not to any particular provision of this Term Sheet.

**8.5 Governing Law:**

This Term Sheet will be governed by, and construed and interpreted in accordance with, the laws of New York, except that the Term Sheet Modifications and any dispute arising out of the Term Sheet Modifications will be governed by, and construed and interpreted in accordance with, English law (or, if law of another jurisdiction governs any Existing Operative Document, law of such other jurisdiction to the extent the Term Sheet Modifications modify such Existing Operative Document).

[Signature Pages Follow.]

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Agreed this 17<sup>th</sup> day of January, 2017

LOMBARD NORTH CENTRAL PLC, as  
Lessor for itself and for each Lessor Party  
that is not a signatory to this Term Sheet

By:

Name:

Title:

*A.P. Johnson*

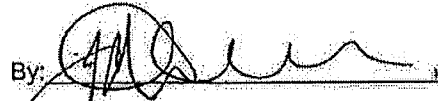
*A.P. Johnson SON*

*Attorney*

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OTHER LESSOR PARTY:

THE ROYAL BANK OF SCOTLAND PLC

By:   
Name: J.A. McDeermott  
Title: Director.

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HELIWORLD LEASING LIMITED, as lessee

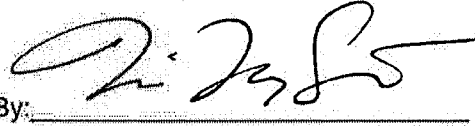
By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

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HELI-ONE LEASING ULC



By: \_\_\_\_\_

Name: Nicolas P. Stable

Title: Authorized Signatory

415

CHC HELICOPTER S.A.

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

416

6922767 HOLDING S.A.R.L.

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

417

CHC HELICOPTERS (BARBADOS) LIMITED

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory



418

CHC HELICOPTERS (BARBADOS) SRL

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

419

LLOYD HELICOPTERS PTY. LTD

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

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CHC HELICOPTER AUSTRALIA PTY. LTD

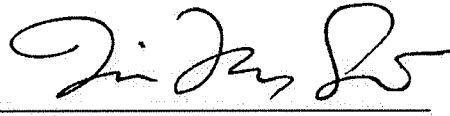
By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

421

CHC GROUP LTD.

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

(AW139 MSN 31155)

**Exhibit A to  
Term Sheet**

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RESTRUCTURED LEASE TERMS

**Amended Scheduled  
Expiry Date:**

The scheduled expiry date for the lease of the Aircraft shall be the date set forth on Schedule A hereto (as so amended, the "Amended Scheduled Expiry Date").

**Amended Basic Rent; No  
Other On-going  
Payments:**

The rate for the Lease Payment for the Aircraft (the "Amended Basic Rent") shall be the applicable amount set forth in Schedule A hereto, payable monthly in arrears (pro-rated for partial months) for each period ending on the monthly anniversaries of the Proposal Approval Date falling on or after the Lease Amendment Effective Date until the Amended Scheduled Expiry Date and, if the Amended Scheduled Expiry Date is not a monthly anniversary of the Proposal Approval Date, a final period ending on the Amended Scheduled Expiry Date (the ending date of each such period, a "Lease Payment Date" for all purposes of this Exhibit A and the Amended Operative Documents). The Amended Basic Rent shall be payable on the 10<sup>th</sup> Business Day following the last day of the period for which it is due, except that the payment date for the period ending on the Amended Scheduled Expiry Date shall fall on the Amended Scheduled Expiry Date. For the avoidance of doubt, any debt sufficiency, rent re-set, increased or additional costs or compensation for changes in law, illegality, market disruption or force majeure events, interest or swap rate adjustment or other provisions in the Existing Operative Documents that would increase or, upon the occurrence of a contingency, could increase Amended Basic Rent above the applicable amount set forth in Schedule A hereto shall be deleted or rendered ineffective.

Any provisions in the Existing Operative Documents that impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation to make payments in respect of (i) any on-going management, commitment, agency, work or other fees howsoever named or (ii) any costs or expenses of any inspection of the Aircraft or Manuals or Technical Records or any portion thereof by any Lessor Party or any of their respective representatives, appraisers or other designees shall be deleted or rendered ineffective [redacted]

Any provisions in the Existing Operative Documents that impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation with respect to costs, losses, payments or other liabilities with respect to any funding, hedging or other financial arrangements of any Lessor Party (or any such arrangements of any lender, swap provider or other financier of

any Lessor Party) in relation to or in connection with the Aircraft shall be deleted or rendered ineffective, other than any existing requirement to include the Lessor's lenders as additional insureds with respect to the lessee's liability insurance and to indemnify the Lessor's lenders on the terms set forth in the Existing Operative Documents with respect to accidents involving the Aircraft or other incidents of its operation.

Any maintenance reserves/security deposits/additional deposits with respect to the Aircraft held under the Existing Operative Documents shall be retained by the Lessor and may be applied to and set off against the amounts owed by the CHC Parties to the Lessor under the Existing Operative Documents relating to the Aircraft.

Any requirement in the Existing Operative Documents to replenish any maintenance reserves/security deposits/additional deposits or provide additional security (including without limitation in connection with the Existing Right-Sizing Agreements) are deemed deleted or rendered ineffective.

**Total Outstanding  
Balance and Certain  
Other Amounts:**

The Total Outstanding Balance schedule for the Aircraft shall be the applicable schedule set out in Schedule A hereto. For the avoidance of doubt, any debt sufficiency, increased or additional costs or compensation for changes in law, illegality, market disruption or force majeure events, early termination fee, interest or swap rate adjustment or other provisions in the Existing Operative Documents that would increase or, upon the occurrence of a contingency, could increase any of the Total Outstanding Balance for the Aircraft above the amount determined as set forth in, or by reference to the applicable schedule on, Schedule A hereto shall be deleted or rendered ineffective. [redacted]

**No Lessor Puts:**

Any provisions in the Existing Operative Documents (including without limitation in the remedies) that provide the Lessor with a put-option, such that the Lessor can require the lessee to purchase the Aircraft or the lessee is deemed to have exercised a purchase option or the lessee is required to purchase the Aircraft in certain circumstances, shall be deleted or rendered ineffective.

**Purchase Options:**

The lessee's purchase options under the Existing Operative Documents shall be preserved as follows: (a) the Option Price shall be determined as set out in Schedule A hereto (the "Amended Purchase Option Price"); (b) except for the Amended Purchase Option Price, no other amounts shall be payable by any CHC Party pursuant to or in connection with the exercise of the purchase options, and any provisions in the Existing Operative Documents that would increase or, upon the occurrence of a contingency, could increase amounts payable by any CHC Party pursuant to or in connection with the exercise of the purchase options above the Amended Purchase Option Price shall be

deleted or rendered ineffective; (c) upon such payment of the Amended Purchase Option Price, so long as no other amounts payable by the lessee under the Amended Operative Documents shall be overdue as a pre-condition to such transfer, the Lessor shall transfer title to the Aircraft to the lessee or purchaser nominated by the lessee free and clear of any Owner's Encumbrances or any other security interest, lien, claim or encumbrance granted to, or for the benefit of, or otherwise arising by or through, the Lessor or the Lessor's lenders or finance parties (including, without limitation, any swap counterparties) and otherwise in accordance with Clause 26 of the Existing Master Agreement [redacted]; provided that no other amounts payable by the lessee under the Amended Operative Documents shall be overdue as a pre-condition to such transfer and anything in such Clause 26 to the contrary shall be deleted or rendered ineffective; (d) except for the Option Price, no other amounts shall be payable by any CHC Party pursuant to or in connection with the exercise of the purchase options; (e) the lessee shall notify the Lessor of the exercise of any purchase option in accordance with the Existing Operative Documents, except that such notice need not be provided sooner than 30 days prior to the expiry date [redacted]; and (f) all other terms and conditions applicable to the lessee's purchase options under the Existing Operative Documents shall remain unchanged.

**Amended Return  
Conditions:**

Any return-related provisions (including without limitation any provisions for pre-delivery inspections (and related costs) or post-return storage, ferry flights, remarketing or other assistance) in the Existing Operative Documents shall be deleted and replaced with the return conditions set forth in Exhibit A-2 hereto (the "Amended Return Conditions").

**Financial Condition-  
Related Provisions:**

Any financial or other covenants that require any CHC Party, any affiliate thereof or any operator of the Aircraft to maintain certain financial condition ratios or other measurements (including without limitation the financial covenants set out in the Existing Deed of Undertaking), or prevent any CHC Party, any affiliate thereof or any operator of the Aircraft from taking certain actions unless certain financial condition ratios or other measurements are met, and any other provisions in the Existing Operative Documents (including any incorporated, or that could be applied, by reference to any provisions outside of the Existing Operative Documents) that become operative upon any change (including a material adverse change) in the condition of any CHC Party, any affiliate thereof or any operator of the Aircraft or in the condition of the market or that provide for notices, certifications or reporting as to any such condition or that may require notices, discussions or amendments of the Existing Operative Documents or the Amended Operative Documents on account of any provisions similar to any aspect of the foregoing in another agreement or

prospective agreement of any CHC Party or any third party shall be deleted or rendered ineffective.

Any requirements in the Existing Operative Documents to supply accounts and other financial information shall be limited to the provision of balance sheet and statement of retained earnings in respect of the Guarantor (as defined below), prepared in accordance with GAAP, certified by a recognised firm of certified public accountants, within one hundred and eighty (180) days of the close of each fiscal year of Guarantor and Guarantor's quarterly financial report certified by the chief financial officer of Guarantor, within sixty (60) days of the close of each fiscal quarter of Guarantor.

**Asset Value-Related Provisions:**

Any provisions in the Existing Operative Documents that become operative upon an impairment, revaluation or appraisal of the value of the Aircraft or other assets of any CHC Party, any affiliate thereof or any operator of the Aircraft shall be deleted or rendered ineffective.

Any obligations of any CHC Party, any affiliate thereof or any operator of the Aircraft under, with respect to or resulting from any residual or asset value guarantee, remarketing agreement or other similar arrangement or that require the maintenance of a particular collateral coverage ratio shall be deleted or rendered ineffective. None of the CHC Parties, their respective affiliates and operators of the Aircraft shall be liable to any Lessor Party for any loss of benefits under any residual value guarantee or other similar arrangement provided by the applicable OEM or any other entity. [redacted]

**Certain Provisions:**

The lessee and any operator of the Aircraft shall be permitted to store the Aircraft in accordance with any manufacturer-approved storage program and to keep Manuals and Technical Records at locations chosen by the lessee or any operator of the Aircraft in accordance with its ordinary course of business and applicable legal requirements, and any provisions in the Existing Operative Documents imposing inconsistent or additional requirements shall be deleted or rendered ineffective.

Any provisions in the Existing Operative Documents relating to engine or parts installation, removal, and substitution shall be deleted and replaced with provisions set forth in Exhibit A-3 hereto.

The lessee, at no expense to the Lessor, from time to time, may make or cause to be made such alterations and modifications in and additions to the Airframe, any Engine or any Part as any CHC Party, any affiliate thereof or any operator of the Aircraft may deem desirable in the proper conduct of its business, including, without limitation, pursuant to a customer request, and so long as



such alteration, modification and/or addition is (x) not required to meet the airworthiness standards of the applicable regulatory agency, (y) made after the commencement of leasing of the Aircraft under the Existing Operative Documents, and (z) is reversible in nature (such an alteration, modification and/or addition meeting the requirements of clauses (x),(y) and (z), an "Optional Modification"), such Optional Modification shall not be deemed a "Part" under the Existing Operative Documents or the Amended Operative Documents, title thereto shall not vest in the Lessor and it may be removed or caused to be removed by the lessee at any time on or prior to the Amended Scheduled Expiry Date (and, unless the lessee and Lessor have agreed otherwise, shall be removed on or prior to the Amended Scheduled Expiry Date) and replaced with a Part pursuant to the replacement provisions set forth in Exhibit A-3 hereto or (if it is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to the Airframe, such Engine or Part at the time of the commencement of leasing of the Aircraft under the Existing Operative Documents or any Part in replacement of, or substitution for, any such Part) without such replacement; provided that no such removal shall result in any unremedied material damage to the Aircraft. For the avoidance of doubt, nothing in the immediately preceding sentence is intended to alter any of the lessee's obligations under the Amended Return Conditions.

To the extent any provisions in the Existing Operative Documents impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation with respect to legal fees of any Lessor Party in connection with any change to the registration or location of the Aircraft, or any extension of the term of the lease beyond the Amended Scheduled Expiry Date and/or any other amendments to any Existing Operative Documents (other than the Term Sheet Modifications and any Substitute Operative Document Amendments) such obligation shall be limited to reimbursement of such legal fees actually incurred, with their incurrence approved by the lessee in advance in writing, subject to a maximum cap [redacted]

Any provisions in the Existing Operative Documents (including without limitation Clause 8 of the Existing Master Agreement) that may impose additional restrictions (including without limitation by imposing caps on the number of aircraft out of any fleet that may be allowed to be registered, re-registered, located or operated in a particular jurisdiction or jurisdictions or by requiring prepayment, repatriation, cash collateral or additional security) on allowing the Aircraft to be registered, re-registered, located or operated in a particular jurisdiction or jurisdictions, based on compliance, non-compliance or degrees of compliance with geographical allocation tests (including without limitation by reference to fleet value or

portion thereof allocable to a particular jurisdiction or jurisdictions) shall be deleted or rendered ineffective [redacted]

**Other Terms:**

Any terms in the Existing Operative Documents that are inconsistent with the terms set forth in this Term Sheet shall be deemed to be deleted or rendered ineffective. For the avoidance of doubt, (i) the repayment of any amounts outstanding under the RBS Loan and/or any Participating Loan Agreement shall be re-set and revised at levels equal to the Amended Basic Rent set forth in Schedule A hereto and by reference to the Lease Payment Dates set out herein; and (ii) the repayment and amortization of any amounts outstanding under the RBS Loan and/or any Participating Loan Agreement shall be re-set and revised at levels equal to the economics of the revised Total Outstanding Balance amortization set out in the schedule set forth in Schedule A hereto and by reference to the Lease Payment Dates set out herein.

To the extent that any terms in any commercial agreement or loan, swap or other financing arrangement involving the Aircraft or the Existing Operative Documents or any portion thereof, including without limitation any intercreditor arrangements, affect any CHC Party, any affiliate thereof or any operator of the Aircraft and, were such terms included in the Existing Operative Documents, they would be modified, deleted or rendered ineffective (or deemed to be so) as contemplated by this Term Sheet, such terms shall be deemed to be modified, deleted or rendered ineffective to the extent of their effect on any such CHC Party, affiliate thereof or operator of the Aircraft.

CHC Parties shall be permitted to amend any subleases, sub-subleases and any other agreements in the sublease chain, without review by any Lessor Party of such changes, if and only if such amendments are made in order to reflect changes resulting from terms and conditions of this Term Sheet (including without limitation with respect to the Amended Scheduled Expiry Date, Amended Basic Rent and Amended Return Conditions), but, for the avoidance of doubt, each such amendment, if any, shall provide that the applicable amended sublease, sub-sublease or other agreement in the sublease chain shall at all times continue to be subject and subordinate to the Amended Lease.

Any CHC Party that is a guarantor or surety (or acts in any similar capacity) under any of the Existing Operative Documents (except for CHC Group Ltd. or the Guarantor) shall be released from any and all of its obligations and liabilities under or in connection with the Existing Operative Documents such that the number of guarantors (including without limitation sureties and anyone acting in a similar capacity) for the Aircraft shall be reduced to one, which shall be CHC Group Ltd. or its functional or legal successor (the "Guarantor"). For the avoidance of doubt such guarantee shall be

on the terms of the Existing Guarantee as amended by this Term Sheet.

With respect to any proposed novation or transfer of any Amended Operative Document by the lessee or the Guarantor, or any of their respective successors, to another CHC Party, the Lessor will not withhold its consent unreasonably or with undue delay and any inconsistent restrictions in the Existing Operative Documents shall be deleted or rendered ineffective. Any other provisions in the Existing Operative Documents that may restrict the ability of any CHC Party or any group of CHC Parties to sell, transfer, lease, lend or otherwise dispose of its business, in whole or in part, change any aspect or nature thereof or otherwise accomplish group restructuring or reorganization by prohibiting any such action or aspect thereof, either as a general matter or of a particular type or under certain circumstances, or by requiring consents of any Lessor Party shall be deleted or rendered ineffective [redacted]

No representations or warranties in the Existing Operative Documents shall be deemed to be continually given or repeated at any time or be otherwise construed as continuing undertakings following the time when such representations and warranties were first made by any CHC Party, any affiliate thereof or any operator of the Aircraft.

For the avoidance of doubt, Exhibits A-1, A-2 and A-3 and Schedule A shall be deemed to be a part of this Exhibit A incorporated herein by this reference.

This Term Sheet refers to changing, deleting or rendering ineffective certain types of provisions that may or may not exist in the Existing Operative Documents, and for the avoidance of doubt, such references (x) are not intended to incorporate by reference into the Existing Operative Documents the types of provisions that do not exist in the Existing Operative Documents, and (y) shall only apply to the types of provisions that do exist in the Existing Operative Documents.

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**Exhibit A-1 to  
Term Sheet**

**AIRCRAFT AND CERTAIN DEFINITIONS**

As used in this Term Sheet, the following terms have the following meanings:

"Aircraft" means, collectively, the Airframe and Engines.

"Airframe" means the AgustaWestland model AW139 airframe bearing manufacturer's serial number 31155 (excluding the Engines) and any and all Parts from time to time incorporated in, installed on or attached to such airframe.

"Engine" means each of the engines installed on the Airframe at delivery of the Aircraft by Lessor to lessee or any engine that may from time to time be substituted for an Engine as described in Exhibit A-2 or Exhibit A-3, in each case, with any and all Parts incorporated in or installed on or attached to such Engine and/or engine.

"Parts" means all appliances, avionics, software, components, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature that may from time to time be incorporated or installed in or attached to the Airframe or any Engine (other than an entire Engine), including, for the avoidance of doubt, rotor blades, rotor components, APU (if any) and other major components.

\*\*\*\*\*

The defined terms, and their respective definitions, of "Helicopter", "Airframe", "Engine" and "Parts" in the Existing Operative Documents shall be replaced with the corresponding defined terms, and their respective definitions, in this Exhibit A-1.

**Exhibit A-2 to  
Term Sheet**

**RETURN CONDITIONS**

Any return-related provisions (including, without limitation, any provisions for pre-delivery inspections (and related costs) or post-return storage, ferry flights, remarketing or other assistance) in the Existing Operative Documents shall be deleted and replaced with the return conditions set forth in this Exhibit A-2.

The lessee and the Lessor agree that the requirements set forth in this Exhibit (such requirements, the "Return Conditions") shall apply to the return of the Aircraft to the Lessor at the expiration of the lease or the earlier termination of the lease by Lessor pursuant to the exercise of remedies (for the avoidance of doubt, notwithstanding anything in the Existing Operative Documents or elsewhere to the contrary, there will be no serviceability, cycle, condition, time or other requirements applicable to the return of the Aircraft, any Engine or any Part (other than as provided in the Return Conditions)) and to the extent that any of the terms and conditions in this Exhibit conflict with or are inconsistent with the terms of the Existing Operative Documents or any other related document, the terms of this Exhibit shall prevail.

**1 Definitions and Interpretation**

Notwithstanding any separate definition in the Existing Operative Documents or elsewhere, the following terms shall have the following meanings for all purposes of this Exhibit.

"Aviation Authority" shall mean the aviation authority of the country of registration of the Aircraft.

"Life Limited Part" means any Part of the Aircraft that may only be used for a specified interval of time (whether calculated by reference to flight hours, cycles or calendar days), after which such Part must be replaced. For the avoidance of doubt, Life Limited Parts shall not include any Time-Limited Parts, or "on-condition" or "condition-monitored" Parts.

"Records" shall mean any records, logs, manuals, technical data in lessee's possession (excluding technical publications and any subscription-based digital information) relating to the Aircraft to the extent required to produce a Certificate of Airworthiness for the Aircraft but not otherwise. For the avoidance of doubt, the lessee shall have no obligation to deliver "back to birth" Records (except to the extent required to produce a Certificate of Airworthiness) or to reproduce any Records relating to the period prior to delivery of the Aircraft to the lessee that were not provided with the Aircraft at delivery.

"Return Date" shall mean the date on which the lessee delivers the Aircraft to the Lessor.

"Technical Acceptance Certificate" means a certificate of technical acceptance substantially in the form of Exhibit A-2 (1) attached hereto.

"Time-Limited Part" means any Part of the Aircraft that is subject to scheduled overhauls that are to be repeated at specified intervals (whether measured by reference to flight hours, cycles or calendar days). For the avoidance of doubt, Time Limited Parts shall not include any Life Limited Parts, "on-condition" Parts, or "condition-monitored" Parts.

Any reference in this Exhibit to the lessee's maintenance programme shall refer to the lessee's maintenance programme, as in effect from time to time, as approved by the relevant Aviation Authority for the Aircraft and/or the lessee, for aircraft of the same make and model as the Aircraft which includes scheduled maintenance, condition monitored maintenance and on-condition maintenance of the Airframe, Engines and Parts of the Aircraft.

For the avoidance of doubt, references in this Exhibit to "the lessee" may instead be to the operator of the Aircraft, as applicable.

## **2 Return Location**

- 2.1 The lessee shall return the Aircraft to the Lessor by delivering the Aircraft at lessee's expense to an aircraft base, maintenance facility or storage facility selected by the lessee (the "Return Location") and notified to Lessor no less than 60 days prior to the Amended Scheduled Expiry Date.
- 2.2 Records relating to the Aircraft shall be redelivered in the English language with the Aircraft, provided that the most recently updated Records (e.g. Records related to the inspection flight or other maintenance and repairs performed in connection with return of the Aircraft) may be redelivered as soon as reasonably practicable after redelivery of the Aircraft.

## **3 General Condition**

- 3.1 The Aircraft shall be serviceable, as determined in accordance with the lessee's maintenance programme. The Aircraft shall have a valid Certificate of Airworthiness or, at lessee's election, an Export Certificate of Airworthiness for the Export Registration (as defined below). If the lessee elects to provide an Export Certificate of Airworthiness, the Lessor may propose an export registration for the Aircraft, which lessee may (as determined in its sole discretion) accept (the "Export Registration"). In the event that an Export Registration is not elected by the Lessor or the proposed Export Registration is not acceptable to the lessee, lessee may provide an Export Certificate of Airworthiness for Canada or the Cayman Islands. The Lessor shall have received a certified copy of the current certificate of maintenance review or equivalent in accordance with the regulations of the Aviation Authority.
- 3.2 The Aircraft shall have installed the complement of Engines and Parts required by the Aviation Authority for normal operation of the Aircraft, and all installed systems required for normal operation of the Aircraft shall be serviceable, as determined in accordance with the lessee's maintenance programme.
- 3.3 All outstanding mandatory airworthiness directives issued by the Aviation Authority with respect to the model of the Aircraft that have a known compliance deadline on or before the Return Date, shall have been complied with as and to the extent required by such mandatory airworthiness directive prior to such date (such accomplishment to be on a

terminating action basis only if such terminating action is required on or before the Return Date), save to the extent that the lessee has obtained a waiver or deviation from the Aviation Authority from having to comply with such mandatory airworthiness directives.

- 3.4 The Aircraft exterior paint shall be sanded and painted all white to the manufacturer's process specification with all of the lessee's markings removed, or in lieu thereof, the lessee may make a payment to the Lessor, on the date specified in Section 7.3, of an amount equal to the externally quoted list price of Heli One (or another maintenance provider reasonably selected by the lessee) for such painting and sanding work, and in such event the Lessor shall be obligated to have removed the lessee's livery from the Aircraft prior to the next use thereof by a different operator.
- 3.5 Any deferred, continued, carry-over, time-limited repairs or open log book maintenance items against the Aircraft which are deferred in accordance with lessee's maintenance programme will not be performed.

**4 Engines, "On-Condition" Parts, and "Condition Monitored" Parts**

- 4.1 Each Engine shall be serviceable, as determined in accordance with the lessee's maintenance programme. Within thirty (30) days of the Amended Scheduled Expiry Date, a spectrographic oil analysis programme ("SOAP") sample shall be taken of the oil in each Engine. If the results of the SOAP sample indicate that an Engine is not serviceable, as determined in accordance with the lessee's maintenance programme, lessee may (as determined in its sole discretion) either substitute such Engine in accordance with Section 8 or conduct such maintenance on such Engine as is necessary and a further SOAP sample shall be taken within 15 days of the Amended Scheduled Expiry Date and the results shall meet the above required standard.
- 4.2 "On-condition" and "condition monitored" Parts shall be serviceable, as determined in accordance with the lessee's maintenance programme.

**5 Corrosion and Leaks**

- 5.1 The Aircraft shall be in compliance with the corrosion prevention and control requirements of lessee's maintenance programme.
- 5.2 The Aircraft shall be free of fuel, hydraulic, pneumatic, water or waste systems leaks that exceed the tolerances of lessee's maintenance programme.

**6 Inspection and Test Flight**

- 6.1 Prior to the Return Date, the Lessor shall be entitled to a non-intrusive visual inspection to verify that the Aircraft is in compliance with the Return Conditions.
- 6.2 The Lessor shall be entitled to review the Records during the period beginning on the date that is 60 days preceding the Amended Scheduled Expiry Date and ending on the date that is 30 days preceding the Amended Scheduled Expiry Date.
- 6.3 Lessee shall perform a hot and cold section borescope and combustion section inspection with respect to each Engine as required by lessee's maintenance programme

and, if required by the manufacturer, an engine test in accordance with the lessee's maintenance programme, with the Lessor entitled to be present.

- 6.4 The lessee will accomplish a maximum power assurance run on the Engines in accordance with the lessee's maintenance programme and record and evaluate the Engine performance, with the Lessor entitled to be present. The performance of each Engine will be within the limits specified in the lessee's maintenance programme.
- 6.5 If requested by the Lessor, the Aircraft shall, prior to the Return Date, be test flown by the lessee using appropriate qualified flight test personnel, for up to one and a half hours, for the purpose of demonstrating to the Lessor the normal operation of the Aircraft, that the systems that are required for the normal operation of the Aircraft are serviceable within the tolerances specified in the lessee's maintenance programme. During such test flight, command, care, custody and control of the Aircraft shall remain at all times with the lessee. Two of the Lessor's representatives shall be permitted to participate in such test flight as observers.
- 6.6 Any participation by the Lessor in the procedures described in this Section 6 shall be subject to the following conditions: (i) the Lessor shall provide, prior to conducting any such inspection, assurances reasonably satisfactory to the lessee that it is fully insured with respect to any risks incurred in connection with any such inspection and, if requested by lessee, a written release satisfactory to the lessee with respect to such risks; (ii) any such participation shall be subject to the safety, security, and workplace rules applicable at the location where such participation is conducted and to the requirements of any applicable law; (iii) any such participation shall be conducted so as not to interfere with the lessee's business or the operation or maintenance of the Aircraft and, in the case of an participation during a maintenance visit, such participation shall not in any respect interfere with the normal conduct of such maintenance visit or extent the time required for such maintenance visit (as determined by lessee in its sole discretion); and (iv) the Lessor's representatives shall at all times follow the direction of the lessee's representatives, including to ensure that customs and export control access requirements are complied with. Any and all costs and expenses of the Lessor and its representatives in connection with the Lessor's participation in the procedures described in this Section 6 shall be for the Lessor's account.
- 6.7 The Lessor is entitled to have a qualified third party serve as its representative in the procedures described in this Section 6 and the redelivery of the Aircraft to the Lessor, provided that the requirements above shall also apply to such qualified third party, that such third party does not unreasonably impede the expeditious redelivery of the Aircraft to the Lessor and any and all costs and expenses of any such third party shall be for the Lessor's account, and the lessee shall have no obligations with respect thereto.

## **7 Net Cash Adjustment Amount and Other Payments**

- 7.1 The lessee shall calculate the Net Cash Adjustment Amount as provided below, and provide the Lessor with a statement listing such amount, together with reasonably detailed calculations, prior to the Return Date. If:
- (a) the Net Cash Adjustment Amount is a positive number, the lessee shall pay such amount in U.S. dollars to the Lessor on the date specified in Section 7.3; or



- (b) If the Net Cash Adjustment Amount is a negative number [redacted], the Lessor shall pay such amount to the lessee on the date specified in Section 7.3 [redacted].

"Net Cash Adjustment Amount" means the sum of the Adjustment Factors, whether positive or negative, for each of the Engines, Time Limited Parts, and Life Limited Parts.

"Adjustment Factor" for each Engine, each Time Limited Part and each Life Limited Part means the amount (whether positive or negative) determined by the following formula:

$$(A / B) * (C - (B/2))$$

where:

A = the applicable Restoration Cost

B = the applicable Full Time

C = the applicable Actual Hours

"Restoration Cost" means:

- (A) with respect to an Engine, the cost of an overhaul, in accordance with lessee's maintenance programme, with respect to an engine of the same model as the Engine (excluding the costs of replacement or overhaul of any Time-Limited Parts or Life Limited Parts);
- (B) with respect to each Time-Limited Part, the cost of an overhaul, in accordance with lessee's maintenance programme, of such a part of the same model as such Time-Limited Part; and
- (C) with respect to each Life Limited Part, the published list price of a part of the same type as such Life Limited Part.

With respect to (A) and (B), the costs of the applicable overhaul, as the case may be, shall be the amount for such applicable overhaul in a quote obtained by the lessee from Heli One or another maintenance provider selected by the lessee.

"Actual Hours" with respect to an Engine, a Time-Limited Part or a Life Limited Part means the hours, cycles or calendar days (whichever unit of measurement is used to determine Full-Time for such Engine, Time-Limited Part or Life Limited Part) as recorded in the Aircraft log and maintenance records for usage of such Engine, Time Limited Part or Life Limited Part since the previous overhaul or replacement, as applicable, with respect to such Engine, Time-Limited Part or Life Limited Part, or since new if there has been no such previous overhaul, or replacement with respect to such Engine, Time-Limited Part or Life Limited Part.

"Full-Time" means:

- (A) with respect to an Engine, the full number of flight hours, cycles, or calendar days (whichever unit of measurement is being used to record time in the Aircraft log and maintenance records with respect to the Engines at the Return Date) between overhauls required under the lessee's maintenance programme;
- (B) with respect to each Time Limited Part, the full number of flight hours, cycles, or calendar days (whichever unit of measurement is being used to record time in the Aircraft log and maintenance records with respect to such Time-Limited Part at the Return Date) between overhauls required under the lessee's maintenance programme; and
- (C) with respect to each Life Limited Part, the full number of flight hours, cycles or calendar days (whichever unit of measurement is being used to record time in the Aircraft log and maintenance records with respect to such Life Limited Part at the Return Date), in the life limit of a part of the same model as such Life Limited Part as published by the applicable manufacturer.
- 7.2 If, on the Return Date, the Aircraft does not comply with any of the Return Conditions specified in this Exhibit (other than with respect to the requirements in Section 7.1), then the lessee shall be entitled to pay to the Lessor an amount (the "Compensation Amount") in lieu of rectifying such discrepancy on the date specified in Section 7.3, and upon the payment by the lessee of such amount, the Aircraft shall be deemed to be in full compliance with the applicable Return Condition. The lessee and Lessor shall attempt to mutually agree on the Compensation Amount; provided that it is agreed that the amount quoted to lessee by Heli One or another maintenance provider selected by the lessee to correct such discrepancy shall be deemed to constitute a sufficient Compensation Amount.
- 7.3 All amounts owed by the lessee and the Lessor pursuant to Sections 3.4, 7.1 and 7.2 (as applicable) shall be netted into a single payment by the lessee or the Lessor, as the case may be (the "Net Payment"), and the lessee or the Lessor, as the case may be, shall pay to the other the Net Payment by the date that is 10 Business Days following the Return Date, provided that if the determination of any such amounts is to be resolved pursuant to Section 11, the lessee or the Lessor, as the case may be, shall pay to the other the Net Payment by the date that is 10 Business Days following the date of determination of all such amounts pursuant to Section 11.
- 7.4 Notwithstanding anything in the Existing Operative Documents or elsewhere to the contrary, no "holdover rent" or other payment amounts shall accrue or be payable by the lessee with respect to any delayed return of the Aircraft.
- 8 Engine Substitution**
- 8.1 lessee may deliver the Aircraft to the Lessor on the Return Date with one or more Replacement Engines substituted for an Engine or the Engines. Such Replacement Engine(s) at return shall be subject to the applicable provisions of this Exhibit as if each reference to an "Engine" herein were a reference to such Replacement Engine. A "Replacement Engine" is an engine in serviceable condition and the model is approved by the Engine manufacturer for the use on an airframe of the same type as the Airframe.

- 8.2 lessee shall furnish Lessor with a warranty (as to title) bill of sale with respect to such Replacement Engine(s) transferring all of the lessee's right, title and interest in and to such Replacement Engine(s) to the Lessor. Upon lessee's request, the Lessor shall furnish lessee with a warranty (as to title) bill of sale with respect to the engine or engines replaced by such Replacement Engine(s) transferring all of the Lessor's right, title and interest in and to such replaced engine(s) to the lessee or its designee. For the avoidance of doubt, the Lessor shall not be entitled to "back to birth" bills of sale in respect of any Engine or Replacement Engine.

**9 Export Taxes and Duties**

All historic export taxes, duties and related costs and fees with respect to the Aircraft shall have been paid in respect of the Aircraft. To the extent Lessor has requested export of the Aircraft on or about the Return Date and the lessee has agreed to such export, all export taxes, duties and related costs and fees payable as a result of such export shall be for the Lessor's account.

**10 Technical Acceptance Certificate**

Promptly following return of the Aircraft, the Lessor shall execute and deliver to the lessee a Technical Acceptance Certificate confirming delivery of the Aircraft by the lessee to the Lessor. The execution of the Technical Acceptance Certificate shall not be unreasonably withheld or delayed by the Lessor.

**11 Dispute Resolution**

In the event that there is a dispute between the lessee and the Lessor with respect to any matter provided for in this Exhibit, including the calculation of any amounts due under Section 7 herein, such matter will be resolved under this Section 11. The lessee and the Lessor agree to submit the dispute to administered expert proceedings in accordance with the Rules for the Administration of Expert Proceedings of the International Chamber of Commerce (the "Rules") except as they may be modified herein or by mutual agreement of the lessee and the Lessor. The expert shall be an acknowledged industry expert with at least ten years' experience of inspecting helicopters. Upon the submission of a Request (as defined in the Rules), the parties shall seek to agree on the identity of the expert. If the parties cannot reach agreement on the identity of the expert within 10 Business Days, then the ICC International Centre for ADR shall appoint the expert. The expert shall determine the matter which is the subject of the dispute as set forth in the Request. The lessee and the Lessor agree that the determination and findings of the experts shall be final and contractually binding on them. The fees and costs of the expert and the ICC International Centre for ADR shall be borne equally by the lessee and the Lessor. The expert determination process shall be conducted in the English language.

**EXHIBIT A-2 (1)**  
**FORM OF TECHNICAL ACCEPTANCE CERTIFICATE**

Date: [•]

Relating to One [Manufacturer] [Model] Aircraft bearing Manufacturer's Serial Number [•]  
and Registration Mark [•] with Two [Manufacturer][Model] Engines bearing Engine Serial  
Numbers [•] and [•] (the "Aircraft")

between

[•]

LESSOR

and

[•]

LESSEE

[Name of CHC Lessee Entity] (the "**Lessee**") and [Name of Lessor] (the "**Lessor**"), are parties to  
a lease agreement [comprising [•]], dated as of [•], with respect to the Aircraft (as amended,  
modified or supplemented from time to time, the "**Lease**").

This Technical Acceptance Certificate is executed by the parties hereto to confirm that the  
following described Aircraft:

**Airframe:**

Manufacturer:

Model:

Serial Number:

**Engines:**

Manufacturer:

Model:

Serial Numbers:

was delivered by the Lessee to the Lessor. Lessor hereby confirms that the Lessee has  
returned the Aircraft described above in compliance with the Lease.

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IN WITNESS WHEREOF, the parties hereto have caused this Technical Acceptance Certificate to be executed by their duly authorised representatives as of the day and year first written above.

*[Name of Lessor]*

By: \_\_\_\_\_  
Name:  
Title:

*[Name of CHC Lessee Entity]*

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit A-3 to  
Term Sheet**

**ENGINE AND PARTS INSTALLATION, REMOVAL AND SUBSTITUTION PROVISIONS**

**2. Definitions**

Capitalised terms not otherwise defined in this Term Sheet have the respective meanings ascribed to them in the Existing Operative Documents.

**3. Replacement of Parts**

The lessee shall remove and repair or replace any Part installed on the Aircraft that becomes time-expired, unserviceable, or damaged beyond repair except if the Airframe or the Engine to which the Part relates has suffered a Total Loss. In addition, the lessee may remove in the ordinary course of maintenance, service, repair, overhaul, testing or operation, any Part, whether or not time-expired, unserviceable, or damaged beyond repair, provided that the lessee will replace such Part as promptly as practicable. Any replacement part (each, a "Replacement Part") shall meet the following requirements: (1) the model of the Replacement Part is approved by the manufacturer thereof for the use on an aircraft of the same type as the Aircraft; (2) the installation of the Replacement Part will not materially diminish the value or airworthiness of the Aircraft; and (3) the Replacement Part is free of any Encumbrances (other than Permitted Liens).

**4. Replacement of Engines**

From time to time during the Lease Period, the lessee may in the ordinary course of maintenance, service, repair, overhaul, testing or operation: (A) temporarily substitute any Engine with another engine (any such substitute engine, a "Loaner Engine"), provided that: (1) the model of the Loaner Engine is approved by the manufacturer thereof for the use on an airframe of the same type as the Airframe; and (2) the Loaner Engine is removed and the original Engine or Replacement Engine (as defined below) is installed on the Airframe upon the earlier of sixty (60) days after removal and the Expiry Date; or (B) permanently replace any Engine with another engine (any such replacement engine, a "Replacement Engine"), provided that: (1) the model of the Replacement Engine is approved by the manufacturer thereof for the use on an airframe of the same type as the Airframe; (2) the installation of the Replacement Engine will not materially diminish the value or airworthiness of the Aircraft; and (3) the Replacement Engine is free of any Encumbrances (other than Permitted Liens).

**5. Power-by-the-hour and similar arrangements**

Notwithstanding the foregoing paragraphs 3 and 4, if a Part or an Engine is the subject of a "power-by-the-hour" or other similar maintenance arrangement (each, a "Maintenance Agreement") between the lessee or any relevant sublessee, sub-sublessee or any other entity in the sublease chain and a maintenance, repair and overhaul company, such Part or Engine may be removed from the Aircraft and replaced with a Replacement Part or Replacement Engine, as applicable, provided to the lessee or such sublessee, sub-sublessee or other entity pursuant to such Maintenance Agreement.

**6. Title**

Upon the installation of a Replacement Part or Replacement Engine on the Aircraft under paragraphs 3, 4 or 5 above: (A) title to such Replacement Part or Replacement Engine shall without further act vest in the Lessor, and such Replacement Part or Replacement Engine shall become a "Part" or "Engine", as applicable, under the Existing Operative Documents; and (B) title to the Part or Engine so replaced shall without further act vest in the lessee free of any Lessor's Encumbrances whereupon it shall no longer be a "Part" or "Engine", as applicable, under the Existing Operative Documents, and the Lessor hereby agrees that neither the Lessor nor its successors or assigns will claim any right, title or interest in any such replaced Part or replaced Engine by reason of it having been previously associated with the Airframe.

**7. No Encumbrances**

The Lessor shall not (and shall not permit any other Lessor Party or any lender or other finance party to) grant, convey, assign, claim, register (or consent to any of the foregoing with respect to) any Encumbrance specifically identifying or creating separate security over any Engine or Part, whether under the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, a personal property security registration regime or otherwise.

**8. Other**

For the avoidance of doubt, the provisions of this Exhibit shall apply notwithstanding the inclusion of certain specific serial numbers for engines or other parts in any bill of sale in relation to the Airframe or in any Existing Operative Documents or other documents in relation to the Airframe.

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**Schedule A to  
Term Sheet**

**AIRCRAFT SCHEDULE**

[REDACTED]

Sch. A-1



**Exhibit B-1 to  
Term Sheet**

**LESSOR REPRESENTATIONS AND WARRANTIES**

1. **Status.** It is a corporation, company or other entity duly organized and validly existing under the laws of its country of incorporation or formation.
2. **Non-Conflict.** The execution and delivery by it of this Term Sheet, the consummation by it of the transactions contemplated in this Term Sheet and compliance with the terms and provisions of this Term Sheet are within its corporate power, do not and will not result in a violation of its constitutional documents as currently in effect, and do not and will not conflict with, or result in a breach of any term or provision of, or constitute a default under any material indenture, mortgage, or other agreement or instrument to which it is a party or by which it or any of its material properties is or may be bound; provided that it makes no representation or warranty in this paragraph with respect to the Existing Operative Documents.
3. **Legal Validity.** This Term Sheet has been duly authorised by all necessary corporate action on its part and executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with their terms, except as their enforceability may be limited by bankruptcy, liquidation, examinership, insolvency, reorganisation and other laws of general application affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such proceeding is considered a proceeding in equity or at law) and except as limited by applicable laws that may affect remedies.
4. **Consents.** It has received every material consent, approval or authorisation of, and has given every material notice to, the governmental authority in its country of incorporation having jurisdiction with respect to the execution, delivery or performance of this Term Sheet including, without limitation, all monetary and other obligations under this Term Sheet) that is required for it to execute and deliver this Term Sheet, and to perform the transactions contemplated by this Term Sheet, and each such consent, approval or authorisation is valid and is in full force and effect and has not been revoked; provided that it makes no representation or warranty in this paragraph as to (a) any consent, approval, authorisation, notice or any other action that may be required under or by any of the Existing Operative Documents, including, without limitation, any filings, registrations and recordations as may be necessary or advisable with respect thereto under any applicable laws, (b) the order of the Bankruptcy Court approving this Term Sheet and the transaction contemplated thereunder, or (c) any periodic renewals of the registration of the Aircraft with the aircraft registry it is currently registered on, the registration of any International Interest that may be created under this Term Sheet pursuant to the Convention or any other consent, approval, authorisation, notice or any other action that may be required or allowed to be obtained, given, made or performed after the Lease Amendment Effective Date.
5. **No Encumbrances.** The Aircraft is free and clear of any Encumbrances created by it other than Encumbrances created or permitted under the Amended Operative Documents. For the avoidance of doubt and without limiting the generality of the penultimate sentence in Section 1.2, the term "Encumbrance" used in this Term Sheet has the meaning specified therefor in the Existing Lease Agreement.

**Exhibit B-2 to  
Term Sheet**

**CHC REPRESENTATIONS AND WARRANTIES**

1. **Status.** It is a corporation, company or other entity duly organized and validly existing under the laws of its country of incorporation or formation.
2. **Non-Conflict.** The execution and delivery by it of this Term Sheet, the consummation by it of the transactions contemplated in this Term Sheet and compliance with the terms and provisions of this Term Sheet are within its corporate power, do not and will not result in a violation of its constitutional documents as currently in effect, and do not and will not conflict with, or result in a breach of any term or provision of, or constitute a default under any material indenture, mortgage, or other agreement or instrument to which it is a party or by which it or any of its material properties is or may be bound; provided that it makes no representation or warranty in this paragraph with respect to the Existing Operative Documents.
3. **Legal Validity.** This Term Sheet has been duly authorised by all necessary corporate action on its part and by the Bankruptcy Court and executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with their terms, except as their enforceability may be limited by bankruptcy, liquidation, examinership, insolvency, reorganisation and other laws of general application affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such proceeding is considered a proceeding in equity or at law) and except as limited by applicable laws that may affect remedies.
4. **Consents.** It has received every material consent, approval or authorisation of, and has given every material notice to, the governmental authority in its country of incorporation having jurisdiction with respect to the execution, delivery or performance of this Term Sheet including, without limitation, all monetary and other obligations under this Term Sheet) that is required for it to execute and deliver this Term Sheet, and to perform the transactions contemplated by this Term Sheet, and each such consent, approval or authorisation is valid and is in full force and effect and has not been revoked; provided that it makes no representation or warranty in this paragraph as to (a) any consent, approval, authorisation, notice or any other action that may be required under or by any of the Existing Operative Documents, including, without limitation, any filings, registrations and recordations as may be necessary or advisable with respect thereto under any applicable laws, (b) the order of the Bankruptcy Court approving this Term Sheet and the transaction contemplated thereunder, which has been obtained and is in full force and effect, or (c) any periodic renewals of the registration of the Aircraft with the aircraft registry it is currently registered on, the registration of any International Interest that may be created under this Term Sheet pursuant to the Convention or any other consent, approval, authorisation, notice or any other action that may be required or allowed to be obtained, given, made or performed after the Lease Amendment Effective Date.

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Exhibit C-2

**The Term Sheet related to a Sikorsky Model S92A helicopter with  
manufacturer's serial number 920034**

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January 17, 2017

**HELI-ONE LEASING ULC**

**RESTRUCTURING OF LEASE FOR AIRCRAFT MSN NO. 920034**

**SUMMARY OF TERMS AND CONDITIONS**

This term sheet (this "Term Sheet") sets forth terms and conditions agreed among Heli-One Leasing ULC (the "Lessee" or the "lessee" or "CHC") and the Lessor named below with respect to the aircraft listed on Exhibit A-1 hereto (as more fully described on Exhibit A-1, the "Aircraft"). This Term Sheet is entered into pursuant to an interim term sheet attached to *Debtors' Motion for an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 6004(h) Authorizing the Debtors to Enter Into and Perform Under an Interim Restructuring Term Sheet with Lombard North Central PLC*, filed with the Bankruptcy Court (as defined below) on July 1, 2016 (Docket No. 437) and approved by the Bankruptcy Court on August 9, 2016 (Docket No. 735) (the "Proposal Approval Date") (in so far as it relates to the Aircraft, the "Existing Interim Term Sheet").

This Term Sheet contains recitals of certain matters relating to the existing transaction (in Part 1), a summary of terms and conditions for amendments to the existing transaction (in Part 2), the terms and conditions of interim arrangements (in Part 3), certain termination events (in Part 4), agreement on the Prepetition Damages Claims (as defined herein) (in Part 5), extension of the 60-day period (in Part 6), certain waivers (in Part 7) and provisions on authority, transaction costs and disputes, as well as miscellaneous provisions (in Part 8).

This Term Sheet is subject to approval by the Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"). CHC agrees that it shall diligently seek the approval of the Bankruptcy Court for this Term Sheet and the transactions contemplated hereby; provided that CHC shall not be obligated to submit this Term Sheet for Bankruptcy Court approval until the Official Committee of Unsecured Creditors' (the "Committee") in its Chapter 11 case has had an opportunity to review this Term Sheet; provided further that CHC agrees that it shall promptly after execution of this Term Sheet provide this Term Sheet to the Committee for its review.

\* \* \*

**Part 1****Certain Matters Relating to Existing Transaction****1.1 Parties to Existing Transaction:**

CHC, as lessee under the Existing Lease Agreement referred to below. CHC together with CHC Helicopter (as defined in Section 1.2), 6922767 Holding (as defined in Section 1.2), Heliworld (as defined in Section 1.2), CHC Barbados SRL (as defined in Section 1.2), CHC Barbados (as defined in Section 1.2); CHC Leasing Ireland (as defined in Section 1.2); CHC Ireland (as defined in Section 1.2); and CHC Holding Cayman (as defined in Section 1.2), any other affiliate of CHC that is a party to any of the Existing Operative Documents (as defined in Section 1.2) and, but only if CHC Group Ltd. or its successor shall be required to be the sole guarantor in accordance with the provisions set forth under "Other Terms" in Exhibit A hereto, such guarantor, are referred to in this Term Sheet, each, as a "CHC Party" and, collectively, as the "CHC Parties".

Lombard North Central Plc, as lessor under the Existing Lease Agreement referred to below (the "Lessor"). The Lessor together with, any Lessor Parties named on the signature pages to this Term Sheet and any person who by, through or under the Lessor may have claims against CHC, any other CHC Party, any affiliate or joint venture partner or strategic aircraft operating partner or customer thereof, any operator of the Aircraft or any other person in respect of the Aircraft or any of the Existing Operative Documents or any portion thereof are referred to in this Term Sheet, each, as a "Lessor Party" and, collectively, as the "Lessor Parties".

**1.2 Existing Operative Documents:**

- (a) Master Lease Facility Agreement, dated as of 28 April 2006, between Lessee and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Master Agreement").
- (b) Lease Schedule, dated 31 October 2007, between the Lessee and Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Lease Supplement"; together with the Existing Master Agreement the "Existing Lease Agreement").
- (c) Master Guarantee, dated as of 10 March 2011, by CHC Helicopter S.A. ("CHC Helicopter") (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Guarantee").
- (d) Right-Sizing Agreement, dated as of 21 October 2013,

between Lessee, CHC Helicopter and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Right-Sizing Agreement").

- (e) Deed of Undertaking, dated 14 October 2011, between 6922767 Holding S.à.r.l. ("6922767 Holding") and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Deed of Undertaking").
- (f) Intercreditor Deed, dated 10 March 2011, between The Royal Bank of Scotland PLC ("RBS"), Export Development Canada ("EDC"), the Lessor, Lessee, Heliworld Leasing Limited ("Heliworld"), CHC Helicopters (Barbados) SRL ("CHC Barbados SRL"), CHC Helicopter (Barbados) Limited ("CHC Barbados") and CHC Helicopter (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Intercreditor Deed").
- (g) Deed of Indemnity, dated 10 March 2011, between RBS and CHC Helicopter (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Deed of Indemnity").
- (h) Junior Loan Agreement, dated 31 October 2007, between the Lessee (as lender) and RBS (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Junior Loan").
- (i) Remarketing Agreement, dated 31 October 2007, between Lessor and Lessee (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Remarketing Agreement").
- (j) Deed of Application of Proceeds, dated 31 October 2007, between Lessor, the Lessee and RBS (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Deed of Proceeds").
- (k) Master Sub-lease Agreement, dated 23 January 2012, between Lessee and CHC Leasing (Ireland) Designated Activity Company ("CHC Leasing Ireland") (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Sublease").
- (l) Residual Value Guarantee, dated 28 December 2006, between Sikorsky International Operations Inc., Lessee and Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing RVG").

- (m) RVG Side Letter, dated 31 October 2007, between Lessee and Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing RVG Side Letter").
- (n) Asset Swap Agreement, dated 21 October 2013, between RBS, EDC, Lessor, Lessee, CHC Barbados, Heliworld and CHC Helicopter (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Asset Swap Agreement").
- (o) Deed of Subordination, dated 23 July 2013, between Lessee, Lessor, CHC Ireland Designated Activity Company ("CHC Ireland") and CHC Leasing Ireland (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Subordination Deed").
- (p) Aircraft Lease General Terms Agreement No. 9992 dated 12 June 2013, between CHC Ireland and CHC Leasing Ireland (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing GTA").
- (q) Aircraft Specific Lease Agreement No. 9992-201, dated 23 July 2013, between CHC Ireland and CHC Leasing Ireland (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing ASLA").
- (r) Sub-Lessee Security Assignment, dated 23 July 2013, between CHC Leasing Ireland and Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Sub-Lessee Security Assignment").
- (s) Assignment of Insurance, dated 23 July 2013, between CHC Ireland and CHC Leasing Ireland (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Assignment of Insurance").
- (t) Purchase Option Notice, dated 2 April 2015, to Lessor from Lessee (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Purchase Option Notice").
- (u) Purchase Agreement, dated 29 March 2016, between CHC Helicopters, Lessee, the Lessor, CHC Helicopter Holding (Cayman) Limited ("CHC Holding Cayman") and RBS (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Purchase Agreement").
- (v) Lease Extension, dated 29 March 2016, between Lessee, CHC Helicopter and Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Lease Extension" and, collectively with the Existing Lease Agreement, the Existing Guarantee, the Existing Right-Sizing Agreement, the Existing Deed of Undertaking, the Existing Intercreditor Deed, the Existing Deed of Indemnity,

the Existing Junior Loan, the Existing Remarketing Agreement, the Existing Deed of Proceeds, the Existing Sublease, the Existing RVG, the Existing RVG Side Letter, the Existing Asset Swap Agreement, the Existing Subordination Deed, the Existing GTA, the Existing ASLA, the Existing Sub-Lessee Security Assignment, the Existing Assignment of Insurances, the Existing Purchase Option Notice and the Existing Purchase Agreement and the other Transaction Documents, Finance Documents and Facility Documents referred to in the Existing Master Agreement (and any comparable document referred in any such Transaction Document, Finance Document and Facility Document) in so far as each such Transaction Document, Finance Document and Facility Document (and each such comparable document) relates to the Aircraft and not any other aircraft, the "Existing Operative Documents").

Capitalized terms used herein without definition shall have the meanings specified therefor in the Existing Lease Agreement.

For the avoidance of doubt, nothing in this Term Sheet shall, and nothing in this Term Sheet is intended to, affect any agreement referenced in this Section 1.2 in so far as any such agreement relates to any aircraft other than the Aircraft and, to the extent necessary, each such agreement shall be deemed severed such that such agreement in so far as it relates to the Aircraft is separate from such agreement in so far as it relates to any other aircraft.

## Part 2

### Summary of Terms and Conditions for Amendments to Existing Transaction

#### **2.1 Incorporation of Exhibit A:**

Exhibit A hereto is incorporated herein by this reference.

#### **2.2 Events of Default:**

The Events of Default in the Amended Operative Documents (as defined in Section 2.6 below) shall be substantially the same as those in the Existing Lease Agreement except that:

- (a) prior to the substantial consummation (as defined in Section 1101(2) of title 11 of the United States Code (the "Bankruptcy Code")) of any plan of reorganization filed, among others, by CHC in its current Chapter 11 case, which plan shall not be materially inconsistent with this Term Sheet and shall provide for the assumption by reorganized CHC (or any applicable successor) of the Amended Operative Documents to which it is a party ("Substantial Consummation" and "Plan"), the Events of Default in the Existing Operative Documents relating to the



bankruptcy of any person shall be limited to dismissal of CHC's current case under Chapter 11 of the Bankruptcy Code or the conversion of such case to a case under Chapter 7 of the Bankruptcy Code, and for all purposes of the Amended Operative Documents, the term "Events of Default" shall not include any Event of Default arising from the commencement or continuation of the current Chapter 11 cases of CHC and certain of its affiliates or relating to any other supplemental, analogous or alternative case or liquidation process involving any CHC Party or any other person commenced in any jurisdiction other than the United States (each, a "Foreign Proceeding" and, collectively, the "Foreign Proceedings") at any time prior to the Substantial Consummation;

- (b) at and following Substantial Consummation, the term "Events of Default" shall not include (1) any Event of Default arising from the commencement or continuation of any Foreign Proceeding in respect of a person that is not a CHC Party, (2) any Event of Default arising from the commencement or continuation of any Foreign Proceeding that was commenced at any time prior to Substantial Consummation in respect of any CHC Party, provided that the relief sought in any such Foreign Proceeding is not materially inconsistent with this Term Sheet and will not materially adversely affect the Lessor's position under this Term Sheet and the Amended Operative Documents, (3) any Event of Default based on group restructuring, reorganization or other transaction relating to any CHC Party and contemplated pursuant to the Plan (including, without limitation, any future debt or equity conversions contemplated pursuant to the Plan); provided that, for the avoidance of doubt, the above shall not diminish any obligations of the lessee with respect to "know your customer" requirements set forth in Exhibit A, or (4) any Event of Default relating to abandonment or surrender of any aircraft or other asset (other than the Aircraft), or rejection or renegotiation of any lease or other contract, prior to Substantial Consummation; and
- (c) at any time, the term "Events of Default" shall not include any Event of Default relating to any other aircraft or defaults under any other indebtedness or lease or other transaction of any CHC Party or any other person, except that, at and following Substantial Consummation, for so long as Lombard North Central Plc shall remain the Lessor under the Amended Lease, an "Event of Default" that shall have occurred and be continuing under any Related Lease (as such term is defined below) shall be an Event of Default under the Amended Lease.

As used in this Term Sheet, the term "Related Lease" means an

"Amended Lease" that shall become effective in accordance with each of the term sheets entered into by Lombard North Central Plc and the lessee substantially contemporaneously with this Term Sheet with respect to one Sikorsky S92A aircraft bearing MSN 920127 and one AgustaWestland AW139 aircraft bearing MSN 31155, but, in the case of each such "Amended Lease", only for so long as Lombard North Central Plc shall remain the "Lessor" under such "Amended Lease".

For the avoidance of doubt, nothing in this Section 2.2 shall, and nothing in this Section 2.2 is intended to, constitute a waiver of any event of default under any agreement that relates to any aircraft other than the Aircraft (including, without limitation, and without limiting the generality of the last sentence in Section 1.2, under any agreement referenced in Section 1.2 in so far as any such agreement relates to any aircraft other than the Aircraft) or otherwise prejudice rights that any Lessor Party may have in respect of any aircraft other than the Aircraft.

**2.3 Indemnities:**

On and after the Lease Amendment Effective Date, the indemnity, tax indemnity, payment gross-up, VAT and other tax provisions of the Amended Operative Documents will be unchanged from those in the corresponding Existing Operative Documents, as applicable, provided that none of the CHC Parties will indemnify for any loss, cost, expense, liability, tax, damage or claim of any kind (i) attributable to or arising out of the current Chapter 11 case or any Foreign Proceedings or the entry into of the Term Sheet Modifications or the Substitute Operative Document Amendments and the transactions contemplated by effectuating such agreements, (ii) relating to any of the other claims addressed pursuant to Sections 3.1, 5.1 and 8.2 below or waived under Section 7.1 below, or (iii) that would have been payable or borne by the lessee or any other CHC Party pursuant to any provision of the Existing Operative Documents that has been deleted or rendered ineffective in the Amended Operative Documents as contemplated by this Term Sheet or that is expressly stated in any Amended Operative Document (including, without limitation, as set forth in Exhibit A hereto) as (x) being payable or borne by a person other than the lessee or any other CHC Party or (y) not being payable or borne by the lessee or, in the case of any other CHC Party, by such CHC Party.

**2.4 Representations and Warranties at Lease Amendment Effective Date:**

- (a) At the Lease Amendment Effective Date (as defined below), the Lessor will be deemed to represent and warrant as set forth on Exhibit B-1 hereto.
- (b) At the Lease Amendment Effective Date, the lessee and, but only if CHC Group Ltd. or its successor shall be

required to be the sole guarantor in accordance with the provisions set forth under "Other Terms" in Exhibit A hereto, such guarantor, will be deemed to represent and warrant, in each case, as to itself, as set forth on Exhibit B-2 hereto.

**2.5 Other Terms:**

The Existing Lease Agreement and the other Existing Operative Documents shall remain unchanged, except to the extent provided for in this Term Sheet.

**2.6 Implementation:**

The modifications to the Existing Operative Documents set forth in this Term Sheet (the "Term Sheet Modifications") shall become effective automatically and without further act on the date when each of the following conditions precedent shall be met (such date, the "Lease Amendment Effective Date"; the Existing Lease Agreement so modified is referred to herein as the "Amended Lease" and the Existing Operative Documents so modified are collectively referred to herein as the "Amended Operative Documents");

- (i) Bankruptcy Court approval of this Term Sheet and the transactions contemplated hereunder; and
- (ii) The earlier to occur of (x) Substantial Consummation of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan.

There shall be no other conditions to the effectiveness of the Term Sheet Modifications.

To the extent, if any, that (a) the Amended Scheduled Expiry Date (as defined on Exhibit A) falls after the scheduled expiry date under the Existing Lease Agreement and (b) Article XI to the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the "Convention") applies and the Term Sheet Modifications when effective create a new International Interest (as defined in the Convention) in the Aircraft under the Convention, the parties hereto agree to cooperate in good faith with each other to effect any required registration of such International Interest in respect of the Aircraft (but, for the avoidance of doubt, not in respect of any Engine or engine) on the International Registry.

**2.7 Substitute Amendment Documentation:**

Following the execution of this Term Sheet, the parties shall conduct good faith negotiations of formal amendments to the Existing Operative Documents incorporating the Term Sheet Modifications (such amendments, the "Substitute Operative Document Amendments"). As soon as practicable following approval of this Term Sheet by the Bankruptcy Court, the CHC Parties shall prepare and provide drafts of the Substitute Operative Document Amendments to Lessor. The parties shall

use good faith efforts to finalize, execute and deliver such Substitute Operative Document Amendments as soon as practicable. If the Substitute Operative Document Amendments have not been entered into by the Lease Amendment Effective Date, the Amended Operative Documents shall be in full force and effect on the Lease Amendment Effective Date as set forth in Section 2.6, but this shall not relieve any party from continuing good faith negotiations of the Substitute Operative Document Amendments following the Lease Amendment Effective Date.

**2.8 Plan Treatment of Amended Operative Documents:**

Subject to CHC's right to terminate the Amended Operative Documents as set forth in Section 4.1 below, any plan of reorganization filed, among others, by CHC in its current Chapter 11 case shall provide that the Amended Operative Documents (or, if the Substitute Operative Document Amendments have been executed and delivered by the necessary parties thereto, the "Amended Operative Documents" referred to in such Substitute Operative Document Amendments) shall be assumed and shall become the valid, binding and enforceable obligations of reorganized CHC (or any applicable successor) on the earlier to occur of (x) Substantial Consummation of such plan and (y) the effective date (as defined in such plan) of such plan, and the Lessor Parties agree, subject to receipt of a disclosure statement approved by the Bankruptcy Court, to vote all of their claims under the Existing Operative Documents, including, without limitation, the Prepetition Damages Claims set forth in Section 5.1 herein, in support of any plan that is consistent with the terms and conditions set forth herein.

**Part 3**

**Interim Arrangements**

**3.1 Interim Payments:**

In lieu of any payments of Lease Payments that may be due but remain unpaid under the Existing Lease Agreement for the period (such period, the "Interim Period") after the date of Bankruptcy Court approval of this Term Sheet (the "Bankruptcy Court Approval Date") to, but excluding, the date that is the earliest of (i) the Lease Amendment Effective Date, (ii) the date this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents are terminated pursuant to Section 4.1 below and (iii) the date the Existing Lease Agreement is deemed rejected pursuant to a written demand for surrender and return of the Aircraft in the circumstances when this Term Sheet has been terminated in accordance with Section 6.1 of this Term Sheet, CHC shall make payments (such payments, the "Interim Payments") to the Lessor during the Interim Period at a rate equal to the Amended Basic Rent (as such term is defined on Exhibit A), payable monthly in

arrears (pro-rated for partial months) on the same monthly payment dates as specified in the Existing Interim Term Sheet for interim payments pursuant to the Existing Interim Term Sheet, commencing on the first such date following the Bankruptcy Court Approval Date. Subject to Part 4 of this Term Sheet, the Interim Payments together with any payment made pursuant to clause (a) or clause (b) under the heading "Interim Arrangements" of the Existing Interim Term Sheet shall be in full satisfaction of all administrative expense claims and other claims with respect to the Aircraft, the Existing Operative Documents, this Term Sheet and the transactions contemplated hereby and thereby for the period from and after the Petition Date until the end of the Interim Period.

**3.2 Certain Payment Conventions:**

If any payment contemplated by this Term Sheet is due on a day that is not a business day, such payment shall be made on the next succeeding business day with the same force and effect as if paid on the scheduled date. Any payments under this Term Sheet that are to be pro-rated shall be pro-rated based on a 360-day year of twelve 30-day months.

**3.3 Compliance with Other Terms:**

During the Interim Period, CHC shall maintain, operate and insure the Aircraft in compliance with the Existing Lease Agreement as modified by the terms herein and such compliance shall constitute compliance with the Existing Lease Agreement.

**3.4 CHC's Agreement not to Reject Existing Lease Agreement:**

Without limiting CHC's termination rights provided in Section 4.1 below, and subject to the terms and conditions set forth in this Term Sheet, CHC agrees not to reject the Existing Lease Agreement with respect to the Aircraft.

**3.5 Section 1110; Section 365; Convention:**

Except as provided in Section 6.1 below or in this Section 3.5, nothing in this Term Sheet shall affect the Lessor's rights, if any, to the protection of Section 1110 of the Bankruptcy Code or the Convention with respect to the Existing Lease Agreement, if either Section 1110 or the Convention is applicable, or the right of CHC Parties or any other person to challenge any and all claims to such protection. This Term Sheet shall not constitute an election or agreement within the meaning of Section 1110 or any other provision of the Bankruptcy Code. Nothing herein constitutes an assumption by any CHC Party or any other person of any contract or lease under Section 365(a) of the Bankruptcy Code and CHC reserves all of the rights of any CHC Party or any other person to reject any contract or lease except as otherwise provided in this Term Sheet.

**3.6 Maintenance Reserves/Security Deposits:**

Any Maintenance Reserves/Security Deposits held under the Existing Operative Documents by, or for the ultimate benefit of, Lessor or any other Lessor Party shall be retained by Lessor

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and applied to and set off against the Prepetition Damages Claims set forth in Section 5.1 without further notice or order of the Bankruptcy Court. CHC Parties shall have no obligation to replenish any such Maintenance Reserves/Security Deposits.

#### Part 4

#### Certain Termination Events

##### **4.1 Termination at CHC's Option:**

In the event that a Material Restructuring Change (as defined below) occurs, notwithstanding anything in this Term Sheet to the contrary, CHC may reject or terminate the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet (but, in any event, without prejudice to any arrangements with the Lessor in respect of any other aircraft) upon not less than 30 days notice to the Lessor. In the event of such rejection or termination, the Lessor shall be entitled to:

- (x) an allowed administrative expense priority claim under Section 503 of the Bankruptcy Code for any unpaid Interim Payment for the period from the Petition Date up to, but excluding, the date on which the Aircraft is tendered for return to the Lessor (such date, the "Section 4.1 Return Date");
- (y) an allowed administrative expense priority claim under Section 503 of the Bankruptcy Code equal to three months of Amended Basic Rent, which, together with the administrative expense priority claims in clause (x), shall be the only administrative claim allowed against CHC with respect to the rejection, termination or breach of the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet, and the payment of which, once paid in full, shall be in full satisfaction of any and all administrative claims related to the rejection, termination or breach of, or any other administrative claims arising under, the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet; and
- (z) in addition to the Prepetition Damages Claims (as defined in Section 5.1 below), an allowed general unsecured non-priority pre-petition claim for all other claims and damages (not captured by the Prepetition Damages Claims) incurred as a result of the termination or breach of this Term Sheet (including, without limitation, any damages measured by reference to a stipulated loss value or termination value or for basic rent that would otherwise be payable after the Section 4.1 Return Date, and any damages for breach of or failure to comply with any return conditions), whether or not such claim would otherwise be entitled to priority as an

administrative expense.

In the event of rejection or termination under this Section 4.1, without duplication of any amount previously credited to any payment made pursuant to clause (a) or clause (b) under the heading "Interim Arrangements" of the Existing Interim Term Sheet or Interim Payment pursuant to Section 3.1, CHC shall be entitled to a credit for any claims under the preceding clause (x) or (y) for the pro-rated amount of (i) any monthly advance rent payments made prior to the Petition Date to the extent allocable to any period after the Petition Date and (ii) any interim payments made pursuant to the Existing Interim Term Sheet or Interim Payment, in each case, to the extent allocable to any period after the Section 4.1 Return Date.

For the avoidance of doubt, CHC is not required to comply with any return conditions in connection with any termination pursuant to this Section 4.1.

As used in this Term Sheet, the term "Material Restructuring Change" means occurrence of any of the following:

- (aa) CHC confirms a Chapter 11 plan of reorganization contemplating that CHC discontinues revenue flight operations; or
- (bb) CHC or any of its affiliates consummate sale(s) of a material portion of their assets and such sales cause the number of aircraft in the fleet of CHC and its affiliates in revenue service under customer contracts to be less than 50 aircraft; or
- (cc) CHC's Chapter 11 case is dismissed or converted to a case under Chapter 7 and CHC suspends revenue flight operations.

#### **4.2 Term Sheet Termination:**

If the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet are rejected or terminated by CHC pursuant to Section 4.1 above, subject to the terms of Section 4.1, the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet will become wholly void and of no further force and effect without liability to the parties hereto or thereto or their respective Affiliates, and each will be fully released and discharged from any other liability or obligation under or resulting from this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents and the parties hereto will have no other remedy or cause of action under or relating to this Term Sheet, the Existing Lease Agreement, the other Existing Operative Documents or any applicable law including, without limitation, for reimbursement of expenses, except that Section 4.1, this Section 4.2, Section 5.1

and Part 8 of this Term Sheet will remain in full force and effect.

**Part 5**

**Prepetition Damages Claims**

**5.1 Liquidation of  
Prepetition Damages  
Claims:**

Notwithstanding anything to the contrary set forth in this Term Sheet, the parties agree that, with effect as of the Lease Amendment Effective Date as damages for any breach, termination, rejection or modification of the Existing Lease Agreement and any other Existing Operative Documents (including, without limitation, any unpaid rent for any period prior to the Petition Date), the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority prepetition claims as follows:

- (a) an Allowed Primary General Unsecured Claim in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$125,117.26; and
- (b) an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$125,117.26 (with (a) and this (b) together referred to as the "Prepetition Damages Claims").

The defined terms set forth in (a) and (b) above are as set forth in that certain Second Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors (Docket No. 1371) filed on December 19, 2016 in the Debtors' Chapter 11 Cases.

**5.2 Transferability of  
Prepetition Damages  
Claims:**

Subject to compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, any order of the Bankruptcy Court, any confirmed plan of reorganization and any other applicable law (including, without limitation, applicable securities laws), the Prepetition Damages Claims shall be freely transferable by the Lessor, in whole or in part, at any time before or after the confirmation of a reorganization plan in CHC's current Chapter 11 case; provided that, with respect to any transfers prior to the confirmation of a reorganization plan in CHC's current Chapter 11 case, prior to any such transfer any such transferee agrees in writing for the benefit of the CHC Parties to be bound by all the terms of this Term Sheet (including, without limitation, Section 2.8 hereof) applicable to the Lessor Parties by executing a joinder agreement.

**Part 6**

**Extension of 60-Day Period**

**6.1 Extension of 60-  
Day Period:**

Nothing contained herein constitutes a stipulation or an admission that the Aircraft is entitled to the Protection of Section



1110 of the Bankruptcy Code or to Article XI of the Convention, and CHC reserves all of its rights under applicable agreements and law, including, without limitation, the right to contest that either Section 1110 or the Convention are applicable. However, if either Section 1110 or the Convention is applicable, the parties hereby agree to grant an extension of the 60-day period for all purposes under Section 1110 of the Bankruptcy Code and Article XI of the Convention until the earlier of (i) the Lease Amendment Effective Date and (ii) the date this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents are rejected or terminated pursuant to the terms of Section 4.1 above (such period, the "Extension Period"); provided that, if CHC breaches its material obligations under this Term Sheet, such Extension Period shall terminate and the automatic stay with respect to the Aircraft shall be lifted, effective after 30 days following the provision of an enforcement notice by the Lessor to CHC, unless such breach has been cured prior to the expiration of such 30-day notice period; provided, further, that the Lessor may not give an enforcement notice to CHC unless any applicable cure period set forth in the Existing Lease Agreement has lapsed without such breach being cured.



## Part 7

### Certain Waivers

#### 7.1 Waiver:

Except as expressly provided in Sections 3.1, 4.1, 5.1 and 8.2, upon the Lease Amendment Effective Date, each of the Lessor Parties (each, on behalf of itself and its respective successors and assigns) does hereby fully, finally and forever waive, release and discharge CHC, the other CHC Parties, their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries, predecessors and any operator of the Aircraft, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of the foregoing from any and all Claims (as defined below) owned or controlled by such Lessor Party in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, (i) current bankruptcy proceedings of any CHC Party or any of their affiliates or any Foreign Proceedings, (ii) the Existing Lease Agreement or any other Existing Operative Document (including, without limitation, any breach, termination, rejection or modification of any Existing Operative Document, any default relating to other aircraft or any exercise or purported exercise of remedies thereunder) or (iii) the negotiation, preparation, execution, delivery or performance of the Existing Interim Term Sheet or this Term Sheet (including,

without limitation, the Term Sheet Modifications or the Substitute Operative Document Amendments), and, upon CHC's request, shall execute a release with respect thereto.

Upon the Lease Amendment Effective Date, each of CHC and the other CHC Parties (each, on behalf of itself and its respective successors and assigns) does hereby fully, finally and forever waive, release and discharge each of the Lessor Parties, each of their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries, predecessors and any operator of the Aircraft, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of the foregoing from any and all Claims owned or controlled by such CHC Party in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, (i) the Existing Lease Agreement or any other Existing Operative Document (including, without limitation, any breach, termination, rejection or modification of any Existing Operative Document, any default relating to other aircraft or any exercise or purported exercise of remedies thereunder) or (ii) the negotiation, preparation, execution, delivery or performance of the Existing Interim Term Sheet or this Term Sheet (including, without limitation, the Term Sheet Modifications or the Substitute Operative Document Amendments), and, upon the Lessor's request, shall execute a release with respect thereto.

As used in this Term Sheet, the term "Claims" means claims (as defined in section 101(5) of the Bankruptcy Code), causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses or demands (including, without limitation, under any tax indemnity, general indemnity, reimbursement, rental or any other provision in any Existing Operative Document or in any Amended Operative Document or in any other agreement relating to any of the foregoing), of whatsoever kind and nature, character and description, whether pre-petition unsecured, priority, administrative or post-petition/administrative, whether sounding in tort, contract or under other applicable law of any jurisdiction, whether known or unknown, whether anticipated or unanticipated, whether presently existing or existing at any time in the future, whether or not asserted, and whether founded in fact or law or in equity.

For the avoidance of doubt, nothing in this Section 7.1 shall be deemed to waive, release, or discharge any of the Lessor's or the Lessee's rights with respect to the performance of the Amended Operative Documents.

**Part 8****Authority, Transaction Costs, Disputes and Miscellaneous****8.1 Authority:**

Subject to Bankruptcy Court approval of this Term Sheet, CHC hereby represents that it has authority to execute this Term Sheet and to enter into the transactions contemplated hereby. The Lessor hereby represents and warrants that it is the sole "Lessor" (as defined in the Existing Lease Agreement) and has all necessary authority to execute this Term Sheet and enter into the transactions contemplated hereby for itself and for each Lessor Party that is not a signatory to this Term Sheet, and each other Lessor Party that is a signatory to this Term Sheet hereby represents and warrants that it has all necessary authority to execute this Term Sheet and enter into the transactions contemplated hereby. Each Lessor Party that is a signatory to this Term Sheet, as to itself, and the Lessor as to itself and as to each other Lessor Party that is not a signatory to this Term Sheet hereby (i) represents and warrants that no consents or approvals are required for the consummation of the transactions contemplated hereby under its organizational or constitutive documents, under the Existing Operative Documents or from any person who has provided financing to it that is secured by an Encumbrance on any of the Aircraft or the Existing Operative Documents, except any consent or approval that has been obtained and is in full force and effect, and (ii) agrees not to sell or otherwise transfer any equity, debt or other interest in or related to the Aircraft or the Existing Operative Documents unless such sale or transfer is expressly subject to the terms and conditions of this Term Sheet and the potential purchaser or transferee agrees to be bound by the terms hereof.

**8.2 Transaction Costs:** Except as provided below, CHC Parties shall not be liable for any costs and expenses (including, without limitation, fees, expenses and disbursements of counsel) incurred by any other party in connection with entering into the Existing Interim Term Sheet, this Term Sheet, any and all of the transactions contemplated by this Term Sheet or the Substitute Operative Document Amendments and no indemnification or reimbursement with respect thereto will be provided by any CHC Party under any indemnity or reimbursement provision in the Existing Operative Documents or the Amended Operative Documents; provided that, upon the Lease Amendment Effective Date, CHC agrees to pay the reasonable and documented fees, expenses and disbursements of a single firm of legal counsel for the Lessor Parties up to a total of \$10,000 in connection with the Existing Interim Term Sheet, this Term Sheet, any and all of the transactions contemplated in this Term Sheet and the Substitute Operative Document Amendments (which cap shall be inclusive of all legal and other advisory fees,

expenses and disbursements).

**8.3 Disputes:**

All disputes arising under or in connection with this Term Sheet, the Existing Lease Agreement, any other Existing Operative Document or any agreement entered pursuant hereto shall, prior to the issuance of a final decree from the Bankruptcy Court closing CHC's current Chapter 11 case, be resolved by the Bankruptcy Court, which shall have exclusive jurisdiction over such disputes; provided that all disputes arising under or in connection with any Amended Operative Document shall be resolved in accordance with the terms thereof following Substantial Consummation of CHC's plan of reorganization in its current Chapter 11 case.

**8.4 Miscellaneous:**

This Term Sheet may not be amended or modified except by an agreement in writing signed by all parties hereto. This Term Sheet may be executed in one or more counterparts (including, without limitation, by facsimile or electronic (e.g., pdf) transmission), each of which together or separately shall constitute an original and, which taken together, shall be considered one and the same binding agreement. This Term Sheet shall be binding upon and inure to the benefit of the parties hereto together with their respective successors and permitted assigns, including, without limitation, any transferee of the interest of any such person in the Aircraft or any Existing Operative Document and any other person asserting an interest in the Aircraft under the Existing Operative Documents. Each of the parties hereto agrees that it shall cooperate in good faith to implement and consummate the transactions contemplated hereby in a timely manner. The words "hereof", "herein" and "hereby" and words of similar import, when used in this Term Sheet, shall refer to this Term Sheet as a whole, including, without limitation, all the schedules and exhibits attached hereto, not to any particular provision of this Term Sheet.

**8.5 Governing Law:**

This Term Sheet will be governed by, and construed and interpreted in accordance with, the laws of New York, except that the Term Sheet Modifications and any dispute arising out of the Term Sheet Modifications will be governed by, and construed and interpreted in accordance with, English law (or, if law of another jurisdiction governs any Existing Operative Document, law of such other jurisdiction to the extent the Term Sheet Modifications modify such Existing Operative Document).

[Signature Pages Follow.]

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Agreed this 17<sup>th</sup> day of January, 2017

LOMBARD NORTH CENTRAL PLC, as  
Lessor for itself and for each Lessor Party  
that is not a signatory to this Term Sheet

By: 

Name: A.P. JOHNSON

Title: ATTORNEY

463

OTHER LESSOR PARTY:

THE ROYAL BANK OF SCOTLAND PLC

By: 

Name:

J.A. McDermott

Title:

DIRECTOR

464

HELI-ONE LEASING ULC, as lessee

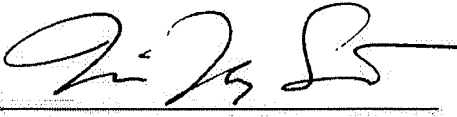
By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

465

CHC HELICOPTER S.A.

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory



466

6922767 HOLDING S.À.R.L.

By:   
\_\_\_\_\_

Name: Nicolas P. Stable

Title: Authorized Signatory

467

HELIWORLD LEASING LIMITED

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

468

CHC HELICOPTERS (BARBADOS) SRL



By: \_\_\_\_\_

Name: Nicolas P. Stable

Title: Authorized Signatory

CHC HELICOPTERS (BARBADOS) LIMITED

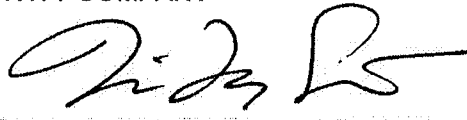
By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

470

CHC LEASING (IRELAND) DESIGNATED  
ACTIVITY COMPANY


By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

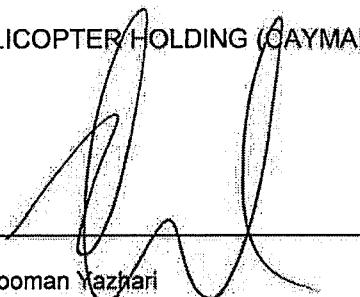
CHC IRELAND DESIGNATED ACTIVITY  
COMPANY

By: 

Name:  CHRIS HOBSON  
Title: DIRECTOR

472

CHC HELICOPTER HOLDING (CAYMAN)  
LIMITED

By: 

Name: Hooman Yazdani

Title: Director

473

CHC GROUP LTD.

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory



(S92A MSN 920034)

**Exhibit A to  
Term Sheet**

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RESTRUCTURED LEASE TERMS

**Amended Scheduled  
Expiry Date:**

The scheduled expiry date for the lease of the Aircraft shall be the earlier of (x) the date set forth on Schedule A hereto, and (y) the date of purchase of the Aircraft by the lessee pursuant to the Existing Purchase Agreement (as so amended, the "Amended Scheduled Expiry Date").

**Amended Basic Rent; No  
Other On-going  
Payments:**

The rate for the Lease Payment for the Aircraft (the "Amended Basic Rent") shall be the applicable amount set forth in Schedule A hereto, payable monthly in arrears (pro-rated for partial months) for each period ending on the monthly anniversaries of the Proposal Approval Date falling on or after the Lease Amendment Effective Date until the Amended Scheduled Expiry Date and, if the Amended Scheduled Expiry Date is not a monthly anniversary of the Proposal Approval Date, a final period ending on the Amended Scheduled Expiry Date (the ending date of each such period, a "Lease Payment Date" for all purposes of this Exhibit A and the Amended Operative Documents). The Amended Basic Rent shall be payable on the 10<sup>th</sup> Business Day following the last day of the period for which it is due, except that the payment date for the period ending on the Amended Scheduled Expiry Date shall fall on the Amended Scheduled Expiry Date. For the avoidance of doubt, any debt sufficiency, rent re-set, increased or additional costs or compensation for changes in law, illegality, market disruption or force majeure events, interest or swap rate adjustment or other provisions in the Existing Operative Documents that would increase or, upon the occurrence of a contingency, could increase Amended Basic Rent above the applicable amount set forth in Schedule A hereto shall be deleted or rendered ineffective.

Any provisions in the Existing Operative Documents that impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation to make payments in respect of (i) any on-going management, commitment, agency, work or other fees howsoever named or (ii) any costs or expenses of any inspection of the Aircraft or Manuals or Technical Records or any portion thereof by any Lessor Party or any of their respective representatives, appraisers or other designees shall be deleted or rendered ineffective [redacted]

Any provisions in the Existing Operative Documents that impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation with respect to costs, losses, payments or other liabilities with respect to any funding, hedging or other

financial arrangements of any Lessor Party (or any such arrangements of any lender, swap provider or other financier of any Lessor Party) in relation to or in connection with the Aircraft shall be deleted or rendered ineffective, other than any existing requirement to include the Lessor's lenders as additional insureds with respect to the lessee's liability insurance and to indemnify the Lessor's lenders on the terms set forth in the Existing Operative Documents with respect to accidents involving the Aircraft or other incidents of its operation.

Any maintenance reserves/security deposits/additional deposits with respect to the Aircraft held under the Existing Operative Documents shall be retained by the Lessor and may be applied to and set off against the amounts owed by the CHC Parties to the Lessor under the Existing Operative Documents relating to the Aircraft.

Any requirement in the Existing Operative Documents to replenish any maintenance reserves/security deposits/additional deposits or provide additional security (including without limitation in connection with the Existing Right-Sizing Agreements) are deemed deleted or rendered ineffective.

**Total Outstanding  
Balance and Certain  
Other Amounts:**

The Total Outstanding Balance schedule for the Aircraft shall be the applicable schedule set out in Schedule A hereto. For the avoidance of doubt, any debt sufficiency, increased or additional costs or compensation for changes in law, illegality, market disruption or force majeure events, early termination fee, interest or swap rate adjustment or other provisions in the Existing Operative Documents that would increase or, upon the occurrence of a contingency, could increase any of the Total Outstanding Balance for the Aircraft above the amount determined as set forth in, or by reference to the applicable schedule on, Schedule A hereto shall be deleted or rendered ineffective. [redacted]

**No Lessor Puts:**

Any provisions in the Existing Operative Documents (including without limitation in the remedies) that provide the Lessor with a put-option, such that the Lessor can require the lessee to purchase the Aircraft or the lessee is deemed to have exercised a purchase option or the lessee is required to purchase the Aircraft in certain circumstances, shall be deleted or rendered ineffective.

**Purchase Obligations:**

[Redacted]

**Financial Condition-  
Related Provisions:**

Any financial or other covenants that require any CHC Party, any affiliate thereof or any operator of the Aircraft to maintain certain financial condition ratios or other measurements (including without limitation the financial covenants set out in the Existing Deed of Undertaking), or prevent any CHC Party, any affiliate thereof or any operator of the Aircraft from taking certain actions unless certain financial condition ratios or other measurements are met,

and any other provisions in the Existing Operative Documents (including any incorporated, or that could be applied, by reference to any provisions outside of the Existing Operative Documents) that become operative upon any change (including a material adverse change) in the condition of any CHC Party, any affiliate thereof or any operator of the Aircraft or in the condition of the market or that provide for notices, certifications or reporting as to any such condition or that may require notices, discussions or amendments of the Existing Operative Documents or the Amended Operative Documents on account of any provisions similar to any aspect of the foregoing in another agreement or prospective agreement of any CHC Party or any third party shall be deleted or rendered ineffective.

Any requirements in the Existing Operative Documents to supply accounts and other financial information shall be limited to the provision of balance sheet and statement of retained earnings in respect of the Guarantor (as defined below), prepared in accordance with GAAP, certified by a recognised firm of certified public accountants, within one hundred and eighty (180) days of the close of each fiscal year of Guarantor and Guarantor's quarterly financial report certified by the chief financial officer of Guarantor, within sixty (60) days of the close of each fiscal quarter of Guarantor.

**Asset Value-Related Provisions:**

Any provisions in the Existing Operative Documents that become operative upon an impairment, revaluation or appraisal of the value of the Aircraft or other assets of any CHC Party, any affiliate thereof or any operator of the Aircraft shall be deleted or rendered ineffective.

Any obligations of any CHC Party, any affiliate thereof or any operator of the Aircraft under, with respect to or resulting from any residual or asset value guarantee, remarketing agreement or other similar arrangement or that require the maintenance of a particular collateral coverage ratio shall be deleted or rendered ineffective. None of the CHC Parties, their respective affiliates and operators of the Aircraft shall be liable to any Lessor Party for any loss of benefits under any residual value guarantee or other similar arrangement provided by the applicable OEM or any other entity.

**Certain Provisions:**

The lessee and any operator of the Aircraft shall be permitted to store the Aircraft in accordance with any manufacturer-approved storage program and to keep Manuals and Technical Records at locations chosen by the lessee or any operator of the Aircraft in accordance with its ordinary course of business and applicable legal requirements, and any provisions in the Existing Operative Documents imposing inconsistent or additional requirements shall be deleted or rendered ineffective.

Any provisions in the Existing Operative Documents relating to engine or parts installation, removal, and substitution shall be deleted and replaced with provisions set forth in Exhibit A-3 hereto.

The lessee, at no expense to the Lessor, from time to time, may make or cause to be made such alterations and modifications in and additions to the Airframe, any Engine or any Part as any CHC Party, any affiliate thereof or any operator of the Aircraft may deem desirable in the proper conduct of its business, including, without limitation, pursuant to a customer request, and so long as such alteration, modification and/or addition is (x) not required to meet the airworthiness standards of the applicable regulatory agency, (y) made after the commencement of leasing of the Aircraft under the Existing Operative Documents, and (z) is reversible in nature (such an alteration, modification and/or addition meeting the requirements of clauses (x),(y) and (z), an "Optional Modification"), such Optional Modification shall not be deemed a "Part" under the Existing Operative Documents or the Amended Operative Documents, title thereto shall not vest in the Lessor and it may be removed or caused to be removed by the lessee at any time on or prior to the Amended Scheduled Expiry Date and replaced with a Part pursuant to the replacement provisions set forth in Exhibit A-3 hereto or (if it is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to the Airframe, such Engine or Part at the time of the commencement of leasing of the Aircraft under the Existing Operative Documents or any Part in replacement of, or substitution for, any such Part) without such replacement; provided that no such removal shall result in any unremedied material damage to the Aircraft.

To the extent any provisions in the Existing Operative Documents impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation with respect to legal fees of any Lessor Party in connection with any change to the registration or location of the Aircraft, or any extension of the term of the lease beyond the Amended Scheduled Expiry Date and/or any other amendments to any Existing Operative Documents (other than the Term Sheet Modifications and any Substitute Operative Document Amendments) such obligation shall be limited to reimbursement of such legal fees actually incurred, with their incurrence approved by the lessee in advance in writing, subject to a maximum cap [redacted]

Any provisions in the Existing Operative Documents (including without limitation Clause 8 of the Existing Master Agreement) that may impose additional restrictions (including without limitation by imposing caps on the number of aircraft out of any fleet that may be allowed to be registered, re-registered, located or operated in a

particular jurisdiction or jurisdictions or by requiring prepayment, repatriation, cash collateral or additional security) on allowing the Aircraft to be registered, re-registered, located or operated in a particular jurisdiction or jurisdictions, based on compliance, non-compliance or degrees of compliance with geographical allocation tests (including without limitation by reference to fleet value or portion thereof allocable to a particular jurisdiction or jurisdictions) shall be deleted or rendered ineffective [redacted]

**Other Terms:**

Any terms in the Existing Operative Documents that are inconsistent with the terms set forth in this Term Sheet shall be deemed to be deleted or rendered ineffective. For the avoidance of doubt, (i) the repayment of any amounts outstanding under the RBS Loan and/or any Participating Loan Agreement shall be re-set and revised at levels equal to the Amended Basic Rent set forth in Schedule A hereto and by reference to the Lease Payment Dates set out herein; and (ii) the repayment and amortization of any amounts outstanding under the RBS Loan and/or any Participating Loan Agreement shall be re-set and revised at levels equal to the economics of the revised Total Outstanding Balance amortization set out in the schedule set forth in Schedule A hereto and by reference to the Lease Payment Dates set out herein.

To the extent that any terms in any commercial agreement or loan, swap or other financing arrangement involving the Aircraft or the Existing Operative Documents or any portion thereof, including without limitation any intercreditor arrangements, affect any CHC Party, any affiliate thereof or any operator of the Aircraft and, were such terms included in the Existing Operative Documents, they would be modified, deleted or rendered ineffective (or deemed to be so) as contemplated by this Term Sheet, such terms shall be deemed to be modified, deleted or rendered ineffective to the extent of their effect on any such CHC Party, affiliate thereof or operator of the Aircraft.

CHC Parties shall be permitted to amend any subleases, sub-subleases and any other agreements in the sublease chain, without review by any Lessor Party of such changes, if and only if such amendments are made in order to reflect changes resulting from terms and conditions of this Term Sheet (including without limitation with respect to the Amended Scheduled Expiry Date and Amended Basic Rent), but, for the avoidance of doubt, each such amendment, if any, shall provide that the applicable amended sublease, sub-sublease or other agreement in the sublease chain shall at all times continue to be subject and subordinate to the Amended Lease.

Any CHC Party that is a guarantor or surety (or acts in any similar capacity) under any of the Existing Operative Documents (except for CHC Group Ltd. or the Guarantor) shall be released from any

and all of its obligations and liabilities under or in connection with the Existing Operative Documents such that the number of guarantors (including without limitation sureties and anyone acting in a similar capacity) for the Aircraft shall be reduced to one, which shall be CHC Group Ltd. or its functional or legal successor (the "Guarantor"). For the avoidance of doubt such guarantee shall be on the terms of the Existing Guarantee as amended by this Term Sheet.

With respect to any proposed novation or transfer of any Amended Operative Document by the lessee or the Guarantor, or any of their respective successors, to another CHC Party, the Lessor will not withhold its consent unreasonably or with undue delay and any inconsistent restrictions in the Existing Operative Documents shall be deleted or rendered ineffective. Any other provisions in the Existing Operative Documents that may restrict the ability of any CHC Party or any group of CHC Parties to sell, transfer, lease, lend or otherwise dispose of its business, in whole or in part, change any aspect or nature thereof or otherwise accomplish group restructuring or reorganization by prohibiting any such action or aspect thereof, either as a general matter or of a particular type or under certain circumstances, or by requiring consents of any Lessor Party shall be deleted or rendered ineffective [redacted]

No representations or warranties in the Existing Operative Documents shall be deemed to be continually given or repeated at any time or be otherwise construed as continuing undertakings following the time when such representations and warranties were first made by any CHC Party, any affiliate thereof or any operator of the Aircraft.

For the avoidance of doubt, Exhibits A-1, A-2 and A-3 and Schedule A shall be deemed to be a part of this Exhibit A incorporated herein by this reference.

This Term Sheet refers to changing, deleting or rendering ineffective certain types of provisions that may or may not exist in the Existing Operative Documents, and for the avoidance of doubt, such references (x) are not intended to incorporate by reference into the Existing Operative Documents the types of provisions that do not exist in the Existing Operative Documents, and (y) shall only apply to the types of provisions that do exist in the Existing Operative Documents.

\*\*\*\*\*

**Exhibit A-1 to  
Term Sheet**

**AIRCRAFT AND CERTAIN DEFINITIONS**

As used in this Term Sheet, the following terms have the following meanings:

**"Aircraft"** means, collectively, the Airframe and Engines.

**"Airframe"** means the Sikorsky model S92A airframe bearing manufacturer's serial number 920034 (excluding the Engines) and any and all Parts from time to time incorporated in, installed on or attached to such airframe.

**"Engine"** means each of the engines installed on the Airframe at delivery of the Aircraft by Lessor to lessee or any engine that may from time to time be substituted for an Engine as described in Exhibit A-2 or Exhibit A-3, in each case, with any and all Parts incorporated in or installed on or attached to such Engine and/or engine.

**"Parts"** means all appliances, avionics, software, components, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature that may from time to time be incorporated or installed in or attached to the Airframe or any Engine (other than an entire Engine), including, for the avoidance of doubt, rotor blades, rotor components, APU (if any) and other major components.

\*\*\*\*\*

The defined terms, and their respective definitions, of "Helicopter", "Airframe", "Engine" and "Parts" in the Existing Operative Documents shall be replaced with the corresponding defined terms, and their respective definitions, in this Exhibit A-1.

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**Exhibit A-2 to  
Term Sheet**

*[Intentionally left blank]*



**Exhibit A-3 to  
Term Sheet**

**ENGINE AND PARTS INSTALLATION, REMOVAL AND SUBSTITUTION PROVISIONS**

**1. Definitions**

Capitalised terms not otherwise defined in this Term Sheet have the respective meanings ascribed to them in the Existing Operative Documents.

**2. Replacement of Parts**

The lessee shall remove and repair or replace any Part installed on the Aircraft that becomes time-expired, unserviceable, or damaged beyond repair except if the Airframe or the Engine to which the Part relates has suffered a Total Loss. In addition, the lessee may remove in the ordinary course of maintenance, service, repair, overhaul, testing or operation, any Part, whether or not time-expired, unserviceable, or damaged beyond repair, provided that the lessee will replace such Part as promptly as practicable. Any replacement part (each, a "Replacement Part") shall meet the following requirements: (1) the model of the Replacement Part is approved by the manufacturer thereof for the use on an aircraft of the same type as the Aircraft; (2) the installation of the Replacement Part will not materially diminish the value or airworthiness of the Aircraft; and (3) the Replacement Part is free of any Encumbrances (other than Permitted Liens).

**3. Replacement of Engines**

From time to time during the Lease Period, the lessee may in the ordinary course of maintenance, service, repair, overhaul, testing or operation: (A) temporarily substitute any Engine with another engine (any such substitute engine, a "Loaner Engine"), provided that: (1) the model of the Loaner Engine is approved by the manufacturer thereof for the use on an airframe of the same type as the Airframe; and (2) the Loaner Engine is removed and the original Engine or Replacement Engine (as defined below) is installed on the Airframe upon sixty (60) days after removal; or (B) permanently replace any Engine with another engine (any such replacement engine, a "Replacement Engine"), provided that: (1) the model of the Replacement Engine is approved by the manufacturer thereof for the use on an airframe of the same type as the Airframe; (2) the installation of the Replacement Engine will not materially diminish the value or airworthiness of the Aircraft; and (3) the Replacement Engine is free of any Encumbrances (other than Permitted Liens).

**4. Power-by-the-hour and similar arrangements**

Notwithstanding the foregoing paragraphs 2 and 3, if a Part or an Engine is the subject of a "power-by-the-hour" or other similar maintenance arrangement (each, a "Maintenance Agreement") between the lessee or any relevant sublessee, sub-sublessee or any other entity in the sublease chain and a maintenance, repair and overhaul company, such Part or Engine may be removed from the Aircraft and replaced with a Replacement Part or Replacement Engine, as applicable, provided to the lessee or such sublessee, sub-sublessee or other entity pursuant to such Maintenance Agreement.

**5. Title**

Upon the installation of a Replacement Part or Replacement Engine on the Aircraft under paragraphs 2, 3 or 4 above: (A) title to such Replacement Part or Replacement Engine shall without further act vest in the Lessor, and such Replacement Part or Replacement Engine shall become a "Part" or "Engine", as applicable, under the Existing Operative Documents; and (B) title to the Part or Engine so replaced shall without further act vest in the lessee free of any Lessor's Encumbrances whereupon it shall no longer be a "Part" or "Engine", as applicable, under the Existing Operative Documents, and the Lessor hereby agrees that neither the Lessor nor its successors or assigns will claim any right, title or interest in any such replaced Part or replaced Engine by reason of it having been previously associated with the Airframe.

**6. No Encumbrances**

The Lessor shall not (and shall not permit any other Lessor Party or any lender or other finance party to) grant, convey, assign, claim, register (or consent to any of the foregoing with respect to) any Encumbrance specifically identifying or creating separate security over any Engine or Part, whether under the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, a personal property security registration regime or otherwise.

**7. Other**

For the avoidance of doubt, the provisions of this Exhibit shall apply notwithstanding the inclusion of certain specific serial numbers for engines or other parts in any bill of sale in relation to the Airframe or in any Existing Operative Documents or other documents in relation to the Airframe.

**Schedule A to  
Term Sheet**

**AIRCRAFT SCHEDULE**

[REDACTED]

Sch. A-1

**Exhibit B-1 to  
Term Sheet**

**LESSOR REPRESENTATIONS AND WARRANTIES**

1. **Status.** It is a corporation, company or other entity duly organized and validly existing under the laws of its country of incorporation or formation.
2. **Non-Conflict.** The execution and delivery by it of this Term Sheet, the consummation by it of the transactions contemplated in this Term Sheet and compliance with the terms and provisions of this Term Sheet are within its corporate power, do not and will not result in a violation of its constitutional documents as currently in effect, and do not and will not conflict with, or result in a breach of any term or provision of, or constitute a default under any material indenture, mortgage, or other agreement or instrument to which it is a party or by which it or any of its material properties is or may be bound; provided that it makes no representation or warranty in this paragraph with respect to the Existing Operative Documents.
3. **Legal Validity.** This Term Sheet has been duly authorised by all necessary corporate action on its part and executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with their terms, except as their enforceability may be limited by bankruptcy, liquidation, examinership, insolvency, reorganisation and other laws of general application affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such proceeding is considered a proceeding in equity or at law) and except as limited by applicable laws that may affect remedies.
4. **Consents.** It has received every material consent, approval or authorisation of, and has given every material notice to, the governmental authority in its country of incorporation having jurisdiction with respect to the execution, delivery or performance of this Term Sheet including, without limitation, all monetary and other obligations under this Term Sheet) that is required for it to execute and deliver this Term Sheet, and to perform the transactions contemplated by this Term Sheet, and each such consent, approval or authorisation is valid and is in full force and effect and has not been revoked; provided that it makes no representation or warranty in this paragraph as to (a) any consent, approval, authorisation, notice or any other action that may be required under or by any of the Existing Operative Documents, including, without limitation, any filings, registrations and recordations as may be necessary or advisable with respect thereto under any applicable laws, (b) the order of the Bankruptcy Court approving this Term Sheet and the transaction contemplated thereunder, or (c) any periodic renewals of the registration of the Aircraft with the aircraft registry it is currently registered on, the registration of any International Interest that may be created under this Term Sheet pursuant to the Convention or any other consent, approval, authorisation, notice or any other action that may be required or allowed to be obtained, given, made or performed after the Lease Amendment Effective Date.
5. **No Encumbrances.** The Aircraft is free and clear of any Encumbrances created by it other than Encumbrances created or permitted under the Amended Operative Documents. For the avoidance of doubt and without limiting the generality of the penultimate sentence in Section 1.2, the term "Encumbrance" used in this Term Sheet has the meaning specified therefor in the Existing Lease Agreement.

**Exhibit B-2 to  
Term Sheet**

**CHC REPRESENTATIONS AND WARRANTIES**

1. **Status.** It is a corporation, company or other entity duly organized and validly existing under the laws of its country of incorporation or formation.
2. **Non-Conflict.** The execution and delivery by it of this Term Sheet, the consummation by it of the transactions contemplated in this Term Sheet and compliance with the terms and provisions of this Term Sheet are within its corporate power, do not and will not result in a violation of its constitutional documents as currently in effect, and do not and will not conflict with, or result in a breach of any term or provision of, or constitute a default under any material indenture, mortgage, or other agreement or instrument to which it is a party or by which it or any of its material properties is or may be bound; provided that it makes no representation or warranty in this paragraph with respect to the Existing Operative Documents.
3. **Legal Validity.** This Term Sheet has been duly authorised by all necessary corporate action on its part and by the Bankruptcy Court and executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with their terms, except as their enforceability may be limited by bankruptcy, liquidation, examinership, insolvency, reorganisation and other laws of general application affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such proceeding is considered a proceeding in equity or at law) and except as limited by applicable laws that may affect remedies.
4. **Consents.** It has received every material consent, approval or authorisation of, and has given every material notice to, the governmental authority in its country of incorporation having jurisdiction with respect to the execution, delivery or performance of this Term Sheet including, without limitation, all monetary and other obligations under this Term Sheet) that is required for it to execute and deliver this Term Sheet, and to perform the transactions contemplated by this Term Sheet, and each such consent, approval or authorisation is valid and is in full force and effect and has not been revoked; provided that it makes no representation or warranty in this paragraph as to (a) any consent, approval, authorisation, notice or any other action that may be required under or by any of the Existing Operative Documents, including, without limitation, any filings, registrations and recordings as may be necessary or advisable with respect thereto under any applicable laws, (b) the order of the Bankruptcy Court approving this Term Sheet and the transaction contemplated thereunder, which has been obtained and is in full force and effect, or (c) any periodic renewals of the registration of the Aircraft with the aircraft registry it is currently registered on, the registration of any International Interest that may be created under this Term Sheet pursuant to the Convention or any other consent, approval, authorisation, notice or any other action that may be required or allowed to be obtained, given, made or performed after the Lease Amendment Effective Date.

**Exhibit C-3**

**The Term Sheet related to a Sikorsky Model S92A helicopter with  
manufacturer's serial number 920127**

January 17, 2017

**CHC HELICOPTERS (BARBADOS) LIMITED**

**RESTRUCTURING OF LEASE FOR AIRCRAFT MSN NO. 920127**

**SUMMARY OF TERMS AND CONDITIONS**

This term sheet (this "Term Sheet") sets forth terms and conditions agreed among CHC Helicopters (Barbados) Limited (the "Lessee" or the "lessee" or "CHC") and the Lessor named below with respect to the aircraft listed on Exhibit A-1 hereto (as more fully described on Exhibit A-1, the "Aircraft"). This Term Sheet is entered into pursuant to an interim term sheet attached to *Debtors' Motion for an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 6004(h) Authorizing the Debtors to Enter Into and Perform Under an Interim Restructuring Term Sheet with Lombard North Central PLC*, filed with the Bankruptcy Court (as defined below) on July 1, 2016 (Docket No. 437) and approved by the Bankruptcy Court on August 9, 2016 (Docket No. 735) (the "Proposal Approval Date") (in so far as it relates to the Aircraft, the "Existing Interim Term Sheet").

This Term Sheet contains recitals of certain matters relating to the existing transaction (in Part 1), a summary of terms and conditions for amendments to the existing transaction (in Part 2), the terms and conditions of interim arrangements (in Part 3), certain termination events (in Part 4), agreement on the Prepetition Damages Claims (as defined herein) (in Part 5), extension of the 60-day period (in Part 6), certain waivers (in Part 7) and provisions on authority, transaction costs and disputes, as well as miscellaneous provisions (in Part 8).

This Term Sheet is subject to approval by the Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"). CHC agrees that it shall diligently seek the approval of the Bankruptcy Court for this Term Sheet and the transactions contemplated hereby; provided that CHC shall not be obligated to submit this Term Sheet for Bankruptcy Court approval until the Official Committee of Unsecured Creditors' (the "Committee") in its Chapter 11 case has had an opportunity to review this Term Sheet; provided further that CHC agrees that it shall promptly after execution of this Term Sheet provide this Term Sheet to the Committee for its review.

\* \* \*

**Part 1**

**Certain Matters Relating to Existing Transaction**

**1.1 Parties to Existing Transaction:**

CHC, as lessee under the Existing Lease Agreement referred to below. CHC together with Heli-One (as defined in Section 1.2), CHC Helicopter (as defined in Section 1.2), 6922767 Holding (as defined in Section 1.2), Heliworld (as defined in Section 1.2), CHC Barbados SRL (as defined in Section 1.2) and CHC Canada (as defined in Section 1.2), any other affiliate of CHC that is a party to any of the Existing Operative Documents (as defined in Section 1.2) and, but only if CHC Group Ltd. or its successor shall be required to be the sole guarantor in accordance with the provisions set forth under "Other Terms" in Exhibit A hereto, such guarantor, are referred to in this Term Sheet, each, as a "CHC Party" and, collectively, as the "CHC Parties".

Lombard North Central Plc, as lessor under the Existing Lease Agreement referred to below (the "Lessor"). The Lessor together with, any Lessor Parties named on the signature pages to this Term Sheet and any person who by, through or under the Lessor may have claims against CHC, any other CHC Party, any affiliate or joint venture partner or strategic aircraft operating partner or customer thereof, any operator of the Aircraft or any other person in respect of the Aircraft or any of the Existing Operative Documents or any portion thereof are referred to in this Term Sheet, each, as a "Lessor Party" and, collectively, as the "Lessor Parties".

**1.2 Existing Operative Documents:**

- (a) Master Lease Facility Agreement, dated as of 28 April 2006, between Heli-One Leasing ULC ("Heli-One") and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Master Agreement").
- (b) Lease Agreement, dated 12 August 2010, between the Lessee and Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Lease Supplement"; together with the Existing Master Agreement the "Existing Lease Agreement"). For the avoidance of doubt any references in this Term Sheet to any provision in the Existing Master Agreement shall also be read to refer to the corresponding provision in the Existing Lease Supplement (if any).
- (c) Short Form Lease Agreement, dated August 12 2010, between Lessor and Lessee (as amended, supplemented



or otherwise modified prior to the date hereof, the "Existing Short Form Head Lease").

- (d) Master Guarantee, dated as of 10 March 2011, by CHC Helicopter S.A. ("CHC Helicopter") (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Guarantee").
- (e) Right-Sizing Agreement, dated as of 21 October 2013, between Heli-One, CHC Helicopter and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Right-Sizing Agreement").
- (f) Deed of Undertaking, dated 14 October 2011, between 6922767 Holding S.à.r.l. ("6922767 Holding") and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Deed of Undertaking").
- (g) Intercreditor Deed, dated 10 March 2011, between The Royal Bank of Scotland PLC ("RBS"), Export Development Canada ("EDC"), the Lessor, Heli-One, Heliworld Leasing Limited ("Heliworld"), CHC Helicopters (Barbados) SRL ("CHC Barbados SRL"), the Lessee and CHC Helicopter (as amended, supplemented or otherwise modified prior to the date hereof, and only in so far as it relates to the Aircraft and not any other aircraft, the "Existing Intercreditor Deed").
- (h) Junior Loan Agreement, dated 12 August 2010, between the Lessee (as lender) and RBS (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Junior Loan").
- (i) Remarketing Agreement, dated 12 August 2010, between Lessor and Lessee (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Remarketing Agreement").
- (j) Deed of Application of Proceeds, dated 18 August 2010, between Lessor, the Lessee and RBS (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Deed of Proceeds").
- (k) Security Assignment, dated 24 December 2015, between the Lessee and the Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Security Assignment").
- (l) Residual Value Guarantee, dated 30 June 2010, between Sikorsky International Operations, Inc ("Sikorsky"), Lessee and Lessor (as amended, supplemented or otherwise

modified prior to the date hereof, the "Existing RVG").

- (m) RVG Side Letter, dated, on or about, August 9 2010, between Lessee and Lessor (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing RVG Side Letter").
- (n) Assignment of Insurances, dated 24 December 2015, between CHC Helicopters Canada Inc. ("CHC Canada") and the Lessee (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Assignment of Insurances").
- (o) Asset Swap Agreement, dated 21 October 2013, between RBS, EDC, Lessor, Heli-One, Heliworld, the Lessee and CHC Helicopter (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Asset Swap Agreement").
- (p) Aircraft Lease General Terms Agreement No. 5919, dated 21 August 2015, between the Lessee and CHC Canada (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Aircraft GTA").
- (q) Aircraft Specific Lease Agreement, dated 21 August 2015, between the Lessee and CHC Canada (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing ASLA").
- (r) Short Form Lease Agreement, dated 21 August 2015, between the Lessee and CHC Canada (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Short Form Lease").
- (s) Sublessee and Operator Deed of Subordination, dated 24 December 2015, between Lessee, Lessor and CHC Canada (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Deed of Subordination") and, collectively with the Existing Lease Agreement, the Existing Short Form Head Lease, the Existing Guarantee, the Existing Right-Sizing Agreement, the Existing Deed of Undertaking, the Existing Intercreditor Deed, the Existing Junior Loan, the Existing Remarketing Agreement, the Existing Deed of Proceeds, the Existing Security Assignment, the Existing RVG, Existing RVG Side Letter, the Existing Assignment of Insurances, the Existing Asset Swap Agreement, the Existing Aircraft GTA, the Existing ASLA and the Existing Short Form Lease and the other Transaction Documents, Finance Documents and Facility Documents referred to in the Existing Master Agreement (and any comparable document referred in any such Transaction Document, Finance Document and Facility Document) in so far as each such Transaction Document, Finance Document and Facility Document (and

each such comparable document) relates to the Aircraft and not any other aircraft, the "Existing Operative Documents").

Capitalized terms used herein without definition shall have the meanings specified therefor in the Existing Lease Agreement.

For the avoidance of doubt, nothing in this Term Sheet shall, and nothing in this Term Sheet is intended to, affect any agreement referenced in this Section 1.2 in so far as any such agreement relates to any aircraft other than the Aircraft and, to the extent necessary, each such agreement shall be deemed severed such that such agreement in so far as it relates to the Aircraft is separate from such agreement in so far as it relates to any other aircraft.

## Part 2

### Summary of Terms and Conditions for Amendments to Existing Transaction

#### **2.1 Incorporation of Exhibit A:**

Exhibit A hereto is incorporated herein by this reference.

#### **2.2 Events of Default:**

The Events of Default in the Amended Operative Documents (as defined in Section 2.6 below) shall be substantially the same as those in the Existing Lease Agreement except that:

- (a) prior to the substantial consummation (as defined in Section 1101(2) of title 11 of the United States Code (the "Bankruptcy Code")) of any plan of reorganization filed, among others, by CHC in its current Chapter 11 case, which plan shall not be materially inconsistent with this Term Sheet and shall provide for the assumption by reorganized CHC (or any applicable successor) of the Amended Operative Documents to which it is a party ("Substantial Consummation" and "Plan"), the Events of Default in the Existing Operative Documents relating to the bankruptcy of any person shall be limited to dismissal of CHC's current case under Chapter 11 of the Bankruptcy Code or the conversion of such case to a case under Chapter 7 of the Bankruptcy Code, and for all purposes of the Amended Operative Documents, the term "Events of Default" shall not include any Event of Default arising from the commencement or continuation of the current Chapter 11 cases of CHC and certain of its affiliates or relating to any other supplemental, analogous or alternative case or liquidation process involving any CHC Party or any other person commenced in any jurisdiction other than the United States (each, a "Foreign Proceeding" and, collectively, the "Foreign Proceedings") at any time prior to the Substantial Consummation;

- (b) at and following Substantial Consummation, the term "Events of Default" shall not include (1) any Event of Default arising from the commencement or continuation of any Foreign Proceeding in respect of a person that is not a CHC Party, (2) any Event of Default arising from the commencement or continuation of any Foreign Proceeding that was commenced at any time prior to Substantial Consummation in respect of any CHC Party, provided that the relief sought in any such Foreign Proceeding is not materially inconsistent with this Term Sheet and will not materially adversely affect the Lessor's position under this Term Sheet and the Amended Operative Documents, (3) any Event of Default based on group restructuring, reorganization or other transaction relating to any CHC Party and contemplated pursuant to the Plan (including, without limitation, any future debt or equity conversions contemplated pursuant to the Plan); provided that, for the avoidance of doubt, the above shall not diminish any obligations of the lessee with respect to "know your customer" requirements set forth in Exhibit A, or (4) any Event of Default relating to abandonment or surrender of any aircraft or other asset (other than the Aircraft), or rejection or renegotiation of any lease or other contract, prior to Substantial Consummation; and
- (c) at any time, the term "Events of Default" shall not include any Event of Default relating to any other aircraft or defaults under any other indebtedness or lease or other transaction of any CHC Party or any other person, except that, at and following Substantial Consummation, for so long as Lombard North Central Plc shall remain the Lessor under the Amended Lease, an "Event of Default" that shall have occurred and be continuing under any Related Lease (as such term is defined below) shall be an Event of Default under the Amended Lease.

As used in this Term Sheet, the term "Related Lease" means an "Amended Lease" that shall become effective in accordance with each of the term sheets entered into by Lombard North Central Plc and the lessee substantially contemporaneously with this Term Sheet with respect to one Sikorsky S92A aircraft bearing MSN 920034 and one AgustaWestland AW139 aircraft bearing MSN 31155, but, in the case of each such "Amended Lease", only for so long as Lombard North Central Plc shall remain the "Lessor" under such "Amended Lease".

For the avoidance of doubt, nothing in this Section 2.2 shall, and nothing in this Section 2.2 is intended to, constitute a waiver of any event of default under any agreement that relates to any aircraft other than the Aircraft (including, without limitation, and without limiting the generality of the last sentence

in Section 1.2, under any agreement referenced in Section 1.2 in so far as any such agreement relates to any aircraft other than the Aircraft) or otherwise prejudice rights that any Lessor Party may have in respect of any aircraft other than the Aircraft.

**2.3 Indemnities:**

On and after the Lease Amendment Effective Date, the indemnity, tax indemnity, payment gross-up, VAT and other tax provisions of the Amended Operative Documents will be unchanged from those in the corresponding Existing Operative Documents, as applicable, provided that none of the CHC Parties will indemnify for any loss, cost, expense, liability, tax, damage or claim of any kind (i) attributable to or arising out of the current Chapter 11 case or any Foreign Proceedings or the entry into of the Term Sheet Modifications or the Substitute Operative Document Amendments and the transactions contemplated by effectuating such agreements, (ii) relating to any of the other claims addressed pursuant to Sections 3.1, 5.1 and 8.2 below or waived under Section 7.1 below, or (iii) that would have been payable or borne by the lessee or any other CHC Party pursuant to any provision of the Existing Operative Documents that has been deleted or rendered ineffective in the Amended Operative Documents as contemplated by this Term Sheet or that is expressly stated in any Amended Operative Document (including, without limitation, as set forth in Exhibit A hereto) as (x) being payable or borne by a person other than the lessee or any other CHC Party or (y) not being payable or borne by the lessee or, in the case of any other CHC Party, by such CHC Party.

**2.4 Representations and Warranties at Lease Amendment Effective Date:**

- (a) At the Lease Amendment Effective Date (as defined below), the Lessor will be deemed to represent and warrant as set forth on Exhibit B-1 hereto.
- (b) At the Lease Amendment Effective Date, the lessee and, but only if CHC Group Ltd. or its successor shall be required to be the sole guarantor in accordance with the provisions set forth under "Other Terms" in Exhibit A hereto, such guarantor, will be deemed to represent and warrant, in each case, as to itself, as set forth on Exhibit B-2 hereto.

**2.5 Other Terms:**

The Existing Lease Agreement and the other Existing Operative Documents shall remain unchanged, except to the extent provided for in this Term Sheet.

**2.6 Implementation:**

The modifications to the Existing Operative Documents set forth in this Term Sheet (the "Term Sheet Modifications") shall become effective automatically and without further act on the date when each of the following conditions precedent shall be met (such date, the "Lease Amendment Effective Date"; the

Existing Lease Agreement so modified is referred to herein as the "Amended Lease" and the Existing Operative Documents so modified are collectively referred to herein as the "Amended Operative Documents":

- (i) Bankruptcy Court approval of this Term Sheet and the transactions contemplated hereunder; and
- (ii) The earlier to occur of (x) Substantial Consummation of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan.

There shall be no other conditions to the effectiveness of the Term Sheet Modifications.

To the extent, if any, that (a) the Amended Scheduled Expiry Date (as defined on Exhibit A) falls after the scheduled expiry date under the Existing Lease Agreement and (b) Article XI to the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the "Convention") applies and the Term Sheet Modifications when effective create a new International Interest (as defined in the Convention) in the Aircraft under the Convention, the parties hereto agree to cooperate in good faith with each other to effect any required registration of such International Interest in respect of the Aircraft (but, for the avoidance of doubt, not in respect of any Engine or engine) on the International Registry.

**2.7 Substitute  
Amendment  
Documentation:**

Following the execution of this Term Sheet, the parties shall conduct good faith negotiations of formal amendments to the Existing Operative Documents incorporating the Term Sheet Modifications (such amendments, the "Substitute Operative Document Amendments"). As soon as practicable following approval of this Term Sheet by the Bankruptcy Court, the CHC Parties shall prepare and provide drafts of the Substitute Operative Document Amendments to Lessor. The parties shall use good faith efforts to finalize, execute and deliver such Substitute Operative Document Amendments as soon as practicable. If the Substitute Operative Document Amendments have not been entered into by the Lease Amendment Effective Date, the Amended Operative Documents shall be in full force and effect on the Lease Amendment Effective Date as set forth in Section 2.6, but this shall not relieve any party from continuing good faith negotiations of the Substitute Operative Document Amendments following the Lease Amendment Effective Date.

**2.8 Plan Treatment of  
Amended Operative**

Subject to CHC's right to terminate the Amended Operative Documents as set forth in Section 4.1 below, any plan of reorganization filed, among others, by CHC in its current

**Documents:**

Chapter 11 case shall provide that the Amended Operative Documents (or, if the Substitute Operative Document Amendments have been executed and delivered by the necessary parties thereto, the "Amended Operative Documents" referred to in such Substitute Operative Document Amendments) shall be assumed and shall become the valid, binding and enforceable obligations of reorganized CHC (or any applicable successor) on the earlier to occur of (x) Substantial Consummation of such plan and (y) the effective date (as defined in such plan) of such plan, and the Lessor Parties agree, subject to receipt of a disclosure statement approved by the Bankruptcy Court, to vote all of their claims under the Existing Operative Documents, including, without limitation, the Prepetition Damages Claims set forth in Section 5.1 herein, in support of any plan that is consistent with the terms and conditions set forth herein.

**Part 3**

**Interim Arrangements**

**3.1 Interim Payments:** In lieu of any payments of Lease Payments that may be due but remain unpaid under the Existing Lease Agreement for the period (such period, the "Interim Period") after the date of Bankruptcy Court approval of this Term Sheet (the "Bankruptcy Court Approval Date") to, but excluding, the date that is the earliest of (i) the Lease Amendment Effective Date, (ii) the date this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents are terminated pursuant to Section 4.1 below and (iii) the date the Existing Lease Agreement is deemed rejected pursuant to a written demand for surrender and return of the Aircraft in the circumstances when this Term Sheet has been terminated in accordance with Section 6.1 of this Term Sheet, CHC shall make payments (such payments, the "Interim Payments") to the Lessor during the Interim Period at a rate equal to the Amended Basic Rent (as such term is defined on Exhibit A), payable monthly in arrears (pro-rated for partial months) on the same monthly payment dates as specified in the Existing Interim Term Sheet for interim payments pursuant to the Existing Interim Term Sheet, commencing on the first such date following the Bankruptcy Court Approval Date. Subject to Part 4 of this Term Sheet, the Interim Payments together with any payment made pursuant to clause (a) or clause (b) under the heading "Interim Arrangements" of the Existing Interim Term Sheet shall be in full satisfaction of all administrative expense claims and other claims with respect to the Aircraft, the Existing Operative Documents, this Term Sheet and the transactions contemplated hereby and thereby for the period from and after the Petition Date until the end of the Interim Period.

**3.2 Certain Payment Conventions:**

If any payment contemplated by this Term Sheet is due on a day that is not a business day, such payment shall be made on the next succeeding business day with the same force and effect as if paid on the scheduled date. Any payments under this Term Sheet that are to be pro-rated shall be pro-rated based on a 360-day year of twelve 30-day months.

**3.3 Compliance with Other Terms:**

During the Interim Period, CHC shall maintain, operate and insure the Aircraft in compliance with the Existing Lease Agreement as modified by the terms herein and such compliance shall constitute compliance with the Existing Lease Agreement.

**3.4 CHC's Agreement not to Reject Existing Lease Agreement:**

Without limiting CHC's termination rights provided in Section 4.1 below, and subject to the terms and conditions set forth in this Term Sheet, CHC agrees not to reject the Existing Lease Agreement with respect to the Aircraft.

**3.5 Section 1110; Section 365; Convention:**

Except as provided in Section 6.1 below or in this Section 3.5, nothing in this Term Sheet shall affect the Lessor's rights, if any, to the protection of Section 1110 of the Bankruptcy Code or the Convention with respect to the Existing Lease Agreement, if either Section 1110 or the Convention is applicable, or the right of CHC Parties or any other person to challenge any and all claims to such protection. This Term Sheet shall not constitute an election or agreement within the meaning of Section 1110 or any other provision of the Bankruptcy Code. Nothing herein constitutes an assumption by any CHC Party or any other person of any contract or lease under Section 365(a) of the Bankruptcy Code and CHC reserves all of the rights of any CHC Party or any other person to reject any contract or lease except as otherwise provided in this Term Sheet.

**3.6 Maintenance Reserves/Security Deposits:**

Any Maintenance Reserves/Security Deposits held under the Existing Operative Documents by, or for the ultimate benefit of, Lessor or any other Lessor Party shall be retained by Lessor and applied to and set off against the Prepetition Damages Claims set forth in Section 5.1 without further notice or order of the Bankruptcy Court. CHC Parties shall have no obligation to replenish any such Maintenance Reserves/Security Deposits.

**Part 4**

**Certain Termination Events**

**4.1 Termination at CHC's Option:**

In the event that a Material Restructuring Change (as defined below) occurs, notwithstanding anything in this Term Sheet to the contrary, CHC may reject or terminate the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet (but, in any event, without prejudice to any arrangements with the Lessor in respect of any other aircraft)



upon not less than 30 days notice to the Lessor. In the event of such rejection or termination, the Lessor shall be entitled to:

- (x) an allowed administrative expense priority claim under Section 503 of the Bankruptcy Code for any unpaid Interim Payment for the period from the Petition Date up to, but excluding, the date on which the Aircraft is tendered for return to the Lessor (such date, the "Section 4.1 Return Date");
- (y) an allowed administrative expense priority claim under Section 503 of the Bankruptcy Code equal to three months of Amended Basic Rent, which, together with the administrative expense priority claims in clause (x), shall be the only administrative claim allowed against CHC with respect to the rejection, termination or breach of the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet, and the payment of which, once paid in full, shall be in full satisfaction of any and all administrative claims related to the rejection, termination or breach of, or any other administrative claims arising under, the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet; and
- (z) in addition to the Prepetition Damages Claims (as defined in Section 5.1 below), an allowed general unsecured non-priority pre-petition claim for all other claims and damages (not captured by the Prepetition Damages Claims) incurred as a result of the termination or breach of this Term Sheet (including, without limitation, any damages measured by reference to a stipulated loss value or termination value or for basic rent that would otherwise be payable after the Section 4.1 Return Date, and any damages for breach of or failure to comply with any return conditions), whether or not such claim would otherwise be entitled to priority as an administrative expense.

In the event of rejection or termination under this Section 4.1, without duplication of any amount previously credited to any payment made pursuant to clause (a) or clause (b) under the heading "Interim Arrangements" of the Existing Interim Term Sheet or Interim Payment pursuant to Section 3.1, CHC shall be entitled to a credit for any claims under the preceding clause (x) or (y) for the pro-rated amount of (i) any monthly advance rent payments made prior to the Petition Date to the extent allocable to any period after the Petition Date and (ii) any interim payments made pursuant to the Existing Interim Term Sheet or Interim Payment, in each case, to the extent allocable to any period after the Section 4.1 Return Date.

For the avoidance of doubt, CHC is not required to comply with any return conditions in connection with any termination pursuant to this Section 4.1.

As used in this Term Sheet, the term "Material Restructuring Change" means occurrence of any of the following:

- (aa) CHC confirms a Chapter 11 plan of reorganization contemplating that CHC discontinues revenue flight operations; or
- (bb) CHC or any of its affiliates consummate sale(s) of a material portion of their assets and such sales cause the number of aircraft in the fleet of CHC and its affiliates in revenue service under customer contracts to be less than 50 aircraft; or
- (cc) CHC's Chapter 11 case is dismissed or converted to a case under Chapter 7 and CHC suspends revenue flight operations.

**4.2 Term Sheet Termination:**

If the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet are rejected or terminated by CHC pursuant to Section 4.1 above, subject to the terms of Section 4.1, the Existing Lease Agreement, the other Existing Operative Documents and this Term Sheet will become wholly void and of no further force and effect without liability to the parties hereto or thereto or their respective Affiliates, and each will be fully released and discharged from any other liability or obligation under or resulting from this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents and the parties hereto will have no other remedy or cause of action under or relating to this Term Sheet, the Existing Lease Agreement, the other Existing Operative Documents or any applicable law including, without limitation, for reimbursement of expenses, except that Section 4.1, this Section 4.2, Section 5.1 and Part 8 of this Term Sheet will remain in full force and effect.

**Part 5**

**Prepetition Damages Claims**

**5.1 Liquidation of Prepetition Damages Claims:**

Notwithstanding anything to the contrary set forth in this Term Sheet, the parties agree that, with effect as of the Lease Amendment Effective Date as damages for any breach, termination, rejection or modification of the Existing Lease Agreement and any other Existing Operative Documents (including, without limitation, any unpaid rent for any period prior to the Petition Date), the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority prepetition claims as follows:

- (a) an Allowed Primary General Unsecured Claim in CHC Helicopters (Barbados) Limited's Class 7 General Unsecured Claims class of \$852,253; and
- (b) an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$852,253 (with (a) and this (b) together referred to as the "Prepetition Damages Claims").

The defined terms set forth in (a) and (b) above are as set forth in that certain Second Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors (Docket No. 1371) filed on December 19, 2016 in the Debtors' Chapter 11 Cases.

**5.2 Transferability of Prepetition Damages Claims:**

Subject to compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, any order of the Bankruptcy Court, any confirmed plan of reorganization and any other applicable law (including, without limitation, applicable securities laws), the Prepetition Damages Claims shall be freely transferable by the Lessor, in whole or in part, at any time before or after the confirmation of a reorganization plan in CHC's current Chapter 11 case; provided that, with respect to any transfers prior to the confirmation of a reorganization plan in CHC's current Chapter 11 case, prior to any such transfer any such transferee agrees in writing for the benefit of the CHC Parties to be bound by all the terms of this Term Sheet (including, without limitation, Section 2.8 hereof) applicable to the Lessor Parties by executing a joinder agreement.

**Part 6**

**Extension of 60-Day Period**

**6.1 Extension of 60-Day Period:**

Nothing contained herein constitutes a stipulation or an admission that the Aircraft is entitled to the Protection of Section 1110 of the Bankruptcy Code or to Article XI of the Convention, and CHC reserves all of its rights under applicable agreements

and law, including, without limitation, the right to contest that either Section 1110 or the Convention are applicable. However, if either Section 1110 or the Convention is applicable, the parties hereby agree to grant an extension of the 60-day period for all purposes under Section 1110 of the Bankruptcy Code and Article XI of the Convention until the earlier of (i) the Lease Amendment Effective Date and (ii) the date this Term Sheet, the Existing Lease Agreement and the other Existing Operative Documents are rejected or terminated pursuant to the terms of Section 4.1 above (such period, the "Extension Period"); provided that, if CHC breaches its material obligations under this Term Sheet, such Extension Period shall terminate and the automatic stay with respect to the Aircraft shall be lifted, effective after 30 days following the provision of an enforcement notice by the Lessor to CHC, unless such breach has been cured prior to the expiration of such 30-day notice period; provided, further, that the Lessor may not give an enforcement notice to CHC unless any applicable cure period set forth in the Existing Lease Agreement has lapsed without such breach being cured.

## **Part 7**

### **Certain Waivers**

#### **7.1 Waiver:**

Except as expressly provided in Sections 3.1, 4.1, 5.1 and 8.2, upon the Lease Amendment Effective Date, each of the Lessor Parties (each, on behalf of itself and its respective successors and assigns) does hereby fully, finally and forever waive, release and discharge CHC, the other CHC Parties, their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries, predecessors and any operator of the Aircraft, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of the foregoing from any and all Claims (as defined below) owned or controlled by such Lessor Party in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, (i) current bankruptcy proceedings of any CHC Party or any of their affiliates or any Foreign Proceedings, (ii) the Existing Lease Agreement or any other Existing Operative Document (including, without limitation, any breach, termination, rejection or modification of any Existing Operative Document, any default relating to other aircraft or any exercise or purported exercise of remedies thereunder) or (iii) the negotiation, preparation, execution, delivery or performance of the Existing Interim Term Sheet or this Term Sheet (including, without limitation, the Term Sheet Modifications or the Substitute Operative Document Amendments), and, upon CHC's request,

shall execute a release with respect thereto.

Upon the Lease Amendment Effective Date, each of CHC and the other CHC Parties (each, on behalf of itself and its respective successors and assigns) does hereby fully, finally and forever waive, release and discharge each of the Lessor Parties, each of their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries, predecessors and any operator of the Aircraft, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of the foregoing from any and all Claims owned or controlled by such CHC Party in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, (i) the Existing Lease Agreement or any other Existing Operative Document (including, without limitation, any breach, termination, rejection or modification of any Existing Operative Document, any default relating to other aircraft or any exercise or purported exercise of remedies thereunder) or (ii) the negotiation, preparation, execution, delivery or performance of the Existing Interim Term Sheet or this Term Sheet (including, without limitation, the Term Sheet Modifications or the Substitute Operative Document Amendments), and, upon the Lessor's request, shall execute a release with respect thereto.

As used in this Term Sheet, the term "Claims" means claims (as defined in section 101(5) of the Bankruptcy Code), causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses or demands (including, without limitation, under any tax indemnity, general indemnity, reimbursement, rental or any other provision in any Existing Operative Document or in any Amended Operative Document or in any other agreement relating to any of the foregoing), of whatsoever kind and nature, character and description, whether pre-petition unsecured, priority, administrative or post-petition/administrative, whether sounding in tort, contract or under other applicable law of any jurisdiction, whether known or unknown, whether anticipated or unanticipated, whether presently existing or existing at any time in the future, whether or not asserted, and whether founded in fact or law or in equity.

For the avoidance of doubt, nothing in this Section 7.1 shall be deemed to waive, release, or discharge any of the Lessor's or the Lessee's rights with respect to the performance of the Amended Operative Documents.

**Part 8**

**Authority, Transaction Costs, Disputes and Miscellaneous**

**8.1 Authority:**

Subject to Bankruptcy Court approval of this Term Sheet, CHC hereby represents that it has authority to execute this Term Sheet and to enter into the transactions contemplated hereby. The Lessor hereby represents and warrants that it is the sole "Lessor" (as defined in the Existing Lease Agreement) and has all necessary authority to execute this Term Sheet and enter into the transactions contemplated hereby for itself and for each Lessor Party that is not a signatory to this Term Sheet, and each other Lessor Party that is a signatory to this Term Sheet hereby represents and warrants that it has all necessary authority to execute this Term Sheet and enter into the transactions contemplated hereby. Each Lessor Party that is a signatory to this Term Sheet, as to itself, and the Lessor as to itself and as to each other Lessor Party that is not a signatory to this Term Sheet hereby (i) represents and warrants that no consents or approvals are required for the consummation of the transactions contemplated hereby under its organizational or constitutive documents, under the Existing Operative Documents or from any person who has provided financing to it that is secured by an Encumbrance on any of the Aircraft or the Existing Operative Documents, except any consent or approval that has been obtained and is in full force and effect, and (ii) agrees not to sell or otherwise transfer any equity, debt or other interest in or related to the Aircraft or the Existing Operative Documents unless such sale or transfer is expressly subject to the terms and conditions of this Term Sheet and the potential purchaser or transferee agrees to be bound by the terms hereof.

**8.2 Transaction Costs:** Except as provided below, CHC Parties shall not be liable for any costs and expenses (including, without limitation, fees, expenses and disbursements of counsel) incurred by any other party in connection with entering into the Existing Interim Term Sheet, this Term Sheet, any and all of the transactions contemplated by this Term Sheet or the Substitute Operative Document Amendments and no indemnification or reimbursement with respect thereto will be provided by any CHC Party under any indemnity or reimbursement provision in the Existing Operative Documents or the Amended Operative Documents; provided that, upon the Lease Amendment Effective Date, CHC agrees to pay the reasonable and documented fees, expenses and disbursements of a single firm of legal counsel for the Lessor Parties up to a total of \$10,000 in connection with the Existing Interim Term Sheet, this Term Sheet, any and all of the transactions contemplated in this Term Sheet and the Substitute Operative Document Amendments (which cap shall be inclusive of all legal and other advisory fees, expenses and disbursements).

**8.3 Disputes:**

All disputes arising under or in connection with this Term Sheet, the Existing Lease Agreement, any other Existing Operative Document or any agreement entered pursuant hereto shall, prior to the issuance of a final decree from the Bankruptcy Court closing CHC's current Chapter 11 case, be resolved by the Bankruptcy Court, which shall have exclusive jurisdiction over such disputes; provided that all disputes arising under or in connection with any Amended Operative Document shall be resolved in accordance with the terms thereof following Substantial Consummation of CHC's plan of reorganization in its current Chapter 11 case.

**8.4 Miscellaneous:**

This Term Sheet may not be amended or modified except by an agreement in writing signed by all parties hereto. This Term Sheet may be executed in one or more counterparts (including, without limitation, by facsimile or electronic (e.g., pdf) transmission), each of which together or separately shall constitute an original and, which taken together, shall be considered one and the same binding agreement. This Term Sheet shall be binding upon and inure to the benefit of the parties hereto together with their respective successors and permitted assigns, including, without limitation, any transferee of the interest of any such person in the Aircraft or any Existing Operative Document and any other person asserting an interest in the Aircraft under the Existing Operative Documents. Each of the parties hereto agrees that it shall cooperate in good faith to implement and consummate the transactions contemplated hereby in a timely manner. The words "hereof", "herein" and "hereby" and words of similar import, when used in this Term Sheet, shall refer to this Term Sheet as a whole, including, without limitation, all the schedules and exhibits attached hereto, not to any particular provision of this Term Sheet.

**8.5 Governing Law:**

This Term Sheet will be governed by, and construed and interpreted in accordance with, the laws of New York, except that the Term Sheet Modifications and any dispute arising out of the Term Sheet Modifications will be governed by, and construed and interpreted in accordance with, English law (or, if law of another jurisdiction governs any Existing Operative Document, law of such other jurisdiction to the extent the Term Sheet Modifications modify such Existing Operative Document).

[Signature Pages Follow.]

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Agreed this 17<sup>th</sup> day of January, 2017

LOMBARD NORTH CENTRAL PLC, as  
Lessor for itself and for each Lessor Party  
that is not a signatory to this Term Sheet

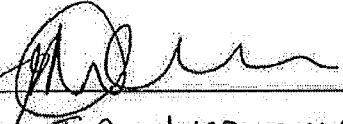
By: APJ  
Name: A. P. JOHNSON  
Title: ATTORNEY



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OTHER LESSOR PARTY:

THE ROYAL BANK OF SCOTLAND PLC

By:   
Name: J. A. McDermott  
Title: Director

507

CHC HELICOPTERS (BARBADOS) LIMITED,  
as lessee

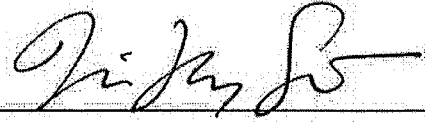
By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

508


HELI-ONE LEASING ULC

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory


CHC HELICOPTER S.A.

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

6922767 HOLDING S.À.R.L.

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

511

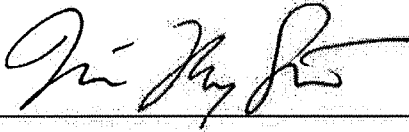
HELIWORLD LEASING LIMITED

By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

CHC HELICOPTERS (BARBADOS) SRL


By: 

Name: Nicolas P. Stable

Title: Authorized Signatory

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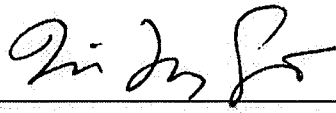
CHC HELICOPTERS CANADA INC.

By:   
Name: Greg Wyght  
Title: VP Sales, Business Development

MSN 920127 Signature Page



CHC GROUP LTD.

By: \_\_\_\_\_

Name: Nicolas P. Stable

Title: Authorized Signatory

(S92A MSN 920127)

**Exhibit A to  
Term Sheet**

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RESTRUCTURED LEASE TERMS

**Amended Scheduled  
Expiry Date:**

The scheduled expiry date for the lease of the Aircraft shall be the date set forth on Schedule A hereto (as so amended, the "Amended Scheduled Expiry Date").

**Amended Basic Rent; No  
Other On-going  
Payments:**

The rate for the Lease Payment for the Aircraft (the "Amended Basic Rent") shall be the applicable amount set forth in Schedule A hereto, payable monthly in arrears (pro-rated for partial months) for each period ending on the monthly anniversaries of the Proposal Approval Date falling on or after the Lease Amendment Effective Date until the Amended Scheduled Expiry Date and, if the Amended Scheduled Expiry Date is not a monthly anniversary of the Proposal Approval Date, a final period ending on the Amended Scheduled Expiry Date (the ending date of each such period, a "Lease Payment Date" for all purposes of this Exhibit A and the Amended Operative Documents). The Amended Basic Rent shall be payable on the 10<sup>th</sup> Business Day following the last day of the period for which it is due, except that the payment date for the period ending on the Amended Scheduled Expiry Date shall fall on the Amended Scheduled Expiry Date. For the avoidance of doubt, any debt sufficiency, rent re-set, increased or additional costs or compensation for changes in law, illegality, market disruption or force majeure events, interest or swap rate adjustment or other provisions in the Existing Operative Documents that would increase or, upon the occurrence of a contingency, could increase Amended Basic Rent above the applicable amount set forth in Schedule A hereto shall be deleted or rendered ineffective.

Any provisions in the Existing Operative Documents that impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation to make payments in respect of (i) any on-going management, commitment, agency, work or other fees howsoever named or (ii) any costs or expenses of any inspection of the Aircraft or Manuals or Technical Records or any portion thereof by any Lessor Party or any of their respective representatives, appraisers or other designees shall be deleted or rendered ineffective [redacted]

Any provisions in the Existing Operative Documents that impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation with respect to costs, losses, payments or other liabilities with respect to any funding, hedging or other financial arrangements of any Lessor Party (or any such

arrangements of any lender, swap provider or other financier of any Lessor Party) in relation to or in connection with the Aircraft shall be deleted or rendered ineffective, other than any existing requirement to include the Lessor's lenders as additional insureds with respect to the lessee's liability insurance and to indemnify the Lessor's lenders on the terms set forth in the Existing Operative Documents with respect to accidents involving the Aircraft or other incidents of its operation.

Any maintenance reserves/security deposits/additional deposits with respect to the Aircraft held under the Existing Operative Documents shall be retained by the Lessor and may be applied to and set off against the amounts owed by the CHC Parties to the Lessor under the Existing Operative Documents relating to the Aircraft.

Any requirement in the Existing Operative Documents to replenish any maintenance reserves/security deposits/additional deposits or provide additional security (including without limitation in connection with the Existing Right-Sizing Agreements) are deemed deleted or rendered ineffective.

**Total Outstanding  
Balance and Certain  
Other Amounts:**

The Total Outstanding Balance schedule for the Aircraft shall be the applicable schedule set out in Schedule A hereto. For the avoidance of doubt, any debt sufficiency, increased or additional costs or compensation for changes in law, illegality, market disruption or force majeure events, early termination fee, interest or swap rate adjustment or other provisions in the Existing Operative Documents that would increase or, upon the occurrence of a contingency, could increase any of the Total Outstanding Balance for the Aircraft above the amount determined as set forth in, or by reference to the applicable schedule on, Schedule A hereto shall be deleted or rendered ineffective. [redacted]

**No Lessor Puts:**

Any provisions in the Existing Operative Documents (including without limitation in the remedies) that provide the Lessor with a put-option, such that the Lessor can require the lessee to purchase the Aircraft or the lessee is deemed to have exercised a purchase option or the lessee is required to purchase the Aircraft in certain circumstances, shall be deleted or rendered ineffective.

**Purchase Options:**

The lessee's purchase options under the Existing Operative Documents shall be preserved as follows: (a) the Option Price shall be determined as set out in Schedule A hereto (the "Amended Purchase Option Price"); (b) except for the Amended Purchase Option Price, no other amounts shall be payable by any CHC Party pursuant to or in connection with the exercise of the purchase options, and any provisions in the Existing Operative Documents that would increase or, upon the occurrence of a

contingency, could increase amounts payable by any CHC Party pursuant to or in connection with the exercise of the purchase options above the Amended Purchase Option Price shall be deleted or rendered ineffective; (c) upon such payment of the Amended Purchase Option Price, so long as no other amounts payable by the lessee under the Amended Operative Documents shall be overdue as a pre-condition to such transfer, the Lessor shall transfer title to the Aircraft to the lessee or purchaser nominated by the lessee free and clear of any Owner's Encumbrances or any other security interest, lien, claim or encumbrance granted to, or for the benefit of, or otherwise arising by or through, the Lessor or the Lessor's lenders or finance parties (including, without limitation, any swap counterparties) and otherwise in accordance with Clause 26 of the Existing Master Agreement [redacted]; provided that no other amounts payable by the lessee under the Amended Operative Documents shall be overdue as a pre-condition to such transfer and anything in such Clause 26 to the contrary shall be deleted or rendered ineffective; (d) except for the Option Price, no other amounts shall be payable by any CHC Party pursuant to or in connection with the exercise of the purchase options; (e) the lessee shall notify the Lessor of the exercise of any purchase option in accordance with the Existing Operative Documents, except that such notice need not be provided sooner than 30 days prior to the expiry date [redacted]; and (f) all other terms and conditions applicable to the lessee's purchase options under the Existing Operative Documents shall remain unchanged.

**Amended Return  
Conditions:**

Any return-related provisions (including without limitation any provisions for pre-delivery inspections (and related costs) or post-return storage, ferry flights, remarketing or other assistance) in the Existing Operative Documents shall be deleted and replaced with the return conditions set forth in Exhibit A-2 hereto (the "Amended Return Conditions").

**Financial Condition-  
Related Provisions:**

Any financial or other covenants that require any CHC Party, any affiliate thereof or any operator of the Aircraft to maintain certain financial condition ratios or other measurements (including without limitation the financial covenants set out in the Existing Deed of Undertaking), or prevent any CHC Party, any affiliate thereof or any operator of the Aircraft from taking certain actions unless certain financial condition ratios or other measurements are met, and any other provisions in the Existing Operative Documents (including any incorporated, or that could be applied, by reference to any provisions outside of the Existing Operative Documents) that become operative upon any change (including a material adverse change) in the condition of any CHC Party, any affiliate thereof or any operator of the Aircraft or in the condition of the market or that provide for notices, certifications or reporting as to any such condition or that may require notices, discussions or

amendments of the Existing Operative Documents or the Amended Operative Documents on account of any provisions similar to any aspect of the foregoing in another agreement or prospective agreement of any CHC Party or any third party shall be deleted or rendered ineffective.

Any requirements in the Existing Operative Documents to supply accounts and other financial information shall be limited to the provision of balance sheet and statement of retained earnings in respect of the Guarantor (as defined below), prepared in accordance with GAAP, certified by a recognised firm of certified public accountants, within one hundred and eighty (180) days of the close of each fiscal year of Guarantor and Guarantor's quarterly financial report certified by the chief financial officer of Guarantor, within sixty (60) days of the close of each fiscal quarter of Guarantor.

**Asset Value-Related Provisions:**

Any provisions in the Existing Operative Documents that become operative upon an impairment, revaluation or appraisal of the value of the Aircraft or other assets of any CHC Party, any affiliate thereof or any operator of the Aircraft shall be deleted or rendered ineffective.

Any obligations of any CHC Party, any affiliate thereof or any operator of the Aircraft under, with respect to or resulting from any residual or asset value guarantee, remarketing agreement or other similar arrangement or that require the maintenance of a particular collateral coverage ratio shall be deleted or rendered ineffective. None of the CHC Parties, their respective affiliates and operators of the Aircraft shall be liable to any Lessor Party for any loss of benefits under any residual value guarantee or other similar arrangement provided by the applicable OEM or any other entity. [redacted]

**Certain Provisions:**

The lessee and any operator of the Aircraft shall be permitted to store the Aircraft in accordance with any manufacturer-approved storage program and to keep Manuals and Technical Records at locations chosen by the lessee or any operator of the Aircraft in accordance with its ordinary course of business and applicable legal requirements, and any provisions in the Existing Operative Documents imposing inconsistent or additional requirements shall be deleted or rendered ineffective.

Any provisions in the Existing Operative Documents relating to engine or parts installation, removal, and substitution shall be deleted and replaced with provisions set forth in Exhibit A-3 hereto.

The lessee, at no expense to the Lessor, from time to time, may make or cause to be made such alterations and modifications in and additions to the Airframe, any Engine or any Part as any CHC

Party, any affiliate thereof or any operator of the Aircraft may deem desirable in the proper conduct of its business, including, without limitation, pursuant to a customer request, and so long as such alteration, modification and/or addition is (x) not required to meet the airworthiness standards of the applicable regulatory agency, (y) made after the commencement of leasing of the Aircraft under the Existing Operative Documents, and (z) is reversible in nature (such an alteration, modification and/or addition meeting the requirements of clauses (x),(y) and (z), an "Optional Modification"), such Optional Modification shall not be deemed a "Part" under the Existing Operative Documents or the Amended Operative Documents, title thereto shall not vest in the Lessor and it may be removed or caused to be removed by the lessee at any time on or prior to the Amended Scheduled Expiry Date (and, unless the lessee and Lessor have agreed otherwise, shall be removed on or prior to the Amended Scheduled Expiry Date) and replaced with a Part pursuant to the replacement provisions set forth in Exhibit A-3 hereto or (if it is in addition to, and not in replacement of or substitution for, any Part originally incorporated or installed in or attached to the Airframe, such Engine or Part at the time of the commencement of leasing of the Aircraft under the Existing Operative Documents or any Part in replacement of, or substitution for, any such Part) without such replacement; provided that no such removal shall result in any unremedied material damage to the Aircraft. For the avoidance of doubt, nothing in the immediately preceding sentence is intended to alter any of the lessee's obligations under the Amended Return Conditions.

To the extent any provisions in the Existing Operative Documents impose upon any CHC Party, any affiliate thereof or any operator of the Aircraft any obligation with respect to legal fees of any Lessor Party in connection with any change to the registration or location of the Aircraft, or any extension of the term of the lease beyond the Amended Scheduled Expiry Date and/or any other amendments to any Existing Operative Documents (other than the Term Sheet Modifications and any Substitute Operative Document Amendments) such obligation shall be limited to reimbursement of such legal fees actually incurred, with their incurrence approved by the lessee in advance in writing, subject to a maximum cap [redacted]

Any provisions in the Existing Operative Documents (including without limitation Clause 8 of the Existing Master Agreement) that may impose additional restrictions (including without limitation by imposing caps on the number of aircraft out of any fleet that may be allowed to be registered, re-registered, located or operated in a particular jurisdiction or jurisdictions or by requiring prepayment, repatriation, cash collateral or additional security) on allowing the Aircraft to be registered, re-registered, located or operated in a

particular jurisdiction or jurisdictions, based on compliance, non-compliance or degrees of compliance with geographical allocation tests (including without limitation by reference to fleet value or portion thereof allocable to a particular jurisdiction or jurisdictions) shall be deleted or rendered ineffective [redacted]

**Other Terms:**

Any terms in the Existing Operative Documents that are inconsistent with the terms set forth in this Term Sheet shall be deemed to be deleted or rendered ineffective. For the avoidance of doubt, (i) the repayment of any amounts outstanding under the RBS Loan and/or any Participating Loan Agreement shall be re-set and revised at levels equal to the Amended Basic Rent set forth in Schedule A hereto and by reference to the Lease Payment Dates set out herein; and (ii) the repayment and amortization of any amounts outstanding under the RBS Loan and/or any Participating Loan Agreement shall be re-set and revised at levels equal to the economics of the revised Total Outstanding Balance amortization set out in the schedule set forth in Schedule A hereto and by reference to the Lease Payment Dates set out herein.

To the extent that any terms in any commercial agreement or loan, swap or other financing arrangement involving the Aircraft or the Existing Operative Documents or any portion thereof, including without limitation any intercreditor arrangements, affect any CHC Party, any affiliate thereof or any operator of the Aircraft and, were such terms included in the Existing Operative Documents, they would be modified, deleted or rendered ineffective (or deemed to be so) as contemplated by this Term Sheet, such terms shall be deemed to be modified, deleted or rendered ineffective to the extent of their effect on any such CHC Party, affiliate thereof or operator of the Aircraft.

CHC Parties shall be permitted to amend any subleases, sub-subleases and any other agreements in the sublease chain, without review by any Lessor Party of such changes, if and only if such amendments are made in order to reflect changes resulting from terms and conditions of this Term Sheet (including without limitation with respect to the Amended Scheduled Expiry Date, Amended Basic Rent and Amended Return Conditions), but, for the avoidance of doubt, each such amendment, if any, shall provide that the applicable amended sublease, sub-sublease or other agreement in the sublease chain shall at all times continue to be subject and subordinate to the Amended Lease.

Any CHC Party that is a guarantor or surety (or acts in any similar capacity) under any of the Existing Operative Documents (except for CHC Group Ltd. or the Guarantor) shall be released from any and all of its obligations and liabilities under or in connection with the Existing Operative Documents such that the number of guarantors (including without limitation sureties and anyone acting

in a similar capacity) for the Aircraft shall be reduced to one, which shall be CHC Group Ltd. or its functional or legal successor (the "Guarantor"). For the avoidance of doubt such guarantee shall be on the terms of the Existing Guarantee as amended by this Term Sheet.

With respect to any proposed novation or transfer of any Amended Operative Document by the lessee or the Guarantor, or any of their respective successors, to another CHC Party, the Lessor will not withhold its consent unreasonably or with undue delay and any inconsistent restrictions in the Existing Operative Documents shall be deleted or rendered ineffective. Any other provisions in the Existing Operative Documents that may restrict the ability of any CHC Party or any group of CHC Parties to sell, transfer, lease, lend or otherwise dispose of its business, in whole or in part, change any aspect or nature thereof or otherwise accomplish group restructuring or reorganization by prohibiting any such action or aspect thereof, either as a general matter or of a particular type or under certain circumstances, or by requiring consents of any Lessor Party shall be deleted or rendered ineffective [redacted]

No representations or warranties in the Existing Operative Documents shall be deemed to be continually given or repeated at any time or be otherwise construed as continuing undertakings following the time when such representations and warranties were first made by any CHC Party, any affiliate thereof or any operator of the Aircraft.

For the avoidance of doubt, Exhibits A-1, A-2 and A-3 and Schedule A shall be deemed to be a part of this Exhibit A incorporated herein by this reference.

This Term Sheet refers to changing, deleting or rendering ineffective certain types of provisions that may or may not exist in the Existing Operative Documents, and for the avoidance of doubt, such references (x) are not intended to incorporate by reference into the Existing Operative Documents the types of provisions that do not exist in the Existing Operative Documents, and (y) shall only apply to the types of provisions that do exist in the Existing Operative Documents.

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**Exhibit A-1 to  
Term Sheet**

**AIRCRAFT AND CERTAIN DEFINITIONS**

As used in this Term Sheet, the following terms have the following meanings:

**"Aircraft"** means, collectively, the Airframe and Engines.

**"Airframe"** means the Sikorsky model S92A airframe bearing manufacturer's serial number 920127 (excluding the Engines) and any and all Parts from time to time incorporated in, installed on or attached to such airframe.

**"Engine"** means each of the engines installed on the Airframe at delivery of the Aircraft by Lessor to lessee or any engine that may from time to time be substituted for an Engine as described in Exhibit A-2 or Exhibit A-3, in each case, with any and all Parts incorporated in or installed on or attached to such Engine and/or engine.

**"Parts"** means all appliances, avionics, software, components, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature that may from time to time be incorporated or installed in or attached to the Airframe or any Engine (other than an entire Engine), including, for the avoidance of doubt, rotor blades, rotor components, APU (if any) and other major components.

\*\*\*\*\*

The defined terms, and their respective definitions, of "Helicopter", "Airframe", "Engine" and "Parts" in the Existing Operative Documents shall be replaced with the corresponding defined terms, and their respective definitions, in this Exhibit A-1.

**Exhibit A-2 to  
Term Sheet**

**RETURN CONDITIONS**

**1. Return Conditions**

- (a) The return conditions in the Existing Operative Documents for the Aircraft shall be deleted and replaced with the terms set out in this Exhibit A-2. The Lessee and the Lessor agree that the requirements set forth in this Exhibit A-2 (such requirements, the "Return Conditions") shall apply to the return of the Aircraft to the Lessor at the expiration of the lease or the earlier termination of the lease by Lessor pursuant to the exercise of remedies (for the avoidance of doubt, notwithstanding anything in the Existing Operative Documents or elsewhere to the contrary, there will be no serviceability, cycle, condition, time or other requirements applicable to the return of the Aircraft, any Engine, any Part or Manuals and Technical Records (other than as provided in the Return Conditions)) and to the extent that any of the terms and conditions in this Exhibit A-2 conflict with or are inconsistent with the terms of the Existing Operative Documents or any other related document, the terms of this Exhibit A-2 shall prevail.
- (b) The Lessee shall return to the Lessor, and the Lessor shall accept from the Lessee, the Aircraft "AS-IS", "WHERE-IS", and "WITH ALL FAULTS"; provided that, at the time of re-delivery, the Aircraft will be [redacted] serviceable as defined by Lessee's maintenance program. The Lessee shall also return to the Lessor such aircraft records with respect to the Aircraft that are in the Lessee's actual possession and which can be provided to the Lessor without undue administrative burden to the Lessee (such aircraft records, the "Aircraft Documentation"). With respect to each Engine delivered with the Aircraft on the Return Date that was not owned by the Lessor at the inception of leasing of the Aircraft or any other aircraft by the lessee from the Lessor, Lessee shall furnish Lessor with a warranty (as to title) bill of sale transferring all of the Lessee's right, title and interest in and to each such Engine to the Lessor. With respect to any engine that was owned by the Lessor at the inception of the leasing of the Aircraft by the lessee from the Lessor, but that is not one of the Engines delivered with the Aircraft on the Return Date, upon Lessee's request, the Lessor shall furnish Lessee with a warranty (as to title) bill of sale transferring all of the Lessor's right, title and interest in and to such replaced engine(s) to the Lessee or its designee. For the avoidance of doubt, the Lessor shall not be entitled to "back to birth" bills of sale in respect of any Engine or Replacement Engine.
- (c) The Lessee shall return the Aircraft to the Lessor: (i) on a date (the "Return Date") for the Aircraft determined by the Lessee (which Return Date shall not be later than the date that is 60 days after the Amended Scheduled Expiry Date) and notified to the Lessor no less than 21 days prior to such Return Date, and (ii) at any facility of any CHC Party, any of its affiliates or any operator of the Aircraft in Australia, Brazil, Canada, Norway, Poland or the United Kingdom as

selected by the Lessee, or such other location(s) determined by the Lessee that are reasonably acceptable to the Lessor. The Aircraft Documentation shall be made available for collection on or promptly following the Return Date at any facility of any CHC Party, any of its affiliates or any operator of the Aircraft in Australia, Brazil, Canada, Norway, Poland or the United Kingdom as selected by the Lessee, or such other location(s) determined by the Lessee that are reasonably acceptable to the Lessor. For the avoidance of doubt, each of the Aircraft and the Aircraft Documentation may be tendered for return by the Lessee to the Lessor at different locations.

- (d) Promptly following return of the Aircraft, the Lessor shall execute and deliver to the Lessee a certificate of technical acceptance substantially in the form of Exhibit A-2 (1) attached hereto confirming delivery of the Aircraft by the Lessee to the Lessor.
- (e) If [redacted] the Lessor does not accept the Aircraft, to compensate the Lessee for the costs of storage and insurance of the Aircraft, the Lessee shall be entitled to a fee of \$2,000 per day for the period between the Return Date and the date of the Lessor's acceptance; provided that the Lessee shall have no obligation to maintain such storage and insurance beyond the date that is 30 days following the Return Date. The Lessor shall pay the Lessee promptly any such fees that are invoiced by the Lessee, and the Lessee shall have the right to offset any such fees against any other amounts owed by any of the CHC Parties to any of the Lessor Parties.
- (f) The Lessor shall accept the Aircraft and the Aircraft Documentation notwithstanding any other requirements of the Existing Operative Documents applicable to the Aircraft or the Aircraft Documentation.
- (g) Notwithstanding anything in the Existing Operative Documents or elsewhere to the contrary, no "holdover rent" or other payment amounts shall accrue or be payable by the Lessee, any CHC Party, any of its affiliates or any operator with respect to any delayed return of the Aircraft. The Lessee acknowledges that any failure by it to return the Aircraft in compliance with the Return Conditions by the Return Date may cause the Lessor to incur costs, losses and expenses, including, without limitation, in connection with any sale or lease of the Aircraft; however the foregoing is without prejudice to both parties' rights and obligations pursuant to the Amended Operative Documents and does not constitute an admission express or implied on the part of the Lessee that the Lessor has incurred any such costs, losses and expenses arising from the return or a delay in the return of the Aircraft.
- (h) If the Aircraft has been registered with the Aviation Authority in the name of the Lessee or the operator in the sublease chain from the Lessee, the Lessee and the Lessor will cooperate in good faith to change the Aircraft registration with the Aviation Authority on or about the Return Date for such registration not to continue in the name of the Lessee or the operator in the sublease chain from the Lessee.
- (i) The Aircraft shall be free of any Encumbrance securing payment of any historic export taxes, duties and related costs and any other Encumbrance, but

excluding, in each case, any Lessor's Encumbrance.

- (j) Within the thirty 30 day period following return to the Lessor of the Aircraft and the Aircraft Documentation, the Lessor may make reasonable requests to the Lessee relating to additional aircraft records relating to the Aircraft not provided as Aircraft Documentation. The Lessee shall use reasonable efforts to assemble and provide the Lessor with such additional aircraft records to the extent that such aircraft records may be obtained at no cost or expense to the Lessee and with no undue administrative burden; provided that, for the avoidance of doubt, the Lessee shall have no obligation to provide as such additional aircraft records "back to birth" records or any records relating to the period prior to delivery of the Aircraft to the Lessee that were not provided with the Aircraft at delivery.

## **2. Dispute Resolution**

If there is a dispute between the Lessee and the Lessor with respect to any matter provided for in this Exhibit, such dispute shall be resolved in accordance with this Section 2. The Lessee and the Lessor agree to submit the dispute to administered expert proceedings in accordance with the Rules for the Administration of Expert Proceedings of the International Chamber of Commerce (the "Rules") except as they may be modified herein or by mutual agreement of the Lessee and the Lessor. The expert shall be an acknowledged industry expert with at least ten years' experience of inspecting helicopters. Upon the submission of a Request (as defined in the Rules), the parties shall seek to agree on the identity of the expert. If the parties cannot reach agreement on the identity of the expert within 10 Business Days, then the ICC International Centre for ADR shall appoint the expert. The expert shall determine the matter which is the subject of the dispute as set forth in the Request. The Lessee and the Lessor agree that the determination and findings of the experts shall be final and contractually binding on them. The fees and costs of the expert and the ICC International Centre for ADR shall be borne equally by the Lessee and the Lessor. The expert determination process shall be conducted in the English language.

**EXHIBIT A-2 (1)**  
**FORM OF TECHNICAL ACCEPTANCE CERTIFICATE**

Date: [•]

**Relating to One [Manufacturer] [Model] Aircraft bearing Manufacturer's Serial Number [•]  
and Registration Mark [•] with Two [Manufacturer][Model] Engines bearing Engine Serial  
Numbers [•] and [•] (the "Aircraft")**

**between**

**[•]**

**LESSOR**

**and**

**[•]**

**LESSEE**

[Name of CHC Lessee Entity] (the "Lessee") and [Name of Lessor] (the "Lessor"), are parties to a lease agreement [comprising [•]], dated as of [•], with respect to the Aircraft (as amended, modified or supplemented from time to time, the "Lease").

This Technical Acceptance Certificate is executed by the parties hereto to confirm that the following described Aircraft:

**Airframe:**

Manufacturer:

Model:

Serial Number:

**Engines:**

Manufacturer:

Model:

Serial Numbers:

was delivered by the Lessee to the Lessor. Lessor hereby confirms that the Lessee has returned the Aircraft described above in compliance with the Lease.

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IN WITNESS WHEREOF, the parties hereto have caused this Technical Acceptance Certificate to be executed by their duly authorised representatives as of the day and year first written above.

*[Name of Lessor]*

By: \_\_\_\_\_  
Name:  
Title:

*[Name of CHC Lessee Entity]*

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit A-3 to  
Term Sheet**

**ENGINE AND PARTS INSTALLATION, REMOVAL AND SUBSTITUTION PROVISIONS**

**1. Definitions**

Capitalised terms not otherwise defined in this Term Sheet have the respective meanings ascribed to them in the Existing Operative Documents.

**2. Replacement of Parts**

The lessee shall remove and repair or replace any Part installed on the Aircraft that becomes time-expired, unserviceable, or damaged beyond repair except if the Airframe or the Engine to which the Part relates has suffered a Total Loss. In addition, the lessee may remove in the ordinary course of maintenance, service, repair, overhaul, testing or operation, any Part, whether or not time-expired, unserviceable, or damaged beyond repair, provided that the lessee will replace such Part as promptly as practicable. Any replacement part (each, a "Replacement Part") shall meet the following requirements: (1) the model of the Replacement Part is approved by the manufacturer thereof for the use on an aircraft of the same type as the Aircraft; (2) the installation of the Replacement Part will not materially diminish the value or airworthiness of the Aircraft; and (3) the Replacement Part is free of any Encumbrances (other than Permitted Liens).

**3. Replacement of Engines**

From time to time during the Lease Period, the lessee may in the ordinary course of maintenance, service, repair, overhaul, testing or operation: (A) temporarily substitute any Engine with another engine (any such substitute engine, a "Loaner Engine"), provided that: (1) the model of the Loaner Engine is approved by the manufacturer thereof for the use on an airframe of the same type as the Airframe; and (2) the Loaner Engine is removed and the original Engine or Replacement Engine (as defined below) is installed on the Airframe upon the earlier of sixty (60) days after removal and the Expiry Date; or (B) permanently replace any Engine with another engine (any such replacement engine, a "Replacement Engine"), provided that: (1) the model of the Replacement Engine is approved by the manufacturer thereof for the use on an airframe of the same type as the Airframe; (2) the installation of the Replacement Engine will not materially diminish the value or airworthiness of the Aircraft; and (3) the Replacement Engine is free of any Encumbrances (other than Permitted Liens).

**4. Power-by-the-hour and similar arrangements**

Notwithstanding the foregoing paragraphs 2 and 3, if a Part or an Engine is the subject of a "power-by-the-hour" or other similar maintenance arrangement (each, a "Maintenance Agreement") between the lessee or any relevant sublessee, sub-sublessee or any other entity in the sublease chain and a maintenance, repair and overhaul company, such Part or Engine may be removed from the Aircraft and replaced with a Replacement Part or Replacement Engine, as applicable, provided to the lessee

or such sublessee, sub-sublessee or other entity pursuant to such Maintenance Agreement.

**5. Title**

Upon the installation of a Replacement Part or Replacement Engine on the Aircraft under paragraphs 2, 3 or 4 above: (A) title to such Replacement Part or Replacement Engine shall without further act vest in the Lessor, and such Replacement Part or Replacement Engine shall become a "Part" or "Engine", as applicable, under the Existing Operative Documents; and (B) title to the Part or Engine so replaced shall without further act vest in the lessee free of any Lessor's Encumbrances whereupon it shall no longer be a "Part" or "Engine", as applicable, under the Existing Operative Documents, and the Lessor hereby agrees that neither the Lessor nor its successors or assigns will claim any right, title or interest in any such replaced Part or replaced Engine by reason of it having been previously associated with the Airframe.

**6. No Encumbrances**

The Lessor shall not (and shall not permit any other Lessor Party or any lender or other finance party to) grant, convey, assign, claim, register (or consent to any of the foregoing with respect to) any Encumbrance specifically identifying or creating separate security over any Engine or Part, whether under the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, a personal property security registration regime or otherwise.

**7. Other**

For the avoidance of doubt, the provisions of this Exhibit shall apply notwithstanding the inclusion of certain specific serial numbers for engines or other parts in any bill of sale in relation to the Airframe or in any Existing Operative Documents or other documents in relation to the Airframe.



**Schedule A to  
Term Sheet**

**AIRCRAFT SCHEDULE**

[REDACTED]

Sch. A-1

**Exhibit B-1 to  
Term Sheet**

**LESSOR REPRESENTATIONS AND WARRANTIES**

1. **Status.** It is a corporation, company or other entity duly organized and validly existing under the laws of its country of incorporation or formation.
2. **Non-Conflict.** The execution and delivery by it of this Term Sheet, the consummation by it of the transactions contemplated in this Term Sheet and compliance with the terms and provisions of this Term Sheet are within its corporate power, do not and will not result in a violation of its constitutional documents as currently in effect, and do not and will not conflict with, or result in a breach of any term or provision of, or constitute a default under any material indenture, mortgage, or other agreement or instrument to which it is a party or by which it or any of its material properties is or may be bound; provided that it makes no representation or warranty in this paragraph with respect to the Existing Operative Documents.
3. **Legal Validity.** This Term Sheet has been duly authorised by all necessary corporate action on its part and executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with their terms, except as their enforceability may be limited by bankruptcy, liquidation, examinership, insolvency, reorganisation and other laws of general application affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such proceeding is considered a proceeding in equity or at law) and except as limited by applicable laws that may affect remedies.
4. **Consents.** It has received every material consent, approval or authorisation of, and has given every material notice to, the governmental authority in its country of incorporation having jurisdiction with respect to the execution, delivery or performance of this Term Sheet including, without limitation, all monetary and other obligations under this Term Sheet) that is required for it to execute and deliver this Term Sheet, and to perform the transactions contemplated by this Term Sheet, and each such consent, approval or authorisation is valid and is in full force and effect and has not been revoked; provided that it makes no representation or warranty in this paragraph as to (a) any consent, approval, authorisation, notice or any other action that may be required under or by any of the Existing Operative Documents, including, without limitation, any filings, registrations and recordations as may be necessary or advisable with respect thereto under any applicable laws, (b) the order of the Bankruptcy Court approving this Term Sheet and the transaction contemplated thereunder, or (c) any periodic renewals of the registration of the Aircraft with the aircraft registry it is currently registered on, the registration of any International Interest that may be created under this Term Sheet pursuant to the Convention or any other consent, approval, authorisation, notice or any other action that may be required or allowed to be obtained, given, made or performed after the Lease Amendment Effective Date.
5. **No Encumbrances.** The Aircraft is free and clear of any Encumbrances created by it other than Encumbrances created or permitted under the Amended Operative Documents. For the avoidance of doubt and without limiting the generality of the penultimate sentence in Section 1.2, the term "Encumbrance" used in this Term Sheet has the meaning specified therefor in the Existing Lease Agreement.

**Exhibit B-2 to  
Term Sheet**

**CHC REPRESENTATIONS AND WARRANTIES**

1. **Status.** It is a corporation, company or other entity duly organized and validly existing under the laws of its country of incorporation or formation.
2. **Non-Conflict.** The execution and delivery by it of this Term Sheet, the consummation by it of the transactions contemplated in this Term Sheet and compliance with the terms and provisions of this Term Sheet are within its corporate power, do not and will not result in a violation of its constitutional documents as currently in effect, and do not and will not conflict with, or result in a breach of any term or provision of, or constitute a default under any material indenture, mortgage, or other agreement or instrument to which it is a party or by which it or any of its material properties is or may be bound; provided that it makes no representation or warranty in this paragraph with respect to the Existing Operative Documents.
3. **Legal Validity.** This Term Sheet has been duly authorised by all necessary corporate action on its part and by the Bankruptcy Court and executed and delivered by it and constitutes its legal, valid and binding obligations, enforceable against it in accordance with their terms, except as their enforceability may be limited by bankruptcy, liquidation, examinership, insolvency, reorganisation and other laws of general application affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such proceeding is considered a proceeding in equity or at law) and except as limited by applicable laws that may affect remedies.
4. **Consents.** It has received every material consent, approval or authorisation of, and has given every material notice to, the governmental authority in its country of incorporation having jurisdiction with respect to the execution, delivery or performance of this Term Sheet including, without limitation, all monetary and other obligations under this Term Sheet) that is required for it to execute and deliver this Term Sheet, and to perform the transactions contemplated by this Term Sheet, and each such consent, approval or authorisation is valid and is in full force and effect and has not been revoked; provided that it makes no representation or warranty in this paragraph as to (a) any consent, approval, authorisation, notice or any other action that may be required under or by any of the Existing Operative Documents, including, without limitation, any filings, registrations and recordations as may be necessary or advisable with respect thereto under any applicable laws, (b) the order of the Bankruptcy Court approving this Term Sheet and the transaction contemplated thereunder, which has been obtained and is in full force and effect, or (c) any periodic renewals of the registration of the Aircraft with the aircraft registry it is currently registered on, the registration of any International Interest that may be created under this Term Sheet pursuant to the Convention or any other consent, approval, authorisation, notice or any other action that may be required or allowed to be obtained, given, made or performed after the Lease Amendment Effective Date.

**Exhibit D-1**

**The Settlement Agreement related to an Airbus Model EC 225 helicopter with  
manufacturer's serial number 2707**

**SETTLEMENT AGREEMENT WITH RESPECT TO THE HELICOPTER  
WITH MANUFACTURER SERIAL NUMBER 2707**

This SETTLEMENT AGREEMENT, dated as of January 17, 2017 (the “**Agreement**”), is made by and among (a) CHC Helicopter (Barbados) SRL (“**CHC**”) and (b) Lombard North Central Plc (the “**Head Lessor**” or “**Claimant**”).

**W I T N E S S E T H:**

WHEREAS, on May 5, 2016 (the “**Petition Date**”), CHC and certain of its affiliates (collectively, the “**Debtors**”)<sup>1</sup> each filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Northern District of Texas (the “**Bankruptcy Court**”);

WHEREAS, prior to the Petition Date, CHC entered into a lease transaction (the “**Transaction**”) with respect to the helicopter bearing manufacturer’s serial number 2707 (the “**Helicopter**”), including (a) a master lease facility agreement and lease schedule (together, the “**Lease**”), between CHC and the Head Lessor, (b) a master guarantee and indemnity agreement by CHC Helicopter S.A. (the “**Guarantor**”), and certain aircraft lease general terms agreements between certain Debtors and Debtor affiliates as well as aircraft specific lease agreements between certain Debtors and Debtor affiliates, (c) the other operative documents referred to in the Lease, and (d) any other documents and agreements relating to the Transaction, in each case for (a)-(d) solely related to the Helicopter (collectively with (a)-(d), the “**Transaction Documents**”). For the avoidance of doubt, nothing in this Agreement shall, and nothing in this Agreement is intended to, affect any aircraft other than the Helicopter and any claims with respect to any other aircraft;

WHEREAS, pursuant to the Order Granting Debtors’ First Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code, entered on June 30, 2016 [Docket No. 428], CHC rejected the Lease and related Transaction Documents and returned and surrendered the Helicopter effective as of July 15, 2016;

WHEREAS, the Claimant filed proofs of claim numbers 946, 968 and 998 with respect to the Helicopter, the Lease and the other Transaction Documents (the “**Filed Proofs of Claim**”);

WHEREAS, the Head Lessor is claiming against the bankruptcy estate of CHC, as lessee under the Lease, and certain Debtor affiliates, including the Guarantor, respectively, claims for damages for any breach, termination, rejection or modification of the Lease or any other Transaction Documents, including a general unsecured non-priority pre-petition claim (together, such claims, the “**Unsecured Claims**”);

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<sup>1</sup> A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, where applicable, is attached hereto as Exhibit A.

WHEREAS, the parties have concurrently entered into term sheets with respect to the ongoing use and operation of helicopters with manufacturers' serial numbers 920127, 31155 and 920034 (the "**Restructured Helicopters**") and such related term sheets, the "**Restructured Helicopter Term Sheets**"; and

WHEREAS, the parties have engaged in arm's-length negotiations and hereto desire to resolve, solely to avoid further expense and inconvenience and without any admission of any issue of fact or law, the Unsecured Claims and any and all other claims against the Debtors or any Debtors affiliates owned or controlled by the Claimant and relating to the Helicopter, the Transaction, the Lease or the other Transaction Documents (collectively, the "**Settled Claims**"), on the terms and conditions set forth herein;

NOW, THEREFORE, in light of the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, it is hereby agreed, by and among the parties hereto, as follows:

1. The Head Lessor represents and warrants that it owns and controls or otherwise has authority to settle one hundred percent (100%) of the Settled Claims.
2. The Claimant hereby confirms that the Settled Claims are the only claims filed or to be filed or otherwise owned or controlled by such Claimant relating to the Helicopter, the Transaction, the Lease or the other Transaction Documents (and, to the extent that the Claimant has filed claims relating to the Covered Matters (as defined below) in the Debtors' current chapter 11 cases, that this Agreement shall govern and control such claims and the allowed amount of such claims in all respects and, upon the effectiveness of this Agreement, the Debtors are authorized to direct their claims agent to amend or update such claims on the claims register accordingly).
3. In full and final satisfaction of the Settled Claims, upon the effectiveness of this Agreement, and without the need for the Claimant to file proofs of claim or request for payment or take any other action, the Head Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims as follows:
  - (a) an Allowed Primary General Unsecured Claim in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$4,120,724 (the "**Primary GUC**"); and
  - (b) an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$4,120,724 (the "**Secondary GUC**") and, together with the Primary GUC, the "**Allowed Unsecured Claims**").

Other than the Allowed Unsecured Claims, the Settled Claims shall be disallowed and expunged in all other respects.

4. The defined terms set forth in paragraph number 3 above and paragraph number 11 below are as set forth in that certain Second Amended Joint Chapter 11 Plan of CHC Group

Ltd. and its Affiliated Debtors [Docket No. 1371] filed on December 19, 2016 in the Debtors' Chapter 11 Cases (as same may be amended from time to time).

5. The Allowed Unsecured Claims shall be treated in accordance with the terms of a confirmed chapter 11 plan in CHC's chapter 11 case (the "**Plan**") that has become effective or in accordance with such other general distributions to similarly situated creditors of the same priority as may be approved by the Bankruptcy Court. It is expressly understood by the Claimant that the Claimant may seek satisfaction of the Settled Claims only as set forth in the Plan or such order approved by the Bankruptcy Court, and that, except as so provided in the Plan or such order, to the extent allowed hereunder, in no event will the Debtors or their estates, the reorganized Debtors, the Debtors' or the reorganized Debtors' affiliates, or any persons who are employed by or otherwise associated with the Debtors or the reorganized Debtors or their affiliates be liable to the Claimant or its respective affiliates in any other way whatsoever with respect to the Settled Claims or the debts, obligations, liabilities, accounts, suits, damages or causes of action giving rise to the Settled Claims.

6. Except as expressly agreed herein, upon the effectiveness of this Agreement, the Claimant (on behalf of itself and its successors, assigns) does hereby fully, finally and forever waive, release and discharge CHC, the other Debtors, their estates, the reorganized Debtors and their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries and predecessors and any operator of the Helicopter, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of any of the foregoing, from any and all claims (as defined in section 101(5) of the Bankruptcy Code), causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses or demands (including, without limitation, under any provision of any tax indemnity or general indemnity), of whatsoever kind and nature, character and description, whether pre-petition unsecured, priority, administrative or post-petition/administrative, whether sounding in tort, contract or under other applicable law, whether known or unknown, whether anticipated or unanticipated, whether presently existing or existing at any time in the future, whether or not asserted, and whether founded in fact or law or in equity, in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, any of the following (the "**Covered Matters**"): (a) the Settled Claims, (b) any other claims owned or controlled by the Claimant relating to the Helicopter, the Transaction, the Lease or the other Transaction Documents (as defined in the Lease), (c) the Transaction Documents, including, without limitation, the breach, rejection, modification or termination of the Lease or the other Transaction Documents or any exercise or purported exercise of remedies thereunder, or (d) the Helicopter, including, without limitation, the condition or capabilities of the Helicopter upon its surrender and return.

7. Upon the effectiveness of this Agreement, CHC (on behalf of itself and its heirs, successors and assigns and its chapter 11 estate) hereby waives, releases and discharges any right it or its estate had or may have to assert any objection, counterclaim, or right of setoff with respect to the Allowed Unsecured Claims, or to assert a claim pursuant to Section 502(d) of the Bankruptcy Code against the Claimant with respect to the Allowed Unsecured Claims, or otherwise to seek any reduction to the Allowed Unsecured Claims.

8. The Claimant hereby directs CHC (or its estate, as the case may be) to make any and all distributions on the Allowed Unsecured Claims, as allowed hereunder, in accordance with Schedule A attached hereto. Distributions on the Allowed Unsecured Claims shall not be made except on a date on which CHC (or its estate, as the case may be) makes distributions generally to creditors of the same priority under the Plan.

9. Except as specifically provided herein, nothing contained herein shall be deemed an admission of liability on the part of the Debtors, the reorganized Debtors or the Claimant with respect to the Settled Claims, nor shall anything herein be deemed to be, or construed as, an admission by the Debtors, the reorganized Debtors or the Claimant of any liability, wrongdoing, act or matter or that any claim or defense has or lacks merit.

10. Until this Agreement becomes effective, this Agreement is intended for settlement purposes only and is subject to the privilege provided for in Federal Rule of Evidence 408. Neither this Agreement, nor any statement made or action taken in connection with the negotiation of this Agreement, shall be offered or reserved in evidence or in any way referred to in any legal action or administrative proceeding among or between the parties hereto, other than as may be necessary (i) to enforce this Agreement, (ii) to seek damages or injunctive relief in connection with a breach or alleged breach of this Agreement or (iii) to obtain approval of this Agreement in CHC's current chapter 11 case.

11. All parties shall maintain the confidentiality of this Agreement except to the extent necessary to enforce this Agreement; provided, that each party shall be entitled to deliver a copy of this Agreement (i) as may be necessary in connection with any rule, regulation or requirement (including filing requirements) of any government agency or court process, (ii) as may be necessary to obtain approval of this Agreement in CHC's current chapter 11 case (including, without limitation, to the official committee of unsecured creditors in CHC's current chapter 11 case (the "Committee" or the Post-Effective Date Committee (as applicable))), (iii) to its attorneys, auditors or other professionals, who shall be informed of the confidential nature of this Agreement, (iv) to an actual or prospective purchaser of any Allowed Unsecured Claim, (v) to an actual or prospective purchaser of, or investor in, such party; provided, however, with respect to any actual or prospective purchaser or investor described in clause (iv) or clause (v), the Head Lessor or the Owner Participant, so long as such actual or prospective purchaser or investor, the Head Lessor or the Owner Participant has executed an appropriate form of confidentiality agreement agreeing to be bound by this paragraph; provided, further, that the Claimant may disclose solely the amounts of the Allowed Unsecured Claims and the fact that such Allowed Unsecured Claims are allowed (it being understood that CHC's claims agent may record such Allowed Unsecured Claims on the claims register that such claims agent maintains in CHC's chapter 11 case).

12. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary or appropriate in conjunction with the performance of their respective obligations hereunder.

13. This Agreement is binding upon the parties hereto and their respective successors and assigns, and any other person asserting an interest in or indemnification pursuant to the Lease or the Helicopter under the Transaction Documents. No provision of this Agreement is



intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person other than the parties hereto and their respective successors and assigns.

14. This Agreement may be executed in multiple counterparts, any of which may be transmitted by facsimile or electronic (e-mail) transmission, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. The terms set forth in this Agreement are part of a comprehensive compromise and each element is an integral aspect of the agreed settlement and is non-severable. This Agreement contains the entire agreement between the parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the parties relating thereto.

16. This Agreement shall be governed by the laws of the State of New York. The Bankruptcy Court shall retain jurisdiction (and each party consents to such retention of jurisdiction) with respect to any disputes arising from or other actions to interpret, administer or enforce the terms and provisions of this Agreement.

17. Each party hereto represents and warrants to each other party hereto that (i) it is authorized to execute this Agreement, (ii) it has full power and authority to enter into this Agreement and effectuate the matters provided hereunder, (iii) this Agreement is duly executed and delivered by it and constitutes its valid, binding agreement in accordance with its terms and (iv) it has full knowledge and has consented to this Agreement.

18. This Agreement shall be effective upon (i) execution by all parties hereto, (ii) approval by the Bankruptcy Court and (iii) the earlier to occur of (x) Substantial Consummation (as defined in the Restructured Helicopter Term Sheets) of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan. This Agreement shall not be modified, altered, amended or vacated without the written consent of the parties hereto affected thereby or by order of the Bankruptcy Court.

19. Immediately upon the effectiveness of this Agreement, the Debtors' claims and noticing agent is authorized and directed to amend the claims register to reflect the terms of this Agreement.

20. The Head Lessor agrees, subject to receipt of a disclosure statement approved by the Bankruptcy Court, to vote all of its claims covered by this Agreement, including, without limitation, the Allowed Unsecured Claims, in support of any chapter 11 plan in CHC's chapter 11 cases that the Head Lessor is supporting pursuant to, and in accordance with, the Term Sheets.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**CHC Helicopters (Barbados) SRL**

By: 

Name: *Nicolas P. Stabile*

Title: *Authorized Signatory*

**Lombard North Central Plc**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**CHC Helicopters (Barbados) SRL**

By: \_\_\_\_\_  
Name:  
Title:

**Lombard North Central Plc**

By: ARJON  
Name: A.P. JOHNSON  
Title: ATTORNEY

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**EXHIBIT A****Debtors**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

**SCHEDULE A**

**DELIVERY INSTRUCTIONS**

Name: Lombard North Central Plc  
Attn: Jackie McDermott  
Telephone: +44 207 672 2183  
E-mail: jackie.mcdermott@rbs.com  
Credit To: Lombard North Central Plc  
Reference: CHC MSN 2707

**Exhibit D-2**

**The Settlement Agreement related to a Sikorsky Model S76C++ helicopter with  
manufacturer's serial number 760720**

**SETTLEMENT AGREEMENT WITH RESPECT TO THE HELICOPTER  
WITH MANUFACTURER SERIAL NUMBER 760720**

This SETTLEMENT AGREEMENT, dated as of January 17, 2017 (the “**Agreement**”), is made by and among (a) Heli-One Leasing ULC (“**CHC**”) and (b) Lombard North Central Plc (the “**Head Lessor**” or “**Claimant**”).

**W I T N E S S E T H:**

WHEREAS, on May 5, 2016 (the “**Petition Date**”), CHC and certain of its affiliates (collectively, the “**Debtors**”)<sup>1</sup> each filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Northern District of Texas (the “**Bankruptcy Court**”);

WHEREAS, prior to the Petition Date, CHC entered into a lease transaction (the “**Transaction**”) with respect to the helicopter bearing manufacturer’s serial number 760720 (the “**Helicopter**”), including (a) a master lease facility agreement and lease schedule (together, the “**Lease**”), between CHC and the Head Lessor, (b) a master guarantee and indemnity agreement by CHC Helicopter S.A. (the “**Guarantor**”), and certain aircraft lease general terms agreements between certain Debtors and Debtor affiliates as well as aircraft specific lease agreements between certain Debtors and Debtor affiliates, (c) the other operative documents referred to in the Lease, and (d) any other documents and agreements relating to the Transaction, in each case for (a)-(d) solely related to the Helicopter (collectively with (a)-(d), the “**Transaction Documents**”). For the avoidance of doubt, nothing in this Agreement shall, and nothing in this Agreement is intended to, affect any aircraft other than the Helicopter and any claims with respect to any other aircraft;

WHEREAS, pursuant to the [Order Granting Debtors’ Sixth Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code, entered on January [ ], 2017 [Docket No. [ ]], CHC rejected the Lease and related Transaction Documents;

WHEREAS, the Claimant filed proofs of claim numbers 944, 957, 992, 997 with respect to the Helicopter, the Lease and the other Transaction Documents (the “**Filed Proofs of Claim**”);

WHEREAS, the Head Lessor is claiming against the bankruptcy estate of CHC, as lessee under the Lease, and certain Debtor affiliates, including the Guarantor, respectively, claims for damages for any breach, termination, rejection or modification of the Lease or any other Transaction Documents, including a general unsecured non-priority pre-petition claim (together, such claims, the “**Unsecured Claims**”);

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<sup>1</sup> A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, where applicable, is attached hereto as Exhibit A.

WHEREAS, the parties have concurrently entered into term sheets with respect to the ongoing use and operation of helicopters with manufacturers' serial numbers 920127, 31155 and 920034 (the "**Restructured Helicopters**") and such related term sheets, the "**Restructured Helicopter Term Sheets**"); and

WHEREAS, the parties have engaged in arm's-length negotiations and hereto desire to resolve, solely to avoid further expense and inconvenience and without any admission of any issue of fact or law, the Unsecured Claims and any and all other claims against the Debtors or any Debtors affiliates owned or controlled by the Claimant and relating to the Helicopter, the Transaction, the Lease or the other Transaction Documents (collectively, the "**Settled Claims**"), on the terms and conditions set forth herein;

NOW, THEREFORE, in light of the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, it is hereby agreed, by and among the parties hereto, as follows:

1. The Head Lessor represents and warrants that it owns and controls or otherwise has authority to settle one hundred percent (100%) of the Settled Claims.

2. The Claimant hereby confirms that the Settled Claims are the only claims filed or to be filed or otherwise owned or controlled by such Claimant relating to the Helicopter, the Transaction, the Lease or the other Transaction Documents (and, to the extent that the Claimant has filed claims relating to the Covered Matters (as defined below) in the Debtors' current chapter 11 cases, that this Agreement shall govern and control such claims and the allowed amount of such claims in all respects and, upon the effectiveness of this Agreement, the Debtors are authorized to direct their claims agent to amend or update such claims on the claims register accordingly).

3. In full and final satisfaction of the Settled Claims, upon the effectiveness of this Agreement, and without the need for the Claimant to file proofs of claim or request for payment or take any other action, the Head Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims as follows:

(a) an Allowed Primary General Unsecured Claim in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$2,549,250 (the "**Primary GUC**"); and

(b) an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,549,250 (the "**Secondary GUC**") and, together with the Primary GUC, the "**Allowed Unsecured Claims**").

Other than the Allowed Unsecured Claims, the Settled Claims shall be disallowed and expunged in all other respects.

4. The defined terms set forth in paragraph number 3 above and paragraph number 11 below are as set forth in that certain Second Amended Joint Chapter 11 Plan of CHC Group



Ltd. and its Affiliated Debtors [Docket No. 1371] filed on December 19, 2016 in the Debtors' Chapter 11 Cases (as same may be amended from time to time).

5. The Allowed Unsecured Claims shall be treated in accordance with the terms of a confirmed chapter 11 plan in CHC's chapter 11 case (the "**Plan**") that has become effective or in accordance with such other general distributions to similarly situated creditors of the same priority as may be approved by the Bankruptcy Court. It is expressly understood by the Claimant that the Claimant may seek satisfaction of the Settled Claims only as set forth in the Plan or such order approved by the Bankruptcy Court, and that, except as so provided in the Plan or such order, to the extent allowed hereunder, in no event will the Debtors or their estates, the reorganized Debtors, the Debtors' or the reorganized Debtors' affiliates, or any persons who are employed by or otherwise associated with the Debtors or the reorganized Debtors or their affiliates be liable to the Claimant or its respective affiliates in any other way whatsoever with respect to the Settled Claims or the debts, obligations, liabilities, accounts, suits, damages or causes of action giving rise to the Settled Claims.

6. Except as expressly agreed herein, upon the effectiveness of this Agreement, the Claimant (on behalf of itself and its successors, assigns) does hereby fully, finally and forever waive, release and discharge CHC, the other Debtors, their estates, the reorganized Debtors and their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries and predecessors and any operator of the Helicopter, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of any of the foregoing, from any and all claims (as defined in section 101(5) of the Bankruptcy Code), causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses or demands (including, without limitation, under any provision of any tax indemnity or general indemnity), of whatsoever kind and nature, character and description, whether pre-petition unsecured, priority, administrative or post-petition/administrative, whether sounding in tort, contract or under other applicable law, whether known or unknown, whether anticipated or unanticipated, whether presently existing or existing at any time in the future, whether or not asserted, and whether founded in fact or law or in equity, in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, any of the following (the "**Covered Matters**"): (a) the Settled Claims, (b) any other claims owned or controlled by the Claimant relating to the Helicopter, the Transaction, the Lease or the other Transaction Documents (as defined in the Lease), (c) the Transaction Documents, including, without limitation, the breach, rejection, modification or termination of the Lease or the other Transaction Documents or any exercise or purported exercise of remedies thereunder, or (d) the Helicopter, including, without limitation, the condition or capabilities of the Helicopter upon its surrender and return.

7. Upon the effectiveness of this Agreement, CHC (on behalf of itself and its heirs, successors and assigns and its chapter 11 estate) hereby waives, releases and discharges any right it or its estate had or may have to assert any objection, counterclaim, or right of setoff with respect to the Allowed Unsecured Claims, or to assert a claim pursuant to Section 502(d) of the Bankruptcy Code against the Claimant with respect to the Allowed Unsecured Claims, or otherwise to seek any reduction to the Allowed Unsecured Claims.

8. The Claimant hereby directs CHC (or its estate, as the case may be) to make any and all distributions on the Allowed Unsecured Claims, as allowed hereunder, in accordance with Schedule A attached hereto. Distributions on the Allowed Unsecured Claims shall not be made except on a date on which CHC (or its estate, as the case may be) makes distributions generally to creditors of the same priority under the Plan.

9. Except as specifically provided herein, nothing contained herein shall be deemed an admission of liability on the part of the Debtors, the reorganized Debtors or the Claimant with respect to the Settled Claims, nor shall anything herein be deemed to be, or construed as, an admission by the Debtors, the reorganized Debtors or the Claimant of any liability, wrongdoing, act or matter or that any claim or defense has or lacks merit.

10. Until this Agreement becomes effective, this Agreement is intended for settlement purposes only and is subject to the privilege provided for in Federal Rule of Evidence 408. Neither this Agreement, nor any statement made or action taken in connection with the negotiation of this Agreement, shall be offered or reserved in evidence or in any way referred to in any legal action or administrative proceeding among or between the parties hereto, other than as may be necessary (i) to enforce this Agreement, (ii) to seek damages or injunctive relief in connection with a breach or alleged breach of this Agreement or (iii) to obtain approval of this Agreement in CHC's current chapter 11 case.

11. All parties shall maintain the confidentiality of this Agreement except to the extent necessary to enforce this Agreement; provided, that each party shall be entitled to deliver a copy of this Agreement (i) as may be necessary in connection with any rule, regulation or requirement (including filing requirements) of any government agency or court process, (ii) as may be necessary to obtain approval of this Agreement in CHC's current chapter 11 case (including, without limitation, to the official committee of unsecured creditors in CHC's current chapter 11 case (the "Committee" or the Post-Effective Date Committee (as applicable))), (iii) to its attorneys, auditors or other professionals, who shall be informed of the confidential nature of this Agreement, (iv) to an actual or prospective purchaser of any Allowed Unsecured Claim, (v) to an actual or prospective purchaser of, or investor in, such party; provided, however, with respect to any actual or prospective purchaser or investor described in clause (iv) or clause (v), the Head Lessor or the Owner Participant, so long as such actual or prospective purchaser or investor, the Head Lessor or the Owner Participant has executed an appropriate form of confidentiality agreement agreeing to be bound by this paragraph; provided, further, that the Claimant may disclose solely the amounts of the Allowed Unsecured Claims and the fact that such Allowed Unsecured Claims are allowed (it being understood that CHC's claims agent may record such Allowed Unsecured Claims on the claims register that such claims agent maintains in CHC's chapter 11 case).

12. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary or appropriate in conjunction with the performance of their respective obligations hereunder.

13. This Agreement is binding upon the parties hereto and their respective successors and assigns, and any other person asserting an interest in or indemnification pursuant to the Lease or the Helicopter under the Transaction Documents. No provision of this Agreement is

intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person other than the parties hereto and their respective successors and assigns.

14. This Agreement may be executed in multiple counterparts, any of which may be transmitted by facsimile or electronic (e-mail) transmission, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. The terms set forth in this Agreement are part of a comprehensive compromise and each element is an integral aspect of the agreed settlement and is non-severable. This Agreement contains the entire agreement between the parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the parties relating thereto.

16. This Agreement shall be governed by the laws of the State of New York. The Bankruptcy Court shall retain jurisdiction (and each party consents to such retention of jurisdiction) with respect to any disputes arising from or other actions to interpret, administer or enforce the terms and provisions of this Agreement.

17. Each party hereto represents and warrants to each other party hereto that (i) it is authorized to execute this Agreement, (ii) it has full power and authority to enter into this Agreement and effectuate the matters provided hereunder, (iii) this Agreement is duly executed and delivered by it and constitutes its valid, binding agreement in accordance with its terms and (iv) it has full knowledge and has consented to this Agreement.

18. This Agreement shall be effective upon (i) execution by all parties hereto, (ii) approval by the Bankruptcy Court and (iii) the earlier to occur of (x) Substantial Consummation (as defined in the Restructured Helicopter Term Sheets) of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan. This Agreement shall not be modified, altered, amended or vacated without the written consent of the parties hereto affected thereby or by order of the Bankruptcy Court.

19. Immediately upon the effectiveness of this Agreement, the Debtors' claims and noticing agent is authorized and directed to amend the claims register to reflect the terms of this Agreement.

20. The Head Lessor agrees, subject to receipt of a disclosure statement approved by the Bankruptcy Court, to vote all of its claims covered by this Agreement, including, without limitation, the Allowed Unsecured Claims, in support of any chapter 11 plan in CHC's chapter 11 cases that the Head Lessor is supporting pursuant to, and in accordance with, the Term Sheets.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**Heli-One Leasing ULC**

By: \_\_\_\_\_

Name: *Nicolas P. Stabile*

Title: *Authorized Signatory*

**Lombard North Central Plc**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**Heli-One Leasing ULC**

By: \_\_\_\_\_  
Name:  
Title:

**Lombard North Central Plc**

By: APJ  
Name: A. P. JOHNSON  
Title: ATTORNEY

**EXHIBIT A****Debtors**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801


<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

**SCHEDULE A**

**DELIVERY INSTRUCTIONS**

Name: Lombard North Central Plc  
Attn: Jackie McDermott  
Telephone: +44 207 672 2183  
E-mail: jackie.mcdermott@rbs.com  
Credit To: Lombard North Central Plc  
Reference: CHC MSN 760720

This is **Exhibit "L"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.



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A Commissioner for Taking Affidavits  
for British Columbia

PETER BYCHAWSKI  
*Barrister & Solicitor*  
**BLAKE, CASSELLS & GRAYDON LLP**  
Suite 2600, Three Bentall Centre  
595 Burrard St., P.O. Box 49314  
Vancouver, B.C. V7X 1L3  
(604) 631-4218





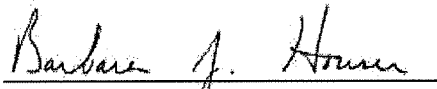
CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed February 23, 2017

  
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

-----	X	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16- 31854 (BJH)
	:	
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO  
SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF  
BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO  
(i) ENTER INTO AND PERFORM UNDER RESTRUCTURING LEASE TERM  
SHEETS WITH LOMBARD NORTH CENTRAL PLC WITH RESPECT TO AIRCRAFT  
WITH MANUFACTURER'S SERIAL NUMBERS 31155, 920034, AND 920127 AND (ii)  
ENTER INTO AND PERFORM UNDER SETTLEMENT AGREEMENTS WITH  
LOMBARD NORTHCENTRAL PLC WITH RESPECT TO AIRCRAFT WITH  
MANUFACTURER'S SERIAL NUMBERS 2707 AND 760720

Upon the motion dated January 17, 2017 (the “**Motion**”)<sup>1</sup> of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the “**Debtors**”), pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code and Bankruptcy Rules 6004(h) and 9019, seeking to authority to (i) enter into, and perform under, restructuring lease term sheets (together with all exhibits to such restructuring lease term sheets, the “**Term Sheets**” and each, a “**Term Sheet**”), related to the following three (3) helicopters (the “**Helicopters**”): (A) a Term Sheet related to an AgustaWestland Model AW139 helicopter with manufacturer’s serial number 31155 (“**MSN 31155**”) between Lombard North Central Plc (the “**Lessor**”) and one or more of its affiliates, and Heliworld Leasing Limited, (B) a Term Sheet related to a Sikorsky Model S92A helicopter with manufacturer’s serial number 920034 (“**MSN 920034**”) between the Lessor and one or more of its affiliates and Heli-One Leasing ULC, and (C) a Term Sheet related to a Sikorsky Model S92A helicopter with manufacturer’s serial number 920127 (“**MSN 920127**”) between the Lessor and one or more of its affiliates and CHC Helicopters (Barbados) Limited, and the associated agreements (the “**Existing Operative Documents**”), and (ii) enter into, and perform under, settlement agreements (together, the “**Settlement Agreements**” and each, a “**Settlement Agreement**”) between the Lessor and one or more of its affiliates and CHC Helicopters (Barbados) SRL with respect MSN 2707 (as defined below), and between the Lessor and one or more of its affiliates and Heli-One Leasing ULC with respect to MSN 760720 (as defined below), related to the settlement of claims arising out of the rejection of the agreements related to an Airbus EC 225 helicopter with manufacturer’s serial number 2707 (“**MSN 2707**”) and a Sikorsky Model S76C++ helicopter with manufacturer’s serial number 760720 (“**MSN 760720**”, together with MSN 2707, the “**Rejection Helicopters**”); and upon consideration of (i) the Del

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

Genio Declaration and (ii) the Declaration of David W. Fowkes in Support of the Debtors' Motions for Orders Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004(h), 6006 and 9019 Authorizing the Debtors to Enter into and Perform Under (A) Restructuring Lease Term Sheets and Settlement Agreements With Certain Helicopter Lessor Parties and (B) Framework Agreements With Export Development Canada, Lombard North Central Plc, and The Royal Bank of Scotland Plc [Docket No. 1653]; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the

9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.
2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Term Sheets and the Settlement Agreements.
3. The Term Sheets and the Settlement Agreements, and the transactions contemplated therein, represent a valid exercise of the Debtors’ business judgment and are hereby approved in their entirety.
4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Term Sheets and the Settlement Agreements.
5. With the effect as of the Lease Amendment Effective Date (as defined in the Term Sheets), and as set forth in more detail in the Term Sheets, including, without limitation, section 4.2 thereof, the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims against the estates of the various Debtors as set forth below:

a) With respect to MSN 31155:

- i. an Allowed Primary General Unsecured Claim (as defined in the Term Sheets) classified in Heliworld Leasing Limited's Class 7 General Unsecured Claims (as defined in the Term Sheets) class of \$315,855.70; and
- ii. an Allowed Secondary General Unsecured Claim (as defined in the Term Sheets) classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$315,855.70.

b) With respect to MSN 920034:

- i. an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$125,117.26 ; and
- ii. an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$125,117.26.

c) With respect to MSN 920127:

- i. an Allowed Primary General Unsecured Claim classified in CHC Helicopters (Barbados) Limited's Class 7 General Unsecured Claims class of \$852,253; and
- ii. an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$852,253.

6. Upon the effectiveness of the Settlement Agreements and as set forth in more detail in the Settlement Agreements, and without the need for the Lessor to file proofs of claim or request for payment or take any other action, the Lessor shall receive separate and distinct stipulated, general unsecured non-priority pre-petition claims against the estates of the various Debtors as set forth below:

a) With respect to MSN 2707:

- i. an Allowed Primary General Unsecured Claim (as defined in the Settlement Agreements) classified in CHC Helicopters (Barbados)

SRL's Class 7 General Unsecured Claims (as defined in the Settlement Agreements) class of \$4,120,724; and

- ii. an Allowed Secondary General Unsecured Claim (as defined in the Settlement Agreements) classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$4,120,724.

b) With respect to MSN 760720:

- i. an Allowed Primary General Unsecured Claim classified in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$2,549,250; and
- ii. an Allowed Secondary General Unsecured Claim classified in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$2,549,250.

7. If the Settlement Agreements do not become effective, notwithstanding anything to the contrary set forth in the *Order Granting Debtors' Sixth Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 1492], claims arising out of the rejection of the leases, subleases and other operative documents related to the helicopter bearing manufacturer's serial number 760720 must be filed on or before 30 days after the earlier to occur of (x) Substantial Consummation (as defined in the Term Sheets) of any plan of reorganization filed by the Debtors in their current Chapter 11 cases and (y) the effective date (as defined in such plan) of such plan.

8. To the extent of any conflict between the Plan (as defined in the *Third Amended Joint Chapter 11 Plan of CHC Group Ltd. and Its Affiliated Debtors* [Docket No. 1633]) or the Confirmation Order (as defined in the Plan), on the one hand, and the Term Sheets, any of the Amended Operative Documents, the Settlement Agreements, or this Order (collectively with the Term Sheets, the Amended Operative Documents, and the Settlement Agreements, the "**Lombard Documents**"), on the other hand, the terms of the Lombard Documents shall govern.

9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

10. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

11. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

/s/ Jasmine Ball

Jasmine Ball (*pro hac vice*)  
Richard F. Hahn (*pro hac vice*)  
919 Third Avenue  
New York, New York 10022  
Telephone: (212) 909-6000  
Facsimile: (212) 909-6836  
Email: jball@debevoise.com  
rfhahn@debevoise.com

*Special Aircraft Attorneys for Debtors and  
Debtors in Possession*

**WEIL, GOTSHAL & MANGES LLP**

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Dallas, Texas 75201  
Telephone: (214) 746-7700  
Facsimile: (214) 746-7777  
Email: stephen.youngman@weil.com

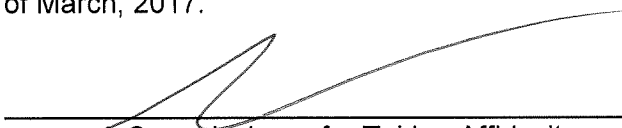
-and-

Gary T. Holtzer (*pro hac vice*)  
Kelly DiBlasi (*pro hac vice*)  
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New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007  
Email: gary.holtzer@weil.com  
kelly.dibiasi@weil.com

*Attorneys for Debtors and Debtors in Possession*



This is **Exhibit "M"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.



A Commissioner for Taking Affidavits  
for British Columbia

PETER BYCHAWSKI  
*Barrister & Solicitor*  
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(604) 631-4218

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*Attorneys for Debtors and Debtors in Possession*

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Facsimile: (212) 909-6836

*Special Aircraft Attorneys for Debtors and Debtors in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

-----	X	
	:	
<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>CHC GROUP LTD. et al.,</b>	:	<b>Case No. 16-31854 (BJH)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
-----	X	

**DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105 AND 363  
OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY  
PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO ENTER INTO  
AND PERFORM UNDER A SETTLEMENT AGREEMENT WITH  
ECN CAPITAL (AVIATION) CORP.**

**THE DEBTORS HAVE REQUESTED A HEARING TO BE CONDUCTED ON THIS  
MATTER ON MARCH 3, 2017 AT 9:00 A.M. IN COURTROOM #2, 14TH FLOOR OF  
THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF**

564

TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100  
COMMERCE ST., DALLAS, TEXAS 75242.

TO THE HONORABLE BARBARA J. HOUSER, UNITED STATES BANKRUPTCY  
JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors  
in possession (collectively, the “**Debtors**”)<sup>1</sup>, respectfully represent as follows:

**Relief Requested**

1. The Debtors hereby submit this motion (the “**Motion**”), pursuant to sections 105(a) and 363(b) of the United States Code (the “**Bankruptcy Code**”) and Rules 6004(h) and 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), respectfully requesting entry of an order, substantially in the form attached hereto as **Exhibit B** (the “**Order**”), authorizing the Debtors to enter into, and perform under, a settlement agreement (together with all exhibits to such agreement, the “**Settlement Agreement**”) between the Debtors and ECN Capital (Aviation) Corp. and its affiliates (the “**Lessor**”, together with the Debtors, the “**Parties**”). The Creditors’ Committee and the Plan Sponsors (including the ad hoc group of Senior Secured Note Holders) support the relief requested herein and the entry of an Order approving the Settlement Agreement.

2. The Settlement Agreement is attached hereto as **Exhibit C**.

**Jurisdiction and Venue**

3. The United States Bankruptcy Court for the Northern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper pursuant

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<sup>1</sup> A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

to 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested herein are sections 105(a) and 363(b) of the Bankruptcy Code.

**Background**

4. On May 5, 2016 (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

5. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

**The Debtors’ Businesses**

6. The Debtors, together with their non-debtor affiliates (collectively, “**CHC**”), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry’s largest independent helicopter maintenance, repair, and overhaul business, which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors’ funded debt – are Debtors in the chapter 11

proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their business in the ordinary course.

7. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* [Docket No. 13] (the "**Del Genio Declaration**").

**The Debtors' Revised Business Plan**

8. In connection with the commencement of its chapter 11 cases, CHC has undertaken to formulate a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC identified cost savings to be achieved through a significant reduction in its fleet by eliminating helicopters and other related equipment that were not, currently are not, or soon will not be, used to generate revenue in CHC's businesses. In addition, CHC is reducing the complexity of its fleet, which will decrease costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet created a significant surplus of helicopters and other related equipment owned and leased by CHC.

9. As of the Petition Date, CHC maintained a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) (collectively, the "**CHC Fleet**"). A significant portion of the CHC Fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the CHC Fleet as of the Petition Date, CHC owned 67 helicopters and CHC leased the remainder from various third-party lessors. In most cases CHC subleases helicopters to affiliated


operating entities. These leasing structures provide maximum regulatory and business flexibility.

10. The Debtors have undertaken to accelerate their fleet replacement strategy in exiting from non-revenue generating helicopters and five older technology helicopter types, in order to meet their customers' demands for newer technology helicopters and reduce the number of different helicopter types in their fleet. Since the Petition Date, the Court has approved the rejection of 78 helicopters. *See* Docket No. 273, 427, 428, 565, 833, 1042, 1145, 1492 and 1612. The Court has also approved the abandonment of 5 helicopters. *See* Docket No. 1299.

11. Concurrent with the rejection of non-revenue generating helicopters and older technology helicopter types, the Debtors have also engaged in extensive negotiations with lessors to reduce and eliminate the significant costs associated with the continued leasing and operation of productive helicopters during the pendency of these chapter 11 cases and upon emergence from bankruptcy.

#### **The CHC/ECN Relationship**

12. As of the Petition Date, the Debtors leased seven (7) helicopters from the Lessor (collectively, the "**Helicopters**"). On May 5, 2016, the Debtors filed *Debtors' First Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 20] and on May 27, 2016, the Debtors filed *Debtors' Second Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* [Docket No. 210]. The orders approving such rejection motions were entered on June 30, 2016 [Docket Nos. 428 and 427, respectively], which approved the Debtors' rejection of the following of the Lessor's helicopters: (i) AS332 L2 MSN 2504, (ii)



AS332 L2 MSN 2477, (iii) AS332 L2 MSN 2467, (iv) AS332 L2 MSN 2474 and (v) EC225 MSN 2878. In response, the Lessor filed a direct proof of claim against CHC Helicopters (Barbados) SRL (POC #543), as well as guarantor proofs of claim against CHC Helicopter S.A. (POC #545), CHC Helicopter Holding S.a.r.l. (POC #549), 6922767 Holding S.a.r.l. (POC #556), and Heli-One Leasing ULC (POC #575).

13. After good faith negotiations between the Debtors and the Lessor, the parties entered into an interim agreement (the “**Interim Term Sheet**”) regarding, among other things, certain interim restructured lease terms with respect to the continued use of a Sikorsky S92A helicopter with manufacturer’s serial number 920014 (the “**MSN No. 920014 Helicopter**”) during the pendency of these chapter 11 cases, while the Debtors and the Lessor complete negotiation of final long -form term sheets.

14. Accordingly, on July 1, 2016, the Debtors filed the *Debtors' Motion for an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 6004(h) Authorizing the Debtors to Enter into and Perform Under an Interim Restructuring Term Sheet with Element Capital Corp.* [Docket No. 439], which the Court approved on August 8, 2016. [Docket No. 736].

15. As contemplated by the Interim Term Sheet, the Debtors and the Lessor subsequently engaged in negotiations with respect to a detailed long-form lease restructuring term sheet to modify and restructure the lease agreements that govern the Debtors’ use and operation of the MSN No. 920014 Helicopter upon emergence from chapter 11 protection. However, the parties were unable to reach agreement regarding a long-form term sheet related to the MSN No. 920014 Helicopter. Accordingly, on December 23, 2016, the Debtors filed the *Debtors’ Seventh Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject*

*Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code*


[Docket No. 1406] (the “**Rejection Motion**”), seeking authority to reject the lease and sublease agreements and other related documents for the MSN No. 920014 Helicopter and MSN No. 760568 effective as of the date of entry of the Order approving the Rejection Motion. The order approving the rejection of MSN No. 760568 was entered by the Court on February 3, 2017 [Docket No. 1612].

16. Although the Parties were unable to reach an agreement with respect to a long-form term sheet, after good faith negotiations, the Parties agreed to a letter agreement, dated as of February 13, 2017, reflecting the terms on which the Debtors will continue to operate the MSN No. 920014 Helicopter until May 1, 2017 (the “**Letter Agreement**”). Accordingly, (1) on February 16, 2017, the Debtors filed *Debtors’ Motion for an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 6004(h) Authorizing the Debtors to Enter Into and Perform Under a Letter Agreement with ECN Capital (Aviation) Corp. with Respect to Post-Emergence Use and Rejection of an Aircraft with Manufacturer’s Serial Number 920014* [Docket No. 1704] requesting approval of the Letter Agreement, which is scheduled to be heard on March 3, 2017 and (2) on February 23, 2017, the Court entered a revised order related to the rejection of the MSN No. 920014 Helicopter approving a consensual rejection with an effective date of May 1, 2017 [Docket No. 1746]. To date, the Court has approved the rejection of the applicable lease, sublease and other operative documents with respect to each of the Helicopters [Docket Nos. 427, 428, 1612 and 1746].

**The Settlement Agreement**

17. The Parties continued to engage in good faith, arms-length negotiation in an effort to resolve all of the Lessor’s various claims related to the Helicopters, including, but not





limited to, proofs of claims numbered 543, 545, 549, 556 and 575, and to address the Lessor's objection to the Debtors' Fourth Amended Joint Chapter 11 Plan of CHC Group Ltd. and Its Affiliated Debtors [Docket No. 1701] (the "**Plan**"). Those negotiations bore fruit, and the Debtors and the Lessor have entered into the Settlement Agreement, which also has the support of the other main constituencies in these Chapter 11 Cases, including the official committee of unsecured creditors and the ad hoc group of Secured Noteholders.

18. The Settlement Agreement contains a comprehensive resolution and global settlement of the various claims between the Parties in full satisfaction of any and all claims of the Lessor and its affiliates, including, but not limited to, all general unsecured claims and priority administrative expense claims asserted by the Lessor on behalf of itself or its affiliates related to the Helicopters, rejected lease agreements or related contracts. Upon effectiveness of the Settlement Agreement, the Debtors are authorized to direct their claims agent to amend or update such claims on the claims register according to the terms of such Settlement Agreement.

19. The terms of the Settlement Agreement consist of (i) agreement among the Parties on the amount of the Lessor's Allowed Unsecured Claims (as defined below), and (ii) the Debtors' agreement to provide the Lessor with certain credits or waivers of fees with respect to ongoing services to be provided to ECN by certain of the Debtors. For the avoidance of doubt, the Settlement Agreement does not provide for any cash payments to the Lessor; the credits provided to the Lessor will merely reduce the Debtors' receipt of revenues from the Lessor under the specified circumstances and in the specified amounts as agreed in the Settlement Agreement.

20. More specifically, the Settlement Agreement provides that in full and final satisfaction of the Lessor's various claims:

a. Heli-One Canada ULC and its affiliates engaged in providing labor, storage, maintenance and return-to-service work directly or indirectly to ECN in relation to the AS332 L2 model Helicopters (individually and collectively, as the context requires, "**Heli-One**") shall waive labor, storage and maintenance charges accrued but not paid for under the existing arrangements through the date of Bankruptcy Court approval of the Settlement Agreement related to the AS332 L2 model Helicopters that Heli-One is currently storing for the Lessor up to a maximum waived amount of \$400,000 (the "**Accrued Charges**"), provided that if the Accrued Charges as of the date the Bankruptcy Court approves the Settlement Agreement are less than \$400,000, the difference between the Accrued Charges and \$400,000 shall be added to Credit Note A set forth in (b) below.

b. Heli-One shall provide to the Lessor an unconditional \$350,000 credit note ("**Credit Note A**"), which the Lessor may, at its election, apply against any labor, storage and maintenance work performed by Heli-One with respect to any one or more of the AS332 L2 model Helicopters.

c. Heli-One shall provide to the Lessor a \$2,000,000 credit note ("**Credit Note B**"), which the Lessor may, at its election, apply against any labor, storage and maintenance work performed by Heli-One with respect to the AS332 L2 model Helicopters, subject to the following limitations:

(i) Notwithstanding anything to the contrary set forth in (ii) through (v) below, the Lessor may only apply up to a maximum aggregate credit of \$500,000 against any labor, storage and maintenance work with Heli-One on each of the AS332 L2 model Helicopters;

(ii) The first \$500,000 under Credit Note B may be applied to either (a) any "return to service" work on the AS332 L2 model Helicopters, or (b) any storage fees, if the Lessor agrees, as a condition to such application of the Credit B Note, to store the AS332 L2 model Helicopters, provided that the Lessor is storing all four such Helicopters with Heli-One for the period that is the shorter of (x) twelve (12) months from the effective date of this Agreement and (y) the period commencing on the effective date of this Agreement and ending on the Expiration Date (defined below);

(iii) The second \$500,000 of Credit Note B may be applied to any return to service work provided by Heli-One pursuant to orders from the Lessor with Heli-One aggregating \$1,500,000 (inclusive of all work performed for the Lessor by Heli-One, including work paid for using Credit Note B);

(iv) The third \$500,000 of Credit Note B may be applied to any return to service work provided by Heli-One pursuant to orders from the Lessor under existing contracts with Heli-One aggregating \$2,500,000 (inclusive of all work performed for the Lessor by Heli-One, including work paid for using Credit Note B); and

(v) The fourth \$500,000 of Credit Note B may be applied to any return to service work provided by Heli-One pursuant to order from the Lessor under existing contracts with Heli-One aggregating \$3,500,000 (inclusive of all work performed for the Lessor by Heli-One, including work paid for using Credit Note B).

d. Credit Note A and Credit Note B shall expire on April 30, 2018 (the **"Expiration Date"**). In addition, Credit Note A and Credit Note B shall not be used to cover costs of parts used or purchased in connection with the performance of storage or maintenance services, which parts shall be invoiced by Heli-One to the Lessor in accordance with the manufacturer's catalogue list prices.

e. Without the need for the Lessor to file proofs of claim or requests for payment or take any other action, the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims as follows:

(i): an Allowed Primary General Unsecured Claim in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$85,700,000 (the **"Primary GUC"**);

(ii): an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$85,700,000 (the **"CHC Helicopter S.A. Secondary GUC"**);

(iii): an Allowed Secondary General Unsecured Claim in CHC Helicopter Holding S.à.r.l.'s Class 7 General Unsecured Claims class of \$85,700,000 (the **"CHC Helicopter Holding S.à.r.l. Secondary GUC"**);

(iv): an Allowed Secondary General Unsecured Claim in 6922767 Holding S.à.r.l.'s Class 7 General Unsecured Claims class of \$85,700,000 (the **"6922767 Holding S.à.r.l. Secondary GUC"**); and

(v): an Allowed Secondary General Unsecured Claim in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$85,700,000 (the **"Heli-One Leasing ULC Secondary GUC"**, together with the CHC Helicopter S.A. Secondary GUC, CHC Helicopter Holding S.à.r.l. Secondary GUC, 6922767 Holding S.à.r.l. Secondary GUC, and Primary GUC, the **"Allowed Unsecured Claims"**).

21. For the avoidance of doubt, the Allowed Unsecured Claims shall be treated as Allowed Class 7 General Unsecured Claims in accordance with the terms of the Debtors' Plan, and the Lessor shall receive the same treatment on account of such Allowed Unsecured Claims as all other holders of Allowed Class 7 General Unsecured Claims against the Debtors. Moreover, the Lessor's recoveries on account of any general unsecured prepetition

Claims (as defined in the Settlement Agreement) will be limited to the amount of consideration distributable in respect of the Allowed Unsecured Claims under and pursuant to the Plan. Other than distributions on account of the Allowed Unsecured Claims, the Debtors, their estates and/or any successors in interest will not make any distributions to the Lessor on account of general unsecured prepetition Claims, including any Claims not waived or released by the Lessor under the Settlement Agreement.

22. Importantly, the Settlement Agreement also resolves one of the few outstanding objections to the Plan. Upon approval of the Settlement Agreement, the Lessor has agreed to withdraw *ECN Capital (Aviation) Corp.'s Objection to the Second Amended Joint Chapter 11 Plan of CHC Group Ltd. and Its Affiliated Debtors* [Docket No. 1605] and is simultaneously herewith seeking relief from this Court to modify its votes on the Debtors' Plan from rejections to acceptances (subject to the Court's approval of the Settlement Agreement). Accordingly, the Settlement Agreement advances the Debtors' goal of confirming the Plan and paving the way for timely emergence from these chapter 11 cases, while minimizing any associated litigation costs.

23. The Settlement Agreement (including the related waiver, release and claims allowances) will be effective upon the earlier to occur of (x) Substantial Consummation (as defined in section 1101(2) of the Bankruptcy Code) of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan.

**Basis for Relief**

**The Debtors Should Be Authorized to Enter into the Settlement Agreement Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code**

24. The Bankruptcy Code authorizes the use of property outside the ordinary course of business with court approval and given a valid business reason. More specifically, section 363 of the Bankruptcy Code, in pertinent part, authorizes a debtor in possession to “use, sell, or lease, other than in the course of business, property of the estate,” after notice and a hearing. 11 U.S.C. § 363(b)(1). Although section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts routinely authorize the use of debtor’s property if it is based upon the reasonable business judgment of the debtor. *See, e.g., Institutional Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines, Inc. (In re Cont’l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”) (citing *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir.1983)); *In re ASARCO, LLC*, 441 B.R. 813, 830 (Bankr. S.D. Tex. 2010); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Elpida Memory, Inc.*, No. 12-10947 (CSS), 2012 WL 6090194, at \*5 (Bankr. D. Del. Nov. 20, 2012); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999).

25. The standard for approval of the use of property outside the ordinary course of business is a deferential one. *See GBL Holding Co., Inc. v. Blackburn/Travis/Cole, Ltd. (In re State Park Bldg. Grp., Ltd.)*, 331 B.R. 251, 254 (Bankr. N.D. Tex. 2005) (“[g]reat judicial deference is given to the Trustee’s exercise of business judgment.”)

26. In addition, the Court also may grant the requested relief pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, which provides that “[t]he court

may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

27. Based on the foregoing considerations, the Debtors respectfully submit that the decision to enter into the Settlement Agreement represents a reasonable exercise of the Debtors’ business judgment. The settlement of the Lessor’s claims pursuant to the Settlement Agreement avoids costly and potentially lengthy litigation over complex contractual terms and allows the Debtors to efficiently and quickly resolve such matters for amounts that the Debtors believe are appropriate given the amounts and issues in question and maximize value for their estates and the creditors. Litigating such claims could distract certain of Debtors’ personnel and result in significant litigation costs. Such extensive and protracted litigation could also drain the Debtors’ resources.

28. Moreover, the Settlement Agreement advances the Debtors’ goal of confirming the Plan and paving the way for timely emergence from these chapter 11 cases, as the Lessor has agreed to withdraw its pending objection to the Plan.

29. Accordingly, the Debtors submit that the entry into, and performance under, the Settlement Agreement represents a reasonable exercise of the Debtors’ business judgment and is in the best interest of the Debtors and their estates.

**The Settlement Agreement Should Be Approved Pursuant to Bankruptcy Rule 9019(a)**

30. In addition, the settlement embodied in the Settlement Agreement should be approved pursuant to Bankruptcy Rule 9019. A bankruptcy court may approve a settlement in accordance with Bankruptcy Rule 9019, which provides that “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Fed. R. Bankr. P. 9019(a).

31. “Compromises are ‘a normal part of the process of reorganization,’”

*Protective Comm. for Indep. S'holders of TMT Trailer Ferry Inc., v. Anderson*, 390 U.S. 414, 424 (1968), and are favored in bankruptcy because they minimize litigation costs and further the parties’ interest in expediting the administration of the bankruptcy case. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996); *In re Bond*, 1994 U.S. App. Lexis 1282, \*9-\*14 (4th Cir. 1994). “One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves.” *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005).

32. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); 9 Collier on Bankruptcy at ¶ 9019.02. Approval of a settlement is appropriate “when the settlement is fair and equitable and the best interests of the estate.” *Official Committee of Unsecured Creditors v. Moeller (In re Age Refining, Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015); *In re Heritage Organization, LLC*, 375 B.R. 230, 260 (Bankr. N.D. Tex. 2007). In determining whether to approve a settlement, courts in the Fifth Circuit have applied a three factor test with a focus on comparing “the terms of the compromise with the likely rewards of litigation.” *In re Age Refining, Inc.*, 801 F.3d at 540 (citing *In re Jackson Brewing Co.*, 624 F.2d 599, 607 (5th Cir. 1980)). A bankruptcy court must evaluate: (a) the probability of success in the litigation, with due consideration for the uncertainty in fact and law, (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (c) all other factors bearing on the wisdom of the compromise. *See In re Age Refining, Inc.*, 801 F.3d at 540; *In re Cajun Elec. Power Coop.*, 119 F.3d 349, 356 (5th Cir. 1997); *In re Jackson Brewing Co.*, 624 F.2d at 607; *In re Mirant Corp.*, 348 B.R. 725, 739-40 (Bankr. N.D. Tex. 2006). Furthermore,

“[u]nder the rubric of the third, catch-all provision, [the Fifth Circuit has] specified two additional factors that bear on the decision to approve a proposed settlement.” *Id.* These “other factors” include consideration of (i) “the best interest of creditors, with proper deference to their reasonable views;” and (ii) “the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion.” *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; *see also In re Age Refining, Inc.*, 801 F.3d at 540.

33. “In evaluating a Rule 9019 settlement, a bankruptcy court does not ‘conduct a mini-trial to determine the probable outcome of any claims waived in the settlement.’” *In re Age Refining*, 801 F.3d at 541. “Rather, the bankruptcy court must apprise [itself] of the relevant facts and law so that [it] can make an informed and intelligent decision.” *Id.*; *see also TMT Trailer Ferry*, 390 U.S. at 425 (noting that a court should “compare the terms of the compromise with the likely rewards of litigation”); *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; *In re Heritage Organization, LLC*, 375 B.R. at 260 (“it is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement. The judge need only apprise himself of the relevant facts and law so that he can make an informed and intelligent decision....”); *In re Mirant*, 348 B.R. at 741, n.36 (“For a settlement to meet the best interests test, the amount being paid or received by the estate (or, here, Mirant) need only be within the extremes of the range.”); *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004)) (holding that a court need not be convinced that the proposed settlement is the best possible outcome, rather “[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.”).



34. In the Debtors' business judgment, the resolutions (including, without limitation, the settlement of the general unsecured prepetition claims) embodied in the Settlement Agreement are fair and equitable and in the best interest of the Debtors, their estates and creditors, and should be approved. The Settlement Agreement provides for a prompt and complete global resolution of the various claims of the Lessor and resolves the Lessor's plan objection and reflect fair value for the obligations being settled. Such claims, if litigated, could be distracting, impose significant demands on certain of the Debtors' personnel, and result in significant litigation costs. Failure to approve the Settlement Agreement could result in extensive and protracted litigation that could drain the Debtors' limited liquidity and further delay their ability to timely emerge from chapter 11.

35. Lastly, the Settlement Agreement is the product of lengthy good faith, arm's length negotiations between the parties that culminated in a global settlement that falls well within the range of reasonable litigation outcomes and that reflect fair value for the obligations being settled. Accordingly, each of the applicable factors weighs in favor of approving the Settlement Agreement.

36. Based on the foregoing, the Debtors respectfully request that the Court authorize the Debtors to enter into, and perform under, the Settlement Agreement as such actions are a reasonable exercise of the Debtor's business judgment and are supported by a good business reason.

#### **Reservation of Rights**

37. Notwithstanding anything contained or requested in this Motion or the Settlement Agreement, nothing herein contemplates or constitutes an assumption of any lease or executory contract with the Lessor pursuant to section 365 of the Bankruptcy Code. In addition, nothing contained or requested in this Motion or the Settlement Agreement shall be an

acknowledgement that section 1110 of the Bankruptcy Code or the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment are applicable.

**Rule 6004(h) Waiver**

38. The Debtors respectfully request that any order approving this Motion be effective immediately, thereby waiving the 14-day stay period imposed by Bankruptcy Rule 6004(h). Waiver of the stay period is necessary for the Settlement Agreement to be implemented as expeditiously as possible and within the time frames contemplated by the parties.

**Notice**

39. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange

Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

**No Prior Request**

40. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

*[The remainder of this page is intentionally blank]*

WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to enter into, and perform under, the Settlement Agreement, and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York  
February 28, 2017

By: /s/ Jasmine Ball  
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**EXHIBIT A****Debtors**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

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**Exhibit B**

**Proposed Form of Order**

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

-----	X	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16– 31854 (BJH)
	:	
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO  
SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF  
BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO  
ENTER INTO AND PERFORM UNDER A SETTLEMENT AGREEMENT WITH ECN  
CAPITAL (AVIATION) CORP.

Upon the motion dated February 28, 2017 (the “**Motion**”)<sup>1</sup> of CHC Group Ltd.  
and its above-captioned debtor affiliates (collectively, the “**Debtors**”), pursuant to sections  
105(a) and 363(b) of the Bankruptcy Code and Rules 6004(h) and 9019 of the Federal Rules of

<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

Bankruptcy Procedure seeking the authority to enter into, and perform under, a settlement agreement (together with all exhibits to such agreement, the “**Settlement Agreement**”), between the Debtors and ECN Capital Aviation Corp. and its affiliates (the “**Lessor**”, together with the Debtors, the “**Parties**”), and upon consideration of the Del Genio Declaration, and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties who have requested notice in these chapter 11 cases pursuant to



Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.
2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Settlement Agreement.
3. The Settlement Agreement, and the transactions contemplated therein, represents a valid exercise of the Debtors’ business judgment and are hereby approved in their entirety.
4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Settlement Agreement.
5. Upon the effectiveness of the Settlement Agreement and as set forth in more detail in the Settlement Agreement, and without the need for the Lessor to file proofs of claim or request for payment or take any other action, the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims against the estates of the Debtors as set forth below:

- a. an Allowed Primary General Unsecured Claim in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$85,700,000; and
- b. an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$85,700,000; and
- c. an Allowed Secondary General Unsecured Claim in CHC Helicopter Holding S.à.r.l.'s Class 7 General Unsecured Claims class of \$85,700,000; and
- d. an Allowed Secondary General Unsecured Claim in 6922767 Holding S.à.r.l.'s Class 7 General Unsecured Claims class of \$85,700,000; and
- e. an Allowed Secondary General Unsecured Claim in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$85,700,000.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

7. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

8. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

/s/ Jasmine Ball

Jasmine Ball (*pro hac vice*)  
Richard F. Hahn (*pro hac vice*)  
919 Third Avenue  
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Telephone: (212) 909-6000  
Facsimile: (212) 909-6836  
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*Special Aircraft Attorneys for Debtors and  
Debtors in Possession*

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-and-

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kelly.diblasia@weil.com

*Attorneys for Debtors and Debtors in Possession*

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**Exhibit C**

**The Settlement Agreement**

**SETTLEMENT AGREEMENT**

**between**

**ECN CAPITAL (AVIATION) CORP AND ITS AFFILIATES**

**and**

**CHC GROUP, LTD. AND ITS AFFILIATES**

This SETTLEMENT AGREEMENT, dated as of February 28, 2017 (the “**Agreement**”), is made by and among (a) CHC Group Ltd. and its affiliated debtors (“**CHC**” or the “**Debtors**”) <sup>1</sup> and (b) ECN Capital (Aviation) Corp. and its affiliates (“**ECN**” or the “**Lessor**”).

W I T N E S S E T H:

WHEREAS, on May 5, 2016 (the “**Petition Date**”), the Debtors each filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Northern District of Texas (the “**Bankruptcy Court**”);

WHEREAS, prior to the Petition Date, CHC entered into a lease transaction (the “**Transaction**”) with respect to each of the helicopters bearing manufacturer’s serial numbers 2467, 2474, 2477, 2504, 2878, 760568 and 920014 (each, a “**Helicopter**”, and collectively, the “**Helicopters**”), including, with respect to each Helicopter, (a) a master lease facility agreement and related lease schedule (together, the “**Lease**”) between CHC and ECN, (b) master guarantee and indemnity agreements by CHC Helicopter S.A., 6922767 Holding S.à.r.l., CHC Helicopter Holding S.à.r.l., and Heli-One Leasing ULC (each a “**Guarantor**”, and collectively, the “**Guarantors**”), and certain aircraft lease general terms agreements between certain Debtors and Debtor affiliates as well as aircraft specific lease agreements between certain Debtors and Debtor affiliates, (c) the other operative documents referred to in the Lease, and (d) other documents and agreements relating to the Transaction (collectively with (a)-(d), with respect to each Helicopter, the “**Transaction Documents**”);

WHEREAS, the Bankruptcy Court has approved the rejection of the applicable Lease and related Transaction Documents with respect to each of the Helicopters [Docket Nos. 427, 428, 1612 and 1746];

WHEREAS, ECN filed proofs of claim numbers 543, 545, 549, 556 and 575 with respect to each of the Helicopters, the related Lease and the other Transaction Documents with respect to each Helicopter (together, the “**Filed Proofs of Claim**”);

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<sup>1</sup> A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, where applicable, is attached hereto as Exhibit A.

WHEREAS, with respect to each Helicopter, ECN is claiming against the bankruptcy estate of CHC, as lessee under the applicable Lease, and certain Debtor affiliates, including the Guarantors, respectively, claims for damages for any breach, termination, rejection or modification of such Lease or any other Transaction Documents, including a general unsecured non-priority pre-petition claim (together, such claims, the “**Unsecured Claims**”);

WHEREAS, on February 1, 2017, ECN filed *ECN Capital (Aviation) Corp.'s Objection to the Second Amended Joint Chapter 11 Plan of CHC Group Ltd. and Its Affiliated Debtors* [Docket No. 1605] (the “**ECN Plan Objection**”);

WHEREAS, on February 13, 2017, the parties entered into a letter agreement with respect to the ongoing use and subsequent return of the helicopter with manufacturers’ serial number 920014 (the “**S92 Letter Agreement**”) on May 1, 2017 (which rejection was approved at Docket No. 1746), which is currently scheduled to be heard by the Bankruptcy Court on March 3, 2017;

WHEREAS, the parties have engaged in arm’s-length negotiations and hereto desire to resolve, solely to avoid further expense and inconvenience and without any admission of any issue of fact or law, the ECN Plan Objection, the Unsecured Claims, the Filed Proofs of Claim and any and all other claims against the Debtors or any Debtors affiliates relating to the Helicopters, the Transactions, the Leases or the other Transaction Documents (collectively, the “**Settled Claims**”), on the terms and conditions set forth herein; and

WHEREAS, the Creditors’ Committee and the Plan Sponsors (including the ad hoc group of Senior Secured Note Holders) support the entry of an order of the Bankruptcy Court approving this Agreement;

NOW, THEREFORE, in light of the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, it is hereby agreed, by and among the parties hereto, as follows:

1. ECN represents and warrants that it owns and controls or otherwise has authority to settle one hundred percent (100%) of the Settled Claims.

2. ECN hereby confirms that the Settled Claims are the only claims filed or to be filed in the Debtors’ current chapter 11 cases against any CHC Release Parties (as defined below) relating to the Helicopters, the Transactions, the Lease or the other Transaction Documents (and, to the extent that ECN has filed claims relating to the Covered Matters (as defined below) in the Debtors’ current chapter 11 cases, that this Agreement shall govern and control such claims and the allowed amount of such claims in all respects and, upon the effectiveness of this Agreement, the Debtors are authorized to direct their claims agent to amend or update such claims on the claims register accordingly).

3. In full and final satisfaction of the Settled Claims, and upon Bankruptcy Court approval of this Agreement:

(a) Heli-One Canada ULC and its affiliates engaged in providing labor, storage, maintenance and return-to-service work directly or indirectly to ECN in relation to the AS332 L2 model Helicopters (individually and collectively, as the context requires, “**Heli-One**”) shall waive all labor, storage and maintenance charges accrued but not paid for under the existing arrangements through the date of Bankruptcy Court approval of this Agreement related to the AS332 L2 model Helicopters that Heli-One is currently storing for ECN up to a maximum waived amount of \$400,000 (the “**Accrued Charges**”), provided that if the Accrued Charges as of the date the Bankruptcy Court approves this Agreement are less than \$400,000, the difference between the Accrued Charges and \$400,000 shall be added to Credit Note A set forth in (b) below.

(b) Heli-One shall provide to ECN an unconditional \$350,000 credit note (“**Credit Note A**”), which ECN may, at its election, apply against any labor, storage and maintenance work performed by Heli-One with respect to any one or more of the AS332 L2 model Helicopters.

(c) Heli-One shall provide to ECN a \$2,000,000 credit note (“**Credit Note B**”), which ECN may, at its election, apply against any labor, storage and maintenance work performed by Heli-One with respect to the AS332 L2 model Helicopters, subject to the following limitations:

(i) Notwithstanding anything to the contrary set forth in (ii) through (v) below, ECN may only apply up to a maximum aggregate credit of \$500,000 against any labor, storage and maintenance work with Heli-One on each of the AS332 L2 model Helicopters;

(ii) The first \$500,000 under Credit Note B may be applied to either (a) any “return to service” work on the AS332 L2 model Helicopters, or (b) any storage fees, if ECN agrees, as a condition to such application of the Credit B Note, to store the AS332 L2 model Helicopters, provided that ECN is storing all four such Helicopters with Heli-One for the period that is the shorter of (x) twelve (12) months from the effective date of this Agreement and (y) the period commencing on the effective date of this Agreement and ending on the Expiration Date (defined below);

(iii) The second \$500,000 of Credit Note B may be applied to any return to service work provided by Heli-One pursuant to orders from ECN with Heli-One aggregating \$1,500,000 (inclusive of all work performed for ECN by Heli-One, including work paid for using Credit Note B);

(iv) The third \$500,000 of Credit Note B may be applied to any return to service work provided by Heli-One pursuant to orders from ECN under existing contracts with Heli-One aggregating \$2,500,000 (inclusive of all

work performed for ECN by Heli-One, including work paid for using Credit Note B); and

(v) The fourth \$500,000 of Credit Note B may be applied to any return to service work provided by Heli-One pursuant to order from ECN under existing contracts with Heli-One aggregating \$3,500,000 (inclusive of all work performed for ECN by Heli-One, including work paid for using Credit Note B).

(d) Credit Note A and Credit Note B shall expire on April 30, 2018 (the **“Expiration Date”**). In addition, Credit Note A and Credit Note B shall not be used to cover costs of parts used or purchased in connection with the performance of storage or maintenance services, which parts shall be invoiced by Heli-One to ECN in accordance with the manufacturer’s catalogue list prices.

(e) The Debtors will perform all obligations required under the S92 Letter Agreement.

(f) Without the need for ECN to file proofs of claim or requests for payment or take any other action, ECN shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims as follows:

(i) an Allowed Primary General Unsecured Claim in CHC Helicopters (Barbados) SRL’s Class 7 General Unsecured Claims class of \$85,700,000 (the **“Primary GUC”**);

(ii) an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.’s Class 7 General Unsecured Claims class of \$85,700,000 (the **“CHC Helicopter S.A. Secondary GUC”**);

(iii) an Allowed Secondary General Unsecured Claim in CHC Helicopter Holding S.à.r.l.’s Class 7 General Unsecured Claims class of \$85,700,000 (the **“CHC Helicopter Holding S.à.r.l. Secondary GUC”**);

(iv) an Allowed Secondary General Unsecured Claim in 6922767 Holding S.à.r.l.’s Class 7 General Unsecured Claims class of \$85,700,000 (the **“6922767 Holding S.à.r.l. Secondary GUC”**); and

(v) an Allowed Secondary General Unsecured Claim in Heli-One Leasing ULC’s Class 7 General Unsecured Claims class of \$85,700,000 (the **“Heli-One Leasing ULC Secondary GUC”**, together with the CHC Helicopter S.A. Secondary GUC, CHC Helicopter Holding S.à.r.l.



Secondary GUC, 6922767 Holding S.à.r.l. Secondary GUC, and Primary GUC, the “**Allowed Unsecured Claims**”).

Other than the Allowed Unsecured Claims, the Settled Claims shall be disallowed and expunged in all other respects.

4. The capitalized terms used herein but not defined (including in the preamble and recitation sections), shall have the meanings set forth in that certain Fourth Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors [Docket No. 1701] filed on February 16, 2017 in the Debtors’ Chapter 11 Cases (as same may be amended from time to time).

5. The Allowed Unsecured Claims shall be treated in accordance with the terms of a confirmed chapter 11 plan in CHC’s chapter 11 case (the “**Plan**”) that has become effective. It is expressly understood by ECN that ECN may seek satisfaction of the Settled Claims only as set forth in the Plan, and that, except as so provided in the Plan, to the extent allowed hereunder, in no event will the Debtors or their estates, the reorganized Debtors, the Debtors’ or the reorganized Debtors’ affiliates, or any persons who are employed by the Debtors or the reorganized Debtors or their affiliates be liable to ECN or its respective affiliates in any other way whatsoever with respect to the Settled Claims or the debts, obligations, liabilities, accounts, suits, damages or causes of action giving rise to the Settled Claims. Any recoveries to ECN from the Debtors, their estates, and/or any successors in interest on account of general unsecured prepetition Claims (defined below) shall be limited to the amount of consideration distributable in respect of the Allowed Unsecured Claims under and pursuant to the Plan. Other than distributions on account of the Allowed Unsecured Claims, the Debtors, their estates and/or any successors in interest shall not make any distributions to ECN on account of general unsecured prepetition Claims (defined below), including any Claims (defined below) not waived or released by ECN under section 20 of this Agreement. Notwithstanding anything to the contrary in this Agreement, the Debtors, the Reorganized Debtors and their respective affiliates shall be jointly and severally liable for, and obligated to ECN for, any and all obligations and undertakings set forth in Section 3(a)-(e).

6. Except as expressly agreed herein, including, but not limited to, as provided in paragraphs 20 and 21, upon the effectiveness of this Agreement, ECN (on behalf of itself and its successors, assigns) does hereby fully, finally and forever waive, release and discharge CHC, the other Debtors, their estates, the reorganized Debtors and their respective executors, heirs, successors, assigns, affiliates, shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries and predecessors and any operator of the Helicopter, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of any of the foregoing (but, for the avoidance of doubt, expressly excluding Airbus Helicopters (SAS) and its affiliates and its and their respective parents, subsidiaries, executors, heirs, successors and assigns (collectively, “**Airbus**”)) (together, the “**CHC Release Parties**”), from any and all claims (as defined in section 101(5) of the Bankruptcy Code), causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses or demands (including, without limitation, under any provision of any tax indemnity or general indemnity), of whatsoever kind and nature, character and description, whether pre-

petition unsecured, priority, administrative or post-petition/administrative, whether sounding in tort, contract or under other applicable law, whether known or unknown, whether anticipated or unanticipated, whether presently existing or existing at any time in the future, whether or not asserted, and whether founded in fact or law or in equity (collectively, “**Claims**”), in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, any of the following (the “**Covered Matters**”): (a) the Settled Claims, (b) any other claims owned or controlled by the ECN relating to the Helicopters, the Transactions, the Leases or the other Transaction Documents (as defined in the Leases), (c) the Transaction Documents, including, without limitation, the breach, rejection, modification or termination of the Leases or the other Transaction Documents or any exercise or purported exercise of remedies thereunder, or (d) the Helicopters, including, without limitation, the condition or capabilities of the Helicopters upon their surrender and return. For the avoidance of doubt, “Covered Matters” do not include any of the Claims described in paragraph 20, none of which shall be released hereunder.

7. Upon the effectiveness of this Agreement, CHC (on behalf of itself and its heirs, successors and assigns, its chapter 11 estate, and its affiliates) hereby waives, releases and discharges any right it or its estate had or may have to assert any objection, counterclaim, or right of setoff with respect to the Allowed Unsecured Claims, or to assert any claim or avoidance action pursuant to Chapter 5 of the Bankruptcy Code against ECN with respect to the Allowed Unsecured Claims, or otherwise to seek any reduction to the Allowed Unsecured Claims.

8. ECN hereby directs CHC (or its estate, as the case may be) to make any and all distributions on the Allowed Unsecured Claims, as allowed hereunder, in accordance with Schedule A attached hereto or some other mutually agreeable brokerage account. Distributions on the Allowed Unsecured Claims shall not be made except on a date on which CHC (or its estate, as the case may be) makes distributions generally to creditors of the same priority under the Plan.

9. Except as specifically provided herein, nothing contained herein shall be deemed an admission of liability on the part of the Debtors, the reorganized Debtors or ECN with respect to the Settled Claims, nor shall anything herein be deemed to be, or construed as, an admission by the Debtors, the reorganized Debtors or ECN of any liability, wrongdoing, act or matter or that any claim or defense has or lacks merit.

10. Until this Agreement becomes publicly disclosed, this Agreement is intended for settlement purposes only and is subject to the privilege provided for in Federal Rule of Evidence 408. Neither this Agreement, nor any statement made or action taken in connection with the negotiation of this Agreement, shall be offered or reserved in evidence or in any way referred to in any legal action or administrative proceeding among or between the parties hereto, other than as may be necessary (i) to enforce this Agreement, (ii) to seek damages or injunctive relief in connection with a breach or alleged breach of this Agreement or (iii) to obtain approval of this Agreement in CHC’s current chapter 11 case.

11. All parties shall maintain the confidentiality of this Agreement except to the extent necessary to enforce this Agreement; provided, that each party shall be entitled to deliver a copy of this Agreement (i) as may be necessary in connection with any rule, regulation or

requirement (including filing requirements) of any government agency or court process, (ii) as may be necessary to obtain approval of this Agreement in CHC's current chapter 11 case (including, without limitation, to the official committee of unsecured creditors in CHC's current chapter 11 case (the "Committee" or the Post-Effective Date Committee (as applicable))), (iii) to its attorneys, auditors or other professionals, who shall be informed of the confidential nature of this Agreement, (iv) in any action, proceeding or litigation involving ECN and Airbus, (v) to an actual or prospective purchaser of any Allowed Unsecured Claim, (vi) to an actual or prospective purchaser of, or investor in, such party; provided, however, with respect to any actual or prospective purchaser or investor described in clause (v) or clause (vi), so long as such actual or prospective purchaser or investor has executed an appropriate form of confidentiality agreement agreeing to be bound by this paragraph; provided, further, that ECN may disclose solely the amounts of the Allowed Unsecured Claims and the fact that such Allowed Unsecured Claims are allowed (it being understood that CHC's claims agent may record such Allowed Unsecured Claims on the claims register that such claims agent maintains in CHC's chapter 11 case).

12. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary or appropriate in conjunction with the performance of their respective obligations hereunder.

13. This Agreement is binding upon the parties hereto and their respective successors and assigns, and any other person asserting an interest in or indemnification pursuant to the Leases or the Helicopters under the Transaction Documents. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person other than the parties hereto and their respective successors and assigns.

14. This Agreement may be executed in multiple counterparts, any of which may be transmitted by facsimile or electronic (e-mail) transmission, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. The terms set forth in this Agreement are part of a comprehensive compromise and each element is an integral aspect of the agreed settlement and is non-severable. This Agreement contains the entire agreement between the parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the parties relating thereto.

16. This Agreement shall be governed by the laws of the State of New York. The Bankruptcy Court shall retain jurisdiction (and each party consents to such retention of jurisdiction) with respect to any disputes arising from or other actions to interpret, administer or enforce the terms and provisions of this Agreement.

17. Each party hereto represents and warrants to each other party hereto that (i) it is authorized to execute this Agreement, (ii) it has full power and authority to enter into this Agreement and effectuate the matters provided hereunder, (iii) this Agreement is duly executed and delivered by it and constitutes its valid, binding agreement in accordance with its terms and (iv) it has full knowledge and has consented to this Agreement.

18. This Agreement shall be effective upon (i) execution by all parties hereto, (ii) approval by the Bankruptcy Court and (iii) the earlier to occur of (x) Substantial Consummation

(as defined in section 1101(2) of the Bankruptcy Code) of any plan of reorganization filed by CHC in its current Chapter 11 case and (y) the effective date (as defined in such plan) of such plan. This Agreement shall not be modified, altered, amended or vacated without the written consent of the parties hereto affected thereby and by order of the Bankruptcy Court. The ECN Plan Objection shall be deemed withdrawn upon approval of this Agreement by the Bankruptcy Court.

19. Immediately upon the effectiveness of this Agreement, the Debtors' claims and noticing agent is authorized and directed to amend the claims register to reflect the terms of this Agreement.

20. Notwithstanding anything to the contrary set forth in this Agreement, the waivers and releases set forth in this Agreement are not intended to, and do not release (i) Airbus from any Claims that any Debtor, ECN, or their respective affiliates may have against Airbus with respect to any Claims arising out of or in connection with any EC225 and AS332 L2 model helicopter, including, without limitation, with respect to defects in the EC225 and AS332 L2 model helicopters, accidents involving the EC225 or AS332 L2 model helicopters, regulatory actions impacting the EC225 and AS332 L2 model helicopters and suspension of flight operations of such model helicopters, or (ii) release any Debtor from any general unsecured prepetition Claim that ECN may have against a Debtor arising out of or in connection with the defects in the EC225 and AC332 L2 model helicopters, accidents involving the EC225 and AC332 L2 model helicopters, regulatory actions impacting the EC225 and AC332 L2 model helicopters, and suspension of flight operations of such model helicopters or any payment, settlement, proceeds, award or any other remuneration on account thereof, provided, however, that (A) neither CHC nor its affiliates shall be required voluntarily to assist ECN or any of ECN's affiliates in the prosecution of any claim against Airbus or its affiliates, and (B) the Debtors and their affiliates shall not oppose any information or document requests made to Airbus or any Airbus affiliates with respect to the Aircraft and to Claims against Airbus or any Airbus affiliates unless (i) such information is proprietary information of CHC or any of its affiliates, or (ii) providing such information or documents to ECN would require CHC or its affiliates to violate confidentiality provisions governing such information or documents. CHC and ECN agree that, notwithstanding the confidentiality provisions set forth in this Agreement, CHC shall provide to Airbus a copy of this Agreement. For the avoidance of doubt, the Debtors and ECN expressly reserve all rights with respect to any Claims against Airbus.

21. Notwithstanding anything to the contrary in this Agreement (including, without limitation, paragraph 20 above), ECN, on behalf of itself and its successors, assigns, other legal representatives, and any person claiming by or through it, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each CHC Release Party that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any of the CHC Release Parties, or otherwise assert any claim against such party, before any court, arbitrator, mediator or administrative agency anywhere in the world, including, on the basis of any Claim released, remised and discharged pursuant to paragraph number 6 above or any claim set forth in paragraph 20 above. If ECN or any of its successors, assigns or other legal representatives violates the foregoing covenant, ECN, for themselves and their successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any such CHC Release Party may sustain as a result of such violation, all attorneys' fees and costs incurred by any such CHC

Release Party as a result of such violation.

22. ECN has not assigned, or otherwise transferred, and will not assign, or otherwise transfer, any right, title or interest in this Agreement or any right or claim covered by this Agreement, including, without limitation, any of the Settled Claims, the Claims, or any right to Credit Note A or Credit Note B. Notwithstanding anything to the contrary, ECN shall be entitled to transfer the Allowed Unsecured Claims, subject to compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, any order of the Bankruptcy Court, and the Plan.

23. Upon execution of this Agreement, ECN shall promptly file a motion requesting permission to change the votes it cast to votes in support of the Plan, provided that ECN shall not be deemed to have granted any releases of the CHC Release Parties pursuant to Section 10.7(b) of the Plan and any releases of the CHC Release Parties granted by ECN shall instead be governed solely by the terms of this Settlement Agreement.

*[Remainder of page intentionally left blank.]*

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

CHC Group, Ltd.

By: 

Name: NICHOLAS P. SMOLE

Title: VICE PRESIDENT

ECN Capital (Aviation) Corp.

By: \_\_\_\_\_

Name:

Title:

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**CHC Group, Ltd.**

By: \_\_\_\_\_  
Name:  
Title:

**ECN Capital (Aviation) Corp.**

By: \_\_\_\_\_  
Name: JEFFREY G. TONGAS  
Title: SENIOR COUNSEL

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**EXHIBIT A****Debtors**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135



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**SCHEDULE A**

**DELIVERY INSTRUCTIONS**

Name: ECN Capital (Aviation) Corp  
Attn: Michel Beland  
Telephone: 416-646-4710  
Facsimile: 1-888-772-8129  
E-mail: mbeland@ecncapitalcorp.com  
Tax ID No.: N/A  
Credit To: ECN Capital (Aviation) Corp  
Account: 0024661785  
Bank: 001  
Transit: 00022  
Bank Name: Bank of Montreal  
Bank Address: 100 King Street West 11th floor  
Toronto, ON M5X 1A3  
Reference: ECN Settlement Agreement

This is **Exhibit "N"** referred to in the 5<sup>th</sup> Affidavit of **Sandra Brown-John** sworn before me this 8th day of March, 2017.



A Commissioner for Taking Affidavits  
for British Columbia

PETER BYCHAWSKI  
*Barrister & Solicitor*  
BLAKE, CASSELS & GRAYDON LLP  
Suite 2600, Three Bentall Centre  
595 Burrard St., P.O. Box 49314  
Vancouver, B.C. V7X 1L3  
(604) 631-4218



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

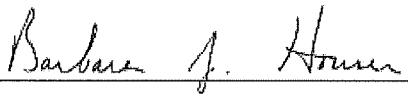
**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

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The following constitutes the ruling of the court and has the force and effect therein described.

Signed March 3, 2017

  
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

-----	X	
	:	
<i>In re:</i>	:	Chapter 11
	:	
CHC GROUP LTD. <i>et al.</i> ,	:	Case No. 16- 31854 (BJH)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO  
SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF  
BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO  
ENTER INTO AND PERFORM UNDER A SETTLEMENT AGREEMENT WITH ECN  
CAPITAL (AVIATION) CORP.**

Upon the motion dated February 28, 2017 [Docket No. 1772] (the "**Motion**")<sup>1</sup> of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the "**Debtors**"), pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Rules 6004(h) and 9019 of the Federal

<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

Rules of Bankruptcy Procedure seeking the authority to enter into, and perform under, a settlement agreement (together with all exhibits to such agreement, the “**Settlement Agreement**”), between the Debtors and ECN Capital Aviation Corp. and its affiliates (the “**Lessor**”, together with the Debtors, the “**Parties**”), and upon consideration of the Del Genio Declaration, and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to the Lessor; and (x) all parties

who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.
2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Settlement Agreement.
3. The Settlement Agreement, and the transactions contemplated therein, represents a valid exercise of the Debtors’ business judgment and are hereby approved in their entirety.
4. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Settlement Agreement.
5. Upon the effectiveness of the Settlement Agreement and as set forth in more detail in the Settlement Agreement, and without the need for the Lessor to file proofs of claim or request for payment or take any other action, the Lessor shall receive separate and distinct stipulated, allowed general unsecured non-priority pre-petition claims against the estates of the Debtors as set forth below:

- a. an Allowed Primary General Unsecured Claim in CHC Helicopters (Barbados) SRL's Class 7 General Unsecured Claims class of \$85,700,000; and
- b. an Allowed Secondary General Unsecured Claim in CHC Helicopter S.A.'s Class 7 General Unsecured Claims class of \$85,700,000; and
- c. an Allowed Secondary General Unsecured Claim in CHC Helicopter Holding S.à.r.l.'s Class 7 General Unsecured Claims class of \$85,700,000; and
- d. an Allowed Secondary General Unsecured Claim in 6922767 Holding S.à.r.l.'s Class 7 General Unsecured Claims class of \$85,700,000; and
- e. an Allowed Secondary General Unsecured Claim in Heli-One Leasing ULC's Class 7 General Unsecured Claims class of \$85,700,000.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

7. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

8. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

### END OF ORDER ###

Respectfully Submitted,

**DEBEVOISE & PLIMPTON LLP**

*/s/ Jasmine Ball*

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-and-

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*Attorneys for Debtors and Debtors in Possession*