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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

WAYPOINT LEASING HOLDINGS LTD., *et al.*,

Debtors.¹

)
) Chapter 11
)
) Case No. 18-13648 (SMB)
)
) Jointly Administered
)

**LIMITED OBJECTION TO THE DEBTORS' NOTICE OF ASSUMPTION,
ASSIGNMENT AND CURE AMOUNT WITH RESPECT TO EXECUTORY
CONTRACTS AND UNEXPIRED LEASES OF DEBTORS**

CHC Leasing S.A.R.L., CHC Leasing (Ireland) DAC, CHC Helicopters (Barbados) SRL,
CHC Helicopters (Barbados) Limited, and Heliworld Leasing Limited (collectively, "**CHC**"),
hereby submit this limited objection (the "**Objection**") to the Debtors' *Notice of Assumption,
Assignment and Cure Amount With Respect to Executory Contracts and Unexpired Leases of
Debtors* [Docket No. 180] (the "**Notice of Assumption**"), and respectfully states as follows:

Background

1. On November 25, 2018 (the "**Petition Date**"), the Debtors each commenced a
voluntary case under chapter 11 of the Bankruptcy Code.

¹ A list of the Debtors in these Chapter 11 Cases, along with the last four digits of each
Debtor's federal tax identification number, is attached hereto as **Exhibit A**.

2. On December 10, 2018, the Debtors filed the *Motion of Debtors for Entry of Orders Approving: (I) (A) Bidding Procedures, (B) Bid Protections, (C) Form and Manner of Notice of Auction, Sale Transaction, and Sale Hearing, and (D) Procedures for the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (II) (A) Sale of Substantially All of the Debtors' Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests, (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Related Relief* [Docket No. 64] (the “**Bidding Procedures Motion**”).

3. Among other things, the Bidding Procedures Motion seeks authority to pursue a sale process for substantially all of the Debtor's assets. In connection with the Debtors' sale process, the Debtors entered into a Stock and Asset Purchase Agreement with Macquarie Rotorcraft Leasing Holdings Limited (the “**Stalking Horse Purchaser**”), who will serve as the staking horse bidder for substantially all of the Debtors' assets.

4. On December 21, 2018, the Court entered an order approving the Bidding Procedures Motion [Docket No. 159] (the “**Bidding Procedures Order**”). Among other things, the Bidding Procedures Order authorized and approved certain procedures for the assumption and assignment of the Debtors' executory contracts and unexpired leases and the determination of cure costs related thereto.

5. Pursuant to the Bidding Procedures Order, any objection to the Debtors' proposed assumption and assignment of unexpired leases pursuant to section 365 of the Bankruptcy Code must be filed by January 16, 2019 at 5:00 pm (ET).

Limited Objection

6. Prior to the Petition Date, the Debtors and CHC entered into various aircraft lease agreements (the “**CHC Leases**”). The Debtors and CHC have also entered into various executory contracts related to aircraft maintenance, repair and overhaul services.²

7. The Notice of Assumption lists 21 CHC Leases as unexpired leases that the Debtors propose to assume and assign to the Stalking Horse Purchaser, as well as the proposed cure amounts for each such lease.

8. Section 365 of the Bankruptcy Code permits a debtor to assume or reject an unexpired lease in its discretion. However, section 365 makes clear that an unexpired lease may only be assumed if the debtor satisfies certain statutory conditions, including curing all monetary defaults. 11 U.S.C. § 365(b)(1)(A). *See also ReGen Capital I, Inc. v. Halperin (In re Wireless Data, Inc.)*, 547 F.3d 484, 489 (2d Cir. 2008) (“It is particularly important for a bankruptcy court to know to what degree a debtor is in default on an executory contract because a debtor cannot assume such a contract unless the debtor satisfies several statutory conditions designed to make the non-debtor contracting party whole.”). “The resolution of these claims, generally referred to as ‘cure claims,’ strives to restore the ‘debtor-creditor relationship ... to pre-default conditions,’ bringing the contract back into compliance with its terms.” *Id.* (internal citations omitted). *See also In re Ionosphere Clubs, Inc.*, 85 F.3d 992, 999 (2d Cir.1996) (“Congress’s intent in imposing these conditions on the ability of the debtor to assume the contract was to insure that the contracting parties receive the full benefit of their bargain if they are forced to continue performance.”).

² To date, the Debtors have not filed any notices regarding the assumption and/or assignment of such contracts.

9. While CHC has no objection to the assumption and related assignment of the CHC Leases to the Stalking Horse Purchaser upon payment of the appropriate cure amount, CHC hereby objects to the proposed cure amounts listed in the Notice of Assumption with respect to 10 of the CHC Leases. Set forth on **Exhibit B** are the actual and correct amounts necessary to cure all existing monetary defaults under the CHC Leases, as of the date of this Objection.³ Such amounts include, among other things, the Debtors' obligations under the various CHC Leases for storage, maintenance, insurance, parts and modifications.

10. CHC also objects to the proposed assumption of the CHC Leases to the extent that the Debtors fail to satisfy any amounts that will become due and owing under the CHC Leases prior to the assumption of the CHC Leases in connection with the closing of any sale.

11. Lastly, CHC also objects to the extent the Debtors seek to assume the CHC Leases without assuming all related agreements and contracts. "When the debtor assumes the lease or the contract under § 365, it must assume both the benefits and the burdens of the contract. Neither the debtor nor the bankruptcy court may excise material obligations owing to the non-debtor contracting party." *Empire State Bldg. Co. v. New York Skyline, Inc. (In re New York Skyline, Inc.)*, 432 B.R. 66, 77 (Bankr.S.D.N.Y.2010). This principle also applies when the agreement between the parties consists of several related agreements that all form part of the same integrated transaction. *Id. See also In re Physiotherapy Holdings, Inc.*, 538 B.R. 225, 234 (D. Del. 2015) (holdings that several separate agreements constitute one integrated agreement for the purpose of assumption under section 365).

12. Here, the CHC Leases are part of a complex leasing arrangement between the Debtors and CHC regarding the operation of numerous aircraft. The CHC Leases therefore

³ For the avoidance of doubt, CHC only disputes the proposed cure amounts for the CHC Leases that are listed as "Disputed" in the column titled "Status" on Exhibit B.

cannot be separated from the related operative agreements that form an integral part of the lease transaction for the applicable aircraft.

13. Therefore, any order approving the assumption of the CHC Leases must make clear that each related operative document to which a Debtor is a party that is integral to such transaction, whether explicitly listed in the schedule of unexpired leases or not, shall be assumed by the Debtors if the related aircraft lease is assumed.

14. CHC intends to confer with the Debtors in an attempt to reach a consensual resolution of the issues addressed herein prior to the sale hearing, including by providing additional detail and explanation regarding its cure calculations. CHC is hopeful that the parties will be able to reach a consensual resolution of these issues.

15. CHC expressly reserves the right to make such other and further objections as may be appropriate, including the right to amend, modify and supplement this Objection. In addition, nothing set forth herein shall be construed as a waiver, release, discharge or disallowance of any and all administrative and pre-petition claims against the Debtors.

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WHEREFORE, CHC respectfully request that the Court (i) deny the proposed assumption of the CHC Leases unless the Debtors cure all monetary defaults as of the date of assumption and (ii) grant such other and further relief as it deems just and proper.

January 16, 2019
New York, New York

/s/ Jasmine Ball

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Limited, and Heliworld Leasing Limited*

Exhibit A

Debtor	Last 4 Digits of Tax ID Number	Debtor	Last 4 Digits of Tax ID Number
Waypoint Leasing Holdings Ltd.	2899	AE Helicopter (5) Limited	N/A
Waypoint Leasing (Luxembourg) S.à r.l.	7041	AE Helicopter (6) Limited	N/A
Waypoint Leasing (Ireland) Limited	66	MSN 31141 Trust	N/A
Waypoint Asset Co 10 Limited	2503	MSN 31492 Trust	N/A
MSN 2826 Trust	N/A	MSN 36458 Trust	N/A
MSN 2879 Trust	N/A	MSN 760543 Trust	N/A
Waypoint Asset Co 11 Limited	3073	MSN 760551 Trust	N/A
MSN 2905 Trust	N/A	MSN 760581 Trust	N/A
Waypoint Asset Co 12 Limited	0541	MSN 760628 Trust	N/A
MSN 20042 Trust	N/A	MSN 760631 Trust	N/A
MSN 41202 Trust	N/A	MSN 760682 Trust	N/A
MSN 920280 Trust	N/A	MSN 920022 Trust	N/A
Waypoint Asset Co 1E Limited	6089	MSN 920062 Trust	N/A
Waypoint Asset Euro 1F Limited	7099	MSN 920125 Trust	N/A
MSN 20093 Trust	N/A	MSN 9229 AS	N/A
Waypoint Asset Malta 1A Limited	2966	Waypoint Asset Co 3A Limited	6687
Waypoint Leasing Singapore 1 Pte. Limited	2403	MSN 41371 Trust	N/A
Waypoint Leasing UK 1A Limited	2226	Waypoint Asset Euro 1A Limited	9804
Waypoint Asset Co 14 Limited	1585	MSN 4466 Trust	N/A
Waypoint Asset Co 15 Limited	1776	MSN 4469 Trust	N/A
Waypoint Asset Co 3 Limited	3471	MSN 6655 Trust	N/A

Debtor	Last 4 Digits of Tax ID Number	Debtor	Last 4 Digits of Tax ID Number
MSN 6658 Trust	N/A	Waypoint Asset Funding 6 LLC	4964
Waypoint 760626 Business Trust	N/A	Waypoint Asset Co 7 Limited	9689
MSN 7152 Trust	N/A	Waypoint Asset Euro 7A Limited	2406
MSN 7172 Trust	N/A	Waypoint Asset Co 8 Limited	2532
Waypoint Asset Funding 3 LLC	4960	MSN 31041 Trust	N/A
Waypoint Asset Malta Ltd	5348	MSN 31203 Trust	N/A
Waypoint Leasing Labuan 3A Limited	8120	MSN 31578 Trust	N/A
Waypoint Leasing UK 3A Limited	0702	MSN 760617 Trust	N/A
Waypoint Asset Co 4 Limited	0301	MSN 760624 Trust	N/A
Waypoint Asset Co 5 Limited	7128	MSN 760626 Trust	N/A
MSN 1251 Trust	N/A	MSN 760765 Trust	N/A
MSN 14786 Trust	N/A	MSN 920063 Trust	N/A
MSN 2047 Trust	N/A	MSN 920112 Trust	N/A
MSN 2057 Trust	N/A	Waypoint 206 Trust	N/A
Waypoint Asset Co 5B Limited	2242	Waypoint 407 Trust	N/A
Waypoint Leasing UK 5A Limited	1970	Waypoint Asset Euro 1B Limited	3512
Waypoint Asset Co 6 Limited	8790	Waypoint Asset Euro 1C Limited	1060
MSN 31042 Trust	N/A	MSN 20012 Trust	N/A
MSN 31295 Trust	N/A	MSN 20022 Trust	N/A
MSN 31308 Trust	N/A	MSN 20025 Trust	N/A
MSN 920119 Trust	N/A	MSN 920113 Trust	N/A

Debtor	Last 4 Digits of Tax ID Number	Debtor	Last 4 Digits of Tax ID Number
Waypoint Asset Funding 8 LLC	4776	Waypoint Asset Co Germany Limited	5557
Waypoint Leasing UK 8A Limited	2906	MSN 31046 Trust	N/A
Waypoint Leasing US 8A LLC	8080	MSN 41511 Trust	N/A
Waypoint Asset Co 9 Limited	6340	MSN 760608 Trust	N/A
MSN 20052 Trust	N/A	MSN 89007 Trust	N/A
MSN 31312 Trust	N/A	MSN 920141 Trust	N/A
MSN 41329 Trust	N/A	MSN 920152 Trust	N/A
MSN 760538 Trust	N/A	MSN 920153 Trust	N/A
MSN 760539 Trust	N/A	MSN 920273 Trust	N/A
MSN 760541 Trust	N/A	MSN 920281 Trust	N/A
MSN 760542 Trust	N/A	MSN 9205 Trust	N/A
Waypoint Asset Co 1B Limited	5795	MSN 9229 Trust	N/A
MSN 41272 Trust	N/A	Waypoint Asset Co 1A Limited	1208
Waypoint Asset Co 5A Limited	4148	Waypoint Leasing Labuan 1A Limited	2299
MSN 69052 Trust	N/A	Waypoint Asset Co 1C Limited	0827
Waypoint Asset Euro 9A Limited	2276	Waypoint Asset Co 1D Limited	7018
Waypoint Asset Euro 1E Limited	6050	Waypoint Asset Co 1F Limited	6345
Waypoint Leasing UK 9A Limited	5686	Waypoint Asset Co 1G Limited	6494
Waypoint Asset Sterling 9A Limited	1161	Waypoint Asset Co 1H Limited	7349
Waypoint Asset Company Number 1 (Ireland) Limited	6861	Waypoint Asset Co 1J Limited	7729
Waypoint Asset Euro 1D Limited	1360	MSN 20159 Trust	N/A

Debtor	Last 4 Digits of Tax ID Number	Debtor	Last 4 Digits of Tax ID Number
Waypoint Asset Co 1L Limited	2360	MSN 31431 Trust	N/A
Waypoint Asset Co 1M Limited	5855	MSN 760734 Trust	N/A
Waypoint Asset Co 1N Limited	3701	MSN 920024 Trust	N/A
Waypoint Asset Euro 1G Limited	4786	MSN 920030 Trust	N/A
Waypoint Asset Funding 1 LLC	7392	Waypoint Asset Funding 2 LLC	7783
Waypoint Leasing UK 1B Limited	0592	Waypoint Asset Co 1K Limited	2087
Waypoint Leasing UK 1C Limited	0840	Waypoint Leasing Services LLC	8965
Waypoint Asset Company Number 2 (Ireland) Limited	7847	Waypoint Leasing (Luxembourg) Euro S.à r.l.	8928
Waypoint 2916 Business Trust	N/A		

Exhibit B

Row No.	MSN	CHC Lessee	Debtor Lessor	Waypoint Cure Amount	CHC Cure Amount	Status
53	31046	CHC Leasing S.A.R.L.	MSN 31046 Trust	\$0.00	\$0.00	Agreed
58	31203	CHC Helicopters (Barbados) SRL	Waypoint Leasing UK 8A Limited	\$85,241.00	\$901,418.00	Disputed
61	31308	CHC Leasing S.A.R.L.	MSN 31308 Trust	\$0.00	\$0.00	Agreed
63	31319	Heliworld Leasing Limited	AE Helicopter (5) Limited	\$0.00	\$0.00	Agreed
64	31320	Heliworld Leasing Limited	AE Helicopter (6) Limited	\$0.00	\$0.00	Agreed
65	31387	CHC Leasing S.A.R.L.	Waypoint Asset Co 12 Limited	\$0.00	\$0.00	Agreed
66	31406	CHC Leasing S.A.R.L.	Waypoint Asset Company Number 1 (Ireland) Limited	\$0.00	\$0.00	Agreed
67	31407	CHC Leasing S.A.R.L.	Waypoint Asset Company Number 1 (Ireland) Limited	\$18,570.00	\$334,057.00 ⁴	Disputed
70	31431	CHC Helicopters (Barbados) SRL	MSN 31431 Trust	\$165,100.00	\$490,431.00	Disputed
71	31444	Heliworld Leasing Limited	Waypoint Asset Co 1H Limited	\$0.00	\$0.00	Agreed
73	31492	CHC Helicopters (Barbados) SRL	MSN 31492 Trust	\$0.00	\$45,200.00	Disputed
74	31498	CHC Leasing S.A.R.L.	Waypoint Asset Co 3 Limited	\$35,209.00	\$221,161.00	Disputed

⁴ This amount includes certain charges due to CHC related to betterment/detriment adjustments under the applicable CHC Lease.

Row No.	MSN	CHC Lessee	Debtor Lessor	Waypoint Cure Amount	CHC Cure Amount	Status
127	920024	CHC Leasing S.A.R.L.	MSN 920024 Trust	\$0.00	\$0.00	Agreed
128	920030	CHC Leasing S.A.R.L.	Waypoint Asset Company Number 2 (Ireland) Limited	\$150,000.00	\$150,000.00	Agreed
129	920047	CHC Leasing S.A.R.L.	Waypoint Asset Company Number 2 (Ireland) Limited	\$0.00	\$0.00	Agreed
132	920113	CHC Leasing S.A.R.L.	MSN 920113 Trust	\$0.00	\$301,915.00	Disputed
133	920117	CHC Helicopters (Barbados) Limited	Waypoint Asset Co 6 Limited	\$0.00	\$533,619.00	Disputed
135	920141	CHC Leasing S.A.R.L.	MSN 920141 Trust	\$0.00	\$301,915.00	Disputed
136	920150	CHC Leasing (Ireland) DAC	Waypoint Asset Company Number 1 (Ireland) Limited	\$0.00	\$0.00	Agreed
137	920152	CHC Leasing S.A.R.L.	MSN 920152 Trust	\$0.00	\$64,915.00	Disputed
138	920153	CHC Leasing S.A.R.L.	MSN 920153 Trust	\$0.00	\$64,915.00	Disputed