United States Bankruptcy Co

Claim #469 Date Filed: 8/25/2016

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- ■ CHC Group Ltd. (Case No. 16-31854)
- ☐ 6922767 Holding SARL (Case No. 16-31855)
- ☐ Capital Aviation Services B.V. (Case No. 16-31856)
- ☐ CHC Cayman ABL Borrower Ltd. (Case No. 16-31857)
- ☐ CHC Cayman ABL Holdings Ltd. (Case No. 16-31858)
- ☐ CHC Cayman Investments I Ltd. (Case No. 16-31859)
- ☐ CHC Den Helder B.V. (Case No. 16-31860)
- ☐ CHC Global Operations (2008) ULC (Case No. 16-31862)
- ☐ CHC Global Operations Canada (2008) ULC (Case No. 16-31870)
- ☐ CHC Global Operations International ULC (Case No. 16-31879)
- ☐ CHC Helicopter (1) S.À R.L. (Case No. 16-31892)
- ☐ CHC Helicopter (2) S.À R.L. (Case No. 16-31895)
- ☐ CHC Helicopter (3) S.À R.L. (Case No. 16-31878)
- ☐ CHC Helicopter (4) S.À R.L. (Case No. 16-31882)
- ☐ CHC Helicopter (5) S.À R.L. (Case No. 16-31890)
- ☐ CHC Helicopter Australia Pty. Ltd. (Case No. 16-31872)
- ☐ CHC Helicopter Holding S.À R.L. (Case No. 16-31875)
- ☐ CHC Helicopter S.A. (Case No. 16-31863)
- ☐ CHC Helicopters (Barbados) Limited (Case No. 16-31865)
- ☐ CHC Helicopters (Barbados) SRL (Case No. 16-31867)
- ☐ CHC Holding (UK) Limited (Case No. 16-31868)
- ☐ CHC Holding NL B.V. (Case No. 16-31874)
- ☐ CHC Hoofddorp B.V. (Case No. 16-31861)
- ☐ CHC Leasing (Ireland) Limited (Case No. 16-31864)
- ☐ CHC Netherlands B.V. (Case No. 16-31866)
- ☐ CHC Norway Acquisition Co AS (Case No. 16-31869)
- ☐ Heli-One (Netherlands) B.V. (Case No. 16-31871)
- ☐ Heli-One (Norway) AS (Case No. 16-31876)
- ☐ Heli-One (U.S.) Inc. (Case No. 16-31881)
- ☐ Heli-One (UK) Limited (Case No. 16-31888)
- ☐ Heli-One Canada ULC (Case No. 16-31893)
- ☐ Heli-One Holdings (UK) Limited (Case No. 16-31894)
- ☐ Heli-One Leasing (Norway) AS (Case No. 16-31886)
- ☐ Heli-One Leasing ULC (Case No. 16-31891)
- ☐ Heli-One USA Inc. (Case No. 16-31853)
- ☐ Heliworld Leasing Limited (Case No. 16-31889)
- ☐ Integra Leasing AS (Case No. 16-31885)
- ☐ Lloyd Bass Strait Helicopters Pty. Ltd. (Case No. 16-31883)
- ☐ Lloyd Helicopter Services Limited (Case No. 16-31873)
- ☐ Lloyd Helicopter Services Pty. Ltd. (Case No. 16-31877)
- ☐ Lloyd Helicopters International Pty. Ltd. (Case No. 16-31880)
- ☐ Lloyd Helicopters Pty. Ltd. (Case No. 16-31884)
- ☐ Management Aviation Limited (Case No. 16-31887)

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AUG 25 2016

☒ Date Stamped Copy Returned
☐ No self addressed stamped envelope
☐ No copy to return

Official Form 410
Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. **Who is the current creditor?**
   Aircraft MSN 31208 Trust; and The Milestone Aviation Group Limited (on behalf of itself and its affiliates identified in the attached Schedule)
   Name of the current creditor (the person or entity to be paid for this claim)
   Other names the creditor used with the debtor _____

2. **Has this claim been acquired from someone else?**
   ■ No
   ☐ Yes. From whom? _____

3. **Where should notices and payments to the creditor be sent?**
   Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

   Where should notices to the creditor be sent?
   See section VI of the attached Schedule
   Name
   Number Street
   City State ZIP Code
   Country
   Contact phone _____
   Contact email _____

   Where should payments to the creditor be sent? (if different)
   Name
   Number Street
   City State ZIP Code
   Country
   Contact phone _____
   Contact email _____

4. **Does this claim amend one already filed?**
   ■ No
   ☐ Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**
   ■ No
   ☐ Yes. Who made the earlier filing? _____



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**
   - ☒ No
   - ☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ___ ___ ___ ___

7. **How much is the claim?** $ See attached. **Does this amount include interest or other charges?**
   - ☐ No
   - ☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**
   Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
   Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
   Limit disclosing information that is entitled to privacy, such as health care information.
   See attached

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9. **Is all or part of the claim secured?**
   - ☐ No
   - ☒ Yes. The claim is secured by a lien on property.

   Nature of property:
   - ☐ Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
   - ☐ Motor vehicle
   - ☒ Other. Describe: See attached

   Basis for perfection: See attached
   Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

   Value of property: $ See attached
   Amount of the claim that is secured: $ See attached
   Amount of the claim that is unsecured: $ See attached (The sum of the secured and unsecured amount should match the amount in line 7.)

   Amount necessary to cure any default as of the date of the petition: $_____

   Annual Interest Rate (when case was filed)_____%
   - ☐ Fixed
   - ☐ Variable

10. **Is this claim based on a lease?**
    - ☐ No
    - ☒ Yes. **Amount necessary to cure any default as of the date of the petition.** $ See attached

11. **Is this claim subject to a right of setoff?**
    - ☐ No
    - ☒ Yes. Identify the property: See attached

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No

☐ Yes. *Check all that apply:* **Amount entitled to priority**

- ☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). $_____
- ☐ Up to $2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). $_____
- ☐ Wages, salaries, or commissions (up to $12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). $_____
- ☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). $_____
- ☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). $_____
- ☐ Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies. $_____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

13. **Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?**

☒ No

☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

$_____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

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[illegible]

☒ I am the creditor.

☐ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/23/2016
MM / DD / YYYY

Mark England
Signature

Print the name of the person who is completing and signing this claim:

Name: MARK (First name) RICHARD (Middle name) ENGLAND (Last name)

Title: ASSISTANT SECRETARY

Company: The Milestone Aviation Group Limited, on behalf of itself and its affiliates identified herein, as Beneficial Holder
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address: Minerva House, 2nd Floor, Simmonscourt Road, Ballsbridge
Number Street

Dublin 4 (City) (State) (ZIP Code) Ireland (Country)

Contact phone: +353 1 216 5706 Email: mengled@milestoneaviation.com

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

- ☒ No
- ☐ Yes. *Check all that apply:*

Amount entitled to priority

- ☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). $_____
- ☐ Up to $2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). $_____
- ☐ Wages, salaries, or commissions (up to $12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). $_____
- ☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). $_____
- ☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). $_____
- ☐ Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies. $_____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

13. **Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?**

- ☒ No
- ☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

$_____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

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KURTZMANCARSONCONSULTANTS

- ☒ I am the creditor.
- ☐ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 08/23/2016
MM / DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name: Jacqueline Solone
First name | Middle name | Last name

Title: Assistant Vice President

Company: Wilmington Trust Company, not in its individual capacity, but solely as Statutory Trustee for Aircraft MSN 31208 Trust
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address: 1100 North Market Square
Number | Street

Wilmington | Delaware | 19890 | United States
City | State | ZIP Code | Country

Contact phone: 302-636-6000 Email: _____

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

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

SCHEDULE TO PROOF OF CLAIM ASSERTED BY AIRCRAFT MSN 31208 TRUST AND THE MILESTONE AVIATION GROUP LIMITED

I. NAME OF CLAIMANT

1. This claim is being asserted (pursuant to this "Proof of Claim") by Aircraft MSN 31208 Trust (the "Trust"), by and through Wilmington Trust Company, not in its individual capacity, but solely as Statutory Trustee for the Trust (the "Trustee"), for the benefit of The Milestone Aviation Asset Holding Group No. 25 Ltd. (together with The Milestone Aviation Group Limited, "Milestone," and Milestone, together with the Trust, the "Aircraft Creditors"), as Beneficial Owner, against certain of the above-captioned chapter 11 debtors identified in **Exhibit A** hereto (collectively, the "Debtor Obligors") in connection with (i) that certain aircraft lease agreement between CHC Helicopters (Barbados) Limited and the Trust, for the benefit of Milestone; and (ii) those certain guarantees, subleases and other operative documents related thereto.[1]

[1] Pursuant to the Stipulation and Agreed Order Regarding Proofs of Claim Filed by the Parties Set Forth on Exhibit B [Docket No. 775] (the "Stipulation"), the Trust is authorized to file against CHC Group Ltd., Case No. 16-31854, this single proof of claim on behalf of Milestone. Pursuant to the Stipulation, the Aircraft Creditors are deemed to have filed a proof of claim in the amounts set forth herein in respect of its separate and distinct claims against each of the Debtor Obligors, as if specifically asserted and filed against each of them.

II. BASIS OF CLAIM

2. Pursuant to that certain lease agreement executed by the Trust, as Lessor, and Debtor CHC Helicopters (Barbados) Limited (the "Lessee"), as Lessee (as amended, supplemented or modified from time to time, collectively, the "Lease Agreement"), the Trust leased to the Lessee the aircraft set forth in **Exhibit B** hereto (collectively with all related engines, gearboxes, rotor blades, rotors components, other parts and components, books and records, and other items subject to the Lease Agreements and Operative Documents (as defined below), the "Aircraft").

3. Pursuant to that certain Trust Agreement (as amended, supplemented or modified from time to time, the "Trust Agreement") between the Trust, Milestone and the Trustee, the Trust accepted title to the Aircraft, to be held in trust for Milestone with the Trustee as statutory trustee of the Trust, with all payments and receipts in respect of the Aircraft to be paid to Milestone as beneficial owner.

4. Pursuant to that certain Aircraft Specific Lease Agreement and Aircraft Lease General Terms Agreement (as amended, supplemented or modified from time to time, the "Sublease Agreement"), the Aircraft are subleased by the Lessee to CHC Scotia Limited, a non-Debtor affiliate (the "Sublessee").

5. The Trust holds all rights, title and interest, present and future, against the Sublessee under the Sublease Agreement pursuant to that certain Assignment of Sublease (as amended, supplemented or modified from time to time, the "Assignment"), the Lessee has assigned to the Trust all rights, title and interest against the Sublessee under the Sublease Agreement.

6. Pursuant to that certain Guarantee and Indemnity (as amended,

supplemented or modified from time to time, the "Guarantee Agreement" and, together with the Lease Agreement, Trust Agreement, Sublease Agreement, Aircraft Lease General Terms Agreement, Assignment, and other operative documents in connection therewith, the "Operative Documents"),[2] Debtor CHC Group Ltd. (the "Guarantor") guaranteed to the Trust the obligations of the Obligors (as defined in the Guarantee Agreement). A table showing the Guarantor, Lessee and Sublessee of the Aircraft is attached hereto as **Exhibit B**.

7. On May 5, 2016 (the "Petition Date"), CHC Group Ltd. and certain of its affiliates (collectively, the "Debtors") filed voluntary petitions for relief under title 11 of chapter 11 of the United States Code (the "Bankruptcy Code").

8. On June 30, 2016, the Bankruptcy Court entered an *Order Granting Debtors' First Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* (the "First Rejection Order") [Dkt. No. 428], as well as an *Order Granting Debtors' Second Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* (the "Second Rejection Order," together with the First Rejection Order, the "Rejection Orders") [Dkt. No. 427].

9. While the Debtors have not, as of the date of filing this Proof of Claim, sought to reject the Lease Agreement, the Debtors may ultimately file a notice to reject it. Thus, this Proof of Claim includes lease rejection claims with respect to the Lease Agreement. Consistent with the Rejection Orders, the Aircraft Creditors reserve the right to amend this Proof of Claim and to assert additional claims (including administrative expense claims).

III. AMOUNT AND NATURE OF CLAIM

Unpaid Basic Rent and Supplemental Rent

[2] Due to their voluminous nature, the Operative Documents are not attached hereto but can be obtained from Milestone's counsel upon reasonable request.

10. As of the Petition Date, the unpaid Basic Rent (as defined in the Operative Documents) owing to the Aircraft Creditors by the Debtor Obligors under the Operative Documents for the Aircraft is not less than **$401,832**.

11. Pursuant to the Lease Agreement, "Supplemental Rent" is defined as:

> any amount (other than Basic Rent) payable under this Lease by Lessee to Lessor or any other Person, including without limitation, the Agreed Value, the Termination Sum, payments payable under Exhibit 5, indemnification payments, costs or expenses (including legal fees) incurred by Lessor in connection with the exercise of any right or remedy under this Lease or the enforcement of this Lease, including the indemnification provisions and in connection with the repossession, recovery, storage, repair, sale, re-lease or other disposition of the Aircraft following a Default or Event of Loss.

12. "Supplemental Rent" includes, but is not limited to, amounts payable on account of:

- interest at the Past Due Rate (i) on any part of any installment of Basic Rent not paid when due for any period for which the same shall be overdue and (ii) on any payment of Supplemental Rent from the date payment thereof is due until payment thereof is made in full,
- the failure to withhold and pay amounts due to taxing authorities under Section 8 of the Lease Agreement,
- the failure to indemnify Milestone and the Trust from all liabilities, obligations, losses, damages, penalties, claims, actions, suits, demands, costs, expenses, and disbursements (including legal fees and expenses, including legal fees and disbursements incurred to enforce this indemnity) that may be imposed on, incurred by or asserted against Milestone and the Trust in connection with, inter alia, the Aircraft in accordance with Section 11 of the Lease Agreement,
- the failure to maintain insurance, and to assign or remit the proceeds of all insurance or reinsurance maintained in respect of the Aircraft and associated equipment, in accordance with Section 11 of and Exhibits 4 and 10 to the Lease Agreement,

- the failure to return the Aircraft and related records in the condition and manner set forth in Exhibit 5 to the Lease Agreement,[3]

- pursuant to Section 13 of the Lease Agreement, actual or reasonably anticipated costs, expenses (including legal fees and expenses) and other incidental damages and losses associated with Lessor's exercise of its remedies under this Lease Agreement or otherwise incurred by Lessor as a result of an Event of Default or the exercise of rights or remedies with respect thereto, including repossession costs, legal fees, Aircraft storage, preservation, shipment, repair, refurbishment, modification, maintenance and insurance costs, Aircraft re-lease or sale costs (including any costs incurred to prepare the Aircraft for sale or lease, advertising costs, sale or lease costs (including commissions)) and, without duplication, any costs to place the Aircraft in the return condition required under Exhibit 5,

- pursuant to Section 15 of the Lease Agreement, all reasonable documented legal costs, fees and expenses incurred in connection with the Lease Agreement or other Operative Documents, including but not limited to counsel fees and expenses, fees for notarization, translation, legalization, appraisal, inspection and establishment and administration of trusts and fees for relevant aviation authorities, and

- pursuant to Section 13 of the Lease Agreement, upon default by the Debtors, amounts that may be recovered at the election of the Lessor, specifically either (i) or (ii) as set forth below:

  (i) All rent and other amounts which are due and payable under the Lease Agreement, plus

    (a) where Milestone re-leases the Aircraft, an amount equal to the aggregate Basic Rent for the remainder of the lease term calculated to present value at a 4 percent per annum discount rate to the date of payment by the applicable Debtor, minus any amounts of damage mitigation (as provided more specifically in Section 13 of the Lease Agreement) (Section 13(b)(2)(a)(i)), or

---

[3] Milestone has been unable to fully assess (i) the condition of the Aircraft and (ii) the deficiencies in the records by the proof of claim bar date. The Aircraft Creditors expressly reserve their right to amend this proof of claim. In addition to filing this proof of claim, the Aircraft Creditors may file a separate request for administrative expense payment on account of post-petition amounts due for the Aircraft.

(b) where Milestone sells the Aircraft, an amount equal to the excess of the Termination Sum [as defined in exhibits to the respective Lease Agreement] together with certain interest at the Past Due Rate, over the actual net cash proceeds of such sale (in lieu of the Basic Rent due on or after the sale date) (Section 13(b)(2)(a)(ii)).

(ii) Liquidated damages in accordance with the following (Section 13(b)(3)):

> Lessor, by notice to the Lessee specifying a Sale Date that shall not be earlier than ten (10) days nor more than thirty one (31) days from the date of such notice, may demand that Lessee pay ... on the date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty, and in lieu of the Basic Rent for the Aircraft due on or after such Sale Date, the sum of (A) all unpaid Basic Rent payable or that would have been payable on or prior to such Sale Date, plus (B) an amount equal to the Termination Sum [as defined in exhibits to the respective Lease Agreement] for the Aircraft, together with interest at the Past Due Rate on the amount of such sum from the Sale Date specified in such notice until the date of actual payment; and upon such payment of liquidated damages and all other Rent then payable by Lessee hereunder, Lessor shall transfer the Aircraft (including the Aircraft Records) to Lessee or as Lessee may otherwise direct on an AS-IS, WHERE-IS basis.

13. As of the Petition Date, the unpaid Supplemental Rent owing to the Aircraft Creditors by the Debtor Obligors under the Operative Documents for the Aircraft is not less than **$12,878,278**.

Other Amounts Owed

14. In addition to the foregoing, the Aircraft Creditors are or may be owed various contingent and unliquidated sums arising under the Operative Documents or otherwise on account of, but not limited to: taxes; indemnities; costs and expenses; inspection costs;

valuation or appraisal costs; costs of title and lien searches; make-whole amounts; lease rejection damages; subleases or assignments, whether improper or proper under the Operative Documents; improper movement or registration/deregistration of the Aircraft; improper disclosure of confidential information with respect to the Aircraft Creditors; costs arising from breakage, loss, events of loss, or other harm to the Aircraft; any insurance payments associated with the Aircraft, or claims arising from the Debtor Obligors' failure to maintain insurance coverage as required under the Operative Documents; claims arising from, among other things, failure to comply with the maintenance and/or return provisions under the Operative Documents, or failure to comply with rules and regulations from the proper aviation authorities with respect to the Aircraft; or other breaches under the Operative Documents, plus interest, as applicable.

Right of Setoff

15. As security for its claim, the Aircraft Creditors hold security deposits, including deposits under the Lease Agreement, in an aggregate amount not less than **$196,957**.[4] Pursuant to the right of setoff under 11 U.S.C. § 553, the Aircraft Creditors have a secured claim pursuant to 11 U.S.C. § 506(a) against the Debtor in an aggregate amount not less than **$196,957**.

IV. TOTAL AMOUNTS OF SECURED AND UNSECURED CLAIMS

16. Thus, the total aggregate amount of the claims asserted by the Aircraft Creditors against the Debtor Obligors herein (collectively, the "Claims") is not less than:

> **$13,280,110, plus contingent and/or unliquidated sums on account of, but not limited to: taxes; indemnities; costs and expenses; inspection costs; valuation or appraisal costs; costs of title and lien searches; make-whole amounts; lease rejection damages; subleases or assignments, whether improper or proper under the Operative**

[4] The Rejection Orders authorize the exercise of all available rights of setoff, application and recoupment for rejected Aircraft. The Aircraft Creditors reserve all rights under the Rejection Orders to apply security deposits associated with the Aircraft, if it is subsequently rejected, to reduce these claims accordingly.

Documents; improper movement or registration/deregistration of the Aircraft; improper disclosure of confidential information with respect to the Aircraft Creditors; costs arising from breakage, loss, events of loss, or other harm to the Aircraft; any insurance payments associated with the Aircraft, or claims arising from the Debtor Obligors' failure to maintain insurance coverage as required under the Operative Documents; claims arising from, among other things, failure to comply with the maintenance and/or return provisions under the Operative Documents, or failure to comply with rules and regulations from the proper aviation authorities with respect to the Aircraft; or other breaches under the Operative Documents, plus interest, as applicable.

17. Not less than **$196,957** of the foregoing amount is secured as a result of the secured claim resulting from the setoff rights described above. The remainder, not less than **$13,083,153**, is an unsecured claim.

V. RESERVATION OF RIGHTS

18. No judgment has been rendered on the claims contained herein.

19. All payments made prior to the Petition Date, including amounts received by the Aircraft Creditors from third parties (if any), have been credited and deducted for the purpose of making this proof of claim.

20. Nothing contained in this Proof of Claim shall be construed as limiting the rights, remedies and interests of any of the Aircraft Creditors under the Rejection Orders, the Bankruptcy Code (including without limitation sections 365(d)(5) and 553 of the Bankruptcy Code), the Convention on International Interests in Mobile Equipment or the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, any other applicable law, or the Operative Documents (including without limitation the application of setoff under the Lease Agreement or recovery of insurance proceeds or taxes under the applicable law or agreements). The Aircraft Creditors expressly reserve any and all rights of setoff to which they are entitled under 11 U.S.C. § 553 or otherwise.

21. In filing this Proof of Claim, the Aircraft Creditors expressly reserve all of their rights and causes of action, including, without limitation, other contingent or unliquidated rights the Aircraft Creditors may have against the Debtors. The description of the Claims and the classification thereof herein is not a concession or admission as to the correct characterization or treatment of any such rights or a waiver of any of the Aircraft Creditors' rights.

22. Furthermore, the Aircraft Creditors expressly reserve all rights to amend, clarify, modify and/or supplement the Proof of Claim at any time and for any reason, in any respect, including, without limitation to: (a) add or amend documents and other information or to describe further the claims asserted herein; (b) file proofs of claim that may be duplicative in respect of the relevant and applicable documents or any other indebtedness, obligations, or liability of the Debtors to the Aircraft Creditors, (c) add or include any other debtor or any other entity which may become a debtor or debtor-in-possession in any related chapter 11 case and add or amend categories of payments or liabilities, (d) assert a further priority, security interest or similar right with respect to the Claims asserted herein, (e) file an amended Proof of Claim for the purpose of fixing and liquidating any contingent or unliquidated Claims set forth herein, (f) file additional proofs of claim for additional claims, including, without limitation, claims for interest, fees and related expenses that are not ascertainable at this time, or to file a request for the payment of administrative expenses in accordance with sections 365(d)(5), 503 and/or 507 of the Bankruptcy Code, including, without limitation, for expenses included in this claim, or (g) file additional proofs of claim or requests for payment with respect to any other indebtedness, liability or obligations whatsoever of the Debtors (including without limitation under sections 365(d)(5), 503 and/or 507 of the Bankruptcy Code).

23. In executing and filing this Proof of Claim, the Aircraft Creditors do not submit themselves to the jurisdiction of the Court for any purpose other than with respect to this Proof of Claim against the Debtors and do not waive or release: (a) their rights, claims, defenses, and remedies, whether under applicable law, the relevant and applicable documents, or otherwise, against the Debtors or any other person or entity that may be liable for all or part of the claims set forth herein, whether an affiliate or subsidiary of the Debtors, an assignee, guarantor, or otherwise, including any rights the Aircraft Creditors may have with respect to any property held by the Debtors or any other entity in an actual, constructive, or other trust or similar relationship for the benefit of the Aircraft Creditors; (b) any obligation owed to them; (c) any past, present, or future defaults (or events of default) by the Debtors or others in connection with the relevant and applicable documents or otherwise; or (d) any right to the subordination, in favor of the Aircraft Creditors, of indebtedness or liens held by other creditors of the Debtors. The Aircraft Creditors expressly reserve, and do not waive, the right to payment of any amounts due from the Debtors or from any other sources.

24. Nothing contained in the Proof of Claim nor subsequent appearance, pleading, claim or suit is intended to be: (a) a consent to a jury trial in the Bankruptcy Court or any other court in any proceeding as to any and all matters so triable herein or in any case, controversy or proceeding related hereto pursuant to 28 U.S.C. § 157(e) or otherwise; (b) an election of remedies or limitation of rights or remedies; or (c) an admission that any property received by the Aircraft Creditors or held by the Debtors or other entity constitutes property of the Debtors' estate(s).

25. Nothing contained in the Proof of Claim nor subsequent appearance, pleading, claim or suit is intended to be a waiver or release of the Aircraft Creditors' right: (a) to

have final orders in core matters in which the Court does not have authority under the United States Constitution to enter final orders entered only after *de novo* review by a district court judge; (b) to have final orders in non-core matters entered only after *de novo* review by a district court judge; (c) to a jury trial in any proceeding so triable herein or, in any case, any controversy or proceeding related hereto, notwithstanding any designation of such matters as "core proceedings" pursuant to 28 U.S.C. § 157(b)(2), and whether such jury trial is pursuant to statute or the United States Constitution; (d) to seek to have the reference withdrawn in any matter subject to mandatory or discretionary withdrawal, or otherwise to challenge the jurisdiction of the Court, with respect to the subject matter of this Proof of Claim, any objection hereto, or any other proceeding commenced in this case against or otherwise involving the Aircraft Creditors, or to assert that the reference has already been withdrawn with respect to the subject matter of this Proof of Claim, any objection hereto, or any other proceeding commenced in this case against or otherwise involving the Aircraft Creditors; or (e) to any ownership, lien, or other property rights, any rights to setoff, recoupment, or counterclaim, or any other right, rights of action, causes of action, claims, or defenses, whether existing now or hereinafter arising to which the Aircraft Creditors are or may be entitled under agreements, documents, or instruments, in law or equity, against the Debtors or any other person or persons (including any affiliate of the Debtors).

26. Nothing herein shall be deemed to waive, estop or derogate from any rights of the Aircraft Creditors, including, without limitation, the Aircraft Creditors' rights under applicable law, the relevant and applicable documents, or otherwise. The Proof of Claim also is without prejudice to any and all of the Aircraft Creditors' rights, claims and defenses in conjunction with applicable law, the relevant and applicable documents, or the Bankruptcy Code.

27. The descriptions in the Proof of Claim of the relevant and applicable documents are qualified in their entirety by reference to the applicable provisions of such documents, and such documents are incorporated herein by reference. In the event of any inconsistency between the Proof of Claim and such documents, the documents shall control.

28. The Aircraft Creditors expressly reserve all procedural and substantive rights, claims and defenses with respect to any claim that has been or may be asserted against the Aircraft Creditors by the Debtors, any trustee for its estate, any other party in interest in the chapter 11 case, or any other person or entity whatsoever.

VI. NAME AND ADDRESS TO WHICH NOTICES SHOULD BE SENT

29. All communications in connection with this proof of claim should be sent to:

Aircraft MSN 31208 Trust
c/o Wilmington Trust Company
Attn: Corporate Trust Administration
1100 North Market Street
Wilmington, DE 19890-0001
Telephone: (302) 636-6000
Facsimile: (302) 636-4140

The Milestone Aviation Group Limited
Attn: General Counsel
Minerva House, 2nd Floor
Simmonscourt Road, Ballsbridge
Dublin 4
Ireland
E-mail: cwork@milestoneaviation.com

Michael G. Burke, Esq.
Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 839-6742
Facsimile: (212) 839-5599
Email: mgburke@sidley.com

EXHIBIT A

List of Debtor Obligors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
CHC Helicopters (Barbados) Limited	7985

EXHIBIT B

Leased Aircraft

MSN Serial No.	Reg. Mark	Country of Registration	Type	Beneficial Owner	Debtor Guarantor	Debtor Lessee	Non-Debtor Sublessee
31208	G-SARD	UK	AW139	Milestone 25	CHC Group Ltd	CHC Helicopters (Barbados) Limited	CHC Scotia Limited