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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	**Chapter 11**
CHC GROUP LTD., *et al.*,	**Case No. 16-31854(BJH)**
Debtors,	**(Jointly Administered)**
ECN CAPITAL (AVIATION) CORP.,	**Adv. No. 16-03151-bjh**
Plaintiff,	**Declaration of Pietro J. Signoracci in Support of Plaintiff's Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention**
v.	
AIRBUS HELICOPTERS (SAS),	
Defendant.	

1631854170321000000000002

I, Pietro J. Signoracci, declare, under penalty of perjury, pursuant to 28 U.S.C. § 1746, as follows:

1. I am an attorney at law associated with the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP, with offices at 1285 Avenue of the Americas, New York, NY 10019, (212) 373-3000, psignoracci@paulweiss.com. I have personal knowledge of the facts set forth herein, and could and would testify thereto if called as a witness.

2. This declaration is made in support of Plaintiff ECN Capital (Aviation) Corp.'s (f/k/a Element Capital Corp.) ("ECN Capital") Supplemental Memorandum on Post-Hearing Developments Related to Personal Jurisdiction and Abstention.

3. Attached as **Exhibit A** is a true and correct copy of the Special Appearance of Defendant Airbus Helicopters, S.A.S. filed in *Era Group Inc.* v. *Airbus Helicopters, Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., Dall. County, filed Nov. 21, 2016) on January 12, 2017.

4. Attached as **Exhibit B** is a true and correct copy of the Declaration of Michel Gouraud in Support of Defendant Airbus Helicopters, S.A.S.'s Special Appearance filed in *Era Group Inc.* v. *Airbus Helicopters, Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., Dall. County, filed Nov. 21, 2016) on January 12, 2017.

5. Attached as **Exhibit C** is a true and correct copy of the Complaint filed in *Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., Dall. County, filed Jul. 28, 2016) on July 28, 2016.

6. Attached as **Exhibit D** is a true and correct copy of the First Amended Petition filed in *Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., Dall. County, filed Jul. 28, 2016) on February 7, 2017.

7. Attached as **Exhibit E** is a true and correct copy of Defendant Airbus Helicopters, S.A.S.'s Notice of Withdrawal of Special Appearance filed in *Era Group Inc.* v. *Airbus Helicopters, Inc. et al.*, DC-16-15017 (Tex. Dist. Ct., filed Nov. 21, 2016) on March 17, 2017.

8. Attached as **Exhibit F** is a true and correct copy of the website for the HAI Heli-Expo, a major helicopter industry event, which occurred in Dallas, Texas, on March 6-9, 2017, http://heliexpo.rotor.org/ (last visited Mar. 17, 2017).

9. Attached as **Exhibit G** is a true and correct copy of Airbus Press Release, Airbus Helicopters Wraps Up a Successful Heli-Expo 2017 in Dallas, dated March 10, 2017.

10. Attached as **Exhibit H** is a true and correct copy of the Notice of Deposition of Guillaume Faury served in *Wells Fargo Bank Northwest N.A.* v. *Airbus Helicopters Inc. et al.*, DC-16-09090 (Tex. Dist. Ct., Dall. County, filed Jul. 28, 2016) on March 8, 2017.

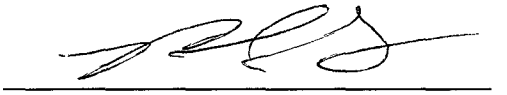
11. Attached as **Exhibit I** is a true and correct copy of an email from Eric Strain to Pietro Signoracci, which includes information regarding Airbus's corporate structure, dated February 14, 2017.

12. Attached as **Exhibit J** is a true and correct copy of an excel spreadsheet, titled "Order Bookings – AH Group," sent via email from Eric Strain to Pietro Signoracci on February 14, 2017.

13. Attached as **Exhibit K** is a true and correct copy of the Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 1 Petitions and First Day Relief filed by the Debtors as Docket No. 13 in the Bankruptcy Cases on May 5, 2016.

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

Executed on March 20, 2017
New York, New York



Pietro J. Signoracci

CERTIFICATE OF SERVICE

I hereby certify that, on March 20, 2017, I caused the foregoing Declaration of Pietro J. Signoracci to be filed with the Court via CM/ECF and served on all parties requesting electronic notification, including the following counsel of record for the Defendant:

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/s/ *Martin Flumenbaum*
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Exhibit A

FILED
DALLAS COUNTY
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FELICIA PITRE
DISTRICT CLERK

CAUSE NO. DC-16-15017

ERA GROUP INC., Plaintiff, v. AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S., Defendants.	IN THE DISTRICT COURT 116TH JUDICIAL DISTRICT DALLAS COUNTY, TEXAS

SPECIAL APPEARANCE OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.

Defendant Airbus Helicopters, S.A.S. ("AH France") makes this special appearance pursuant to TEX. R. CIV. P. 120(a) to object to the Court's exercise of personal jurisdiction over it, and in support thereof would show as follows:

I.
INTRODUCTION

AH France is a French company headquartered in France where it designs, obtains certification of, manufactures and sells helicopters, including a model known as the "Super Puma." AH France does not have a place of business in Texas and does not transact business in Texas. Plaintiff Era Group, Inc. ("Era") alleges that AH France fraudulently induced it to purchase ten Super Puma helicopters that Era claims are defective and do not conform to express and implied warranties. AH France, however, did not sell these helicopters to Era. Instead, AH France sold and delivered the helicopters in France to a separate and independent company, Airbus Helicopters, Inc. ("AH US"), which is incorporated under the laws of the State of Delaware and has its offices in Texas and Mississippi. AH US later sold the helicopters to purchasers having addresses in Louisiana for use outside of Texas.

The essence of Era's claims against AH France is that AH France knew, but failed to disclose, that the main gearboxes in Super Puma helicopters contain defects, and that AH France misrepresented the safety, reliability, and design of the main gearbox. Era asserts that an event involving a Super Puma helicopter in Norway, and subsequent actions taken by certain airworthiness authorities in Europe and other parts of the world, recently revealed this defect to Era. Absent from Era's Petition, however, is any allegation that AH France committed any act in Texas that gave rise to Era's tort claims, which is required for a Texas court to exercise personal jurisdiction over AH France under the Texas long-arm statute, TEX. CIV. PRAC. & REM. CODE § 17.042(2), and the due process minimum contacts requirements of the United States Constitution. Because AH France is not at home in Texas and thus not subject to the general jurisdiction of Texas courts, and because Era has not identified a substantial connection between any Texas contacts by AH France and the operative facts of Era's claims such that specific jurisdiction exists, AH France's special appearance should be granted.

II.
STATEMENT OF FACTS

AH France, formerly known as Eurocopter, S.A.S., is a French company organized and existing under the laws of France. [Declaration of Michel Gouraud ("Gouraud Decl."), ¶ 3; Original Petition ("Pet."), ¶ 22.] Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super Puma helicopters. [*Id.*] AH France has never – even temporarily – had offices or operational activities in Texas. [*Id.*] AH France maintains a website in France and produces marketing materials in France. [*Id.*] AH France does not sell Super Puma or any other helicopters in Texas or through its website. [*Id.* at ¶¶ 3-4.]

AH France sells helicopters to purchasers from around the world, including to AH US. [*Id.* at ¶¶ 3, 6.] AH US, which has its offices in Grand Prairie, Texas, is not a subsidiary of AH France; in fact, AH France has no ownership interest in AH US. [*Id.* at ¶ 9.] Nor does AH US derive its right to use the name "Airbus" from AH France. [Affidavit of James R. Cawyer, ¶ 4.] AH France and AH US are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. [Gouraud Decl., ¶ 9; Cawyer Aff., ¶ 4.] AH France operates its own website with a unique domain name (airbushelicopters.com), which is hosted separately from, and is independent of, the website operated by AH US (airbushelicoptersinc.com). [Gouraud Decl., ¶ 3.] AH US has customers throughout the United States, and only approximately 11% of its customers have billing addresses in the State of Texas. [Cawyer Aff., ¶ 5.] When AH US purchases helicopters from AH France, including the helicopters at issue here, the purchases are made in France, and the helicopters are delivered to AH US in France. [Gouraud Decl., ¶ 6.]

The Super Puma helicopters at issue in this lawsuit bear manufacturer serial numbers ("MSN") 2680, 2685, 2690, 2691, 2732, 2734, 2760, 2777, 2825, and 2809. [Pet., ¶¶ 48-50.] AH France designed, obtained certification of, and manufactured these helicopters in France. [Gouraud Decl., ¶¶ 3, 6.] Over several years prior to 2010, AH France sold and delivered these helicopters in France to AH US. [*Id.* at ¶ 6.]

AH France was not a party to any of the purchase agreements between AH US and the purchasers of the helicopters at issue in this dispute. [*Id.*] In 2006, a company named Era Helicopters LLC ("Era Helicopters") with a Lake Charles, Louisiana, address purchased the first four of these aircraft from AH US, which was known then as American Eurocopter LLC. [Pet., ¶ 48 & Exh. A (Purchase Agreement for MSN 2680, 2685, 2690 & 2691); Cawyer Aff., ¶¶ 1, 6.]

The Purchase Agreement Terms and Conditions called for Era Helicopters to take technical[1] delivery of these four helicopters in France, with final delivery occurring at AH US's facility in Texas. [Pet., Exh. A, Purchase Agreement Terms and Conditions, ¶ 2(a).] The Louisiana purchaser of these four helicopters signed Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms that certified for each helicopter that "[t]he aircraft will be registered in Lake Charles, Louisiana, as recorded with [the] Federal Aviation Administration" and "[t]he aircraft will be hangared in Lake Charles, Louisiana, and is not purchased for use in Texas." [Cawyer Aff., Exhs. A - D.] The Delivery Affidavits for these helicopters state that they were delivered to "Era Helicopters, LLC, Lake Charles Regional Airport, 600 Airport Services Road, Lake Charles, LA 70606." [*Id.* at Exhs. E - H.]

In 2007, a company called Era Group, Inc., with the same Lake Charles address, purchased four more of the helicopters from AH US. [Pet., ¶ 49 & Exh. B (Purchase Agreement for MSN 2732, 2734, 2760 and 2777).] According to the terms of the Purchase Agreement, those helicopters were delivered by AH US to Era Group Inc., in Marignane, France. [Pet., Exh. B (delivery dates "Ex works Marignane [France]").] The Delivery Affidavits for these helicopters stated that they were delivered to "Era Group, Inc., Lake Charles Regional Airport, 600 Airport Services Road, Lake Charles, LA 70606." [Cawyer Aff., Exhs. I - K (the delivery affidavit for MSN 2734 has not been located).]

In 2010, Era Helicopters of Lake Charles purchased the remaining two helicopters from AH US. [*Id.* at ¶ 50 & Exh. C (Purchase Agreement for MSN 2809 and 2825).] The Purchase

[1] The term "technical" delivery means that the helicopters would be delivered at their place of manufacture in France "to ensure that the aircraft will meet all contractual requirements and in order to allow adjustments to discrepancies, if required." [Pet., Exh. A, Purchase Agreement Terms and Conditions, ¶ 2(a).]

Agreement called for AH US to deliver those helicopters in France. [*Id.* at Exh. C, Purchase Agreement Terms & Conditions, ¶ 2(a).] The Delivery Affidavits for those helicopters listed the same Lake Charles, Louisiana, address as for the other 8 helicopters. [Cawyer Aff., Exhs. L - M.]

Era alleges that these ten Super Puma helicopters have been operated in Brazil, Norway, and the Gulf of Mexico. [Pet., ¶ 111.] None are alleged to have been operated in Texas, and, as stated, Era certified that the four helicopters delivered in Texas would not be registered or hangared in Texas. [Cawyer Aff., Exhs. A – D.] Era further alleges that between December 2012 and March 2016 it received maintenance on its ten Super Puma helicopters by AH France and/or an unrelated company, Heli-One, which is a third-party authorized maintenance provider that AH France does not own, control or have any corporate relationship with. [*Id.* at ¶¶ 111-114; Gouraud Decl., ¶ 10.] None of that maintenance is alleged to have been performed in Texas. [Pet., ¶¶ 111-114.]

Era also alleges that AH France has made numerous false statements in publications, marketing materials and on its website regarding the Super Puma. [*Id.*, *passim*.] None of the statements, however, are alleged to have been made by AH France in Texas. [*Id.*] In fact, the Petition references only one instance in which specific statements about Super Puma helicopters were ever allegedly made directly to an Era-affiliated entity. [Pet., ¶ 29.] Those statements, however, were made by AH US, not AH France, and they were made during a sales presentation to Era Helicopters LLC (not plaintiff Era Group, Inc.) in Louisiana in December 2011, more than a year *after* the last sale to Era in 2010. [*Id.*]

On April 29, 2016 a Super Puma helicopter (not one of the helicopters at issue in this lawsuit) operated by a Norwegian company crashed in Norway. [Pet., ¶¶ 70-74.] The cause of

that accident is currently under investigation by the Accident Investigation Board of Norway ("AIBN"). [*Id.*] The focus of the investigation is on the failure of a second stage planetary gear in the main gearbox. [*Id.* at ¶ 75.] AH France has provided technical support to investigative and certification authorities in Europe from its place of business in France. [Gouraud Decl., ¶ 8.]

On November 21, 2016, citing the 2016 Norway crash as evidence of a defect in all Super Puma aircraft, Era filed its Petition against AH France and AH US and asserted claims of fraudulent inducement, breach of express and implied warranties, and unjust enrichment. [Pet., Counts I-V.] Era also asserts that it has sustained economic losses from reduced value of its Super Puma aircraft and related costs. [*Id.* at ¶¶ 118-121.]

III.
ARGUMENT AND AUTHORITIES

The Texas Supreme Court has explained as follows the shifting burdens and standards when a nonresident defendant specially appears and challenges personal jurisdiction:

> A nonresident defendant is subject to the personal jurisdiction of Texas courts if (1) the Texas long-arm statute authorizes the exercise of jurisdiction, and (2) the exercise of jurisdiction does not violate federal and state constitutional due process guarantees. The broad "doing business" language in Texas's long-arm statute allows the trial court's jurisdiction to "reach as far as the federal constitutional requirements of due process will allow." Personal jurisdiction is consistent with due process "when the nonresident defendant has established minimum contacts with the forum state, and the exercise of jurisdiction comports with traditional notions of fair play and substantial justice." "A defendant establishes minimum contacts with a state when it purposefully avails itself of the privilege of conducting activities within the forum state, thus invoking the benefits and protections of its laws."

Kelly v. General Interior Constr., Inc., 301 S.W.3d 653, 657-58 (Tex. 2010) (citations omitted).

In the same opinion the Texas Supreme Court explained:

> Our special-appearance jurisprudence dictates that the plaintiff and the defendant bear shifting burdens of proof in a challenge to personal jurisdiction. We have consistently held that the plaintiff bears the initial burden to plead sufficient allegations to bring the nonresident defendant

> within the reach of Texas's long-arm statute. Once the plaintiff has pleaded sufficient jurisdictional allegations, the defendant filing a special appearance bears the burden to negate all bases of personal jurisdiction alleged by the plaintiff. Because the plaintiff defines the scope and nature of the lawsuit, the defendant's corresponding burden to negate jurisdiction is tied to the allegations in the plaintiff's pleading.
>
> If the plaintiff fails to plead facts bringing the defendant within reach of the long-arm statute (i.e., for a tort claim, that the defendant committed tortious acts in Texas), the defendant need only prove that it does not live in Texas to negate jurisdiction.

Id. at 658-59 (citations omitted).

The Texas Supreme Court concluded by confirming:

> The defendant can negate jurisdiction on either a factual or legal basis. Factually, the defendant can present evidence that it has no contacts with Texas, effectively disproving the plaintiff's allegations. The plaintiff can then respond with its own evidence that affirms its allegations, and it risks dismissal of its lawsuit if it cannot present the trial court with evidence establishing personal jurisdiction. Legally, the defendant can show that even if the plaintiff's alleged facts are true, the evidence is legally insufficient to establish jurisdiction . . . [.]

Id. at 659 (citations omitted).

The minimum contacts inquiry is refined into contacts that give rise to either general or specific jurisdiction. The United States Supreme Court has made clear that general jurisdiction exists only if the defendant's contacts show that it is "at home" in the forum state, which in all but the exceptional case means that it is incorporated in or maintains its principal place of business in the forum state. *Daimler AG v. Bauman*, 134 S. Ct. 746, n.19 (2014). And, the Texas Supreme Court has made clear that specific jurisdiction only exists over a non-resident defendant if there is a "substantial connection" between the defendant's contacts with the forum state and the "operative facts" of the lawsuit. *Moki Mac River Expeditions, Inc. v. Drugg*, 221 S.W.3d 569, 585 (Tex. 2007).

In this case, even if all of the facts alleged in Era's voluminous Petition are taken as true, Era still has not pled facts placing AH France within the Texas long-arm statute. Thus, because AH France has shown that it is not a Texas resident with a principal place of business in Texas, [Gouraud Decl., ¶ 3], it has met its burden of negating personal jurisdiction over it by a Texas court. *Kelly*, 301 S.W.3d at 658-58. Moreover, as shown below, Era also has not pled facts that, if true, are sufficient to establish either general or specific jurisdiction over AH France consistent with the minimum contacts due process requirements.

A. The Court Lacks General Jurisdiction Because AH is not "At Home" in Texas

In *Daimler*, the United States Supreme Court explained that the general jurisdiction inquiry "is not whether a foreign corporation's in-forum contacts can be said to be in some sense 'continuous and systematic,' it is whether that corporation's 'affiliations with the State are so 'continuous and systematic' as to render [it] essentially at home in the forum State.'" 134 S. Ct. at 761 (quoting *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 919, 131 S. Ct. 2846, 180 L. Ed. 2d 796 (2011)). "Only in an 'exceptional case'," the Court explained, "will a corporation be deemed 'at home' in a place other than its principal place of business or place of incorporation." *Id.* at 761 n.19. In reaching this decision, the Court cited to *Perkins v. Benguet Consol. Mining Co.*, 342 U.S. 437 (1952), as an example of an exceptional case in which the Court found general jurisdiction over a Philippines company whose president had temporarily moved the company's headquarters to Ohio during the second world war, from where the president conducted the company's day-to-day business activities. *Id.* at 756, n.8.

Here, Era has alleged the undisputed facts that negate general jurisdiction – *i.e.*, that AH France is "a French corporation with its principal place of business and/or headquarters in France." [Pet., ¶ 22; Gouraud Decl., ¶ 3.] Thus, Texas is not a "paradigm" place in which AH

France is deemed "at home" for general jurisdiction. *Daimler*, 134 S. Ct. at 760-61, n.19; *Knight Corp v. Knight*, 367 S.W.3d 715, 727 (Tex. App.—Houston [14th Dist.] 2012, no pet.) ("For a corporation, the paradigm forum for the exercise of general jurisdiction is the place in which the corporation is fairly regarded as at home."), citing *Goodyear*, 131 S. Ct. at 2853-54.

AH France has never – even temporarily – operated its business out of Texas, [Gouraud Decl., ¶ 5], and Era has not alleged any facts showing this to be an "exceptional case" like that in *Perkins*. While AH France engages in commercial transactions with Texas-based AH US, such transactions do not support the exercise of general jurisdiction over it after *Daimler*. *In re Deutsche Bank Securities Inc.*, 2015 Tex. App. LEXIS 6889, *13-17 (Tex. App.—Austin [3rd Dist.] July 3, 2015) (discussing *Daimler* and finding that "extensive business practices" in Texas would not subject a German company to general jurisdiction). Nor does AH France's maintenance of its passive website accessible to Texas residents render AH France "at home" in Texas. *Crossroads, LLC v. A.D.I.M. Global Co.*, 2016 Tex. App. LEXIS 13202, *n.7 (Tex. App.—Dallas [5th Dist.] Dec. 13, 2016) ("Even 'repeated contacts with forum residents' through an interactive website 'may not constitute the requisite substantial, continuous and systematic contacts required for a finding of general jurisdiction.'") (quoting *Monkton Ins. Servs., Ltd v. Ritter*, 768 F.3d 429, 432, 434 (5th Cir. 2014) (explaining that after *Daimler* "[i]t is . . . incredibly difficult to establish general jurisdiction in a forum other than the place of incorporation or principal place of business"). Based upon the foregoing, this Court lacks general jurisdiction over AH France.

B. The Court Lacks Specific Jurisdiction Because There Is No Substantial Connection between Era's Lawsuit and AH France's Texas Contacts

To establish specific jurisdiction over AH France, Era must allege: (1) AH France purposefully availed itself of the privilege of conducting business activities in Texas, and (2) its

alleged liability arises from or relates to those activities. *Moki Mac*, 221 S.W.3d at 575. The Texas Supreme Court has explained that specific jurisdiction requires the plaintiff to establish "a substantial connection between [the defendant's forum] contacts and the operative facts of the litigation." *Id.* at 585 (citations omitted). The "operative facts" are those "that would be the focus of the trial." *Id.*; *see also Denso Corp. v. Hall*, 396 S.W.3d 681, 691 (Tex. App.—Houston [14th Dist.] 2013).

To determine whether AH France has purposefully availed itself of the benefits of doing business in Texas for purposes of Era's claims, the Court should consider "(1) [AH France's] own actions but not the unilateral activity of another party, (2) whether [AH France's] actions were purposeful rather than "random, isolated, or fortuitous," and (3) whether [AH France] sought "some benefit, advantage, or profit by 'availing' itself of the jurisdiction." *Michiana Easy Livin' Country, Inc. v. Holton*, 168 S.W.3d 777, 785 (Tex. 2005).

Texas courts are very clear that to establish specific jurisdiction in tort cases, the Texas long-arm statute, Tex. Civ. Prac. & Rem. Code § 17.042(2), requires that the nonresident defendant commit "a tort in whole or in part in this state." In *Kelly*, the Texas Supreme Court found that specific jurisdiction did not exist in Texas over a nonresident defendant for a fraud claim where there were no allegations that the defendant committed any fraudulent acts in Texas. 301 S.W.3d at 659-660. As the Court explained:

> GIC failed to plead facts within the reach of the long-arm statute because it did not allege that the Officers committed any tortious acts in Texas. As noted, GIC's live pleading contains no allegations that the Officers' wrongdoing occurred in Texas. Regarding the fraud claim, GIC did allege several fraudulent acts (e.g., providing false affidavits to Meristar and misrepresenting to GIC that it would be paid in full), but it did not allege that any fraudulent acts occurred in Texas . . .

Id.

Simply put, Texas courts do not exercise specific jurisdiction over nonresident defendants in fraud, fraudulent inducement, and negligent misrepresentation cases when the defendant is not alleged to have made the allegedly false statement giving rise to the claim in Texas. *See, e.g.*, *Crossroads, LLC v. A.D.I.M. Global Co.*, 2016 Tex. App. LEXIS 13202, *16-17 (Tex. App.—Dallas [5th Dist.] Dec. 13, 2016) ("Under the same circumstances in *KC Smash 01, LLC*, where the defendant did not enter Texas in connection with the transaction at issue, we explained that "fraudulent or negligent misrepresentations made through electronic media do not establish specific jurisdiction.") (quoting *KC Smash 01, LLC v. Gerdes, Hendrichson, Ltd., L.L.P.*, 384 S.W.3d 389, 393-94 (Tex. App.—Dallas [5th Dist.] 2012) (no specific jurisdiction over claim for allegedly fraudulent and misleading statements when defendant did not enter Texas); *Jani-King Franchising, Inc. v. Falco Franchising, Inc.*, 2016 Tex. App. LEXIS 4836, *12-14 (Tex. App.—Dallas [5th Dist.] May 5, 2016) (finding no purposeful availment as to fraud defendant who made calls and emails to Texas, but did not physically enter Texas, but finding purposeful availment as to other fraud defendants who made statements and omissions while in Texas); *Julian v. Cadence McShane Constr. Co.*, LLC, 2015 Tex. App. LEXIS 11490, *14-21 (Tex. App.—Houston [First Dist.] Nov. 5, 2015) (finding no specific jurisdiction over defendant on fraud claim when there was no allegation that the defendants said or did anything in Texas that related to the claim).

Texas courts are equally clear that specific jurisdiction may not be based on a statement made by a nonresident defendant outside of Texas even if the statement was directed at Texas. In *Kelly*, the Texas Supreme Court explained, "we rejected the concept of directed-a-tort jurisdiction in *Michiana*, instead affirming the importance of the defendant's contacts with the forum state." 301 S.W.3d at 661 (citing *Michiana*, 168 S.W.3d at 788-92); *Crossroads*, 2016

Tex. App. LEXIS 13202 at *16-17 ("We have rejected the argument that "directing a tort" at the forum state-such as Crossroads making misrepresentations to ADIM when ADIM was in Texas-is a basis for specific personal jurisdiction.") (citing *Michiana*, 168 S.W.3d at 790-92); *Klug v. Wickert*, 2015 Tex. App. LEXIS 7414, *14-15 (Tex. App.—Dallas [5th Dist.] July 16, 2015) (arguments that tortious conduct is directed by the defendant to the forum improperly "shifts a court's focus from the relationship among the *defendant*, the forum, and the litigation, to the relationship among the *plaintiff*, the forum, and the litigation") (original emphasis).

Here, the operative facts of Era's fraudulent inducement claim as to AH France are allegedly false statements made by AH France that induced Era to purchase Super Puma helicopters from AH US. Notably absent from Era's Petition is an allegation that AH France made any such statements in Texas. Era does reference marketing materials and publications about Super Puma helicopters, which AH produced in France, [Gouraud Decl., ¶ 3], but does not allege those materials were presented to or otherwise communicated by AH France to Era in Texas. [Pet., §§ 40-44, 125.] Thus, those statements cannot support specific jurisdiction. *Kelly*, 301 S.W.3d at 659-661. Era also alleges that information about Super Puma helicopters may be found on AH France's website that is maintained in France, but such website information does not provide a basis for exercising specific jurisdiction. *Crossroads,* 2016 Tex. App. LEXIS 13202 at *16-17 ("fraudulent or negligent misrepresentations made through electronic media do not establish specific jurisdiction").[2] Furthermore, much of the alleged conduct in Era's Petition that did not occur in Texas occurred *after* the last of the helicopters were sold in 2010 (such as

[2] Throughout most of its Petition, Era chooses not to distinguish between AH France and AH US, instead referring to them jointly as "Airbus Helicopters," even though Era acknowledges that they are different companies in Paragraphs 23 through 25 of its Petition, and Era concedes that it purchased the helicopters at issue from AH US, not AH France.

the presentation by AH US (not AH France) to Era Helicopters in Louisiana in 2011, and the alleged maintenance on Era's helicopters in 2012-2016). Thus, these allegations cannot have fraudulently induced Era to purchase its Super Puma helicopters.

The operative facts of Era's breach of warranty claims relate to warranties made in the purchase agreements for the helicopters with AH US. [Pet., Counts II-V; §§ 53-55 & Exh. A - C.] Even if those warranties had not already expired by their terms (and they have), AH France was not a party to those purchase agreements. [Gouraud Decl., ¶ 6; Pet. ¶¶ 23, 25.] Moreover, to the extent Era argues that AH France may be liable to it as a subsequent purchaser for warranties made by AH France when it sold the helicopters in France to AH US, the operative facts of that claim (assuming Texas law were applied, which AH France does not concede) would be the warranties made by AH France to AH US in France**.** *Man Engines & Components, Inc. v. Shows*, 434 S.W.3d 132, 139 (Tex. 2014) ("As a matter of law, an implied warranty of merchantability, if not disclaimed, is born at the point of sale . . .").[3]

All of the other facts that Era alleges in support of its claim of a main gearbox defect, including the event in Norway in 2016 and earlier events in 2009 and 2012, occurred in Europe. None of them pertain to alleged tortious conduct by AH France in Texas. Although Era has not alleged a product liability cause of action, to the extent the helicopters are alleged to be defective the relevant conduct would be by AH France in France. *See Sulak v. American Eurocopter Corp.*, 901 F. Supp. 2d 834, 837, 844 (N.D. Tex. 2012) (finding for choice of law purposes that

[3] Era quotes an express warranty from the purchase agreement with AH US on page 53 of the Petition. Again, Era does not identify the entity that was the party to that agreement even though Era acknowledges that it purchased the helicopters from AH US, not AH France. [Pet., ¶¶ 23, 25; Gouraud Dec., ¶ 6.] Era misleadingly added "[Eurocopter]" after the word "seller" in the quote, which does not appear in the text of the purchase agreement that Era cites for this warranty in Exhibit A to its Petition. Eurocopter is the former name of AH France. [Gouraud Decl., ¶ 1.]

AH France designed the helicopter at issue in France and that "any defects in the helicopter would have occurred where it was designed and manufactured: France.") (citing *Perez v. Lockheed Corp. (In re Air Disaster at Ramstein Air Base, Ger.*), 81 F.3d 570, 577 (5th Cir. 1996) (holding strict-liability place of conduct is where product was designed, manufactured, and entered the commerce stream)).

The fact that AH France has sold helicopters, including the ones at issue, to AH US, a distributor in Texas, does not support the exercise of specific jurisdiction over AH France as to Era's claims. As explained, Era's claims are not based on AH France's sale of the helicopters to AH US, but, rather, on allegedly tortious conduct that Era claims induced it or an affiliate to enter into purchase agreements with AH US. Moreover, fraudulent inducement claims require the existence of a contract *between the parties*, and it is undisputed that no contract exist for the helicopters between AH France and the Era purchasers from Louisiana. *Haase v. Glazner*, 62 S.W.3d 795, 798-99 (Tex. 2001) ("Fraudulent inducement, however, is a particular species of fraud that arises only in the context of a contract and requires the existence of a contract as part of its proof. That is, with a fraudulent inducement claim, the elements of fraud must be established *as they relate to an agreement between the parties*.") (emphasis added).

Finally, the fact that Era's helicopters passed through Texas-based transactions between AH US and their Louisiana purchasers, and four of them passed physically though Texas bound for registration and use outside of Texas, does not create a basis for specific jurisdiction in Texas for Era's claims. In *Moore v. Pulmosan Safety Equip. Corp.*, the court found no substantial connection with Texas where the product was manufactured in New York and used in Louisiana, even though it was purchased by the plaintiff's Texas employer and passed through Texas on its way to Louisiana. 278 S.W.3d 27, 38 (Tex. App. – Houston [14th Dist.] 2008). "The relevant

facts," the court explained, "will be the state of the product as it left New York and the conditions in which [the plaintiff] used the product and worked in Louisiana. The fact that the product passed through Texas is not an operative fact." *Id.*

Since none of the tortious conduct alleged by Era in support of its claims against AH France occurred in Texas, Era has not alleged a substantial connection between contacts by AH France and the operative facts of its lawsuit. Indeed, because AH France has not done anything that would qualify as purposeful availment of the privilege of doing business in Texas with respect to Era's claims, the touchstone of the specific jurisdiction inquiry is lacking. Thus, this Court lacks specific jurisdiction over AH France. *Kelly*, 301 S.W.3d at 659-661.

C. Fair Play and Substantial Justice: France's Interests Outweigh Texas's

If the Court finds that AH France has sufficient minimum contacts with Texas, it should still decline to exercise personal jurisdiction over it because doing so would not comport with "traditional notions of fair play and substantial justice." *Guardian Royal Exch. Assur., Ltd. v. English China Clays, P.L.C.*, 815 S.W.2d 223, 231 (Tex. 1991). To make this determination, the Court should weigh the following five factors: (1) the burden on the defendant; (2) the interests of the forum state in adjudicating the dispute; (3) the plaintiff's interest in obtaining convenient and effective relief; (4) the interstate judicial system's interest in obtaining the most efficient resolution of controversies; and (5) the shared interest of the several states in furthering fundamental substantive social policies. *Id.* at 232.

The Texas Supreme Court has recognized that "when the defendant is a resident of another nation, the court must also consider the procedural and substantive policies of other nations whose interests are affected by the assertion of jurisdiction by a state court." *Id.* at 228. Thus, "the unique burdens placed upon a foreign defendant who must defend itself in a foreign

legal system carries significant weight in assessing the reasonableness of stretching the long arm of personal jurisdiction over national borders." *Id*. at 229.

While AH France recognizes that distance alone is insufficient to defeat jurisdiction, it would be unreasonable and unfair to require AH France to defend itself in Texas in this particular case arising solely from alleged conduct by it in France and where the majority of its relevant witnesses and documents are located. France has a far greater interest than Texas in adjudicating claims based on alleged fraudulent conduct by a French company made on French soil and based on alleged defects in a helicopter designed, certificated, manufactured and sold in France. *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 776 ("'A state has an especial interest in exercising judicial jurisdiction over those who commit torts within its territory. This is because torts involve wrongful conduct which a state seeks to deter, and against which it attempts to afford protection, by providing that a tort-feasor shall be liable for damages which are the proximate result of his tort.'") (citation omitted). The burden AH France would face in defending itself in Texas, under a foreign legal system, with witnesses for whom English is a second language, particularly for claims arising from alleged statements made in France, and with regard to events involving Super Puma helicopters that occurred entirely in Europe, outweighs any interest of Texas. *Doe v. Roman Catholic Archdiocese of St. Louis,* 109 S.W.3d 928, 931 (Tex. App.—Dallas [5th Dist.] 2003) ("we cannot agree with appellants that Texas's interest outweighs that of Missouri, given that the alleged torts occurred in Missouri, involved Missouri residents, and would be adjudicated under Missouri law"); *Rio de Janeiro v. Philip Morris Inc.*, 143 S.W.3d 497, 502 (Tex. App.—Beaumont [9th Dist.] 2004) ("We agree Texas does not appear to have an interest in adjudicating this specific dispute, a dispute involving

tortious conduct and damages occurring outside the borders of Texas and unrelated to defendants' business in Texas.").

IV.
CONCLUSION

For the foregoing reasons, Defendant Airbus Helicopters, S.A.S. respectfully requests that its Special Appearance be granted, and that it be dismissed from this lawsuit because the Court lacks personal jurisdiction over it.

Dated: January 12, 2017.

Respectfully submitted,

/s/ Thad T. Dameris

Thad T. Dameris (State Bar No. 05345700)
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700 Louisiana Street
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(415) 471-3400 (Facsimile)

Joseph J. Ortego (*pro hac vice* pending)
jortego@nixonpeabody.com
Eric C. Strain (*pro hac vice* pending)
estrain@nixonpeabody.com
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New York, NY 10022
(212) 940-3000 (Telephone)
(212) 940-3111 (Facsimile)

ATTORNEYS FOR DEFENDANT
AIRBUS HELICOPTERS, S.A.S.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following counsel of record in accordance with the Texas Rules of Civil Procedure on this 12th day of January 2017:

Karl S. Stern
Quinn Emanuel Urquhart & Sullivan LLP
karlstern@quinnemanuel.com
711 Louisiana Street
Suite 500
Houston, TX 77002

/s/ Thad T. Dameris
Thad T. Dameris

CAUSE NO. DC-16-15017

ERA GROUP INC., Plaintiff, v. AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S., Defendants.	IN THE DISTRICT COURT 116th JUDICIAL DISTRICT DALLAS COUNTY, TEXAS

DECLARATION OF MICHEL GOURAUD IN SUPPORT OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S SPECIAL APPEARANCE

I, Michel Gouraud, declare:

1. I am employed as Head of Distribution and Services Network at Airbus Helicopters, SAS ("AH"), which was formerly known as Eurocopter, SAS. I am over the age of eighteen and have never been convicted of a felony. I make this declaration in support of AH's Special Appearance in this lawsuit, and for no other purpose.

2. Except as stated below, I have personal knowledge of the matters set forth herein and I could competently testify about them if called upon as a witness.

3. AH is a French company organized and existing under the laws of France. Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super Puma helicopters, and from where it maintains a website and produces marketing materials for helicopters it distributes. AH also conducts aircraft certification and internal technical activities, including investigating incidents and accidents, from its place of business in France.

4. AH does not sell helicopters through its website.

5. AH has never temporarily moved its primary offices or operational activities to Texas.

1/6

6. AH designed and manufactured Super Puma EC225 helicopters serial numbers 2685, 2690, 2680, 2691, 2732, 2734, 2760, 2777, 2825 and 2809 in France. AH sold and delivered these helicopters in France to Airbus Helicopters, Inc., formerly known as American Eurocopter Corporation, of Grand Prairie, Texas. AH did not sell any of these helicopters to Era Group Inc. or Era Helicopters LLC.

7. AH does not sell Super Puma helicopters in Texas.

8. AH's involvement with investigative and certification authorities from Europe and the United Kingdom over Super Puma accidents in 2009 in the North Sea and 2016 in Norway, and two incidents that occurred in the North Sea in 2012, occurred from AH's place of business in France.

9. AH does not own AHI, and AH and AHI are separate and independent companies, each with its own management, employees, facilities, bank accounts and operational control.

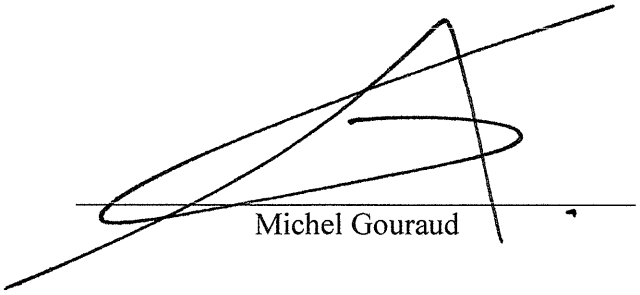
10. AH does not own, control or have any corporate relationship with HeliOne.

11. My date of birth is: 21 May 1966.

12. My address is: 66, rue Lamarck, 75018, Paris, France.

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

Executed in Le Bourget, FRANCE, on this 23rd day of December, 2016.



Michel Gouraud

CAUSE NO. DC-16-15017

ERA GROUP INC., Plaintiff, v. AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S., Defendants.	IN THE DISTRICT COURT 116th JUDICIAL DISTRICT DALLAS COUNTY, TEXAS

AFFIDAVIT OF JAMES R. CAWYER

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

I, James R. Cawyer, being duly sworn, depose and say as follows:

1. I am the Vice President of Finance of Airbus Helicopters, Inc. ("AH US"), formerly known as American Eurocopter Corporation ("AEC"). I am over eighteen (18) years of age. With the exception of March 2000 to June 2001, I have worked for AH US or its predecessors, American Eurocopter LLC ("AE LLC") and Aérospatiale Helicopter Corporation ("AHC"), since 1991. I have personal knowledge of the matters set forth herein through my employment with AH US and/or my review of AH US's business records. I make this affidavit in support of Airbus Helicopters, S.A.S.'s ("AH France's") Special Appearance, and for no other purpose.

2. When I refer to AH US in this document I am including AEC, AE LLC and AHC.

3. AH US is a Delaware corporation that has its headquarters in Texas and a manufacturing facility in Mississippi.

4. AH US is a separate and independent company from AH France, with its own management, employees, facilities, bank accounts and operational control. AH France does not own AH US. AH US does not derive its right to use the name "Airbus" from AH France.

5. AH US has customers throughout the United States. Only approximately 11% of its customers have billing addresses in the State of Texas.

6. In 2006, Era Helicopters, LLC with an address in Lake Charles, Louisiana, purchased four Super Puma helicopters, Manufacturer Serial Numbers ("MSN") 2680, 2685, 2690, and 2691, from AH US. Era Helicopters executed Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms in which it certified for each of the helicopters that "[t]he aircraft will be registered in Lake Charles, Louisiana, as recorded with [the] Federal Aviation Administration" and "[t]he aircraft will be hangared in Lake Charles, Louisiana, and is not purchased for use in Texas." True and correct copies of these Texas Aircraft Exemption Certificate Out-of-State Registration and Use forms are attached hereto as **Exhibits A – D**.

7. Also attached hereto are Delivery Affidavits for these four helicopters and for five additional helicopters (MSN 2732, 2760, 2777, 2809, and 2825) that were purchased from AH US by Era Helicopters, LLC and Era Group, Inc. The Delivery Affidavits state that the helicopters were delivered by AH US to Era Helicopters, LLC and Era Group, Inc. with addresses in Lake Charles, Louisiana. True and correct copies of these Delivery Affidavits are attached hereto as **Exhibits E – M.** AHI has been unable to locate in its files the Delivery Affidavit for MSN 2734.

FURTHER, AFFIANT SAYETH NOT.

Executed on this 11th day of January, 2017, in Grand Prairie, Texas.

James R. Cawyer

SWORN TO AND SUBSCRIBED BEFORE ME, this 11th day of January, 2017

LOURDES POARD NOTARY PUBLIC STATE OF TEXAS EXPIRES 4-22-2017

Notary Public

My Commission Expires: Apr 22, 2017

EXHIBIT A

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser		
ERA Helicopters, LLC		
Address *(Street & number and P.O. Box number)*		Phone *(Area code & number)*
Lake Charles Regional Airport, 600 Airport Service Rd		337-478-6131
City, State, ZIP code		
Lake Charles, LA 706060		

Name of seller	Seller's Texas sales tax permit number
American Eurocopter LLC	**113-42548655**
Address *(Street & number and P.O. Box number)*	Phone *(Area code & number)*
2701 Forum Drive	**972-641-0000**
City, State, ZIP code	
Grand Prairie, TX 75052-7099	

The undersigned hereby certifies that the aircraft described below was purchased on May 13, 2008 (Date of sale)

for a total sales price of € 15,839,570 of which $ -0- was allowed as a trade-in,

resulting in a net sales price of € 15,839,570 .

Aircraft make	Model	Serial number	FAA registration number *(Tail number)*
Eurocopter	**EC225LP**	**2680**	**N225EH**

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be **hangared** in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here	Purchaser's signature	Date
	CONTROLLED COPY	5/13/08
sign here	Seller's signature	Date

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

EXHIBIT B

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser	
ERA Helicopters LLC	
Address *(Street & number and P.O. Box number)*	Phone *(Area code & number)*
Lake Charles Regional Airport, 600 Airport Service Rd	**337-478-6131**
City, State, ZIP code	
Lake Charles, LA 70606	

Name of seller	Seller's Texas sales tax permit number
American Eurocopter LLC	**113-42548655**
Address *(Street & number and P.O. Box number)*	Phone *(Area code & number)*
2701 Forum Drive	**972-641-0000**
City, State, ZIP code	
Grand Prairie, TX 75052-7099	

The undersigned hereby certifies that the aircraft described below was purchased on December 30, 2008 (Date of sale)

for a total sales price of $ **18,848,041** of which $ **-0-** was allowed as a trade-in,

resulting in a net sales price of $ **18,848,041** .

Aircraft make	Model	Serial number	FAA registration number *(Tail number)*
Eurocopter	**EC225LP**	**2685**	**N247CF**

The aircraft will be registered in **Lake Charles** (City), **LA** (State) as recorded with Federal Aviation Administration.

The aircraft will be **hangared** in **Lake Charles** (City), **LA** (State) and is not purchased for use in Texas.

My correct mailing and location address are **Same as above** (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here	Purchaser's signature	Date
		12/8/08

sign here	Seller's signature	Date

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

CONTROLLED COPY

EXHIBIT C

01-907
(Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE
OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser	
ERA Helicopters LLC	
Address *(Street & number and P.O. Box number)* **Lake Charles Regional Airport, 600 Airport Service Rd**	Phone *(Area code & number)* **337-478-6131**
City, State, ZIP code **Lake Charles, LA 7066**	

Name of seller	Seller's Texas sales tax permit number
American Eurocopter LLC	**113-42548655**
Address *(Street & number and P.O. Box number)* **2701 Forum Drive**	Phone *(Area code & number)* **972-641-0000**
City, State, ZIP code **Grand Prairie, TX 75052-7099**	

The undersigned hereby certifies that the aircraft described below was purchased on **April 17, 2008** (Date of sale)

for a total sales price of **€ 16,260,640** of which $ **-0-** was allowed as a trade-in,

resulting in a net sales price of **€ 16,260,640**.

Aircraft make	Model	Serial number	FAA registration number *(Tail number)*
Eurocopter	**EC225LP**	**2690**	**N225SN**

The aircraft will be registered in **Lake Charles** (City), **LA** (State) as recorded with Federal Aviation Administration.

The aircraft will be hangared in **Lake Charles** (City), **LA** (State) and is not purchased for use in Texas.

My correct mailing and location address are **Same as above** (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

CONTROLLED COPY

sign here ▶ Purchaser's signature	Date 4/17/08
sign here ▶ Seller's signature	Date

(Original to be retained by seller, seller to send copy to the Texas Comptroller of Public Accounts, Business Activity Research Team, P.O. Box 13003, Austin, Texas, 78711-3003, and copy to the Purchaser.)

RECEIVED TIME MAY 20 10:20AM

EXHIBIT D

Comptroller of Public Accounts FORM 01-907 (Rev.12-01/3)

TEXAS AIRCRAFT EXEMPTION CERTIFICATE OUT-OF-STATE REGISTRATION AND USE

Under Ch. 559, Government Code, you are entitled to review, request, and correct information we have on file about you, with limited exceptions in accordance with Ch. 552, Government Code. To request information for review or to request error correction, contact us at the address or toll-free number listed on this form.

Name of purchaser		
ERA Helicopters LLC		
Address *(Street & number and P.O. Box number)*		Phone *(Area code & number)*
Lake Charles Regional Airport, 600 Airport Service Rd		337-478-6131
City, State, ZIP code		
Lake Charles, LA 70606		

Name of seller	Seller's Texas sales tax permit number
American Eurocopter LLC	113-42548655
Address *(Street & number and P.O. Box number)*	Phone *(Area code & number)*
2701 Forum Drive	972-641-0000
City, State, ZIP code	
Grand Prairie, TX 75052-7099	

The undersigned hereby certifies that the aircraft described below was purchased on 7/28/08 (Date of sale)

for a total sales price of $ 18,262,111 of which $ -0- was allowed as a trade-in,

resulting in a net sales price of $ 18,262,111 .

Aircraft make	Model	Serial number	FAA registration number *(Tail number)*
Eurocopter	EC225LP	2691	

The aircraft will be registered in Lake Charles (City), LA (State) as recorded with Federal Aviation Administration.

The aircraft will be **hangared** in Lake Charles (City), LA (State) and is not purchased for use in Texas.

My correct mailing and location address are Same as above (Mailing address)

Same as above (Location address)

I claim an exemption from the Texas sales tax pursuant to Texas Tax Code Section 151.328(a)(4) because the aircraft is purchased for registration and use outside Texas.

I understand that by signing this form, I am authorizing the Texas Comptroller of Public Accounts to furnish copies to officials of my home state. I understand that the purpose of providing this information to officials of my home state is to facilitate the enforcement of any taxes imposed on the purchase or use of the aircraft in my home state.

I understand that it is a misdemeanor punishable by a fine not to exceed $500 to provide this certificate of exemption if I know the aircraft will be used in a manner other than for registration and use outside Texas.

sign here	Purchaser's signature	Date
		7/28/08

sign here	Seller's signature	Date

EXHIBIT E

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2680, Registration Number N225EH to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-A, dated April 25, 2006 and all amendments thereto.

Accepted by: _____
Era Helicopters, LLC

Title: President

Date Accepted: May 13, 2008

Total Airframe Time: 92.2 hrs

No. 1 Engine Serial Number: 1154

Total Engine Time: 92.2 hrs

No. 2 Engine Serial Number: 1138

Total Engine Time: 92.2 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

RECEIVED TIME MAY. 28. 8:37AM

EXHIBIT F

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT
with Attachment

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2685, Registration Number N247CF to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-C, dated April 25, 2006 and all amendments thereto.

Accepted by: Elvin Domingue
Era Helicopters, LLC

Title: Heavy Ship Manager
12/30/2008

Date Accepted: December 30, 2008

Total Airframe Time: 38.4 hrs

No. 1 Engine Serial Number: 1162

Total Engine Time: 30.5 hrs

No. 2 Engine Serial Number: 1146

Total Engine Time: 38.4 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT G

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2690, Registration Number N225SN to:

ERA HELICOPTERS LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-D, dated April 25, 2006 and all amendments thereto.

Accepted by: _____
Era Helicopters LLC

Title: President

Date Accepted: April 17, 2008

Total Airframe Time: 5.45 hrs

No. 1 Engine Serial Number: 1119

Total Engine Time: 5.45 hrs

No. 2 Engine Serial Number: 1147

Total Engine Time: 5.45 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

RECEIVED TIME APR. 21. 5:47PM

EXHIBIT H

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2691, Registration Number XXXXX to:

ERA HELICOPTERS, LLC
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-4123-D, dated April 25, 2006 and all amendments thereto.

Accepted by: Edwin Dominguez
Era Helicopters, LLC

Title: Heavy Ship Manager

Date Accepted: July 28, 2008

Total Airframe Time: 16.4 hrs

No. 1 Engine Serial Number: 1109

Total Engine Time: 20.1 hrs

No. 2 Engine Serial Number: 1155

Total Engine Time: 16.4 hrs

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT I

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2732, Registration Number ~~XXXXX~~ to:
G-REDV

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter LLC is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-1, dated July 5, 2007 and all amendments thereto.

Accepted by: Jimmy J Gilmour
Era Group, Inc.

Title: DIRECTOR OF ENGINEERING
Bond Offshore Helicopters

Date Accepted: June 18, 2009

Total Airframe Time: 9 hrs 05 min.

No. 1 Engine Serial Number: 13007

Total Engine Time: 9 hrs .05 min.

No. 2 Engine Serial Number: 13009

Total Engine Time: 9 hrs .05 min

Def

Delivery Discrepancies/Shortages:

1. The replacement price of the air conditioning removable parts (HP Group) for 225's #5 and #6 (PA V-6176-1 and PA V-6176-2) will remain the same as the 95,220 Euro credit given adjusted for year on year escalation up to the date of the purchase of the removable parts (HP Group) from EC by ERA.

   EC also agrees to provide the adaptation parts as required for the installation fo of the new Behr High Pressure Group (HP Group) for #5 at no cost to ERA.

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT J

american eurocopter
an EADS North America Company

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2760, Registration Number F-WWOO to: FRANCE
PR-BLL BRAZIL

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-3, dated July 5, 2007 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: Quality Inspector

Date Accepted: OCT 22 2010

Total Airframe Time: 14 hrs 55

No. 1 Engine Serial Number: 13051

Total Engine Time: 14 hrs 55

No. 2 Engine Serial Number: 13050

Total Engine Time: 14 hrs 55

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT K

AMERICAN EUROCOPTER

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2777, Registration Number N109RR to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-6176-4, dated July 5, 2007 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: Director of Quality Control

GW

Date Accepted: November 10, 2010

Total Airframe Time: 7 hrs 35 min.

No. 1 Engine Serial Number: 13070

Total Engine Time: 7 hrs 35 min.

No. 2 Engine Serial Number: 13071

Total Engine Time: 7 hrs 35 min.

Contact: Ed Washecka
Phone No.: 337.478.6131
Fax No.: 337.474.3918

EXHIBIT L

AMERICAN EUROCOPTER
AN EADS NORTH AMERICA COMPANY

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2809, Registration Number N225EW to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-66397-1, dated April 7, 2010 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: VP Maintenance

Date Accepted: December 12, 2011

Total Airframe Time: 12 hrs 5 mins

No. 1 Engine Serial Number: 13139

Total Engine Time: 12 hrs 5 mins

No. 2 Engine Serial Number: 13140

Total Engine Time: 12 hrs 5 mins

Contact: Robert Van de Vuurst
Phone No.: 337.478.6131

EXHIBIT M

AMERICAN EUROCOPTER
AN EADS NORTH AMERICA COMPANY

DELIVERY AFFIDAVIT

Delivery of New Helicopter, Eurocopter EC225LP, Serial Number 2825, Registration Number _____ to:

ERA GROUP, INC.
LAKE CHARLES REGIONAL AIRPORT
600 AIRPORT SERVICE ROAD
LAKE CHARLES, LA 70606

by American Eurocopter Corporation is hereby acknowledged and is accepted as conforming to the requirements of Purchase Agreement V-66397-2, dated April 7, 2010 and all amendments thereto.

Accepted by: _____
Era Group, Inc.

Title: Vice President of Maintenance

Date Accepted: April 27 2012

Total Airframe Time: 23.55 hrs

No. 1 Engine Serial Number: 13164

Total Engine Time: 23.55 hrs

No. 2 Engine Serial Number: 13165

Total Engine Time: 23.55 hrs

Contact: Robert Van de Vuurst
Phone No.: 337.478.6131

Exhibit B

CAUSE NO. DC-16-15017

ERA GROUP INC., Plaintiff, v. AIRBUS HELICOPTERS, INC. and, AIRBUS HELICOPTERS, S.A.S., Defendants.	IN THE DISTRICT COURT 116th JUDICIAL DISTRICT DALLAS COUNTY, TEXAS

DECLARATION OF MICHEL GOURAUD IN SUPPORT OF DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S SPECIAL APPEARANCE

I, Michel Gouraud, declare:

1. I am employed as Head of Distribution and Services Network at Airbus Helicopters, SAS ("AH"), which was formerly known as Eurocopter, SAS. I am over the age of eighteen and have never been convicted of a felony. I make this declaration in support of AH's Special Appearance in this lawsuit, and for no other purpose.

2. Except as stated below, I have personal knowledge of the matters set forth herein and I could competently testify about them if called upon as a witness.

3. AH is a French company organized and existing under the laws of France. Its principal place of business is in Marignane, France, where it designs, obtains certification of, manufactures, sells and supports certain Airbus Helicopters model helicopters, including Super Puma helicopters, and from where it maintains a website and produces marketing materials for helicopters it distributes. AH also conducts aircraft certification and internal technical activities, including investigating incidents and accidents, from its place of business in France.

4. AH does not sell helicopters through its website.

5. AH has never temporarily moved its primary offices or operational activities to Texas.

1/6

6. AH designed and manufactured Super Puma EC225 helicopters serial numbers 2685, 2690, 2680, 2691, 2732, 2734, 2760, 2777, 2825 and 2809 in France. AH sold and delivered these helicopters in France to Airbus Helicopters, Inc., formerly known as American Eurocopter Corporation, of Grand Prairie, Texas. AH did not sell any of these helicopters to Era Group Inc. or Era Helicopters LLC.

7. AH does not sell Super Puma helicopters in Texas.

8. AH's involvement with investigative and certification authorities from Europe and the United Kingdom over Super Puma accidents in 2009 in the North Sea and 2016 in Norway, and two incidents that occurred in the North Sea in 2012, occurred from AH's place of business in France.

9. AH does not own AHI, and AH and AHI are separate and independent companies, each with its own management, employees, facilities, bank accounts and operational control.

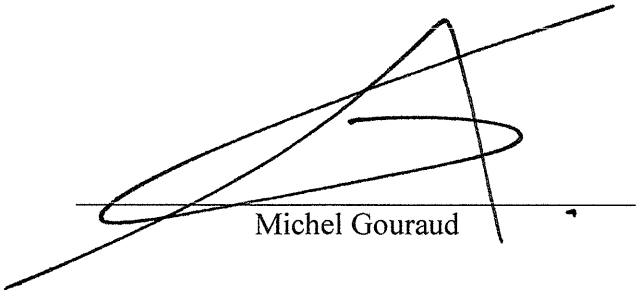
10. AH does not own, control or have any corporate relationship with HeliOne.

11. My date of birth is: 21 May 1966.

12. My address is: 66, rue Lamarck, 75018, Paris, France.

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

Executed in Le Bourget, FRANCE, on this 23rd day of December, 2016.



Michel Gouraud

Exhibit C

FILED
DALLAS COUNTY
4/28/2016 3:57:55 PM
FELICIA PITRE
DISTRICT CLERK

Tonya Pointer

Cause No. **DC-16-09090**

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	____ JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC.,	§	
Defendant.	§	

PLAINTIFF WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION'S ORIGINAL PETITION AND REQUEST FOR DISCLOSURE

On April 29, 2016, a fatal accident involving an Airbus EC225LP[1] helicopter occurred in Norway. An in-flight detachment of the main rotor hub from the main gearbox occurred, resulting in the death of all passengers on board. The Federal Aviation Authority has since banned flight of the EC225LP helicopters because it determined that an "unsafe condition exists and is likely to exist or develop on other helicopters of these same type designs." The European Aviation Safety Agency has issued a similar ban.

Plaintiff purchased three EC225LP helicopters from Defendant Airbus. After discovering that the helicopters were defective and not airworthy, Plaintiff revoked its acceptance of the non-conforming goods. Airbus, however, has refused to refund the purchase price and take ownership of the helicopters, although the helicopters remain grounded, unsafe, and without a fix in sight. Accordingly, Plaintiff Wells Fargo Bank

[1] The EC225 helicopter model is also marketed as a "Super Puma" and more recently as an "H225."

Northwest, National Association, not in its individual capacity but solely as owner trustee ("Plaintiff," "Buyer," or "Wells Fargo") for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited ("Macquarie Rotorcraft"), files this Original Petition complaining of Defendant Airbus Helicopters, Inc. ("Defendant" or "Airbus").

DISCOVERY LEVEL

1. Pursuant to Rules 190.1 and 190.3 of the Texas Rules of Civil Procedure, Plaintiff intends to conduct discovery under Level 2.

NATURE OF THE SUIT

2. This lawsuit arises from Airbus's breach of contract and, in the alternative, breach of warranty.

3. This action is filed to recover any and all damages to Buyer caused by Airbus's breaches of the Purchase Agreement, including attorneys' fees, pre- and post-judgment interest, costs and all other relief to which Buyer is entitled.

PARTIES

4. Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited, is a national banking association formed under the laws of the United States of America and located at 299 South Main Street 12th Floor, Salt Lake City, Utah 84111. Wells Fargo assumed all of Macquarie Bank Limited's ("Macquarie Bank") rights and obligations under the purchase agreement between Macquarie Bank and Defendant Airbus Helicopters, Inc. dated January 30, 2014 designated as "Contract No. V-6718-1 thru 3" for the purchase of three (3) EC225LP helicopters ("Purchase Agreement").

5. Defendant Airbus Helicopters, Inc. is a Delaware corporation with its headquarters located at 2701 Forum Drive, Grand Prairie, Texas 75052. Defendant Airbus Helicopters, Inc. is the successor to a Delaware corporation known as "American Eurocopter Corporation." It may be served through its registered agent, Kevin C. Cabaniss, at 2701 Forum Drive, Grand Prairie, Texas 75052.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over this lawsuit because the amount in controversy is within the jurisdictional limits of this Court.

9. This Court has personal jurisdiction over Defendant because Defendant is a resident and/or has its principal office in Texas.

10. Venue is proper in Dallas County, Texas, as the parties contractually recognized that Dallas County is a proper venue for disputes arising out of the Purchase Agreement.

BACKGROUND

11. Phoenix Aviation Group ("Phoenix") entered into an agreement to purchase three (3) EC225LP helicopters bearing manufacturer serial numbers 2909, 2919 and 2943 (the "Helicopters") with Airbus on January 30, 2014. The agreement is designated as "Contract No. V-6718-1 thru 3."

12. On April 2, 2014, Macquarie Bank, Phoenix, and Airbus entered into an assignment and assumption agreement for Macquarie Bank to assume the Purchase Agreement, including all rights and obligations of Phoenix.

13. Also on April 2, 2014, Macquarie Bank and Airbus agreed and entered into a Supplement to Purchase Agreement.

14. The Purchase Agreement, as supplemented, established a purchase price for each of the Helicopters. The Purchase Agreement also required a 20% deposit payable by the Buyer upon entry into the Purchase Agreement. The Buyer paid the full purchase price, including the deposit, for the Helicopters to Airbus.

15. In exchange for the purchase price, Airbus agreed to deliver the Helicopters. Airbus promised in the agreement that the Helicopters would conform to the published specification for each helicopter. Airbus also represented and warranted each new helicopter and parts manufactured by them to be free from defects in material and workmanship. Further, Airbus promised a certificate of airworthiness for each helicopter and that each helicopter would comply with EASA Certification.

16. The first helicopter was scheduled for delivery in September 2014 and the remaining two in January 2015.

17. On September 30, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the first of the EC225LP helicopters bearing manufacturer's serial number 2919.

18. On December 19, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie

Bank under the Purchase Agreement for the second of the EC225LP helicopters bearing manufacturer's serial number 2909.

19. Also on December 19, 2014, Wells Fargo, Macquarie Bank, and Airbus entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the third of the EC225LP helicopters bearing manufacturer's serial number 2943.

20. Under the September 30, 2014 and December 19, 2014 Assignment and Assumption Agreements, Macquarie Bank assigned all right, title, and interest in and to the Purchase Agreement with respect to the Helicopters and all rights and obligations with respect to the Helicopters to Wells Fargo, including without limitation, rights with respect to warranties, training, and technical publications. Airbus consented to the assignment of the rights and interests by Macquarie Bank to Wells Fargo.

21. Airbus delivered, and Buyer accepted after an inspection, the first of the Helicopters bearing serial number 2919 on October 1, 2014. The helicopter was accepted in Marignane, France.

22. Airbus delivered, and Buyer accepted after an inspection, the second of the Helicopters bearing serial number 2909 on December 30, 2014. The helicopter was accepted in Marignane, France.

23. Airbus delivered, and Buyer accepted after an inspection, the third of the Helicopters bearing serial number 2943 on January 27, 2015. The helicopter was accepted in Marignane, France.

24. The Helicopters were registered with the Aruba Department of Civil Aviation. Each helicopter was transported by a brief ferry flight conducted by Airbus pilots directly to Calden, Germany to be stored in the facility of Airbus's German affiliate, Airbus Helicopters Deutschland GmbH ("Airbus Germany") pursuant to an Aircraft Storage Agreement between Airbus and Buyer's servicing affiliate, Macquarie Rotorcraft Leasing, Inc. The Helicopters have not been used or leased by Buyer after delivery was completed.

25. On April 29, 2016, a fatal accident involving an Airbus EC225LP helicopter being operated by CHC Helikopter Service AS occurred at Turoy, near Bergen, Norway. The Accident Investigation Board of Norway ("AIBN") launched an investigation into the causes of the accident. As a result of the investigation, the AIBN issued a safety recommendation on June 1, 2016, regarding the main gearbox.

26. On June 2, 2016, the European Aviation Safety Agency ("EASA") issued a flight prohibition of all Airbus EC225LP helicopters. The EASA Emergency Airworthiness Directive, No. 2016-0104-E, stated that issues with the main gearbox suspension bars and attachment fittings, along with findings of fatigue and surface degradation in the outer race of a second stage planet gear had been observed, but that the root cause of the damage and mitigating measures had not been determined. Accordingly, all EC225LP Airbus helicopters were grounded until further notice.

27. On June 3, 2016, the FAA also issued an Emergency Airworthiness Directive, AD No. 2016-12-51, immediately prohibiting flights of all Airbus EC225LP helicopters. The FAA Emergency Airworthiness Directive defined the unsafe condition as failure of the main rotor system, which will result in loss of control of the helicopter.

28. The defects in the helicopter related to the main gearbox and main rotor system were not discoverable through a visual or flight delivery inspection. Such defects have resulted in both the EASA and the FAA immediately prohibiting flight of the helicopters.

29. Within a reasonable time after learning that the Helicopters were not in an airworthy condition, and with no corrective measures being promptly identified, Buyer sent a letter to Airbus on July 1, 2016, revoking acceptance of the non-conforming Helicopters. The letter detailed that the Helicopters are subject to Emergency Airworthiness Directives by EASA and the FAA. Thus, Buyer revoked its acceptance of the Helicopters and additional equipment and accessories acquired under the Purchase Agreement and requested a refund of the total purchase price paid. Buyer has continued to incur and pay for obligations as a prudent owner under its insurance policies, ongoing registration fees, and storage fees until such time as Airbus accepts title for the Helicopters and refunds the purchase price (and other costs enumerated herein).

30. On July 8, 2016, Airbus replied by letter denying Buyer's request to refund the purchase price or reimburse any of the expenses incurred by Buyer.

31. On July 21, 2016, Buyer sent another letter to Airbus asking Airbus to reassess its position, as the Helicopters' nonconformance has substantially impaired the value of the Helicopters. As of the time of this filing on July 28, 2016, Airbus has not responded to this request.

CLAIMS AND CAUSES OF ACTION

A. BREACH OF CONTRACT

32. The foregoing paragraphs are hereby adopted and incorporated by reference. The Purchase Agreement is a valid and enforceable contract. Pursuant to the Purchase Agreement, Buyer agreed to pay a stated purchase price for each helicopter. In exchange, Airbus agreed to, among other things, to deliver three new EC225LP helicopters that "conform to the published specifications" and to provide "a certificate of airworthiness for [each] helicopter." Buyer performed all its obligations under the Agreement. Accordingly, all conditions precedent to Buyer's rights to recover under the Agreement have been performed, excused, waived, or otherwise satisfied.

33. Airbus breached the Agreement when it failed to deliver the Helicopters in airworthy condition, with failure of the main rotor system, which would result in loss of control of the helicopter, likely to exist or develop. The non-conformity substantially impairs the value of the aircraft to Buyer. Buyer cannot lease the Helicopters to operators. Nor can it sell them without incurring substantial loss. Indeed, one of the leading helicopter appraisal companies is unwilling at this time to provide valuations of EC225 helicopters that reflect the impact of the airworthiness issues and the related EASA and FAA groundings. This leaves Buyer with helicopters that it cannot fly, lease, or sell for any price that would not result in substantial losses to Buyer.

34. The non-conformity was not reasonably discoverable from the visual and flight delivery inspection provided for under the Purchase Agreement. There has not been any substantial change in the condition of the Helicopters since Buyer's acceptance. Within a reasonable time after learning of the non-conformity, Buyer revoked its

acceptance. Buyer requested that Airbus refund the total purchase price paid under the Purchase Agreement. Airbus refused.

35. Buyer requested that Airbus promptly assume responsibility for insurance, registration, and storage of the Helicopters. Airbus's breach and refusal to assume responsibility for the Helicopters has caused Buyer to incur expenses to insure, store, and register the Helicopters.

36. Airbus's breach of the Purchase Agreement has caused Buyer damages.

B. BREACH OF WARRANTY

37. The foregoing paragraphs are hereby adopted and incorporated by reference.

38. In the alternative, Airbus is liable to Buyer for breach of warranty.

39. Buyer acquired the Helicopters by purchase from Airbus under a valid, enforceable Agreement wherein Buyer agreed to pay Airbus the agreed purchase price for each helicopter.

40. In the Purchase Agreement, Airbus expressly represented and warranted that each new helicopter would be free from defects in material and workmanship under normal use and service in offshore operations transporting crew and cargo to oil & gas exploration and production platforms, facilities and vessels.

41. This representation was an express warranty and an important basis of the bargain. Buyer relied on Airbus's promise that the Helicopters would be free from defects in material and workmanship under the stated conditions.

42. Airbus failed to comply with its warranty. The Helicopters are currently the subject of Emergency Airworthiness Directive No. 2016-12-51 by the FAA. The

Helicopters are also the subject of Emergency Airworthiness Directive No. 2016-0104-E by EASA. The directives prohibit flight and operation of the Helicopters due to an in-flight detachment of the main rotor hub from the main gearbox that resulted in a fatal accident. There are currently no known fixes for the defect that resulted in the grounding of the Helicopters.

43. Within a reasonable time after learning of the warranty breach, Buyer notified Airbus of the nonconforming goods. Airbus has not offered to replace or repair any parts or tools for the Helicopters.

44. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

45. Airbus's breach of the express warranty proximately caused Buyer's damages.

DAMAGES AND OTHER RELIEF REQUESTED

46. Buyer seeks rescission of the Agreement. Buyer paid the full purchase price for the Helicopters, and has not otherwise breached the Agreement. Buyer notified Airbus of the nonconforming goods, and asked that Airbus take the Helicopters back in exchange for a full refund of the amount paid by Buyer. Airworthy helicopters were the main benefit of the bargain for Buyer, and as such, airworthiness goes to the essence of the Purchase Agreement.

47. In addition, or in the alternative, Airbus's breach of contract and breach of express warranty caused Buyer's damages. Consistent with reports of other buyers putting EC225 purchases on hold, Buyer would not have accepted and paid for the

Helicopters had it known of the non-conformity. Airbus has been unable to repair or replace the Helicopters with other conforming helicopters. Buyer has had to incur maintenance, insurance, registration, and storage fees in relation to the nonconforming Helicopters, which Buyer would not have accepted had it known of the non-conformity at the time of delivery. Buyer will continue to incur such expenses although the Helicopters are grounded pursuant to the Emergency Airworthiness Directives.

48. The purchase price paid in conjunction with costs and expenses incurred by Buyer far exceeds the fair market value of the Helicopters, as at least one of the leading helicopter appraisal companies is unwilling to issue valuations of the EC225s that reflect the impact of the airworthiness issues. The nonconformity of the goods prevents Buyer from flying, leasing, or even selling the helicopters for any price that would not result in substantial losses to Buyer.

49. Pursuant to Chapter 38.001(8) of the Texas Civil Practice & Remedies Code, Buyer seeks and is entitled to all reasonable attorneys' fees incurred in pursuit of its claims.

50. Buyer seeks monetary relief over $1,000,000 in this action.

PRAYER

51. Buyer respectfully requests that Airbus be cited to answer and appear and that after consideration of these claims, this Court award a judgment to Buyer against Airbus for all damages to Buyer from Airbus's breaches, reasonable and necessary attorneys' fees, pre- and post-judgment interest to the maximum extent allowed by law, costs, and all other relief to which Buyer is entitled.

REQUEST FOR DISCLOSURE

52. Pursuant to Rule 194 of the Texas Rules of Civil Procedure, Defendant is requested to disclose, within 30 days of service of this request, the information or material described in Rule 194.2(a)-(i), (l).

Respectfully submitted,

/s/ Van Beckwith

Van Beckwith
van.beckwith@bakerbotts.com
Texas Bar No. 02020150
Susan Kennedy
susan.kennedy@bakerbotts.com
Texas Bar No. 24051663
Josue Caballero
josue.caballero@bakerbotts.com
Texas Bar No. 24081241

BAKER BOTTS L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
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Facsimile: (214) 661-6503

Attorneys for
WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited

Exhibit D

FILED
DALLAS COUNTY
3/7/2017 12:51:05 PM
FELICIA PITRE
DISTRICT CLERK

Cause No. DC-16-09090

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	14th JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC., and AIRBUS HELICOPTERS S.A.S.,	§	
Defendants.	§	

PLAINTIFF'S FIRST AMENDED PETITION

On April 29, 2016, a fatal accident involving an Airbus EC225 helicopter occurred in Norway. An in-flight detachment of the main rotor hub from the main gearbox occurred, resulting in the death of all passengers on board. The Federal Aviation Authority then banned flight of the EC225[1] helicopters because it determined that an "unsafe condition exists and is likely to exist or develop on other helicopters of these same type designs." The European Aviation Safety Agency ("EASA"), the Norwegian Civil Aviation Authority, and the United Kingdom Civil Aviation Authority all issued similar bans. Now, the Norwegian Civil Aviation Authority and United Kingdom Civil Aviation Authority bans remain in place, and neither the FAA nor the EASA permits flight of the EC225 helicopters without modifications to the mechanics and compliance with onerous operating conditions.

[1] The EC225 helicopter model is also marketed as a "Super Puma" and more recently as an "H225."

Before the crash and subsequent groundings, Buyer purchased three EC225 helicopters from Airbus. Airbus told the public and Buyer that the helicopters not only were airworthy, but also had a design that increased operational safety, offered superior reliability, and set new standards for safety. The crash and subsequent groundings revealed that these statements were not true. Thus, after learning that the helicopters it purchased were defective and not airworthy, Buyer revoked its acceptance of the non-conforming goods. Airbus, however, has refused to refund the purchase price and take ownership of the helicopters, although the helicopters, as delivered, remain grounded, unsafe, and without a fix in sight that would allow normal operation of the helicopters. Indeed, months after the crash, Airbus still does not know the root cause of the accident. Accordingly, Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee ("Plaintiff," "Buyer," or "Wells Fargo") for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited ("Macquarie Rotorcraft"), files this First Amended Petition complaining of Defendant Airbus Helicopters, Inc. and Airbus Helicopters S.A.S. (collectively "Defendants" or "Airbus").

DISCOVERY LEVEL

1. Pursuant to Rules 190.1 and 190.3 of the Texas Rules of Civil Procedure, Plaintiff intends to conduct discovery under Level 3.

NATURE OF THE SUIT

2. This lawsuit arises from Airbus's misrepresentations, fraud, breach of contract and, in the alternative, breach of warranty.

3. This action is filed to recover any and all damages caused by Airbus's fraudulent conduct, misrepresentations, and breaches of the Purchase Agreement,

including attorneys' fees, pre- and post-judgment interest, costs and all other relief to which Plaintiff is entitled.

PARTIES

4. Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, is a national banking association formed under the laws of the United States of America and located at 299 South Main Street 12th Floor, Salt Lake City, Utah 84111. Wells Fargo assumed all of Macquarie Bank Limited's ("Macquarie Bank") rights and obligations under the purchase agreement between Macquarie Bank and Defendant Airbus Helicopters, Inc. dated January 30, 2014 and designated as "Contract No. V-6718-1 thru 3" for the purchase of three EC225 helicopters ("Purchase Agreement").

5. Defendant Airbus Helicopters, Inc. ("Airbus USA") is a Delaware corporation with its headquarters located at 2701 Forum Drive, Grand Prairie, Texas 75052. Airbus USA is the successor to a Delaware corporation known as American Eurocopter Corporation. It may be served through its registered agent, Kevin C. Cabaniss, at 2701 Forum Drive, Grand Prairie, Texas 75052, and through electronic filing, as it has already entered an appearance in this matter.

6. Defendant Airbus Helicopters S.A.S. ("Airbus SAS") is a corporation organized under the laws of France with its principal place of business in Marignane, France. Airbus SAS designs, manufactures, markets, and sells aircraft, including the aircraft at issue in this case, which it markets throughout the United States, including Texas. Airbus SAS may be served at Aeroport International Marseille Provence, 13725 Marignane Cedex, France.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over this lawsuit because the amount in controversy is within the jurisdictional limits of this Court.

9. This Court has personal jurisdiction over Defendants. Defendant Airbus USA is a resident and/or has its principal office in Texas. Defendant Airbus SAS directed its wrongful conduct toward this State through a number of actions, including by working with its affiliate Airbus USA to sell defective helicopters in Texas. Airbus SAS's actions and conduct in designing, advertising and marketing the defective helicopters in Texas, and in selling products to its network partner Airbus USA in Texas, for Airbus USA to then resell in Texas, all gave rise to injury to Plaintiff in Texas. Further, Airbus SAS misrepresented the safety and airworthiness of the products in marketing materials to purchasers located in Texas.

10. Defendant Airbus SAS touts its "Global Presence" on its website, describing a "worldwide network" of "local solutions for the full range of Airbus Helicopters products." Defendant Airbus USA is designated as a part of this Airbus SAS network as an "Airbus Helicopters location." Airbus SAS provides detailed contact information for the Airbus USA Grand Prairie location and describes Airbus USA as both a "Partner" and a "Customer Center" of Airbus Helicopters. Customers in Texas buying helicopters manufactured by Airbus SAS do so through the Airbus USA location in Texas. Airbus USA does not generally hold title to an inventory of helicopters manufactured by Airbus SAS for sale, but instead takes title to a helicopter from Airbus SAS only after a customer has committed to purchase it. By coordinating with this Texas

location, Airbus SAS regularly and systematically transacts business within Texas and enters into contracts for the sale of goods to be delivered in Texas.

11. Airbus SAS directed its wrongful conduct to Texas by designing defective products and misrepresenting the safety and airworthiness of those products in marketing materials it gave its Texas affiliate for distribution. Airbus SAS is responsible for both the design and safety of the helicopters it sells throughout its global network. Airbus SAS creates sales information materials such as brochures, advertisements, pamphlets and other marketing materials, and provides them to the partners in their network, including its affiliate Airbus USA in Texas. Both Defendants coordinate their efforts to court customers in Texas: Airbus SAS hosts customers in France who are buying helicopters from Airbus USA in Texas. Defendant Airbus SAS hosted employees of Macquarie Rotorcraft two or three times in Marignane, France to finalize the sale through its affiliate, Airbus USA. Airbus SAS also visits Texas to market its products to customers buying helicopters from Airbus USA in Texas. Employees, sales teams, and senior leadership from Airbus SAS come to Texas, bringing helicopter models and advertising materials, to support its affiliate Airbus USA's sales to customers in Texas. Airbus SAS purposefully placed into the stream of commerce defective products it knew would be re-sold in and from Texas by its Texas affiliate Airbus USA.

12. Venue is proper in Dallas County, Texas, as Airbus USA and Plaintiff contractually recognized that Dallas County is a proper venue for disputes arising out of the Purchase Agreement. With venue established as to Airbus USA, under Tex. Civ. Prac. & Rem. Code § 15.005, the Court has venue of all defendants in all claims or

actions arising out of the same transaction, occurrence, or series of transactions or occurrences.

BACKGROUND

I. In 2014, Buyer purchases three EC225 helicopters from Airbus USA.

13. On January 30, 2014, Phoenix Aviation Group ("Phoenix") entered into an agreement to purchase three EC225 helicopters bearing manufacturer serial numbers 2909, 2919 and 2943 (the "Helicopters") from Airbus USA. The agreement is designated as "Contract No. V-6718-1 thru 3."

14. On April 2, 2014, Macquarie Bank and Phoenix entered into an assignment and assumption agreement with Airbus USA, for Macquarie Bank to assume the Purchase Agreement, including all of Phoenix's rights and obligations.

15. Also on April 2, 2014, Macquarie Bank and Airbus USA entered into a Supplement to Purchase Agreement.

16. The Purchase Agreement, as supplemented, established a purchase price for each of the Helicopters. The Purchase Agreement also required a 20% deposit payable upon entry into the Purchase Agreement. The Buyer paid the full purchase price, including the deposit, for the helicopters to Airbus USA.

17. In exchange for the purchase price, Airbus USA agreed to deliver the helicopters. Airbus USA promised in the agreement that the helicopters would conform to the published specification for each helicopter. Airbus USA also represented and warranted each new helicopter and parts manufactured by Airbus SAS to be free from defects in material and workmanship. Further, Airbus USA promised a certificate of

airworthiness for each helicopter and that each helicopter would comply with EASA Certification.

18. The first helicopter was scheduled for delivery in September 2014 and the remaining two in January 2015.

19. On September 30, 2014, Wells Fargo, Macquarie Bank, and Airbus USA entered into an assignment and assumption agreement for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the first of the EC225 helicopters, bearing manufacturer's serial number 2919.

20. On December 19, 2014, Wells Fargo, Macquarie Bank, and Airbus USA entered into two additional assignment and assumption agreements for Wells Fargo (not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft, a wholly owned subsidiary of Macquarie Bank) to assume all rights and obligations of Macquarie Bank under the Purchase Agreement for the second and third EC225 helicopters, bearing manufacturer's serial numbers 2909 and 2943, respectively.

21. Under the September 30, 2014 and December 19, 2014 Assignment and Assumption Agreements, Macquarie Bank assigned all right, title, and interest in and to the Purchase Agreement with respect to the Helicopters and all rights and obligations with respect to the Helicopters to Wells Fargo, including without limitation, rights with respect to warranties, training, and technical publications. Wells Fargo assumed all of the rights, title, and interest to the same extent as if it were a party to the Purchase

Agreement. Airbus USA consented to the assignment of the rights and interests by Macquarie Bank to Wells Fargo.

22. Airbus USA delivered, and Buyer accepted after an inspection, the first of the Helicopters bearing serial number 2919 on October 1, 2014. The helicopter was accepted in Marignane, France.

23. Airbus USA delivered, and Buyer accepted after an inspection, the second of the Helicopters bearing serial number 2909 on December 30, 2014. The helicopter was accepted in Marignane, France.

24. Airbus USA delivered, and Buyer accepted after an inspection, the third of the Helicopters bearing serial number 2943 on January 27, 2015. The helicopter was accepted in Marignane, France.

25. The Helicopters were registered with the Aruba Department of Civil Aviation. Each helicopter was transported by a brief ferry flight conducted by Airbus pilots directly to Calden, Germany, to be stored in the facility of Airbus's German affiliate, Airbus Helicopters Deutschland GmbH ("Airbus Germany") pursuant to an Aircraft Storage Agreement between Airbus and Buyer's servicing affiliate, Macquarie Rotorcraft Leasing, Inc. The Helicopters have not been used or leased by Buyer after delivery was completed.

II. A tragic accident in 2016 reveals misrepresentations by Airbus.

26. When purchasing the helicopters in 2014, Macquarie Rotorcraft relied on representations by Airbus about the safety, technological advances, and airworthiness of the Helicopters. For example, to induce purchases of the EC225 helicopters, Airbus claimed the EC225 "integrates all the latest technological innovations to comply with the

most stringent technical and operational requirements for all types of missions."[2] Airbus claimed that the EC225 used "modern technology for greater safety" and touted it as a "new generation helicopter."[3]

27. On information and belief, Airbus knew that its representations about the safety, technological advances, and airworthiness of the Helicopters were false, as it knew about defects in the design and the main gearbox of the EC225 helicopters since at least 2009. In 2009, a Super Puma AS332 L2 helicopter, the EC225's predecessor, crashed off the coast of Scotland due to a failure in the second stage planet gear of the main gearbox (the "2009 Accident"). On information and belief, the defect that caused this tragic accident was not remedied by Airbus, in light of the similarities between this accident and the crash in 2016.

28. On April 29, 2016, a fatal accident involving an Airbus EC225 helicopter being operated by CHC Helikopter Service AS occurred at Turoy, near Bergen, Norway. The Accident Investigation Board of Norway ("AIBN") launched an investigation into the causes of the accident. As a result of the investigation, the AIBN issued a safety recommendation on June 1, 2016, regarding the main gearbox. The Norwegian Civil Aviation Agency ("NCAA") stopped all flights of Airbus EC225 helicopters.

29. On June 2, 2016, the European Aviation Safety Agency issued a flight prohibition of all Airbus EC225 helicopters. The EASA Emergency Airworthiness Directive, No. 2016-0104-E, stated that issues with the main gearbox suspension bars and

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[2] *See* https://web.archive.org/web/20140114155503/http://www.airbushelicopters.com/site/en/ref/Overview_116.html

[3] https://web.archive.org/web/20140427200840/http:/www.airbushelicopters.com/site/en/ref/Technology_118.html

attachment fittings, along with findings of fatigue and surface degradation in the outer race of a second stage planet gear had been observed, but that the root cause of the damage and mitigating measures had not been determined. Accordingly, all EC225 Airbus helicopters were grounded until further notice.

30. The United Kingdom Civil Aviation Authority ("UKCAA") also issued a flight prohibition of EC225 Airbus helicopters on June 2, 2016.

31. On June 3, 2016, the United States Federal Aviation Administration ("FAA") also issued an Emergency Airworthiness Directive, AD No. 2016-12-51, immediately prohibiting flights of all Airbus EC225 helicopters. The FAA Emergency Airworthiness Directive defined the unsafe condition as failure of the main rotor system, which will result in loss of control of the helicopter.

32. The defects in the helicopter related to the main gearbox and main rotor system were not discoverable through a visual or flight delivery inspection. Such defects resulted in the EASA, the NCAA, the UKCAA, and the FAA immediately prohibiting flight of the helicopters.

III. Buyer revokes acceptance of the Helicopters.

33. Within a reasonable time after learning that the Helicopters were non-conforming, and with no corrective measures being promptly identified, Buyer sent a letter to Airbus on July 1, 2016, revoking acceptance of the non-conforming Helicopters. Buyer has continued to incur and pay for obligations as a prudent owner under its insurance policies, including ongoing registration fees and storage fees (and other costs enumerated herein), until such time as Airbus accepts title for the Helicopters and refunds the purchase price.

34. On July 8, 2016, Airbus replied by letter denying Buyer's request to refund the purchase price or reimburse any of the expenses incurred by Buyer.

35. On July 21, 2016, Buyer sent another letter to Airbus asking Airbus to reassess its position, as the Helicopters' nonconformance has substantially impaired the value of the Helicopters. Airbus denied this request.

IV. Recent events confirm that the Helicopters are non-conforming.

36. As of the date of this filing, months after the accident, the root cause of the accident is still unknown. Thus, Airbus cannot reasonably claim that the Helicopters are safe to fly, as it cannot assure Buyer or the public that it has addressed the problems that have caused the EC225 to fall from the sky after the rotor blades catastrophically detached from the aircraft

37. On October 7, 2016, EASA conditionally lifted the ban on flights of the EC225 only if certain components of the main gearbox are replaced and operators comply with onerous operating and maintenance requirements. European Aviation Safety Agency, *Airworthiness Directive 2016-0199* (Oct. 7, 2016) http://ad.easa.europa.eu/blob/EASA_AD_2016_0199.pdf/AD_2016-0199_1 at 2. And again, Airbus cannot assure Buyer or the public that these fixes correct the problems with the EC225s.

38. On December 8, 2016, the FAA approved Global Alternative Method of Compliance with its order grounding the EC225 helicopters. The Alternative Method is based on the EASA October 7, 2016 directive.

39. Authorities in Norway and the United Kingdom have not followed suit; flights of EC225 helicopters are still banned in these jurisdictions, which are important markets for helicopters like the EC225.

40. Statoil, a Norwegian state-controlled oil company, has announced that it will no longer use Airbus Super Puma helicopters, including the EC225. Unions representing oil workers have asked for a permanent ban. A recent study finds that 90% of oil workers refuse to travel on EC225s, in part due to concerns over gearbox safety. Understandably, there are concerns about use of the EC225 helicopters in light of the similarities in the 2009 and 2016 crashes, the grounding of the helicopters, and the unknown cause of these tragic accidents. On February 2, 2017, the AIBN issued an update to its ongoing reporting of its investigation of the Accident in which it stated that "the primary focus of the AIBN investigation is certification aspects of the main gearbox and the robustness of past and present design requirements. This includes the follow-up on safety recommendations issued by the AAIB in connection with the [2009 Accident] and continuing airworthiness of the gearbox. […] The scope and complexity of the investigation means that it is not feasible to estimate a completion date for the final report."

41. As a result of the defects at least in the main gearbox of the EC225, which Airbus misrepresented and concealed from Buyer, the EC225 helicopters cannot be flown at all in certain jurisdictions, and only with substantial modifications and onerous operating restrictions in others. As delivered to Buyer, the EC225 helicopters cannot be flown. These non-conformities significantly impair the value of the Helicopters.

CLAIMS AND CAUSES OF ACTION

A. BREACH OF CONTRACT

42. The foregoing paragraphs are hereby adopted and incorporated by reference. The Purchase Agreement is a valid and enforceable contract. Pursuant to the Purchase Agreement, Buyer agreed to pay a stated purchase price for each helicopter. In exchange, Airbus USA agreed, among other things, to deliver three new EC225 helicopters that "conform to the published specifications" and to provide "a certificate of airworthiness for [each] helicopter." Buyer performed all its obligations under the Agreement. Accordingly, all conditions precedent to Buyer's rights to recover under the Agreement have been performed, excused, waived, or otherwise satisfied.

43. Airbus breached the Agreement when it failed to deliver the helicopters in airworthy condition, with failure of the main rotor system, which would result in loss of control of the helicopter, likely to exist or develop. The non-conformity substantially impairs the value of the aircraft to Buyer. In light of both the legal restrictions and the crisis of confidence in the Helicopters, Buyer cannot lease the Helicopters to operators. Nor can it sell them without incurring substantial loss.

44. The non-conformity was not reasonably discoverable from the visual and flight delivery inspection provided under the Purchase Agreement. There has not been any substantial change in the condition of the helicopters since Buyer's acceptance. Within a reasonable time after learning of the non-conformity, Buyer revoked its acceptance. Buyer requested that Airbus USA refund the total purchase price paid under the Purchase Agreement, but Airbus USA refused.

45. Buyer requested that Airbus USA promptly assume responsibility for insurance, registration, and storage of the helicopters. Airbus USA's breach and refusal to assume responsibility for the helicopters has caused Buyer to incur expenses to insure, store, and register the helicopters.

46. Airbus USA's breach of the Purchase Agreement has caused Buyer damages.

B. BREACH OF WARRANTY

47. The foregoing paragraphs are hereby adopted and incorporated by reference.

48. In the alternative, Airbus USA is liable to Buyer for breach of warranty.

49. Buyer acquired the helicopters by purchase from Airbus USA under a valid, enforceable Agreement wherein Buyer agreed to pay Airbus USA the agreed purchase price for each helicopter.

50. In the Purchase Agreement, Airbus USA expressly represented and warranted that each new helicopter would be free from defects in material and workmanship under normal use and service in offshore operations transporting crew and cargo to oil and gas exploration and production platforms, facilities and vessels.

51. This representation was an express warranty and an important basis of the bargain. Buyer relied on Airbus USA's promise that the helicopters would be free from defects in material and workmanship under the stated conditions.

52. Airbus failed to comply with its warranty. The helicopters are currently the subject of Emergency Airworthiness Directive No. 2016-12-51 by the FAA and the subsequent Global Alternative Method of Compliance. The helicopters are also the

subject of Emergency Airworthiness Directives No. 2016-0104-E and No. 2016-0199 by EASA. The directives prohibit flight and operation of the helicopters as delivered due to an in-flight detachment of the main rotor hub from the main gearbox that resulted in a fatal accident. There are currently no known fixes that will allow the helicopters to be used without significant operating restrictions, or at all in Norway and the United Kingdom.

53. Within a reasonable time after learning of the warranty breach, Buyer notified Airbus USA of the nonconforming goods.

54. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

55. Airbus USA's breach of the express warranty proximately caused Buyer's damages.

C. BREACH OF IMPLIED WARRANTY OF MERCHANTABILITY

56. The foregoing paragraphs are hereby adopted and incorporated by reference.

57. The implied warranty of merchantability attached to the purchase of the three EC225 helicopters because the Purchase Agreement is a contract for the sale of goods governed by the Uniform Commercial Code ("UCC").

58. Airbus USA's disclaimer of the implied warranty of merchantability was not effective because it seeks to disclaim only "defects in material and workmanship," not design defects like those present in the EC225s.

59. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

60. Airbus SAS designed, manufactured, tested, marketed, and distributed into the stream of commerce the EC225s.

61. Buyer reasonably relied upon the skill and judgment of Defendants as to whether the EC225s were of merchantable quality and safe for their intended use.

62. The EC225s were not of merchantable quality or safe for their intended use because the helicopters had latent design defects that caused them to malfunction upon normal operation and use.

63. As a direct and proximate result of Defendants' breach of implied warranty regarding the safety and airworthiness of the EC225s, Buyer has suffered damages.

D. BREACH OF IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

64. The foregoing paragraphs are hereby adopted and incorporated by reference.

65. Plaintiff entered into a Purchase Agreement with Airbus USA for the purchase of three EC225s.

66. Buyer performed all its obligations under the Purchase Agreement. All conditions precedent to Buyer's right to recover under the Purchase Agreement have occurred or been performed.

67. Airbus was aware of and understood that Plaintiff intended to use for the helicopters for a particular purpose.

68. Because of this knowledge and understanding, and because the agreement is a contract for the sale of goods governed by the UCC, the implied warranty of fitness automatically attached as a matter of law to the purchase of the EC225s.

69. Airbus USA's disclaimer of the implied warranty of fitness for a particular purpose was not effective because it pertained only to "defects in material and workmanship," not to design defects like those present in the EC225s.

70. Defendants, thus, provided an implied warranty of fitness for a particular purpose as it relates to the design of the EC225s.

71. In violation of this implied warranty, Defendants sold Buyer three EC225s that were not fit for the particular purpose, as the helicopters had latent design defects that cause them to malfunction upon normal operation and use.

72. As a direct and proximate result of Defendants' breach of this implied warranty, Buyer has suffered damages.

E. NEGLIGENT MISREPRESENTATION

73. The foregoing paragraphs are hereby adopted and incorporated by reference.

74. Defendants supplied false information to the public and to Macquarie Rotorcraft regarding the airworthiness and safety of the EC225s. For example, among other things, Defendants advertised the EC225 helicopters as "all[ying] modern technologies to reach unequalled levels of safety" and as "the leader in the field of flight safety." [4]

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[4] https://web.archive.org/web/20140130015225/http://www.airbushelicopters.com/site/en/ref/Missions_119.html

75. Defendants provided this false information to induce the public and Macquarie Rotorcraft to purchase EC225s.

76. Defendants knew or should have known that the information it supplied regarding the purported airworthiness and safety of the EC225s to induce Macquarie Rotorcraft to purchase EC225s was false.

77. Defendant was negligent in obtaining or communicating false information regarding the purported airworthiness and safety of the EC225s.

78. Macquarie Rotorcraft relied on the false information supplied by Defendants to its detriment in having helicopters purchased by Wells Fargo as the owner trustee for Macquarie Rotorcraft.

79. Macquarie Rotorcraft was justified in its reliance on the false information supplied by Defendants regarding the purported airworthiness and safety of the EC225s.

80. Defendants' negligent misrepresentations have resulted in damages.

F. FRAUDULENT INDUCEMENT

81. The foregoing paragraphs are hereby adopted and incorporated by reference.

82. Defendants made misrepresentations regarding the technology, airworthiness, and safety of the EC225s. For example, among other things, Defendants advertised the EC225 helicopters as "all[ying] modern technologies to reach unequalled levels of safety" and as "the leader in the field of flight safety." [5]

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[5] https://web.archive.org/web/20140130015225/http://www.airbushelicopters.com/site/en/ref/Missions_119.html

83. In marketing the EC225s to Macquarie Rotorcraft, Defendant knew or should have known of the defective design and the serious risks that the EC225s posed.

84. Defendants' representations about the airworthiness, safety, and modern technology of the EC225s were false.

85. Macquarie Rotorcraft did not know of the falsity of Defendants' statements regarding the EC225s.

86. Macquarie Rotorcraft relied upon and accepted as truthful Defendants' representations regarding the EC225s.

87. Macquarie Rotorcraft had a right to rely on Defendants' representations. Had Macquarie Rotorcraft known that the EC225s were unsafe and not airworthy, Macquarie Rotorcraft would not have purchased the EC225s.

88. Defendants' fraudulent representations have resulted in damages.

DAMAGES AND OTHER RELIEF REQUESTED

89. Buyer seeks rescission of the Agreement. Buyer paid the full purchase price for the helicopters, and has not otherwise breached the Agreement. Buyer notified Airbus of the nonconforming goods, and asked that Airbus take the helicopters back in exchange for a full refund of the amount paid by Buyer. Airworthy helicopters were the main benefit of the bargain for Buyer, and as such, airworthiness goes to the essence of the Purchase Agreement.

90. In addition, or in the alternative, Airbus's breach of contract, breach of warranties, negligent misrepresentations, and fraudulent inducement caused Buyer's damages. Buyer would not have accepted and paid for the helicopters had it known of the non-conformity. Airbus has not repaired the helicopters or replaced them with other

conforming helicopters. Buyer has had to incur maintenance, insurance, registration, and storage fees in relation to the nonconforming helicopters, which Buyer would not have accepted had it known of the non-conformity at the time of delivery. Buyer will continue to incur such expenses until Airbus recognizes Buyer's right of revocation.

91. The purchase price paid by Buyer far exceeds the fair market value of the helicopters. The nonconformity of the goods prevents Buyer from flying, leasing, or even selling the helicopters for any price that would not result in substantial losses to Buyer.

92. Pursuant to Chapter 38.001(8) of the Texas Civil Practice & Remedies Code, Buyer seeks and is entitled to all reasonable attorneys' fees incurred in pursuit of its claims.

93. Buyer seeks monetary relief over $1,000,000 in this action.

PRAYER

94. Plaintiff respectfully requests that Airbus SAS be cited to answer and appear and that after consideration of these claims, this Court award a judgment to Plaintiff against Airbus for all damages stemming from Airbus's breaches, reasonable and necessary attorneys' fees, pre- and post-judgment interest to the maximum extent allowed by law, costs, and all other relief to which Plaintiff is entitled.

Respectfully submitted,

/s/ Van Beckwith

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Attorneys for WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited

CERTIFICATE OF SERVICE

This Amended Petition was served on all counsel of record according to Texas Rule of Civil Procedure 21a(a) on February 7, 2017.

/s/ *Susan Kennedy*
Susan Kennedy

Exhibit E

FILED
DALLAS COUNTY
3/7/2017 9:57:23 AM
FELICIA PITRE
DISTRICT CLERK

CAUSE NO. DC-16-15017

ERA GROUP INC.,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff,	§	
	§	
v.	§	
	§	**DALLAS COUNTY, TEXAS**
AIRBUS HELICOPTERS, INC., and AIRBUS HELICOPTERS S.A.S.,	§	
	§	
	§	
Defendants.	§	
	§	**116TH JUDICIAL DISTRICT**

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S
NOTICE OF WITHDRAWAL OF SPECIAL APPEARANCE

COMES NOW Airbus Helicopters, S.A.S. ("AH France") and, without waiver of any other rights, privileges, or defenses, hereby withdraws the Special Appearance filed by it on January 12, 2017 and consents to the personal jurisdiction of this Court as applies to AH France in this case and this case only. In place of the January 12, 2017 Special Appearance, AH France has filed the attached Original Answer and Jury Demand.

Dated: March 16, 2017

Respectfully submitted,

/s/ Thad T. Dameris

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ATTORNEYS FOR DEFENDANT
AIRBUS HELICOPTERS, S.A.S.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following counsel of record in accordance with the Texas Rules of Civil Procedure on this 16th day of March 2017:

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/s/ Thad T. Dameris
Thad T. Dameris

Exhibit A

CAUSE NO. DC-16-15017

ERA GROUP INC.,	§	**IN THE DISTRICT COURT OF**
	§	
Plaintiff,	§	
	§	
v.	§	
	§	**DALLAS COUNTY, TEXAS**
AIRBUS HELICOPTERS, INC., and AIRBUS HELICOPTERS S.A.S.,	§	
	§	
	§	
Defendants.	§	
	§	**116TH JUDICIAL DISTRICT**

DEFENDANT AIRBUS HELICOPTERS, S.A.S.'S
ORIGINAL ANSWER AND JURY DEMAND

Without waiver of any right, privilege, or defense, Airbus Helicopters, S.A.S. ("AH France"), named as a defendant in the above-styled and numbered cause, files this Original Answer and Jury Demand and in support of it respectfully would show the following:

I. GENERAL DENIAL

Pursuant to Rule 92 of the Texas Rules of Civil Procedure, AH France denies each and every, all and singular, the allegations in Plaintiff Era Group, Inc.'s Original Petition (and any subsequently filed amended petition), and demands strict proof thereof.

II. JURY DEMAND

AH France demands a trial by jury pursuant to Rule 216 of the Texas Rules of Civil Procedure and tenders the jury fee.

PRAYER

WHEREFORE, AH France prays that Plaintiff take nothing by this action, that this action be dismissed in its entirety, and that AH France recover its costs and reasonable and necessary attorneys' fees and have all other and further relief to which it is justly entitled.

Dated: March 16, 2017

Respectfully submitted,

/s/ Thad T. Dameris

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following counsel of record in accordance with the Texas Rules of Civil Procedure on this 16th day of March 2017:

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/s/ Thad T. Dameris
Thad T. Dameris

Exhibit F

2018 HAI HELI-EXPO
BY HELICOPTER ASSOCIATION INTERNATIONAL

Feb. 26–Mar. 1 • Las Vegas
Exhibits Open Feb. 27–Mar. 1

Las Vegas, NV
Contact

346 days 19 hrs 32 min 34 sec

Attend Exhibit Show Floor Education Hotel & Travel

Statistics

HELI-EXPO

2017 in Dallas

- 17,788 people attended the show
- 100 percent of the available show floor was in use
- A record-setting 322,800 net square feet of space was utilized for exhibits and displays
- 731 exhibiting businesses and organizations participated
- 62 aircraft were on display
- 750 HAI Professional Education students, and
- More than 1,500 attendees took part in 62 Rotor Safety Challenge

1 2 3 4 >

Why HAI HELI-EXPO?

HAI HELI-EXPO is where the global helicopter industry gathers to build professionals, networks, and solutions. Looking for your next aircraft, vendor, mentor, job, or professional development opportunity? You'll find them all in Las Vegas at HAI HELI-EXPO 2018!

HAI HELI-EXPO Facts

- 20,000 industry professionals, including 20% from international destinations
- 700+ exhibitors and 60+ aircraft on display
- 100+ education courses, seminars, workshops, and forums
- 1 million+ square feet of meeting and exhibit space
- Helicopter fly-in February 23-24 and fly-out March 1-2

Target Audience

You can't afford to miss HAI HELI-EXPO if you:

- Manufacture or operate helicopters or drones
- Produce or distribute aviation products or services
- Provide aviation training through simulation or schools
- Work for an aviation regulator or other government agency

Thank You to Our Sponsors

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Bell Helicopter

Gold Level

AIRBUS

CHC

Rolls-Royce

Silver Level

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AND AREA TECHNICAL CENTER

EMBRY-RIDDLE
Aeronautical University

LEONARDO

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HELICOPTER COMPANY
An engineering company

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A division of Mid-Continent Instrument Co., Inc.

UHI
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UTC Aerospace Systems

Vertical
THE PULSE OF THE HELICOPTER INDUSTRY

Bronze Level

APPAREO

BLR PERFORMANCE INNOVATION

H. Ross Perot, Jr., & the Perot Family

HELIWAGON

HeliValue$, Inc. The Official Helicopter Blue Book

MD HELICOPTERS

NIGHTFLIGHT CONCEPTS

Supporting Level

1st Source Bank

AERLEX LAW GROUP

AIC TITLE SERVICE

Bristow

CADORATH

component control

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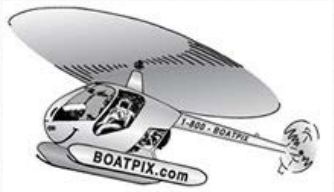
FLIR

HELICOPTER INSTITUTE



Honeywell

Infinity Transportation LEASING & EQUIPMENT MANAGEMENT Powered by Global Atlantic

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Exhibit G

AIRBUS HELICOPTERS

Press Release

Heli-Expo 2017

Airbus Helicopters wraps up a successful Heli-Expo 2017 in Dallas

Orders for about 60 H125, H135, H145 and H175 announced at the show

Dallas, Texas, 10 March 2017 – Airbus Helicopters showcased its best-selling light singles and light twins during Heli-Expo 2017 at the Kay Bailey Hutchison Convention Center in Dallas, Texas. The H125, H130, H135, and the H145, on display at the show, represented 381 bookings for Airbus Helicopters in 2016, and accounted for a vast majority of the deliveries of the civil helicopter market last year.

“This year’s Heli-Expo has shown that 2017 is already off to a good start for our best-selling products, with orders for about 60 helicopters including the H125, H135, H145, and H175 announced at the show”, said Guillaume Faury, Airbus Helicopters CEO.

Milestone Aviation Group Limited announced a €200 million firm order for H135, H145 and H175 helicopters, while Waypoint Leasing (Ireland) Limited committed to ordering an additional 16 Airbus helicopters including the H135, H145 and adding the H175 to its order book for the first time.

Absent from the show floor as it’s working hard on the field, the H175 has recently seen its maximum take-off weight being extended to 7.8 tonnes, allowing customers to benefit from an additional payload of 300 kg or an extra 40NM radius of action. Launch customer NHV also celebrated its 10,000 flight hours with the H175 on the Airbus Helicopters’ booth during the show.

At Heli-Expo this year, Airbus Helicopters introduced the H135 equipped with the Helionix digital avionics suite. STAT MedEvac will soon be the first air medical transport service in North America to operate this type, following an order for three new H135s announced at the show. The Helionix-equipped H135 will soon be leaving Dallas for a demo tour of the US and Mexico.

The H125 also saw continued success with REACH Air Medical Services, a subsidiary of Air Medical Group Holdings, placing an order for five new Airbus H125s. Ruo’er General Aviation Development Group (Ruo’er Group), one of the biggest general aviation companies operating flight support base and airport with comprehensive services in China, signed a letter of intent for a total of 12 H125s with a first confirmed order of four aircraft.

Another highlight of the show was Airbus Helicopters’ Voice of the Customer where the U.S. Coast Guard celebrated 30-plus years of collaboration with Airbus, as well as the milestone of 1.5 million flight hours on the MH-65 Dolphin. Also, two new VIP customers related their experiences operating Airbus helicopters and working with the Airbus Helicopters Inc. team.

Airbus Helicopters
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France

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Web: airbushelicopters.com
Follow us on twitter: twitter.com/AirbusHC

AIRBUS HELICOPTERS

Press Release

"We're very proud to have customers like Dallas Cowboys Owner and CEO Jerry Jones as well as oil business executive Mike Wallace testify to their satisfaction with our products and customer service, and share their Airbus experience with everyone," said Chris Emerson, President of Airbus Helicopters Inc.

Ever committed to improving customer satisfaction, Airbus Helicopters announced at the show that its efforts in this domain are paying off with a recent independent survey confirming a significant reduction in direct maintenance and direct operating costs (DMC and DOC) for the H125, H130 and H135 helicopters, further strengthening the competitiveness of these types.

About Airbus

Airbus is a global leader in aeronautics, space and related services. In 2016, it generated revenues of € 67 billion and employed a workforce of around 134,000. Airbus offers the most comprehensive range of passenger airliners from 100 to more than 600 seats. Airbus is also a European leader providing tanker, combat, transport and mission aircraft, as well as Europe's number one space enterprise and the world's second largest space business. In helicopters, Airbus provides the most efficient civil and military rotorcraft solutions worldwide.

Media contacts

Guillaume Steuer	+33 (0)6 73 82 11 68	guillaume.steuer@airbus.com
Laurence Petiard	+33 (0)6 18 79 75 69	laurence.petiard@airbus.com

Exhibit H

FILED
DALLAS COUNTY
3/10/2017 4:04:17 PM
FELICIA PITRE
DISTRICT CLERK

Cause No. DC-16-09090-A

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	14th JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC.,	§	
Defendant.	§	

NOTICE OF DEPOSITION OF GUILLAME FAURY

PLEASE TAKE NOTICE that, pursuant to Rule 199 of the Texas Rules of Civil Procedure, Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited ("Plaintiff"), by and through their counsel of record, provide notice of their intent to serve the Subpoena in the form attached hereto as Exhibit A on Guillame Faury, requesting a deposition. Buyer shall take the oral deposition of Guillame Faury before a Certified Shorthand Reporter, Notary Public, or other officer authorized by law to administer oaths. The deposition of Guillame Faury, which may be videotaped, shall take place beginning on April 24th, 2017 at 9:00 a.m. at the offices of Baker Botts L.L.P., 2001 Ross Ave, Suite 1100, Dallas, Texas 75201, or some other agreed-upon date, time, and location.

Dated: March 8, 2017

Respectfully submitted,

BAKER BOTTS L.L.P



Van Beckwith
Texas Bar No. 02020150
van.beckwith@bakerbotts.com
Susan Kennedy
Texas Bar No. 24051663
susan.kennedy@bakerbotts.com
Josue Caballero
Texas Bar No. 24081241
josue.caballero@bakerbotts.com

BAKER BOTTS L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
Telephone: (214) 953-6500
Facsimile: (214) 661-6503

Attorneys for WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served on Defendants by mail and facsimile in accordance with the Texas Rules of Civil Procedure on March 8, 2017.



Van Beckwith

EXHIBIT A

Cause No. DC-16-09090-A

WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited,	§	IN THE DISTRICT COURT OF
	§	DALLAS COUNTY, TEXAS
Plaintiff,	§	14th JUDICIAL DISTRICT
v.	§	
AIRBUS HELICOPTERS, INC.,	§	
Defendant.	§	

THE STATE OF TEXAS

SUBPOENA REQUIRING ATTENDANCE AT DEPOSITION

To any Sheriff or Constable of the State of Texas or other person authorized to serve and execute subpoenas as provided in Texas Rule of Civil Procedure 176.

YOU ARE HEREBY COMMANDED TO SUBPOENA AND SUMMON:

Guillame Faury, located at Aeroport Internationale Marseille, Provence, 13725 Marignane Cedex, France

to appear at the offices of Baker Botts L.L.P. at 2001 Ross Ave., Suite 1100, Dallas, Texas, 75201 on April 24, 2017 at 9:00 a.m. before a notary public or other person authorized to administer oaths, to attend and give testimony in the referenced matter at a deposition on behalf of the defendants, and to remain in attendance from day to day until lawfully discharged.

This Subpoena is being issued at the request of Plaintiff Wells Fargo Bank Northwest, National Association, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited, whose counsel of record are Van Beckwith, Susan Kennedy and Josue Caballero of Baker Botts L.L.P., Dallas, Texas.

Failure by any person without adequate excuse to obey a subpoena served upon that person may be deemed a contempt of the court from which the subpoena is issued or a district court in the county in which the subpoena is served, and may be punished by fine or confinement, or both.

Issued March 8, 2017, by the following attorney authorized to practice in the State of Texas, as an officer of the court:

Dated: March 8, 2017

Respectfully submitted,

BAKER BOTTS L.L.P



Van Beckwith
Texas Bar No. 02020150
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Susan Kennedy
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Telephone: (214) 953-6500
Facsimile: (214) 661-6503

Attorneys for WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, not in its individual capacity but solely as owner trustee for the benefit of Macquarie Rotorcraft Leasing (Ireland) Limited

RETURN OF SERVICE

I certify that I served the foregoing subpoena by delivering a copy in person Guillame Favre located at Kay Bailey Hutchison Convention Center and tendered the witness fee of $10.00 in cash, on the 8 day of March 2017 at 1:07 o'clock p .m.

Signature (Process Server)

TRAVIS TERRY
Printed Name

STATE OF TEXAS §
§
COUNTY OF Dallas §

The foregoing Return of Service was acknowledged before me by Travis Terry, on the 10th day of March 2017.

Courtney Bruce
Notary Public, State of Texas

COURTNAY BRUCE
My Notary ID # 126798590
Expires February 9, 2021

Courtney Bruce
(Printed or Stamped Name of Notary)

My Commission Expires: 2/9/21

Exhibit I

From: Strain, Eric <estrain@nixonpeabody.com>
Sent: Tuesday, February 14, 2017 6:17 PM
To: Signoracci, Pietro J
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters
Attachments: Bookings 2011-2016 (USA & CHC).xlsx

Pietro,

Corporate Relationship

As explained in the declaration of Michel Gouraud that was filed with Airbus Helicopters, S.A.S.'s ("AH's") motion to dismiss, AH and Airbus Helicopters, Inc. ("AHI") are separate and independent companies, each with its own separate management, employees, facilities, bank accounts and operational control. AH does not own AHI. AH is 95% owned by Airbus Helicopters Holding (France) and 5% by EADS CASA Holding (France). Airbus Helicopters Holding is owned by Airbus Group S.E. (The Netherlands). EADS CASA Holding is owned by Airbus Defence & Space S.A. (Spain), which is owned by Airbus Group S.E. AHI is a subsidiary of Airbus Group, Inc., (Virginia), which is owned by Airbus Group S.E.

AH Sales

I have attached an Excel spreadsheet from which the PDFs came from. Hopefully this takes care of the formatting issues. I am waiting to hear back on your other specific questions.

AHI Sales

"LUH" refers to the UH-72 Lakota helicopter, which is a militarized version of the EC145 sold to the US Army. "PL" refers to "Production Line" and "LAL" refers to "Light Assembly Line." The LUH is produced at the AHI facility in Columbus, Mississippi.

I am still gathering information on the bankruptcy involvement questions.

If additional questions, let me know.

Thank you, Eric

From: Signoracci, Pietro J [mailto:psignoracci@paulweiss.com]
Sent: Tuesday, February 14, 2017 11:59 AM
To: Strain, Eric
Cc: Flumenbaum, Martin; George Barber; Kaplan, Roberta A; Ortego, Joseph J.; 'Jason Katz'; Christmas, Robert; Shah, Shainee
Subject: RE: ECN v. Airbus Helicopters

Eric,

Please let us know if you've had an opportunity to review the requests in my email below regarding the discovery Airbus has provided, and please let us know if we will be receiving today additional discovery regarding AH's corporate relationship and its involvement in the CHC bankruptcy cases.

Thank you,
Pietro

Pietro J. Signoracci | Associate
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas | New York, NY 10019-6064
(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Monday, February 13, 2017 12:54 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; 'George Barber' <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; 'Ortego, Joseph J.' <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; 'Christmas, Robert' <RChristmas@nixonpeabody.com>; 'Shah, Shainee' <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Eric,

We have a few questions/requests regarding the attached documents.

1. AH Sales to USA 2011-2016

   a. The attached chart appears to have cut off some rows from the original document. For example, the subtotals of 2012 sales by each category add up to 115 helicopters, but the line for TOTAL 2012 shows a total of 163 helicopters. (The same is true for 2013, which reports a total of 107 helicopters when the subtotals add up to 64 helicopters). Also, there are no rows showing TOTAL 2014, TOTAL 2015, or TOTAL 2016. Please confirm that there are missing entries and provide a full chart with all rows visible.

   b. Please define “AH-AHD” and confirm that where “AH-AHD” appears in the “FROM” column, that denotes sales to US customers directly from Airbus Helicopters (SAS) in France.

   c. Please define each entry in the REGION column: EBU, EBRG, EBE, etc.

   d. Please explain why certain rows have negative values in the QTY column.

2. AHI Sales 2011-2016

   a. Please define the following entries in the MODEL column: (i) “LUH”, (ii) “PL”, and (iii) “LAL”.

I’m available if you have any questions.

Thank you,
Pietro

Pietro J. Signoracci | Associate
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(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Signoracci, Pietro J
Sent: Friday, February 10, 2017 5:02 PM
To: 'Strain, Eric' <estrain@nixonpeabody.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: RE: ECN v. Airbus Helicopters

Thank you, Eric. Received. We'll look forward to the additional documents and information Monday.

Best,
Pietro

Pietro J. Signoracci | Associate
Paul, Weiss, Rifkind, Wharton & Garrison LLP
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(212) 373-3481 (Direct Phone) | (212) 492-0481 (Direct Fax)
psignoracci@paulweiss.com | www.paulweiss.com

From: Strain, Eric [mailto:estrain@nixonpeabody.com]
Sent: Friday, February 10, 2017 4:13 PM
To: Signoracci, Pietro J <psignoracci@paulweiss.com>
Cc: Flumenbaum, Martin <mflumenbaum@paulweiss.com>; George Barber <gbarber@krcl.com>; Kaplan, Roberta A <rkaplan@paulweiss.com>; Ortego, Joseph J. <JOrtego@nixonpeabody.com>; 'Jason Katz' <Jkatz@hhdulaw.com>; Christmas, Robert <RChristmas@nixonpeabody.com>; Shah, Shainee <sshah@nixonpeabody.com>
Subject: ECN v. Airbus Helicopters

Pietro,

Aircraft Sales

Attached are:

1. A spreadsheet showing sales by Airbus Helicopters, S.A.S. ("AH") to customers having a US address on the purchase agreement for the years 2011 through 2016. The sales were made by AH to the companies listed under the "From" heading, not the "Customer" heading. Thus, you will see that the sales were made by AH to Airbus Helicopters, Inc. ("AHI"). The "Customer" heading refers to the customers to whom AHI sold and delivered the helicopters in the US.

2. A spreadsheet showing sales by AH to CHC entities.

3. Documents summarizing AHI's sales to customers having US addresses on the purchase agreements. The entries that are blacked out were sales to customers not having US addresses.

Maintenance

1. AH does not perform maintenance in the US.

2. If a Super Puma customer in the US needs a main gearbox overhaul, the overhaul would be done by AH in France (or Helibras in Brazil); AHI does not perform Super Puma main gearbox overhauls.

3. AH, not AHI, would perform retrofit work to bring Super Pumas into compliance with the EASA AD and FAA approved AMOC allowing return to service following the groundings.

Corporate Relationship

I will get this to you on Monday.

Bankruptcy Involvement

I hope to get back to on Monday.

If questions, let me know.

Thank you, Eric

Eric C. Strain
Partner
estrain@nixonpeabody.com
T 212-940-3043 | C 415-244-3393 | F 866-741-1485
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Exhibit J

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
June 2011	AH-AHD	EBRG	USA	BRISTOW	EC225	1
October 2011	AH-AHD	EBRG	USA	WELLS FARGO / OMNI (Portugal)	EC225	2
TOTAL SUPER PUMA / COUGAR						**4**
March 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2011	AHI	EBU	USA	Vulcan Flight Inc*	EC145	1
June 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	14
July 2011	AHI	EBU	USA	WEST PENN ALLEGHENY*	EC145	1
August 2011	AHI	EBU	USA	Sanford Health*	EC145	1
August 2011	AHI	EBU	USA	OSF Aviation*	EC145	4
September 2011	AHI	EBU	USA	Heli Transport*	EC145	1
October 2011	AHI	EBU	USA	Duke University Health System Inc*	EC145	2
October 2011	AHI	EBU	USA	Sanford Health*	EC145	2
December 2011	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	39
December 2011	AHI	EBU	USA	University of Utah*	EC145	1
December 2011	AHI	EBU	USA	Metro Aviation INC*	EC145	1
TOTAL H145						**71**
May 2011	AHI	EBU	USA	HMA*	EC135	3
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-1
August 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	3
October 2011	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2011	AHI	EBU	USA	Era Helicopters LLC*	EC135	4
November 2011	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
December 2011	AHI	EBU	USA	REACH, dba Mediplane*	EC135	1
TOTAL H135						**13**
May 2011	AHI	EBU	USA	Air Commander International Ltd*	EC130	1
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
September 2011	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	7
October 2011	AHI	EBU	USA	Milestone Aviation Group LLC*	EC130	5
TOTAL H130						**16**
January 2011	AHI	EBU	USA	WINCO INC*	AS350 B3	1
January 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2011	AHI	EBU	USA	Extreme Crafts LLC*	AS350 B3	-1
February 2011	AHI	EBU	USA	Helicopter Express Inc*	AS350 B3	-1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	NS Air Leasing LLC*	AS350 B3	1
February 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B3	1
March 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	3
March 2011	AHI	EBU	USA	Air Commander International Ltd*	H125	1
March 2011	AHI	EBU	USA	BHI Helicopters Inc* / BRAINERD	H125	1
March 2011	AHI	EBU	USA	Spiegel Aviation*	H125	1

April 2011	AHI	EBU	USA	Rotor Aviation Inc*	AS350 B2	1
April 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
May 2011	AHI	EBU	USA	Air Methods Corporation (AMC)*	AS350 B3	4
May 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	AS350 B3	3
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	AS350 B2	1
May 2011	AHI	EBU	USA	Shier Aviation Corporation*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
June 2011	AHI	EBU	USA	Papillon Airways Inc*	H125	1
August 2011	AHI	EBU	USA	Kenneth Lian Corp*	AS350 B2	1
August 2011	AHI	EBU	USA	Central Copters Inc*	AS350 B2	1
August 2011	AHI	EBU	USA	The Boeing Company*	AS350 B3	1
August 2011	AHI	EBU	USA	Heli LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	LLOYD HELICOPTERS US INC*	AS350 B3	1
August 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
August 2011	AHI	EBU	USA	Eaglemed LLC*	AS350 B3	1
August 2011	AHI	EBU	USA	Air Medical Resources Group*	H125	2
September 2011	AHI	EBU	USA	Pima Co Sheriff's Department*	AS350 B3	1
September 2011	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	1
November 2011	AHI	EBU	USA	Mountain West Helicopters LLC*	H125	1
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	LA Grant Aviation Inc*	H125	1
December 2011	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	5
December 2011	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
December 2011	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
December 2011	AHI	EBU	USA	RAI LLC*	AS350 B2	2
December 2011	AHI	EBU	USA	Pratte Transportation Inc*	H125	2
TOTAL ECUREUIL I / FENNEC						**54**
October 2011	AHI	EBU	USA	Baltimore Police Department*	H120	4
November 2011	AHI	EBU	USA	Icarus Copters LLC*	H120	1
TOTAL COLIBRI						**5**
TOTAL 2011						**163**
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
September 2012	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**3**
February 2012	AHI	EBU	USA	Shier Aviation Corporation*	H155	1
July 2012	AHI	EBU	USA	Shands Hospital*	H155	1
November 2012	AHI	EBU	USA	Miami valley*	AS365	1
TOTAL DAUPHIN / PANTHER						**3**
April 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	2
August 2012	AHI	EBU	USA	Dare County*	H145	1
September 2012	AHI	EBU	USA	Speedway Aviation*	EC145	1
September 2012	AHI	EBU	USA	University of Pennsylvania*	EC145	1

September 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2012	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	34
November 2012	AHI	EBU	USA	Geisinger Medical Center Attn: Gerald Splitt*	EC145	1
December 2012	AHI	EBU	USA	Boston Medflight*	EC145	1
December 2012	AHI	EBU	USA	Metro Aviation INC*	EC145	1
December 2012	AHI	EBU	USA	Caribbean Buzz LLC*	EC145	1
TOTAL H145						**45**
February 2012	AHI	EBU	USA	Broward County Sheriff's Deptartment*	EC135	1
June 2012	AHI	EBU	USA	CALSTAR*	EC135	2
July 2012	AHI	EBU	USA	Metro Aviation INC*	EC135	1
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	4
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
August 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	2
September 2012	AHI	EBU	USA	Massachusetts State Police*	EC135	1
November 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	CALSTAR*	EC135	2
December 2012	AHI	EBU	USA	HMA*	EC135	2
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	3
TOTAL H135						**28**
February 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	6
February 2012	AHI	EBU	USA	Nevada Helicopter Leasing LLC* / Blue Hawaiian	H130	10
February 2012	AHI	EBU	USA	Second Wind LLC*	H130	1
February 2012	AHI	EBU	USA	Enloe Flightcare*	H130	1
February 2012	AHI	EBU	USA	Air Commander International Ltd*	H130	1
February 2012	AHI	EBU	USA	Laughlin Aviation Inc*	H130	2
February 2012	AHI	EBU	USA	Indiana Helicopters LLC* / N13C LLC	H130	1
March 2012	AH-AHD	EBE	USA	Highland Copter LLC / M. LAIDLAW	EC130	1
March 2012	AHI	EBU	USA	Modern Industrial Services Inc*	EC130	1
March 2012	AHI	EBU	USA	CNH LLC*	EC130	-1
April 2012	AHI	EBU	USA	EC 130 LLC*	EC130	1
May 2012	AHI	EBU	USA	Helicopter Flight Services*	H130	1
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	EC130	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	2
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
June 2012	AHI	EBU	USA	Papillon Airways Inc*	H130	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	H130	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC130	-4
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	3
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	7
December 2012	AHI	EBU	USA	Memphis Medical Center*	EC130	1
TOTAL H130						**42**
February 2012	AHI	EBU	USA	Veracity Aviation*	AS350 B2	1
February 2012	AHI	EBU	USA	Cathexis Oil and Gas LLC*	H125	1

February 2012	AHI	EBU	USA	Texas DPS*	H125	1
April 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
April 2012	AHI	EBU	USA	Chase Farms*	H125	1
May 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
June 2012	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	2
June 2012	AHI	EBU	USA	State of Utah*	H125	1
June 2012	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
June 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	2
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
August 2012	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	2
August 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
August 2012	AHI	EBU	USA	Eaglemed LLC*	H125	1
August 2012	AHI	EBU	USA	AUSTIN POLICE DEPARTMENT*	H125	1
September 2012	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
October 2012	AHI	EBU	USA	Alaska DPS*	H125	1
November 2012	AHI	EBU	USA	Bear Defense Services*	AS350 B2	1
November 2012	AHI	EBU	USA	Brevard County Mosquito Control*	H125	2
November 2012	AHI	EBU	USA	Happyheight Inc*	AS350 B2	1
December 2012	AHI	EBU	USA	NiSource Corporate Services Company*	AS350 B2	1
December 2012	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
December 2012	AHI	EBU	USA	Reeder Flying service*	H125	1
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	2
December 2012	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	4
December 2012	AHI	EBU	USA	Oklahoma DPS*	H125	1
TOTAL ECUREUIL I / FENNEC						**42**
TOTAL 2012						**163**
December 2013	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
October 2013	AHI	EBU	USA	Helicopter Exchange Ltd*	H155	1
TOTAL DAUPHIN / PANTHER						**1**
July 2013	AHI	EBU	USA	Speedway Aviation*	EC145	-1
August 2013	AHI	EBU	USA	Boston Medflight*	EC145	1
August 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	1
November 2013	AHI	EBU	USA	Air Commander International Ltd*	EC145	1
December 2013	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
TOTAL H145						**8**
January 2013	AHI	EBU	USA	WASHINGTON CORP*	EC135	1
February 2013	AHI	EBU	USA	Midwest Medical Transport Company*	EC135	1
February 2013	AHI	EBU	USA	Valkyrie*	EC135	1
March 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1
April 2013	AHI	EBU	USA	Tentacle Corp*	EC135	2
April 2013	AHI	EBU	USA	CALSTAR*	EC135	1
June 2013	AHI	EBU	USA	Med-Trans Corporation*	EC135	1

July 2013	AHI	EBU	USA	Healthnet Aeromadical Services*	EC135	1
August 2013	AHI	EBU	USA	CALSTAR*	EC135	1
September 2013	AHI	EBU	USA	Massachusetts State Police*	EC135	1
December 2013	AHI	EBU	USA	IHL Acquisition*	EC135	2
TOTAL H135						**14**
January 2013	AHI	EBU	USA	Advantage Systems Inc*	EC130	1
August 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	4
August 2013	AHI	EBU	USA	DBD Properties LLC*	H130	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H130	4
November 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	1
November 2013	AHI	EBU	USA	Sundance Helicopters Inc*	H130	16
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
December 2013	AHI	EBU	USA	Air Commander International Ltd*	H130	1
TOTAL H130						**29**
January 2013	AHI	EBU	USA	DHS/CBP National Air Training Center*	H125	1
February 2013	AHI	EBU	USA	MacNeil Aviation LLC*	H125	1
February 2013	AHI	EBU	USA	Timberline Helicopters Inc*	H125	1
March 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
April 2013	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	2
April 2013	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	4
April 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	7
May 2013	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
May 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	2
June 2013	AHI	EBU	USA	Alaska DPS*	H125	1
June 2013	AHI	EBU	USA	Commonwealth of Pennsylvania*	AS350 B2	1
July 2013	AHI	EBU	USA	PHI Air Medical*	H125	6
July 2013	AHI	EBU	USA	BHI Helicopters Inc*	H125	1
August 2013	AHI	EBU	USA	Saguaro Rentals LLC*	AS350 B2	-2
August 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
August 2013	AHI	EBU	USA	Seminole County Sheriff's Office*	H125	1
September 2013	AHI	EBU	USA	Central Copters Inc*	H125	1
September 2013	AHI	EBU	USA	City of Philadelphia*	AS350 B2	1
September 2013	AHI	EBU	USA	Seminole Tribe of Florida*	H125	1
September 2013	AHI	EBU	USA	City of Tulsa*	AS350 B2	1
September 2013	AHI	EBU	USA	Meridian Consulting Company*	AS350 B2	1
October 2013	AHI	EBU	USA	Island Helicopter Kauai*	AS350 B2	1
October 2013	AHI	EBU	USA	Reeder Flying service*	H125	1
October 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
November 2013	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
November 2013	AHI	EBU	USA	Oklahoma DPS*	H125	2
November 2013	AHI	EBU	USA	University of Miami*	H125	1
December 2013	AHI	EBU	USA	Mississippi DPS*	H125	1
December 2013	AHI	EBU	USA	LAG AVIATION*	H125	1
December 2013	AHI	EBU	USA	NS Air Leasing LLC*	H125	1
December 2013	AHI	EBU	USA	Caribbean Helicorp Inc*	H125	1
December 2013	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
December 2013	AHI	EBU	USA	Air Medical Resources Group*	H125	3
TOTAL ECUREUIL I / FENNEC						**52**

June 2013	AHI	EBU	USA	City of San Antonio*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2013						**107**
April 2014	AHI	EBU	USA	Macquarie Bank Limited* / PHOENIX	EC225	3
October 2014	AH-AHD	EBRG	USA	BRISTOW	EC225	1
TOTAL SUPER PUMA / COUGAR						**4**
February 2014	AHI	EBU	USA	CHI Aviation*	H175	1
TOTAL H175						**1**
February 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	4
March 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	6
April 2014	AHI	EBU	USA	July 10 LLC*	H145	1
May 2014	AHI	EBU	USA	AVALON CAPITAL GROUP INC*	H145	1
May 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	10
May 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
September 2014	AHI	EBU	USA	Vulcan Flight Inc*	H145	1
October 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	17
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
November 2014	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	2
November 2014	AHI	EBU	USA	Suffolk County Police Department*	EC145	1
TOTAL H145						**56**
May 2014	AHI	EBU	USA	CALSTAR*	EC135	2
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC135	-6
November 2014	AHI	EBU	USA	Metro Aviation INC*	EC135	1
TOTAL H135						**-3**
March 2014	AHI	EBU	USA	TUDOR INVESTMENT CORPORATION*	AS355	1
TOTAL ECUREUIL II / FENNEC						**1**
January 2014	AHI	EBU	USA	Mustang Leasing* / Maverick	H130	3
March 2014	AHI	EBU	USA	Memphis Medical Center*	H130	1
April 2014	AHI	EBU	USA	Liautaud Development Group*	H130	1
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H130	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	6
December 2014	AHI	EBU	USA	Mustang Leasing*	H130	5
TOTAL H130						**25**
January 2014	AHI	EBU	USA	Petr Lukes*	H125	1
February 2014	AHI	EBU	USA	Air Commander International Ltd*	AS350 B2	1
February 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	3
February 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	3
March 2014	AHI	EBU	USA	Helotex Aviation LLC*	H125	1
March 2014	AHI	EBU	USA	Valion Holdings LLC*	H125	1
March 2014	AHI	EBU	USA	Hillsborough County Sheriff's Office*	AS350 B2	1
May 2014	AHI	EBU	USA	PHI*	H125	1
May 2014	AHI	EBU	USA	Texas Parks & Wildlife*	H125	1
May 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	3
June 2014	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	-6
June 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	-2
August 2014	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3

August 2014	AHI	EBU	USA	Elling Halvorson Inc*	H125	1
August 2014	AHI	EBU	USA	Bear Defense Services*	H125	1
September 2014	AHI	EBU	USA	Eaglemed LLC*	H125	1
September 2014	AHI	EBU	USA	DB Projects LLC*	H125	1
September 2014	AHI	EBU	USA	JR Helicopters LLC*	H125	1
October 2014	AHI	EBU	USA	US Helicopters Inc*	AS350 B2	1
November 2014	AHI	EBU	USA	Pylon Aviation Holdings LLC*	H125	1
November 2014	AHI	EBU	USA	The Boeing Company*	H125	1
December 2014	AHI	EBU	USA	Sky High Leasing*	H125	1
December 2014	AHI	EBU	USA	Riverside County Sheriff Department*	H125	2
December 2014	AHI	EBU	USA	LAPD*	H125	1
December 2014	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2014	AHI	EBU	USA	Indiana Helicopters LLC*	H125	1
December 2014	AHI	EBU	USA	Helicopter Express Inc*	H125	2
December 2014	AHI	EBU	USA	Eaglemed LLC*	AS350 B2	1
December 2014	AHI	EBU	USA	COASTAL HELICOPTERS*	H125	1
TOTAL ECUREUIL I / FENNEC						**30**
June 2014	AHI	EBU	USA	Tennessee Valley Authority*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2014						**116**
March 2015	AH-AHD	EBRG	USA	BRISTOW	H175	17
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
December 2015	AHI	EBU	USA	CHI Aviation*	H175	-1
TOTAL H175						**15**
February 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	41
March 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
April 2015	AHI	EBU	USA	Metro Aviation INC*	EC145	1
May 2015	AHI	EBU	USA	Tennessee Valley Authority*	EC145	1
June 2015	AHI	EBU	USA	Buckeye Leasing LLC*	EC145	5
July 2015	AHI	EBU	USA	FLIGHT MANAGEMENT LLC*	H145	1
August 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	2
November 2015	AHI	EBU	USA	US ARMY LUH CONTRACT*	EC145 UH	12
December 2015	AHI	EBU	USA	Air Medical Resources Group*	EC145	-2
TOTAL H145						**62**
June 2015	AHI	EBU	USA	Stat-Medevac*	H135	2
August 2015	AH-AHD	EBE	USA	AEROHEAD AVIATION	H135	1
September 2015	AHI	EBU	USA	CALSTAR*	H135	3
October 2015	AHI	EBU	USA	CALSTAR*	H135	2
October 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	6
December 2015	AHI	EBU	USA	Dartmouth Hitchcock*	H135	1
December 2015	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
TOTAL H135						**16**
June 2015	AHI	EBU	USA	Nevada Helicopter Leasing LLC*	H130	1
September 2015	AHI	EBU	USA	Richardson Aviation*	H130	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H130	4
December 2015	AHI	EBU	USA	Ten X Inc*	H130	1
TOTAL H130						**6**

February 2015	AHI	EBU	USA	PETER FENTON*	H125	1
May 2015	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	2
May 2015	AHI	EBU	USA	OHIO STATE HIGHWAY PATROL*	H125	1
July 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	ONTARIO POLICE AIR SUPPORT UNIT*	H125	1
August 2015	AHI	EBU	USA	PHI*	H125	2
August 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	3
September 2015	AHI	EBU	USA	LAPD*	H125	1
November 2015	AHI	EBU	USA	PINELLAS SHERIFF'S OFFICE*	AS350 B2	1
November 2015	AHI	EBU	USA	Lee County Sheriff's Office*	H125	1
November 2015	AHI	EBU	USA	Air Methods Corporation (AMC)*	H125	1
December 2015	AHI	EBU	USA	Raven Aviation LLC*	AS350 B2	1
December 2015	AHI	EBU	USA	Hillsboro Aviation*	H125	1
December 2015	AHI	EBU	USA	State of Utah*	H125	1
December 2015	AHI	EBU	USA	Air Medical Resources Group*	H125	4
December 2015	AHI	EBU	USA	SG Equipment Finance*	AS350 B2	1
December 2015	AHI	EBU	USA	Helicopter Express Inc*	H125	-2
TOTAL ECUREUIL I / FENNEC						**22**
August 2015	AHI	EBU	USA	City of San Antonio*	H120	1
TOTAL COLIBRI						**1**
TOTAL 2015						**122**
September 2016	AH-AHD	EBRG	USA	BRISTOW	H175	5
TOTAL H175						**5**
March 2016	AHI	EBU	USA	MacNeil Aviation LLC*	H145	1
March 2016	AHI	EBU	USA	Las Vegas Metro Police Department*	H145	1
April 2016	AHI	EBU	USA	JS Leasing* / Dallas Cowboys	H145	1
April 2016	AHI	EBU	USA	Mayo Medical Transport*	EC145	1
April 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	1
May 2016	AHI	EBU	USA	Han-Mac Holdings International*	H145	1
June 2016	AHI	EBU	USA	Stat-Medevac*	EC145	1
September 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	EC145	2
October 2016	AHI	EBU	USA	PHI*	H145	2
December 2016	AHI	EBU	USA	Palantir Technologies*	H145	1
TOTAL H145						**12**
March 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-1
August 2016	AHI	EBU	USA	CALSTAR*	H135	-2
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
August 2016	AHI	EBU	USA	Air Medical Group Holdings*	H135	1
December 2016	AHI	EBU	USA	Stat-Medevac*	H135	3
TOTAL H135						**4**
January 2016	AHI	EBU	USA	Lightnin Production Rental*	H130	1
May 2016	AHI	EBU	USA	Air Medical Resources Group*	H130	3
June 2016	AHI	EBU	USA	H&J Aviation LLC*	H130	1
July 2016	AHI	EBU	USA	Memphis Medical Center*	H130	1
October 2016	AHI	EBU	USA	Sundance Helicopters Inc*	H130	-10
October 2016	AHI	EBU	USA	Air Methods Corporation (AMC)*	H130	-9

December 2016	AHI	EBU	USA	WFP Aviation*	H130	1
December 2016	AHI	EBU	USA	Palantir Technologies*	H130	1
TOTAL H130						**-11**
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
February 2016	AHI	EBU	USA	CHI Aviation*	H125	1
March 2016	AHI	EBU	USA	County of Orange Sheriff*	H125	1
March 2016	AHI	EBU	USA	Comanche Maverick Air*	H125	1
March 2016	AHI	EBU	USA	CALIFORNIA HIGHWAY PATROL*	H125	3
April 2016	AHI	EBU	USA	Spurr Mountain*	H125	1
June 2016	AHI	EBU	USA	Miami Dade Police*	AS350 B2	1
August 2016	AHI	EBU	USA	RW Aviation*	H125	1
August 2016	AHI	EBU	USA	LADWP*	H125	2
August 2016	AHI	EBU	USA	Pylon Aviation Holdings LLC*	AS350 B2	-1
September 2016	AHI	EBU	USA	Dement Construction Company*	H125	1
September 2016	AHI	EBU	USA	San Bernardino County Sheriff*	H125	2
October 2016	AHI	EBU	USA	Sky High Leasing*	H125	1
November 2016	AHI	EBU	USA	SG Equipment Finance*	H125	1
November 2016	AHI	EBU	USA	LAPD*	H125	2
November 2016	AHI	EBU	USA	Conrad & Bischoff*	H125	1
December 2016	AHI	EBU	USA	Air Medical Group Holdings*	H125	5
December 2016	AHI	EBU	USA	Studer Fertilizer Inc*	H125	1
December 2016	AHI	EBU	USA	Metro Aviation INC*	H125	1
TOTAL ECUREUIL I / FENNEC						**26**
November 2016	AHI	EBU	USA	Shier Aviation Corporation*	H120	2
TOTAL COLIBRI						**2**
TOTAL 2016						**38**

ORDER BOOKINGS - AH GROUP

FROM 01/01/2011 TO 31/12/2016

DATE of the CONTRACT in force	FROM	TO			AIRCRAFT	QTY
		REGION	COUNTRY	CUSTOMER	TYPE	
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
February 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2011	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						5
TOTAL 2011						**5**
January 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
June 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
November 2012	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						7
TOTAL 2012						**7**
February 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
May 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
August 2013	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						5
TOTAL 2013						**5**
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
January 2014	AH-AHD	EBRG	Ireland	CHC Leasing (Ireland) Limited	EC225	1
TOTAL SUPER PUMA / COUGAR						2
TOTAL 2014						**2**
TOTAL 2015						**0**
TOTAL 2016						**0**

Exhibit K

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– _____ ( )**
Debtors.	:	**(Joint Administration Requested)**

DECLARATION OF ROBERT A. DEL GENIO IN SUPPORT OF THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY RELIEF

I, Robert A. Del Genio, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am the Chief Restructuring Officer ("**CRO**") of CHC Group Ltd. ("**CHC Group**") and each of the other debtors (collectively, the "**Debtors**" and, together with their non-debtor affiliates, "**CHC**" or the "**Company**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**").[1] I am a Managing Member and founder of CDG Group, LLC, a financial advisory firm that provides restructuring, crisis, and turnaround management services. I have been working closely with the Company for the past several months and was recently appointed as the CRO. As CRO, I report and provide strategic business advice to CHC Group's Board of Directors, Chief Executive Officer, and other members of management in connection with the Debtors' Chapter 11 Cases, and am responsible for carrying out the Debtors' restructuring strategy and objectives described herein.

[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, where applicable, is attached hereto as **Exhibit A**.

2. Concurrently with the filing of this declaration (the "**Declaration**") on the date hereof (the "**Petition Date**"), the Debtors have filed voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). To enable the Debtors to operate effectively and minimize the potential adverse effects of the commencement of these reorganization cases, the Debtors have requested certain relief in "first day" applications and motions filed with the Court (collectively, the "**First Day Pleadings**"). The First Day Pleadings, described in detail below, seek, among other things, relief intended to preserve the value of the Debtors and maintain continuity of operations by, among other things, (i) preserving the Debtors' relationships with their customers and employees, many of whom are located in jurisdictions outside the United States, (ii) maintaining the Debtors' cash management system and other business operations without interruption, (iii) confirming the reach of the automatic stay to protect the Debtors' assets, and (iv) establishing certain administrative procedures to facilitate an orderly transition into, and uninterrupted operations throughout, these Chapter 11 Cases. This relief is critical to the Debtors' restructuring efforts.

3. This Declaration is submitted to assist the Court and other parties in interest in understanding the circumstances that compelled the commencement of these Chapter 11 Cases and in support of (i) the petitions for relief under the Bankruptcy Code filed on the Petition Date and (ii) the First Day Pleadings. Any capitalized term not defined herein shall have the meaning ascribed to that term in the relevant First Day Pleading. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees working under my supervision or my opinion based upon experience, knowledge and information concerning the operations of CHC, the oil and gas industry, and the commercial helicopter service industry. If

called upon to testify, I would testify competently to the facts set forth in this Declaration. I am authorized to submit this Declaration on behalf of the Debtors.

4. This Declaration is intended to provide a summary overview of CHC and the Debtors' Chapter 11 Cases, and is organized as follows: **Part I** describes the Debtors' businesses; **Part II** describes the Debtors' prepetition capital structure; **Part III** describes the key events that led to the commencement of these Chapter 11 Cases, the Debtors' prepetition restructuring negotiations with key creditors within the capital structure and the goals that the Debtors seek to accomplish through the commencement of these Chapter 11 Cases; and **Part IV** provides the evidentiary support for the First Day Pleadings filed concurrently herewith.

5. Unless otherwise indicated, the financial information contained herein is provided on a consolidated basis, which includes certain of the Debtors' non-debtor affiliates (collectively, the "**Non-Debtor Affiliates**").

Preliminary Statement

6. CHC is a global commercial helicopter services company primarily servicing the offshore oil and gas industry. CHC's principal business is to provide helicopter services for large, long-distance crew changes on offshore production facilities and drilling rigs for major, national, and independent oil and natural gas companies. As a result of this nexus, the Debtors' performance is closely tied to the state of the oil and gas industry.

7. Starting in the summer of 2014, oil prices began to decline precipitously. Over the next six months or so of 2014, the price of oil was cut in half. On May 2, the price for a barrel of Brent Crude was $45, down approximately 64% from a high of $125 per barrel in 2012. This rapid and unexpected decline in oil prices has led to a significant decline in offshore oil exploration, cost reduction measures for production operations, and a substantially decreased demand for offshore drilling services. As CHC's oil and gas customers have implemented

severe reductions in capital spending and cost cutting measures, the demand for CHC's helicopter services has dramatically declined. The significant and sustained drop in oil prices and related contraction of demand for offshore helicopter services, coupled with CHC's customers demanding price concessions and new flexible contract terms, has caused uncertainty regarding the Debtors' ability to maintain their leveraged capital structure and large helicopter fleet in the long term. A comprehensive balance sheet and fleet restructuring is necessary.

8. The Debtors have determined that, in the wake of the decline in oil prices and resulting declines in customer revenue, their enterprise can no longer bear the weight of its current capital structure and fleet expenses. Indeed, the Company needs to substantially reduce its debt obligations and shed at least 90 unproductive aircraft. To accomplish this, the Company began to explore options that would allow the company to deleverage its capital structure and reduce its fleet costs, paving the way toward future growth and long-term success, even in a down market. To that end, CHC launched significant out-of-court restructuring initiatives, as described in more detail below, including efforts to obtain concessions from its lessors. While these cost-cutting measures enabled the Company to mitigate some of its operating losses in Q3 2016 compared to the prior year quarter, the Company determined that it would be appropriate to consider a broader range of strategic alternatives and hired legal and financial advisors to assist with this analysis.

9. With guidance from their advisors, over the past several months, the Debtors launched negotiations with various members of the Debtors' capital structure and certain, key third-party aircraft lessors. Although the Debtors believe that these negotiations and discussions have been fruitful, and they remain ongoing, the Debtors have determined that relief under chapter 11 is the best path forward to preserve liquidity and provide a forum to streamline and expedite the restructuring process in these uncertain times. As part of the Debtors' goal to

preserve liquidity, the Debtors expect to return, and reject, the leases and subleases related to over 90 unproductive leased aircraft during the first 60 days of these Chapter 11 Cases.

10. The breadth of the targeted restructuring, the number of creditors at issue, the global reach of the Debtors' assets and operations, the importance of accessing the relief and provisions of the Bankruptcy Code and the authority of this Court as the forum for supervising and implementing the Debtors' reorganization, cannot be over-emphasized. Although CHC manages its operations in Irving, Texas and maintains its key sales office in Houston, Texas, CHC operates a truly global business, with assets and operations scattered across six continents around the globe. CHC conducts business in numerous countries with different legal systems, including, among others, Australia, Brazil, Canada, East Timor, Equatorial Guinea, Ireland, Malaysia, Netherlands, Nigeria, Norway, Poland, Kazakhstan, the United Kingdom, and the United States. In addition, many of the Debtors are incorporated under the laws of numerous additional countries, including the Cayman Islands, Luxembourg, Bermuda, and Barbados, and many of the Debtors' key contracts are governed by the laws of foreign jurisdictions. CHC holds aircraft operating certificates and licenses from 10 different countries, employs approximately 3,800 employees worldwide, and has customers from jurisdictions across the globe.

11. Given these and other considerations, the Debtors concluded in the exercise of their business judgment and as fiduciaries for all of the Debtors' stakeholders that the best path to maximize the value of their businesses and preserve thousands of jobs was a strategic U.S. chapter 11 filing. The filing will give the Debtors a much needed breathing spell – one of the fundamental tenets of a traditional chapter 11 filing – as they continue to work with their key stakeholders. Moreover, the self-executing and global nature of sections 362, 365, 525, and 541(c) of the Bankruptcy Code, along with the other protections and tools available to chapter 11 debtors, as they have been explained to me, provide the Debtors with the best – and

only real – option to effectuate a rapid and comprehensive balance sheet restructuring and fleet optimization for this truly global business. It is the Debtors' judgment that there is no alternative forum in which the Debtors could collectively seek relief to preserve value and reorganize their businesses, and absent these Chapter 11 Cases, the Debtors likely would be left with no choice but to liquidate their businesses in a fire sale and piecemeal fashion.

12. Although the Debtors believe that they have sufficient liquidity to fund these Chapter 11 Cases, at this time, the Debtors are constrained to a short-term four week cash forecast as a result of the recent tragic accident in Norway that may have an impact on their future revenues, cost structure, and helicopter fleet.[2] On this basis, on the first day of these cases, the Debtors are only seeking limited use of cash collateral on interim basis and will seek further relief at a later date.

I.

The Debtors' Businesses

13. CHC is one of the largest global commercial helicopter service companies in the world, primarily engaged in providing helicopter services to the offshore oil and gas industry. With its senior management headquartered in Irving, Texas, CHC maintains bases on six continents with major operations in the North Sea, Brazil, Australia, and several locations across Africa, Eastern Europe, and South East Asia. CHC's business consists of two main operating segments: (i) helicopter flight operations ("**Helicopter Services**"); and (ii) helicopter

[2] On April 29, 2016, an Airbus EC 225 helicopter, or EC 225, operated in Norway by one of the Debtors' Non-Debtor Affiliates, CHC Helikopter Services AS, was involved in an accident while on approach to Flesland Airport in Bergen, Norway from the Gullfaks B platform. The EC 225 carried 11 passengers and two crew members. The cause of the accident is not yet known and full investigations are being carried out in conjunction with regulators and police authorities. In collaboration with CHC's stakeholders, customers and regulatory authorities, pending further regulatory guidance, CHC has temporarily put on hold all EC 225 commercial flights around the world (with the exception of search-and-rescue missions).

maintenance, repair, and overhaul operations ("**MRO**") carried out by its Heli-One division ("**Heli-One**"), which services CHC's helicopter fleet as well as third-party customers.

A. Helicopter Services

14. CHC's Helicopter Services segment consists of flying operations in the Eastern North Sea, the Western North Sea, the Americas, the Asia Pacific region and the Africa-Euro Asia region, primarily serving offshore oil and gas customers. These services facilitate large, long-distance crew changes on offshore production facilities and drilling rigs. Helicopter Services also provides helicopter services for search and rescue ("**SAR**") and emergency medical services ("**EMS**") to various government agencies, all of which are typically under long-term service contracts. In some instances, Helicopter Services also provides SAR and EMS services to its oil and gas customers.

15. The majority of CHC's customers are major, national, and independent oil and gas companies, including Statoil, Total, Apache, Petrobras, and Royal Dutch Shell, and the majority of CHC's customer contracts provide for revenues based on fixed-monthly charges and hourly flight rates. CHC's contracts with offshore oil and gas customers are typically for periods of four to five years, and normally carry extension options of one to five years; however, most of the customer contracts contain termination for convenience provisions. CHC also has long-term contracts with government agencies and commercial operators in the United Kingdom and in Ireland, as well as contracts with commercial operators, the military, and local governments in Australia to provide SAR and EMS helicopter services.

16. Helicopter Services generated approximately 90% of its revenue for the three years ended April 30, 2015 from oil and gas customers and, of this amount, the majority was tied to CHC's customers' offshore production operations, which can have long-term

transportation requirements. SAR and EMS revenue to non-oil and gas customers contributed approximately 10% of Helicopter Services revenue for the three years ended April 30, 2015.

B. Heli-One (MRO)

17. CHC's Heli-One segment includes helicopter MRO facilities in Norway, Poland, Canada, and the United States, which provide services for CHC's helicopter fleet and for CHC's external customer base primarily in Europe, Asia, and North America. CHC's MRO capabilities enable CHC to perform heavy structural repairs, and maintain, overhaul, and test helicopters and helicopter components globally across various helicopter types. Heli-One's largest customer is CHC's Helicopter Services segment. Heli-One derives the majority of its third-party revenue from "power by the hour" ("**PBH**") contracts, where the customer pays a ratable monthly charge, typically based on the number of hours flown, for all scheduled and un-scheduled maintenance. CHC is the largest commercial operator of helicopter flights in the world that also provides MRO services.

18. CHC maintains one of its primary MRO facilities in Fort Collins, Colorado, where it provides specialized engine overall capabilities for aircraft used by the United States Customs and Border Protection Service as well as the Texas Department of Transportation, and for specialized firefighting helicopters.

C. Fleet

19. CHC maintains a fleet of 230 medium (8 to 15 passengers) and heavy (16 to 26 passengers) helicopters (the "**CHC Fleet**"). A significant portion of the fleet is comprised of new technology helicopters which have greater range, higher passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the total 230 helicopters in the fleet, CHC owns 67 helicopters and CHC leases the remainder from various third-party lessors.

D. Organizational Structure

20. The various legal entities in CHC's organizational structure primarily consist of (i) operating affiliates, including Variable Interest Entities (as defined below), in various jurisdictions that support Helicopter Services (the "**HS Operating Entities**"), (ii) fleet entities that either own or lease aircraft from third-party lessors (the "**FleetCos**"), (iii) Heli-One entities that support the MRO business (the "**Heli-One Entities**"), and (iv) entities that provide general corporate support and administration functions to the CHC enterprise (the "**G&A Entities**"), including the provision of pilots and engineers from CHC's global touring crew (the "**Global Touring Crew**") to the HS Operating Entities.

21. The HS Operating Entities typically hold the Helicopter Services customer contracts and collect the associated revenue. In some cases, the customer contracts are held by other non-operating CHC legal entities who subcontract internally with the HS Operating Entities. The HS Operating Entities hold various aircraft operating certificates, operating licenses, and regulatory authorizations (collectively, the "**AOCs**") that are required to carry out helicopter flight operations in the various operating jurisdictions. These AOCs are issued to the HS Operating Entities by government regulated aviation bodies, and each entity holding an AOC is typically required to satisfy, among other requirements, certain financial, insurance, and ownership criteria. In certain jurisdictions in which CHC operates, in order to satisfy local ownership requirements, CHC has entered into joint venture arrangements ("**JVs**") and strategic partnerships (together with the JVs, the "**Variable Interest Entities**") with third-party nationals or entities controlled by third-party nationals in those jurisdictions. CHC currently holds 11 active AOCs, all in separate regional legal entities.

22. The HS Operating Entities typically employ local pilots and maintenance engineers, together with administrative and other support staff. In certain jurisdictions where

local experienced pilots and engineers are not available, the HS Operating Entities enter into intercompany secondment agreements for the provision of pilots and engineers from CHC's Global Touring Crew. The HS Operating Entities often perform light maintenance on their helicopters at the local base location; however, the majority of all major aircraft maintenance and the overhaul of major components is performed by Heli-One pursuant to internal PBH service contracts with the Heli-One Entities. Pursuant to these intercompany agreements, Heli-One charges fees for PBH support as well as for time and materials based maintenance and other aircraft modification services.

23. The CHC FleetCos either own or lease from third-party lessors all of the aircraft in the CHC Fleet. In most cases, the FleetCos sublease the aircraft to HS Operating Entities. These leasing structures provide maximum regulatory and business flexibility.

24. The Heli-One Entities are responsible for the majority of the MRO activities within the CHC business, including the internal PBH service arrangements with the HS Operating Entities as well as the third-party PBH contracts. These entities also manage the supply chain and logistics for moving spare parts and components between the various Heli-One facilities and CHC bases. The Heli-One Entities employ a larger number of shop employees in the Netherlands, Norway, Canada, Poland, and Fort Collins, Colorado.

25. CHC has centralized many of its general corporate and administrative functions in the G&A Entities, which typically provide services across the entire CHC enterprise. These services include, among others, executive, legal, finance, accounting, information technology, crew provision and scheduling, and certain sales functions. In most instances, the services provided by the G&A Entities are allocated to the various operating entities pursuant to intercompany service arrangements and booked as intercompany payables.

26. For the fiscal year ended April 30, 2016, the Debtors' total operating revenues were approximately $1.4 billion, representing an approximate 15% decrease in operating revenues year over year, which (as described herein) was driven by a dramatic decline in demand for CHC's helicopter services resulting from a change in customers' use of helicopter services and the price and terms on which they are willing to accept service.

II.

Prepetition Capital Structure

27. All of the Debtors are direct or indirect wholly-owned subsidiaries of Debtor CHC Group and, with the exception of CHC Cayman Investments I Ltd., together constitute the issuers and guarantors of all of the Debtors' funded debt (described in detail below). CHC's other entities, including certain operating entities, are not debtors in these Chapter 11 Cases and are continuing to conduct their businesses in the ordinary course. A chart illustrating the Debtors' organizational structure, as of the date hereof, is annexed hereto as **Exhibit B**. The following description of the Debtors' capital structure is for informational purposes only and is qualified in its entirety by reference to the documents setting forth the specific terms of such obligations and their respective related agreements.

28. As of the date hereof, the Debtors had outstanding funded debt obligations in the aggregate amount of approximately $1.6 billion, which amount consists of (i) approximately $370 million in secured borrowings under the Debtors' Revolving Facility (as herein defined), (ii) approximately $139 million in secured borrowing under the Debtors' ABL Facility (as herein defined), (iii) approximately $1.0 billion in principal amount of Senior Secured Notes (as herein defined), and (iv) approximately $95 million in principal amount of

Unsecured Notes (as herein defined). The Debtors also have approximately $644 million in Preferred Stock (as defined herein) outstanding as of the date hereof.[3]

A. Equity Ownership

29. CHC Group is a public company and files annual reports with, and furnishes other information to, the United States Securities and Exchange Commission (the "**SEC**"). The common stock of CHC Group traded on the New York Stock Exchange (the "**NYSE**") under the symbol "HELI" until February 1, 2016, when CHC received a delisting notice from the NYSE. Following the delisting, CHC's common stock was accepted for listing on the OTCQX Best Market ("**OTCQX**") and trading in CHC's common stock commenced on the OTCQX under the ticker symbol "HELIF" on February 2, 2016.

30. As of April 30, 2016, 544,000,000 shares of the Debtors' $0.003 par value common stock had been authorized with 2,721,592 shares of common stock issued and outstanding. As of April 30, 2016, 6,000,000 shares of the Debtors' $0.0001 par value redeemable convertible preferred shares had been authorized with 671,189 shares of redeemable convertible preferred shares issued and outstanding. As of May 3, 2016, CHC's common stock was trading at $0.65 per share.

31. As of April 30, 2016, First Reserve Management, L.P. ("**First Reserve**"), a global private equity firm focused on energy, owned 1,530,011 shares of the CHC's common stock, representing approximately 28.1% of the total voting power calculated on an as-converted basis of all stock.

32. On December 15, 2014, the Debtors completed the final of three offerings for a total of 600,000 shares of Convertible Preferred Shares (the "**Preferred Stock**" and the holders of Preferred Stock, the "**Preferred Holders**") through a private placement to Clayton

[3] All amounts listed in this Declaration are in United States dollars.

Dubilier & Rice, LLC ("**CD&R**") at the price of $1,000 per share for a total of $600 million. CHC used the net proceeds of this investment to reduce debt and other fixed charges.

33. Pursuant to that certain Rights and Restrictions of the Convertible Preferred Shares of CHC Group Ltd. Establishing the Terms of the Convertible Preferred Shares (the "**Preferred Share Rights and Restrictions**"), Preferred Holders accrue and accumulate dividends on a daily basis at a base rate of 8.50% *per annum*, which are payable, either in cash or with additional Preferred Stock, quarterly in arrears if, as and when so authorized and declared by the Board of Directors. As of April 30, 2015, 671,189 Preferred Shares were issued and outstanding, and all held directly or indirectly by CD&R.

34. At any given time, all Preferred Holders can convert any or all of their Preferred Shares into some number of common stock based upon a variable conversion rate. As of April 30, 2016, CD&R held preferred shares representing approximately 52.2% of common stock on an as-converted basis. Pursuant to the Preferred Share Rights and Restrictions, to the extent that any Preferred Holder converts some number of Preferred Shares into ordinary shares such that the Preferred Holder controls more than 49.9% of total outstanding common stock, any shares in excess of 49.9% of the total outstanding common stock are replaced with an equivalent number of non-voting common stock.

B. <u>ABL Facility</u>

35. Debtor CHC Cayman ABL Borrower Ltd. (the "**CHC ABL Borrower**"), as borrower, is a party to that certain Credit Agreement, dated as of June 12, 2015 (as amended, restated, supplemented or otherwise modified from time to time, the "**ABL Credit Agreement**" and, together with all agreements and documents delivered pursuant thereto or in connection therewith, each as amended, supplemented or otherwise modified, the "**ABL Facility Documents**"), with the lenders party thereto from time to time, Morgan Stanley Senior Funding,

Inc., as administrative agent (the "**ABL Administrative Agent**"), and BNP Paribas S.A., as collateral agent (the "**ABL Collateral Agent**"). The ABL Credit Agreement provides the borrower with a senior secured non-amortizing asset based revolving credit facility in the aggregate amount of up to $145 million (the "**ABL Facility**").

36. The obligations under the ABL Facility are guaranteed by 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., CHC Helicopter S.A. ("**CHC SA**"), pursuant to that certain Guarantee Agreement, dated as of June 12, 2015, in favor of the ABL Administrative Agent, and by CHC Cayman ABL Holdings Ltd pursuant to that certain Guarantee and Collateral Agreement, dated as of June 12, 2015 (as amended, restated, supplemented, or otherwise modified from time to time, the "**ABL GCA**"), by and among CHC Cayman ABL Holdings Ltd., CHC ABL Borrower, the ABL Administrative Agent, and the ABL Collateral Agent.

37. Pursuant to the terms of the ABL GCA and certain local law security documents, CHC Cayman ABL Holdings Ltd. has purportedly granted a security interest in the equity interests it holds in CHC ABL Borrower, and CHC ABL Borrower has purportedly granted a security interest in substantially all of its respective assets, in each case to secure the obligations under the ABL Facility, subject to the exceptions specified in the ABL Facility Documents. The ABL Facility is purportedly secured by certain of the Debtors' owned aircraft and related assets, intercompany aircraft leases, and cash on deposit in certain of the Debtors' bank accounts. Pursuant to that certain most recent Borrowing Base Certificate, dated April 6, 2016 (the "**Borrowing Base Certificate**") annexed hereto as **Exhibit C**, the total average appraised value of the aircraft currently in the facility is approximately $185 million.[4]

[4] CHC's Monthly Depreciation Schedule for the period of May 2015 through March 2016, is annexed here to as **Exhibit D**. CHC's Projected Aircraft Depreciation Schedule is annexed hereto as **Exhibit E.**

38. As of the date hereof, the aggregate principal amount outstanding under the ABL Facility is approximately $139 million in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The ABL Facility bears interest at a floating rate that varies based upon the level of utilization of the facility, and matures on June 12, 2020.

C. The Revolving Facility

39. Debtors CHC SA, CHC Global Operations International Inc., CHC Global Operations (2008) Inc., Heli-One Canada Inc., Heli-One Leasing Inc., CHC Den Helder B.V., CHC Holding NL B.V., CHC Netherlands B.V., CHC Norway Acquisition Co AS, and Heli-One (Norway) AS, as borrowers, are parties to that certain Credit Agreement, dated as of January 23, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "**Revolving Credit Agreement**"), with the lenders and issuing banks party thereto from time to time (collectively, the "**Revolving Facility Lenders**"), HSBC Bank PLC, as administrative agent (the "**Revolving Facility Administrative Agent**"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (together with the Revolving Facility Lenders and the Revolving Facility Administrative Agent, the "**Revolving Facility Secured Parties**").

40. The Revolving Facility Credit Agreement governs a revolving credit facility (the "**Revolving Facility**") that provides for revolving credit commitments, including letter of credit commitments and swingline commitments, in an aggregate principal amount of up to $375 million. The Revolving Facility is guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries (the borrowers and guarantors under the Cash Flow Revolving Facility, the "**Revolving Facility Obligors**").

41. As of the date hereof, the aggregate principal amount outstanding under the Revolving Facility is approximately $328 million in unpaid principal and $43 million in face amount of undrawn Revolving Letters of Credit (as defined in the Revolving Credit Agreement),

plus accrued and unpaid interest, fees, and other expenses. The Revolving Facility bears interests at a floating interest rate that varies based upon the Company's consolidated total leverage, and matures on January 23, 2019.

D. The Senior Secured Notes

42. Debtor CHC SA, as issuer, is party to that certain Indenture, dated as of October 4, 2010 (as amended, modified, or otherwise supplemented from time to time, the "**Senior Secured Notes Indenture**"), with The Bank of New York Mellon, as indenture trustee (in such capacity, the "**Senior Secured Notes Indenture Trustee**"), and HSBC Corporate Trustee Company (UK) Limited, as collateral agent (together with the Senior Secured Notes Indenture Trustee and the Senior Secured Noteholders, the "**Senior Secured Notes Secured Parties**"), pursuant to which CHC SA issued 9.250% Senior Secured Notes due 2020 in the aggregate principal amount of $1.1 billion, of which approximately $1.0 billion is currently outstanding (the "**Senior Secured Notes**," and the holders of such notes, the "**Senior Secured Noteholders**").

43. The Senior Secured Notes are guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries (the issuer and the guarantors in respect of the Senior Secured Notes, the "**Senior Secured Notes Obligors**").

44. As of the date hereof, the aggregate amount outstanding under the Senior Secured Notes is $1.0 billion in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The Senior Secured Notes bear interest at a rate of 9.25% per annum with interest payable semiannually on April 15 and October 15, and mature on October 15, 2020.

E. The Security Documents for the Revolving Credit Facility and the Senior Secured Notes

45. The obligations under the Revolving Credit Agreement and the Senior Secured Notes are purportedly secured in accordance with the terms of certain local law security documents, pursuant to which the Revolving Facility Obligors and the Senior Secured Notes Obligors purportedly granted first priority *pari passu* liens on substantially all of their assets (the "**Prepetition Collateral**"). The liens on the Prepetition Collateral were purportedly granted in favor of HSBC Corporate Trustee Company (UK) Limited, which was appointed to act as agent and trustee (in such capacity the "**Collateral Agent**") for the benefit of the Revolving Facility Secured Parties and the Senior Secured Notes Secured Parties under the terms of that certain Collateral Agent and Administrative Agent Appointment Deed, dated as of October 4, 2010, among the Revolving Facility Administrative Agent, the Senior Secured Notes Indenture Trustee, the grantors party thereto, the lenders and arrangers party thereto, and the Collateral Agent.

46. The rights of the Revolving Facility Secured Parties and the Senior Secured Notes Secured Parties with respect to their shared collateral are governed by that certain Intercreditor Agreement, dated as of October 4, 2010, among CHC SA, the other grantors party thereto, the Collateral Agent, the Revolving Facility Administrative Agent and the Senior Secured Notes Indenture Trustee (as amended, modified, or otherwise supplemented from time to time, the "**Intercreditor Agreement**"). Pursuant to the Intercreditor Agreement, all Cash Flow Revolving Facility Secured Obligations and Senior Secured Notes Obligations are secured equally with respect to the "**Shared Collateral**" described therein. Under the payment priority waterfall established by the Intercreditor Agreement, the Revolving Facility Secured Parties are entitled to receive proceeds of the Shared Collateral until paid in full, at which point the outstanding Senior Secured Notes Secured Obligations are to be paid ratably.

F. The Unsecured Notes

47. Debtor CHC SA, as issuer, is party to that certain Indenture, dated as of May 13, 2013 (as amended, modified, or otherwise supplemented from time to time, the "**Unsecured Notes Indenture**"), with The Bank of New York Mellon, as indenture trustee, pursuant to which CHC SA issued 9.375% Senior Unsecured Notes due 2021 in the original aggregate principal amount of $300 million (the "**Unsecured Notes**").

48. The Unsecured Notes are guaranteed by CHC Group, 6922767 Holding SARL, CHC Helicopter Holding S.á r.l., and certain of CHC SA's subsidiaries. The Unsecured Notes are senior unsecured obligations of the Debtors.

49. As of the date hereof, the aggregate amount outstanding under the Unsecured Notes is approximately $95 million in unpaid principal, plus accrued and unpaid interest, fees, and other expenses. The Unsecured Notes bear interest at a rate of 9.375% per annum with interest payable semiannually on June 1 and December 1, and mature on June 1, 2021.

III.

Key Events Leading to Chapter 11

50. As noted above, with a significant customer base in the oil and gas industry, CHC's performance is closely tied to and impacted by changes in oil prices. The prices of Brent crude oil and natural gas have declined dramatically since mid-year 2014, having recently reached multiyear lows, as a result of robust supply growth led by unconventional production in the United States, weakening demand in Europe and emerging markets, and the Organization of the Petroleum Exporting Countries' decision to continue to produce at current levels. These market dynamics have led many to conclude that the energy sector will remain under pressure for a prolonged period. The effects of this protracted downturn are evident in

both onshore and offshore operations and throughout the oil and gas supply chain – in both exploration and production.

51. Due to the significant and rapid downturn in market conditions, CHC is seeing its oil and gas customers reassess their exploration projects and reduce their capital expenditure plans. Offshore exploration activity has plummeted from its peak in 2013, with the majority of the drop in the last six months. Specifically, the global offshore rig count is down 27% since 2013, with deep water rigs down more than 34%. With oil and gas exploration in a lull, many of CHC's customers are using the down cycle to focus only on commitment wells and to perform plug and abandonment work. Overall, CHC's exploration revenue, which accounts for approximately 10% of CHC's revenue from the oil and gas industry, is down over 40% in 2016 versus 2014.

52. On the production side, which accounts for approximately 70% of CHC's revenue from the oil and gas industry, the sustained dip in oil prices has put the supply chains of oil and gas companies under intense pressure. As production revenue has dropped, oil and gas companies have been targeting operational inefficiencies in their supply chains to reduce costs. Pricing on existing contracts and new tenders has declined as these customers have implemented cost reduction measures and have demanded significant prices concessions. Customers also have started utilizing less frequent worker rotations and service patterns to increase their productivity of assets and employees, resulting in a reduction in the number of aircraft required for each contract. These improvements in passenger utilization, coupled with the decrease in volume of offshore personnel, have significantly reduced demand for flying hours. Some customers have even started taking advantage of clauses in their contracts that permit termination for convenience as they seek out new contracts on the lowest-price principle from competitors. CHC's customers have been able to extract more and more concessions and favorable contract

terms as the market for the remaining share of flight hours continues to shrink. Unlike exploration revenue that may come back as the oil price rebounds, these operational efficiencies on the production side are margin negative for helicopter operators and will likely remain in the supply chain even as market conditions improve.

53. Despite efforts to undertake transactions to reduce long-term debt and reduce structural costs that are discussed below, the Debtors are unable to absorb the ongoing and precipitous decline in business demand from the oil and gas industry and the corresponding decline in the Debtors' revenues and cash flows. Based on current market conditions, the Debtors believe that a significant reduction in their long-term debt and cash interest obligations, as well as a significant reduction in their fleet size and related expenses, is required to improve their financial position and flexibility and position them to take advantage of opportunities that may arise out of the current industry downturn.

A. <u>Cost Cutting Measures</u>

54. In response to these developments, the Debtors have, among other things, significantly reduced their spending and implemented a series of structural cost-cutting measures (described in more detail below). Recognizing the need to take these proactive steps in this down market, in early 2015, the Debtors brought in a new management team with substantial experience and expertise in the aircraft and leasing industry. The members of this new management team draw on experience from GE Capital, International Lease Finance Corporation, and Schlumberger, and the team is led by Chief Executive Officer, Karl Fessenden. Over the past year, the Debtors and this new management team have, through various initiatives, achieved reductions in operating expenses of approximately 18% on an FX neutral basis.

55. Specifically, these costs reductions were driven by, among other things, a significant reduction in headcount, certain base closures, organizational delayering and

centralization of back-office functions, renegotiation of certain professional fees, restructuring of the maintenance and engineering teams, and various fleet adjustments. In addition, CHC engaged a consultant to review and provide recommendations to restructure its supply chain organizational structure and approach, which led to a substantial consolidation of its suppliers along with various process changes. For example, CHC consolidated its air freight and courier carriers from 54 to 10 key accounts, reducing costs by over $4 million, and optimized its inventory, reducing repair costs by over $7 million. CHC also undertook a strategic review of its direct labor costs, which resulted in changes to its roster patterns, a reduction in travel pay for employees, and a decision to outsource certain non-essential work such as ground operations.

56. The Debtor have also taken steps to reduce their total outstanding long-term obligations through two debt repurchase transactions of their Unsecured Notes, which resulted in a reduction of their annual cash requirements by approximately $3.8 million. This restructuring complemented the debt redemption and repurchase transactions the Debtors undertook in fiscal years 2014 and 2015 to reduce their total outstanding long-term debt obligations, which reduced their cash requirements on an annualized basis approximately $41.9 million.

57. Despite the best efforts of the Debtors and their management to actively restructure and reduce their operational and financial costs, the significant and prolonged downturn in market conditions in the oil and gas sector, the cost cutting measures being deployed by their customers, and the related decrease in the Debtors' revenues and cash flows from operations, has caused uncertainty regarding the viability of the Debtors' leveraged capital structure and cash flow structure in the long term. Accordingly, the Debtors began to explore potential alternatives that would allow the Debtors to deleverage their balance sheet, reduce their fleet cost structure, and allow for growth and long-term success.

58. In response to this, in early 2016, the Debtors retained Weil, Gotshal & Manges LLP ("**Weil**"), as restructuring counsel, Debevoise & Plimpton LLP ("**Debevoise**"), as special aircraft counsel, PJT Partners LP ("**PJT Partners**"), as investment banker, Seabury Corporate Advisors LLC ("**Seabury**"), as financial advisor, and CDG Group, LLC, as restructuring advisor (together with Weil, Debevoise, PJT Partners, and Seabury, the "**Advisors**"), to assist them in developing and implementing a comprehensive restructuring plan. The Advisors quickly engaged to explore, analyze, and develop strategic alternatives for resolving the Debtors' financial issues.

B. Preserving Liquidity

59. One of the earliest strategies emphasized by the Debtors' Advisors was the implementation of a strict liquidity preservation policy. Consistent with this, in January 2016, the Debtors drew the remaining $233 million available under the Cash Flow Revolving Facility. In addition, in April 2016, CHC Group and CHC SA decided not to make an interest payment of approximately $46 million due with respect to the Senior Secured Notes, and to use the 30-day grace period under the Senior Secured Notes Indenture to continue working with the Advisors to review strategic alternatives for restructuring the Company's debt and leases expenses.

C. Prepetition Negotiations with Creditors

60. With the flexibility of the grace period, the Debtors and their Advisors commenced negotiations with certain of the Debtors' key stakeholders, including various members of the Debtors' capital structure as well as the Debtors' third-party aircraft lessors. During these early discussions, the Debtors' presented their business plan, strategies for creating a viable business model in this down market, and restructuring proposals.

61. Recognizing the importance of swift action to preserve liquidity and enterprise value, these stakeholders and their advisors quickly began conducting diligence and

engaging with the Debtors and their Advisors. These negotiations advanced through the early stages and continue to progress.

62. The Debtors decided to seek chapter 11 protection to take advantage of the breathing spell afforded by the automatic stay as they continue negotiating and working with these creditors and lessors to develop a proposal to restructure CHC's fleet and balance sheet. The Debtors are focused on quickly moving forward and ideally reaching a consensual deal that will enable the Debtors to quickly emerge from these Chapter 11 Cases with a significantly strengthened financial position.

63. The Debtors expect that their current cash on hand, combined with revenue generated from ongoing operations, will provide sufficient liquidity to support CHC's business during these Chapter 11 Cases.

V.

First Day Motions

64. Below is an overview of the First Day Motions. The First Day Motions seek relief intended to facilitate a smooth transition for the Debtors into these Chapter 11 Cases and minimize disruptions to the Debtors' business operations. Capitalized terms used but not otherwise defined in this section of the Declaration shall have the meanings ascribed to them in the relevant First Day Motions.

A. Joint Administration Motion

DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING JOINT ADMINISTRATION OF CHAPTER 11 CASES PURSUANT TO RULE 1015(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE

65. By the Joint Administration Motion, the Debtors seek joint administration of their Chapter 11 Cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Rules. Specifically, I understand that the Debtors request that the

Court maintain one file and one docket for all of these Chapter 11 Cases under the case of lead Debtor CHC Group. Further, the Debtors request that an entry be made on the docket of each of the cases of the Debtors to indicate the joint administration of these Chapter 11 Cases.

66. I understand that a court can order the joint administration of multiple Chapter 11 Cases where the debtors are "affiliates" as defined in section 101(2) of the Bankruptcy Code. Debtor CHC Group owns or controls, either directly or indirectly, 100 percent of the outstanding voting securities of each of the other Debtors. Accordingly, I understand that the Debtors are "affiliates" and this court is authorized to order joint administration of their estates. Joint administration will avoid the preparation, replication, service, and filing, as applicable, of duplicative notices, applications, and orders in each of the forty-three Debtor cases, thereby saving the Debtors' estates considerable expense and resources. The relief requested will not adversely affect creditors' rights and, in fact, the rights of all creditors will be enhanced by the reduction in costs resulting from joint administration. Further, I understand that the relief requested will also relieve the Court of the burden of entering duplicative orders and maintaining duplicative files and dockets, and, similarly, simplify supervision of the administrative aspects of these Chapter 11 Cases by the Office of the U.S. Trustee for the Northern District of Texas (the "**U.S. Trustee**").

67. Accordingly, I believe that joint administration of the Debtors' Chapter 11 Cases is in the best interests of the Debtors, their estates, and all parties in interest.

B. Extension of Time to File SOFAs and Schedules

DEBTORS' MOTION FOR ENTRY OF ORDER EXTENDING TIME TO FILE (I) SCHEDULES OF ASSETS AND LIABILITIES; (II) SCHEDULE OF CURRENT INCOME AND EXPENDITURES; (III) SCHEDULE OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (IV) STATEMENT OF FINANCIAL AFFAIRS PURSUANT TO SECTION 521 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 1007(C), AND LOCAL RULE 1007-1

68. By the Extension Motion, the Debtors request that the Court extend the fourteen-day period in which the Debtors are required, pursuant to section 521 of the Bankruptcy Code and Rule 1007(c) of the Bankruptcy Rules, to file (i) schedules of assets and liabilities, (ii) a schedule of current income and expenditures, (iii) a schedule of executory contracts and unexpired leases, and (iv) a statement of financial affairs (collectively, the "**Schedules**"), for an additional forty-five days (making the Schedules due on or before sixty days after the Petition Date), without prejudice to the Debtors' right to request further extensions.

69. I understand that, to prepare the Schedules, the Debtors must compile information from books, records, and documents maintained by each of the forty-three Debtors, relating to the claims of thousands of creditors, as well as the Debtors' many assets and contracts. With global operations and a widespread international footprint, it will take substantial time to gather and process such information. The Debtors have a limited number of employees with detailed knowledge of the Debtors' financial affairs and the skill to perform the necessary review and analysis of the Debtors' financial records. Given the size and complexity of the Debtors' businesses, and the resulting significant amount of work required to complete the Schedules, as well as the competing demands on the Debtors' employees and professionals to assist in critical efforts to stabilize the Debtors' business operations during the initial postpetition period, I believe that an extension is necessary.

70. I believe that the extension requested in the Extension Motion also will aid the Debtors in efficiently preparing accurate Schedules, as it will allow the Debtors to account for prepetition invoices not yet received or entered into their accounting systems as of the Petition Date, and will minimize the possibility that any subsequent amendments to the Schedules are necessary. As such, I believe that the extension will benefit not only the Debtors, but all creditors and other parties in interest.

71. Although the Debtors, with the assistance of their professional advisors, have begun to compile the information necessary for the Schedules, I understand that the Debtors have been consumed with a multitude of other legal, business, and administrative matters in the weeks prior to the Petition Date. Going forward, the Debtors anticipate having to devote a substantial amount of time and attention to a variety of additional, time-sensitive issues relating to their businesses and newly-commenced Chapter 11 Cases. Accordingly, I understand that the Debtors expect that they will require at least forty-five additional days to finalize the Schedules.

72. I believe that the vast amount of information that the Debtors must assemble and compile, the multiple places where the information is located, and the number of employee and professional hours required to complete the Schedules all constitute good and sufficient cause for granting the requested extension of time in the Extension Motion.

C. Waiver of Requirement to File Creditor List and Equity List

MOTION OF DEBTORS FOR ENTRY OF AN ORDER (I) WAIVING THE REQUIREMENT TO FILE A LIST OF CREDITORS, (II) WAIVING THE REQUIREMENT TO FILE AN EQUITY LIST, AND (III) APPROVING THE FORM AND MANNER OF NOTIFYING CREDITORS OF THE COMMENCEMENT OF THE DEBTORS' CHAPTER 11 CASES

73. By the Waiver Motion, the Debtors request, pursuant to section 105(a) of the Bankruptcy Code: (i) a waiver of the requirement to file a list of creditors on the Petition Date as required by section 521(a)(1) of the Bankruptcy Code, Rule 1007(a)(1) of the

Bankruptcy Rules, and Rule 1007-1 of the Local Rules Bankruptcy Rules for the Northern District of Texas, (ii) a waiver of the requirement to file a list of all equity security holders (the "**Equity List**") within fourteen (14) days after the Petition Date as required by Bankruptcy Rule 1007(a)(3), and (iii) authority to implement certain procedures for notifying creditors of the commencement of these Chapter 11 Cases and of the meeting of creditors to be held pursuant to section 341 of the Bankruptcy Code (the "**Notice of Commencement**").

74. I understand that the Debtors are requesting authorization to retain and employ Kurtzman Carson Consultants LLC as a notice and claims processing agent (the "**Notice and Claims Agent**") in these Chapter 11 Cases, pursuant to section 156(c) of title 28 of the United States Code and section 327(a) of the Bankruptcy Code. The Debtors propose that, pursuant to section 342(a) of the Bankruptcy Code and Bankruptcy Rules 2002(a) and (f), as soon as practicable after the Petition Date, the Debtors furnish their list of creditors to the Notice and Claims Agent so that the Notice and Claims Agent may mail the Notice of Commencement to the parties identified thereon.

75. The Notice and Claims Agent will receive the list of creditors and mail the Notice of Commencement to the parties identified thereon and the Notice of Commencement will be published in the international edition of the *Wall Street Journal*. Thus, filing a list of creditors will serve no independent purpose.

76. The Debtors will provide the parties on the Equity List with notice as required by the Bankruptcy Code. Thus, waiving the Equity List will not prejudice the equity security holders.

77. Based on the foregoing, I believe that the relief requested in the Waiver Motion is appropriate in these Chapter 11 Cases to provide adequate notice to all parties in interest

D. Customer Deposits

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING DEBTORS TO MAINTAIN, APPLY, PAY, AND HONOR PREPETITION CUSTOMER DEPOSITS PURSUANT TO SECTIONS 363(b) AND 105(a) OF THE BANKRUPTCY CODE

78. Pursuant to the Customer Deposits Motion, the Debtors request authority to, in the ordinary course of business and consistent with past practice, maintain, apply, pay, and honor prepetition customer deposits. As described more fully in the motion, the Debtors have a contractual arrangement with certain of their third-party PBH customers (the "**Customers**") whereby the Customer pays a monthly fee (the "**Deposit**"), calculated based upon estimated flight hours operated, to be allocated to pay for future maintenance performed on covered components during each component's respective maintenance cycle. Upon the termination or expiration of the Customer's contract, the Heli-One Debtors calculate what amount, if any, is owed to the Customer based upon the timing of the contract's termination or expiration within the maintenance cycle of the covered components and the amount is calculated to provide for fees accrued in anticipation of a maintenance cycle that has not yet concluded. In certain limited circumstances, additional amounts could be owed by the Customer to the Heli-One Debtors. The amount ultimately paid to the Customer also takes into account a contractually agreed upon percentage of the Deposit that is retained by the Heli-One Debtor as a holdback for capital costs.

79. The Deposits are an integral part of the Debtors' MRO business and the terms and conditions on which they are paid and applied are used elsewhere in the industry. As a result of the commencement of these Chapter 11 Cases, I have been advised that the Deposits constitute property of the Debtors' estates, leaving Customers with unsecured claims for such amounts. Absent relief from the Court permitting the Heli-One Debtors to treat those Deposits in the ordinary course of business and apply such Deposits according to the terms of the Customer contracts, the Heli-One Debtors will be left in an untenable position with their Customers. It is

crucial to the ongoing success of the Debtors' operations that the Heli-One Debtors maintain their relationships with their Customers. Without the ability to continue to honor the Deposits in the ordinary course of business, the Heli-One Debtors' reputation, market share, and revenue stream are at risk. Many of the Customers' contracts are terminable at will. If the Customers fail to receive assurance that their Deposits will be honored and applied, and that any amounts owed will be paid pursuant to the contract terms upon termination or expiration of the contracts, there is a significant risk that Customers may seek relief from the automatic stay to terminate their contracts and obtain services from one of the Heli-One Debtors' competitors. Indeed, certain of the Heli-One Debtors' Customers already have expressed concerns about the status and treatment of their Deposits.

80. It is my understanding that the Debtors estimate that, as of the Petition Date, the Heli-One Debtors hold approximately $30-40 million in Deposits on account of approximately fifteen (15) Customer contracts and estimate that approximately $18 million could potentially be owed to Customers upon termination or expiration of the Customers' contracts.

81. Accordingly, I believe that the relief requested in this motion is in the best interests of the Debtors, their estates, and all parties in interest and should be granted.

E. Automatic Stay Enforcement

MOTION OF DEBTORS FOR ENTRY OF ORDER ENFORCING THE PROTECTIONS OF SECTIONS 362, 365, 525, AND 541(c) OF THE BANKRUPTCY CODE PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE

82. Pursuant to the Automatic Stay Enforcement Motion, the Debtors request entry of an order enforcing the protections of sections 362, 365, 525, and 541(c) of the Bankruptcy Code to aid in the administration of their Chapter 11 Cases and to help ensure that the Debtors' global business operations are not disrupted. As previously noted, the Debtors conduct significant operations in foreign countries and, as a result, incur obligations to foreign

customers, employees, independent contractors, vendors, service providers, utility companies, taxing authorities and other entities. Many of the Debtors' foreign creditors and contract counterparties do not transact business on a regular basis with companies that have filed for chapter 11 protection and, therefore, may be unfamiliar with the scope of a debtor in possession's authority to conduct its business and may be unaware of the protections of the automatic stay and other provisions of the Bankruptcy Code that assist debtors in possession during their Chapter 11 Cases and restructuring efforts.

83. I have been informed that the protections afforded by sections 362, 365, 541, and 525 of the Bankruptcy Code are self-executing and global; however, I believe that not all parties affected or potentially affected by the commencement of a chapter 11 case are aware of these statutory provisions or their significance and impact. Consequently, I believe that it is prudent to obtain an order of the Court confirming and reinforcing the relevant sections of the Bankruptcy Code so that the Debtors may advise such parties of the existence, reach, and effects of these sections of the Bankruptcy Code.

84. I believe the requested relief is particularly appropriate in the present cases because the Debtors operate in many foreign jurisdictions with different legal systems, including, but not limited to, Australia, Canada, Norway, Denmark, Malaysia, Ireland, the United Kingdom, Poland, and Barbados. The Debtors' helicopters fly around the world. In the course of operating their helicopter services and MRO businesses, the Debtors engage with numerous foreign customers, suppliers, and other vendors, as well as foreign regulators and other governmental units. In addition, the Debtors are incorporated under the laws of numerous countries and some of the Debtors' key contracts are governed by the laws of foreign jurisdictions.

85. Based on the foregoing, I believe that the relief requested in this motion is in the best interests of the Debtors, their estates, and all parties in interest and should be approved.

F. <u>Cash Management System Motion</u>

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR EXISTING CASH MANAGEMENT SYSTEM, (B) CONTINUE EXISTING INTERCOMPANY TRANSACTIONS, (C) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS, AND (D) HONOR CERTAIN PREPETITION OBLIGATIONS RELATING TO THE USE OF THE CASH MANAGEMENT SYSTEM, AND (II) GRANTING EXTENSION OF TIME TO COMPLY WITH, AND PARTIAL WAIVER OF, REQUIREMENTS OF SECTION 345(B) OF THE BANKRUPTCY CODE PURSUANT TO SECTIONS 105(A), 345(B), 363(C), 364(A), AND 503(B) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004

86. By the Cash Management Motion, the Debtors request: (i) authorization to (a) continue their existing cash management system (the "**Cash Management System**"), (b) continue certain Intercompany Transactions (as defined below), including Intercompany Netting (as defined below), and afford Intercompany Transactions with Debtor entities administrative expense priority, (c) maintain existing bank accounts (collectively, the "**Bank Accounts**") located at various banks (collectively, the "**Banks**") and existing business forms, and (d) honor certain prepetition obligations relating to the use of the Cash Management System; and (ii) an extension of time to comply with, and partial waiver of, the requirements of section 345(b) of the Bankruptcy Code. CHC uses a centralized cash management system to collect and transfer the funds generated by both the Debtors and Non-Debtor Affiliates and disburse those funds to satisfy the obligations incurred in the course of operating CHC's businesses. Carefully managed and maintained by CHC's treasury personnel, all collections, transfers and disbursements of cash are accurately tracked and reported as they are made. I understand that

CHC adopted its centralized cash management system shortly before the Petition Date in response to the discontinuance of cash pooling agreements with two of the Banks.

87. I understand that the Cash Management System facilitates cash monitoring, forecasting, and reporting and enables CHC to maintain control over the administration of the Bank Accounts located at the Banks, including, but not limited to, the Debtor bank accounts listed on **Exhibit D** to the Cash Management Motion. I have been informed that the Debtors maintain 230 bank accounts comprised mainly of operating/disbursement accounts as well as a small number of specialized restricted accounts established for particular projects or business purposes.[5] As described in further detail below, the components of the Cash Management System are organized around three principal cash functions: collection, concentration, and disbursement. **Exhibit E** to the Cash Management Motion illustrates the movement of cash and flow of funds through the Cash Management System. In addition, I understand that the Debtors also use certain additional payment methods in conjunction with the Cash Management System, including: (i) a global corporate credit card program with American Express (the "**Corporate Credit Card Program**"); (ii) a pre-loaded debit card program managed by Berkeley Payment Solutions (the "**Pre-Loaded Debit Card Program**"); and (iii) petty cash.

88. Both the Debtors and the Non-Debtor Affiliates utilize CHC's centralized Cash Management System, under which CHC Cayman Investments I, Ltd. ("**Cayman Investments I**") serves as the "central banker" entity. I understand that individual CHC entities, whether Debtors or Non-Debtor Affiliates, do not have their own cash management system and must rely on the Cash Management System in the course of their day-to-day business operations.

[5] The specialized restricted accounts are used for purposes such as securing work visas for certain of the Debtors' employees in Kazakhstan, cash collateralizing letters of credit, paying certain payroll taxes in Norway, and providing security deposits to certain lessors in the ordinary course of business.

This system for cash management provides a seamless accounting function across and among all CHC entities in a single location, reducing banking expenses, permitting prompt and accurate liquidity tracking, and allowing simple and accurate intercompany allocations and transfers. To lessen the disruption caused by these Chapter 11 Cases, minimize expense, and maximize the value of their estates, it is vital that the Debtors maintain their existing system of managing cash under the Cash Management System.

Cash Collection

89. I understand that CHC's revenue is primarily generated through its operating subsidiaries. CHC's Debtor and non-debtor operating subsidiaries receive and collect revenue on account of: (i) helicopter flight operations carried out by CHC's heli-service subsidiaries (the "**Heli-Service Subsidiaries**"); (ii) helicopter maintenance, repair, and overhaul operations carried out by its Heli-One division (the "**Heli-One Subsidiaries**"), which services CHC's helicopter fleet as well as third-party customers; (iii) the provision of helicopter leases with varying levels of associated service and staffing to third-party customers (the "**Strategic Partnerships**"); and (iv) ownership interests in JVs (collectively with the Heli-Service Subsidiaries, Heli-One Subsidiaries, and Strategic Partnerships, the "**Revenue Generating Entities**").

Concentration

90. I understand that the majority of cash received by the Revenue Generating Entities is ultimately collected in one of six main operating accounts (the "**Main Operating Accounts**") held by Cayman Investments I at Bank of America, National Association ("**Bank of America**"). CHC's global reach requires it to hold separate operating accounts denominated in U.S. Dollars, Canadian Dollars, British Pounds Sterling, Norwegian Krone, Australian Dollars, and Euros.

91. I have been informed that cash collected by the Revenue Generating Entities is first used by those entities to pay for certain local costs and expenses (*e.g.*, local payroll, taxes, and other third-party direct costs and expenses). After any local minimum capital requirements are taken into account, the Revenue Generating Entities then upstream excess cash to the Main Operating Accounts. When a Revenue Generating Entity transfers such funds, Cayman Investments I books an account payable in the relevant Revenue Generating Entity's name on account of that transfer.

Disbursements

92. I understand that CHC makes most of its disbursements from the Main Operating Accounts. CHC's disbursements relate primarily to (i) payroll and employee expenses, (ii) debt service, (iii) helicopter lease payments, (iv) operating expenses, and (vi) taxes.

93. To support the operations of the Revenue Generating Entities, CHC has numerous Debtor and Non-Debtor Affiliate captive service companies (the "**Service Companies**") that provide management, personnel, corporate services, equipment, maintenance, and other forms of support to the Revenue Generating Entities. These Service Companies include, but are not limited to: (i) leasing entities, which lease helicopters directly from third-party lessors and then sublease those aircraft to the Revenue Generating Entities; (ii) Heli-One Subsidiaries, which provide maintenance, repair, and overhaul services to the Revenue Generating Entities (in addition to third party customers); (iii) CHC Helicopters (Barbados) Limited and CHC Hoofddorp BV ("**Hoofddorp**"), which license CHC's intellectual property to the Revenue Generating Entities; (iv) management and corporate service entities, which provide general and administrative support to the Revenue Generating Entities; and (v) employment entities, which provide crew and maintenance staff to the Revenue Generating Entities. Periodically, the Service Companies issue intercompany invoices (the "**Intercompany**

Invoices") to the Revenue Generating Entities on account of the support and services they have provided. I understand that the Intercompany Invoices are booked as accounts receivable at the relevant Service Companies and as accounts payable at the relevant Revenue Generating Entities. These Intercompany Invoices are satisfied via an intercompany netting arrangement, as described below.

94. Cayman Investments I disburses funds on behalf of the Service Companies, and in some instances, certain Revenue Generating Entities, on account of amounts payable to third parties by wire transfer. I have been informed that where accounts payable must be paid directly by the relevant Service Company or Revenue Generating Entity and that entity does not have sufficient cash to meet those obligations, Cayman Investments I funds a disbursement account at the relevant entity by way of an Intercompany Transaction (as defined below). In certain situations, a Service Company or Revenue Generating Entity may pay its own third-party expenses if that entity has sufficient cash in the correct currency, and CHC's treasury team determines that making such payment directly, rather than via Cayman Investments I, is more efficient.

95. I have been informed that Cayman Investments I also provides an important foreign currency management function for the CHC businesses. When a Service Company or Revenue Generating Entity has sufficient cash to satisfy a local creditor, but that cash is in the wrong currency, that Service Company or Revenue Generating Entity can swap currencies against the Main Operating Accounts. For example, if an entity's contract revenues were collected in Euros, but the entity needs to pay an invoice in U.S. dollars, that entity can trade Cayman Investments I Euros for U.S. dollars. Such swaps are priced at a market rate set automatically by CHC's accounting system at the end of every month. Cayman Investments I

does not profit from such swaps, and CHC does not use these transactions to hedge against fluctuations in currency prices.

96. Every CHC entity is party to that certain Cash Management and Cash Pooling Agreement (Cayman Down), effective April 29, 2016 and that certain Cash Management and Cash Pooling Agreement (Cayman Up), effective April 29, 2016 (together, the "**Intercompany Netting Agreement**").[6] I understand that pursuant to the Intercompany Netting Agreement, CHC periodically nets the Intercompany Claims (as defined below) owing between the Revenue Generating Entities, the Service Companies, and Cayman Investments I ("**Intercompany Netting**"). The Intercompany Netting offsets amounts owing between Revenue Generating Entities and Services Companies on account of the Intercompany Invoices against Intercompany Claims to/from Cayman Investments I, and converts them into a single Intercompany Claim owed to or by Cayman Investments I (the "**Intercompany Balances**"). The Intercompany Balances are generated by having entities that are party to the Intercompany Netting Agreement periodically assign Intercompany Claims they hold to Cayman Investments I. The assignment is made in exchange for a receivable of equal face amount from Cayman Investments I. Cayman Investments I is then able to offset its accounts receivable from, and accounts payable to, each entity in the Cash Management System. The Intercompany Balances are carefully recorded, and track the extent to which individual CHC legal entities contribute to, or are dependent upon, the overall CHC enterprise.

97. I understand that transfers between CHC entities (including by electronic book entry, the "**Intercompany Transactions**," and each intercompany receivable and payable

[6] Lloyd Helicopter Services Pty Ltd., Lloyd Helicopters Pty Ltd., CHC Helicopter Australia Pty Ltd., Lloyd Bass Strait Helicopters Pty Ltd., and Lloyd Helicopters International Pty Ltd. (collectively, the "**Australian Entities**") and Cayman Investments I are also party to that certain Side Deed to the Cash Management and Cash Pooling Agreements, effective May 4, 2016 (the "**Australian Side Deed**"). Pursuant to the Australian Side Deed, any transfer of cash or other assets out of an Australian Entity is subject to certain review and approval rights of the board of directors of that Australian Entity.

generated pursuant to an Intercompany Transaction, an "**Intercompany Claim**") are generally recorded in CHC's intercompany books and records automatically by CHC's accounting system. Disbursements, including wires, certain automated clearing house ("**ACH**") and electronic funds transfer ("**EFT**") payments, certain accounts payable checks, and certain checks to governmental entities are issued by CHC Cayman Investments I and then allocated to the appropriate CHC entity through Intercompany Transactions.

98. I have been informed that CHC also benefits from the use of a cross-currency cash pool with Nordea Bank Norge ASA (the "**Nordea Pool**"). The Nordea Pool aggregates balances in Bank Accounts held by several Debtors and Non-Debtor Affiliates,[7] and permits CHC to carry negative balances in certain accounts so long as the overall balance in the pool remains positive. This arrangement affords CHC a degree of flexibility in certain situations where it collects revenue in one currency, but must then disburse funds in another currency. Funds from the Nordea Pool are routed through the Main Operating Accounts for cross-entity transfers.

Additional Payment Methods

99. I understand that, as noted above, CHC utilizes certain additional cash management tools in support of the ordinary course operation of its businesses, including the Corporate Credit Card Program, the Pre-Loaded Debit Card Program, and the use of petty cash.

100. I have been informed that the Corporate Credit Card Program is used in the ordinary course of business by CHC as a convenient way to allow employees to make purchases for the business where a wire, check, ACH, or EFT payment is not possible or otherwise inconvenient. In addition, CHC's procurement group uses specialized purchasing

[7] Debtor participants in the Nordea Pool are CHC Norway Acquisition Co AS, Heli-One (Norway) AS, Heli-One (UK) Ltd., Heli-One Leasing (Norway) AS, and Integra Leasing AS. CHC Helikopter Services AS, a non-Debtor, is also a participant in the Nordea Pool. The currencies covered by the Nordea Pool include Norwegian Krone, U.S. Dollars, Canadian Dollars, British Pounds Sterling, and Euros.

cards to purchase various supplies, consumables, and off-the-shelf parts. The Corporate Credit Card Program consists of 237 corporate American Express cards and five American Express purchasing cards. The 237 corporate cards consist of 17 Platinum Cards, which are held by certain CHC executives and senior managers, and 220 Green Cards, which are held by key CHC employees in different jurisdictions across the globe. The Corporate Credit Card Program features a number of safety and security measures designed to prevent fraud or misuse. For example, CHC's American Express cards have controlled merchant codes, which prevent cardholders from using their cards for certain categories of inappropriate expenses. In addition, CHC regularly receives a global credit card billing statement from American Express, confirms that the charges are attributable to CHC business expenses or appropriate employee expense reimbursements, and then remits payment to American Express. After reviewing its monthly statement, CHC has the ability to flag inappropriate charges. When an inappropriate charge is flagged, American Express seeks reimbursement from the cardholder directly rather than CHC. CHC employees who hold CHC American Express Cards are required to submit expense reports, and must support those reports with receipts for all charges greater than $25. CHC's average monthly expenses associated with the Corporate Credit Card Program are approximately $350,000. In the weeks leading up the Petition Date, CHC began paying and prepaying American Express on a weekly basis. Consequently, I do not believe that American Express holds any prepetition claims against the Debtors, and are only seeking to continue using the Corporate Credit Card Program in the ordinary course of business.

101. I have been informed that the Pre-Loaded Debit Card Program consists of approximately 100 pre-loaded Visa debit cards (the "**Berkeley Cards**") managed by Berkeley Payment Solutions ("**Berkeley**") and governed by that certain Master Prepaid Card Services Agreement, dated May 21, 2014, between Berkeley and Heli-One Canada Inc. ("**Heli-One**

Canada").[8] I understand that the Pre-Loaded Debit Card Program is managed by CHC's treasury group, and provides a convenient way for CHC employees across the globe, including base managers and pilots, to make relatively small, one-off purchases. The cost of the Pre-Loaded Debit Card Program varies based on use, and Berkeley invoices Heli-One Canada Inc. for the Pre-Loaded Debit Card Program on a monthly basis. I have been informed that the average cost of the Pre-Loaded Debit Card Program prior to the Petition Date was $1,500 per month. The CHC treasury group has the ability to easily fund or de-fund the Berkeley Cards as the need arises, and new cards can be issued easily. The Berkeley cards are particularly useful for CHC employees performing ferry flights to move helicopters from one jurisdiction to another. During ferry flights, CHC pilots can use a Berkeley Card to pay for travel costs, fuel, and incidentals as they fly the helicopter from one jurisdiction to another – trips that often require more than one stop. The Berkeley cards are held by employees of the Debtors as well as employees of the Non-Debtor Affiliates. I understand that to fund the Pre-Loaded Debit Card Program, CHC's treasury group causes Heli-One Canada ULC to fund an escrow account at the Royal Bank of Canada ("**RBC**") in the name of RBC Prepaid Card Program. CHC's contributions to the account are tracked by Berkeley, and only CHC has the ability to direct the use of the funds that it contributes to the RBC escrow account. To fund a particular debit card, the CHC treasury group provides instructions to Berkeley, which funds the particular card from the RBC escrow account. I have been informed that as of the Petition Date, CHC has approximately $65,000 in the RBC escrow account, and approximately $115,000 distributed across the issued and outstanding Berkeley Cards. I understand that any CHC entity that requests a funded Berkeley Card immediately reimburses Heli-One Canada for any amounts

[8] Heli-One Canada ULC was formerly known as Heli-One Canada Inc. Heli-One Canada Inc. was continued as a British Columbia Unlimited Liability Company in the fall of 2014.

loaded onto a Berkeley card on its behalf. Consequently, the funds in the RBC escrow account and loaded onto the Berkeley cards are attributable not only to Heli-One Canada, but also to a number of Debtors and Non-Debtor Affiliates. I have been informed that prior to the Petition Date, the Debtors prepaid Berkeley. Consequently, because of that prepayment and because the Berkeley cards are pre-funded, I do not believe that Berkeley holds any prepetition claim against the Debtors. I have been informed that CHC will instruct its employees that the Berkeley Cards are not to be used to satisfy prepetition obligations, and are only seeking to continue using the Pre-Loaded Debit Card Program in the ordinary course of business.

102. I have been informed that in addition to the Corporate Credit Card Program and the Pre-Loaded Debit Card Program, the Debtors also use petty cash managed by CHC employees at CHC's bases around the world to satisfy certain *de minimis* obligations. I understand that CHC will instruct its employees that petty cash is not to be used to satisfy prepetition obligations, and the Debtors propose to continue using petty cash on hand in the ordinary course of business.

Mozambique Cash

103. I understand that until recently, CHC Global Operations Canada (2008) ULC ("**GO Canada**") carried out helicopter flight operations in the Republic of Mozambique ("**Mozambique**") using a local branch established in Mozambique ("**CHC Mozambique**"). I have been informed that as part of its ordinary course cash management procedures for repatriating revenue earned in Mozambique, CHC Mozambique makes intercompany transfers to Hoofddorp on account of both intellectual property royalty charges and general and administrative expenses. I have been informed that as of the Petition Date, approximately $1,300,000 of intercompany invoices issued by Hoofddorp to CHC Mozambique are due and outstanding, and such amount currently is deposited in a Bank Account controlled by CHC

Mozambique (the "**Mozambique Funds**"). Under applicable law in Mozambique, payment of the intercompany obligation owed by CHC Mozambique to Hoofddorp is the only way to repatriate that cash, and to accomplish this GO Canada was required to register the relevant intercompany service agreements with the government of Mozambique when it established CHC Mozambique. I understand that to effectuate the transfer of funds, CHC Mozambique must obtain a certification from the government that it has paid all local taxes, including applicable withholding taxes, and then it presents that tax certification, along with a copy of the registered intercompany invoice, to Standard Bank in Mozambique. I have been informed that once Standard Bank has verified that all of the paperwork is in order, it will permit CHC Mozambique to wire the Mozambique Funds to Hoofddorp. Any remaining cash related to the retained branch profits of CHC Mozambique will be repatriated once audited financial statements are issued and final tax returns are prepared in due course. By the Cash Management Motion, the Debtors are seeking authority, on a final basis only, to permit CHC Mozambique to satisfy its prepetition obligations to Hoofddorp, as the exclusive means to repatriate cash currently held by CHC Mozambique that would otherwise be unavailable to the overall CHC enterprise.

A. The Relief Requested in the Cash Management Motion Is Necessary

104. I believe that the Debtors' Cash Management System constitutes an ordinary course, essential business practice providing significant benefits to the Debtors, including the ability to: (i) control corporate funds; (ii) ensure the availability of funds when necessary; (iii) manage cross-currency transactions; and (iii) reduce costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account balance information. Any disruption of the Cash Management System could have a severe and adverse impact upon the Debtors' reorganization efforts and, as noted above, on the day-to-day business operations of the Debtors and Non-Debtor Affiliates. I believe that

continuing the Cash Management System is vital to continued operation of CHC's business and the efficient and economic administration of these Chapter 11 Cases. As a practical matter, because of CHC's corporate and financial structure, which includes 81 entities operating in every continent except Antarctica – I believe that it would be extremely difficult and expensive to establish and maintain a separate cash management system for each Debtor and Non-Debtor Affiliate. As discussed above, CHC's existing Cash Management System efficiently collects, disburses, and tracks the movement of funds through CHC's existing Bank Accounts. Consequently, I believe that maintaining this system is essential to CHC's operations and will allow all parties in interest, including the U.S. Trustee, to monitor the Debtors' use of cash to ensure compliance with this Court's orders and the provision of the Bankruptcy Code.

105. I believe that continued use of the Cash Management System is also essential to ensure continued access to revenue generated by operations, which originates at the Revenue Generating Entities but is attributable to services provided by numerous CHC affiliates, for the benefit of the CHC enterprise as a whole. By the Cash Management Motion, the Debtors are also requesting authority to allow Cayman Investments I to continue funding, making payments on behalf of, and borrowing from, both the Debtor and Non-Debtor Affiliate participants in the Cash Management System in the ordinary course of business pursuant to the terms of the Intercompany Netting Agreement. In addition, the Debtors are requesting authority to allow the rest of the Debtors to continue making intercompany transfers to, and borrowing from, Cayman Investments I. Recognizing the need to protect each Debtors' respective creditors, the Debtors are requesting that the Court grant all postpetition Intercompany Claims against Debtor entities, including Cayman Investments I, administrative expense priority.

106. I understand that the Debtors have a responsibility to maximize the value of their assets, for the benefit of creditors and other stakeholders. Accomplishing this requires,

among other things, maintaining the ability to support and fund the operations of the Debtors and the Non-Debtor Affiliates where (and only where) the Debtors, in the exercise of their business judgment, determine that doing so preserves value for the benefit of the estates and the Debtors' creditors. I understand that, if CHC Cayman Investments I were to stop making transfers to the entities throughout the CHC enterprise that rely on its funding from time to time, a group that includes both Debtors and certain Non-Debtor Affiliates, it would have an immediate and significant adverse effect on both the Debtors and the CHC enterprise as a whole. Not only would this diminish the value of the Debtors' estates through a reduction in the value of the Debtors' interest in such affiliates, but also it would have an immediate and potentially irreparable impact on the operations of the Debtors themselves. For example, I have been informed that failure to provide funding to the Service Companies, which serve critical roles in the Debtors' businesses, would cause such entities to cease providing intercompany services, forcing many of the Debtors' operations to grind to a halt. The relationship is one of mutual dependency. In addition, if postpetition funding needs are not honored, CHC affiliates would be forced to institute their own, separate and new cash management structures in order to continue operating on a go-forward basis. I believe that such a project, instituted on an emergency basis, would be time consuming and costly, and would preclude the Debtors and the Non-Debtor Affiliates from accessing the efficiencies and cost benefits that a centralized cash management system allows them to achieve.

107. I understand that certain Debtors and Non-Debtor Affiliates within the CHC enterprise are net users of cash. Continuing to fund such entities pursuant to the Cash Management System, to the extent the Debtors determine it is appropriate, represents a sound exercise of business judgment, and this Court should approve the ordinary course support of those entities implicit in the Cash Management System. Certain entities are net users of cash

because CHC has compartmentalized its business functions for efficiency and to allow CHC to scale its operations across the globe. Because of this compartmentalization, I understand that revenue generation is typically isolated from the enterprise's cost centers (*e.g.*, the Service Companies). As described above, if the Debtors did not continue to fund the Service Companies, the Revenue Generating Entities would not have the support and services necessary to carry out their day-to-day operations. I believe that allowing the Cash Management System to continue functioning in the ordinary course is an acknowledgement of the impact of CHC's segmentation on its cash flows and a recognition that the value of the CHC platform should be viewed as a whole. Further, I believe that the going concern value of the enterprise, including all of its components, is worth more than if certain of the Debtors and/or the Non-Debtor Affiliates were forced to discontinue operations, liquidate and sell their assets piecemeal.

108. I believe that due in part to global macroeconomic factors beyond CHC's control, CHC, as an overall enterprise, currently spends more cash than it generates. Furthermore, I understand that at a local level, CHC is also exposed to the microeconomic climate of each region and country in which it operates. CHC management has undertaken a careful analysis of each market, and has determined, based on conservative assumptions, that certain business lines and regional operations, are worth maintaining – even if they are expected to generate losses in the near term. I believe that these investments in the future represent an important part of the going concern value of the CHC enterprise. Consequently, for all of the reasons outlined above, I believe that CHC Cayman Investments I should be permitted to continue supporting all entities, including the net users of cash throughout the CHC enterprise, and net producers of cash throughout the Cash Management System should be permitted to continue making intercompany transfers to Cayman Investments I in the ordinary course of business.

109. I have been informed that the Debtors will continue to maintain records of all receipts, disbursements, and transfers within the Cash Management System. In this way, all transfers and transactions will be properly documented, and accurate Intercompany Balances will be maintained. As a result, I understand that the Debtors will be able to accurately record the transactions within the Cash Management System, including Intercompany Balances, for the benefit of all parties in interest. Creditors of the Debtors will be protected by the fact that the relative contribution of the Debtor against which they have a claim, regardless of whether that Debtor is a net contributor or net user of cash, will be tracked by way of the Intercompany Balances such contributions or borrowings will generate. Further, if the relief requested in the Cash Management Motion is granted, postpetition Intercompany Claims against Debtors, including the Intercompany Balance attributable to any one Debtor, will be accorded administrative expense priority.

110. Based on the foregoing, I believe that authorizing the Debtors to maintain the Cash Management System will support the ongoing operations of the Debtors and the Non-Debtor Affiliates in an efficient, cost-effective, and orderly manner that will preserve the value of the enterprise and the Debtors' estates, for the benefit and protection of creditors and other parties in interest. Accordingly, I believe that continuation of the Cash Management System is in the best interests of the Debtors' estates and all parties in interest, and the relief requested herein should be approved.

111. I have been informed that the Cash Management System is similar to those commonly employed by other large corporate enterprises, in which Intercompany Transactions are tracked as Intercompany Claims. In the ordinary course operation of the Cash Management System, funds generated by the Revenue Generating Entities, both Debtors and Non-Debtor Affiliates alike, flow into the Main Operating Accounts held by Cayman Investments I, a Debtor.

Cayman Investments I then makes payments on behalf of both Debtor and Non-Debtor Affiliate entities to third parties and affiliated Service Companies if their revenue falls short of expenses, all of which generates Intercompany Claims. Consequently, at any point in time, I understand that there may be outstanding amounts due and owing among the various Debtors and the Non-Debtor Affiliates, all of which are recorded and documented as Intercompany Transactions and can be accurately tracked.

112. The Intercompany Transactions are not just a matter of ordinary course in the Debtors' businesses: they are the sorts of transactions that are common among many business enterprises that operate with a centralized cash management system through multiple affiliates. Yet, precisely because of their routine nature, I believe that the Intercompany Transactions, including the ability to fund the Service Companies that provide valuable goods and services to the Revenue Generating Entities, are integral to the Debtors' ability to operate their businesses and successfully emerge from chapter 11. Accordingly, out of an abundance of caution, the Debtors request by the Cash Management Motion express authority to engage in such transactions postpetition.

113. To ensure that each individual entity will not, at the expense of its creditors, fund the operations of an affiliated Debtor, I understand that the Debtors have requested that all Intercompany Claims against Debtors arising after the Petition Date in the ordinary course of business, including, without limitation, the Intercompany Balances, be afforded administrative expense priority. I also understand that, absent an order of this Court directing otherwise, prepetition Intercompany Claims will be frozen.

114. I have been informed that the U.S. Trustee's "Guidelines for Chapter 11 Debtors-in Possession" (the "**Guidelines**") mandate the closure of a debtor's prepetition bank accounts, the opening of new accounts, including special accounts for the payment of taxes and

segregation of cash collateral, and the immediate printing of new checks. I believe that if the Debtors were required to comply with these Guidelines, their operations would be severely harmed by the disruption, confusion, delay, and cost that would result from the closure of existing Bank Accounts, the opening of new accounts, and the immediate printing of new checks. I have been informed that these requirements are designed to establish a clear line of demarcation between prepetition and postpetition claims and payments, and to help protect against a debtor's inadvertent payment of prepetition claims by preventing banks from honoring checks drawn before the commencement of the debtor's Chapter 11 Cases. I believe that the Debotrs are still able to accomplish these goals by training their employees, implementing rigorous controls over the postpetition use of funds, and by carefully tracking all transactions in the Cash Management System.

115. I believe that in these Chapter 11 Cases, strict enforcement of the Guidelines would severely disrupt the Debtors' ordinary financial operations by reducing efficiencies, increasing administrative burdens, and creating unnecessary expenses. I understand that the Debtors maintain 230 Bank Accounts. If the Debtors were required to close these Bank Accounts and open new debtor in possession accounts, I believe that CHC would be forced to reconstruct the Cash Management System in its entirety. I believe that this reconstruction would be impractical and cost prohibitive in an enterprise like CHC, a business that requires multiple Bank Accounts all over the world. I believe that CHC's treasury department, including accounting and bookkeeping employees, would need to focus their efforts on immediately opening new bank accounts and working to establish proper cash flow controls, thereby diverting them from their daily responsibilities during this critical juncture of the Debtors' Chapter 11 Cases. I believe that many accounts could not be replaced in time to effectively continue the Debtors' businesses. Even if they could, I believe that the opening of new bank accounts would

increase operating costs, and the delays that would result from opening new accounts, revising cash management procedures, and redirecting payments would negatively impact the Debtors' ability to operate their businesses while establishing these new arrangements. I believe that this would further exacerbate the risk to the Debtors' businesses caused by these Chapter 11 Cases, in particular given their foreign customers and foreign suppliers who are unfamiliar with chapter 11.

116. I believe that the Debtors' transition to chapter 11 will be significantly smoother and more orderly, with minimum disruption and harm to CHC's global operations, if the Bank Accounts are continued following the Petition Date with the same account numbers. By preserving business continuity and avoiding the disruption and delay to the Debtors' collection and disbursement procedures that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including employees, vendors, customers, and creditors will be best served. I believe that the confusion that would otherwise result, absent the relief requested herein, would ill-serve the Debtors' rehabilitative efforts. Accordingly, by the Cash Management Motion, the Debtors have requested authority to maintain the Bank Accounts in the ordinary course of business.

117. The payment of any Bank Account maintenance, administrative, use, and other fees (the "**Bank Fees**"), including those incurred prepetition, is also warranted. I understand that CHC's banks automatically debit the Bank Accounts periodically for Bank Fees incurred in connection with the Cash Management System. I have been informed that CHC's average Bank Fees are approximately $100,000 per month. I understand that the Bank Fees vary depending upon several factors, including the balances in the Bank Accounts and the number and type of transactions that are requested. I have been informed that the Debtors' Banks may hold setoff rights and therefore may be entitled to automatically debit the Bank Accounts for amounts

owed by the Debtors in connection with maintaining the Cash Management System. Consequently, I believe that payment of prepetition Bank Fees is only a matter of timing, will prevent any disruption to the Cash Management System, is in the best interests of the Debtors and their estates, and will not negatively affect Unsecured Creditors.

118. I have been informed that, in the ordinary course of business, the Debtors conduct transactions by debit, wire, ACH, EFT, and other similar methods. A large percentage of the Debtors' customers pay them through ACH, EFT, or wire transfer, and the Debtors pay a majority of their third-party vendors and service providers through ACH, EFT, or wire transfer. Accordingly, to avoid any disruption or claims against the Debtors, by way of the Cash Management Motion, the Debtors are seeking to continue their prepetition debit, wire, ACH, and EFT practices during these Chapter 11 Cases.

119. Although the Debtors request in the Cash Management Motion that they be allowed to maintain their prepetition Bank Accounts, the Banks at which such accounts are kept must adhere to certain guidelines. Specifically, the Debtors have requested that unless otherwise ordered by this Court, no Bank be permitted to honor or pay any check issued on account of a prepetition claim. The Debtors have also requested that the Banks may honor any checks issued on account of prepetition claims where this Court has specifically authorized such checks to be honored. Furthermore, the Debtors request that the Banks be authorized to accept and honor all representations from the Debtors as to which checks should be honored or dishonored consistent with any order(s) of this Court, whether or not the checks are dated prior to, on, or subsequent to the Petition Date. By the Cash Management Motion, the Debtors have requested that the Banks not be liable to any party on account of following the Debtors' instructions or representations regarding which checks should be honored. The Debtors have requested that should any Bank honor a prepetition check, draft, wire transfer, ACH transfer,

EFT transfer, or other debit drawn on a Bank Account (a) at the direction of any of the Debtors to honor such prepetition check or item, (b) in a good faith belief that the Court has authorized such prepetition item to be honored, (c) as a result of an innocent mistake made despite the implementation of customary item handling procedures, or (d) consistent with its past practices under the Cash Management System, such Bank shall not be deemed to be, nor shall be, liable to the Debtors or their estates or otherwise in violation of the Interim Order or Final Order. Further, the Debtors have requested that the Banks shall have no liability for any operational processing errors that are the result of human error.

120. I believe that to minimize expenses, the Debtors should also be permitted to maintain and continue to use their business forms substantially in the forms existing immediately before the Petition Date. I understand that the Debtors issue manual checks from time to time and use a variety of business forms (including, but not limited to letterhead, purchase orders, invoices, and other business forms) in the ordinary course of their businesses (collectively, the "**Business Forms**"). I believe that strict compliance with the Guidelines, which require reprinting such documents, would increase the Debtors' expenses and would risk unnecessarily confusing the Debtors' customers, suppliers, and employees. Accordingly, I believe that it is appropriate to continue to use all Business Forms as such forms were in existence prior to the commencement of these Chapter 11 Cases, without any reference to the Debtors' current status as debtors in possession.

121. In short, I believe that any benefits of the Debtors' strict compliance with the Guidelines would be far outweighed by the resulting expense, inefficiency, and disruption to the Debtors' businesses. Accordingly, the Debtors have requested authority to maintain their Bank Accounts and Business Forms during these Chapter 11 Cases. Furthermore, the Debtors have sought a waiver of the Guidelines to the extent that requirements outlined therein otherwise

conflict with (i) the Debtors' existing practices under the Cash Management System, or (ii) any action taken by the Debtors in accordance with the Interim Order or the Final Order, or any other order entered in these cases.

122. I have been informed that section 345(a) of the Bankruptcy Code governs a debtor's deposit and investment of cash during its chapter 11 case and authorizes such deposits or investments as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment. Further, I understand that for deposits or investments that are not insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States, section 345(b) of the Bankruptcy Code requires that the debtor obtain from the entity with which the money is deposited or invested a bond in favor of the United States that is secured by the undertaking of an adequate corporate surety unless the court for cause orders otherwise.

123. I have been informed that many of the Bank Accounts are maintained at banks that have been approved by the U.S. Trustee as authorized depositories ("**Authorized Depositories**"). Accordingly, I believe that any funds that are deposited in these accounts are secure.

124. To the extent the Debtors hold Bank Accounts at non-Authorized Depositories (the "**Non-Approved Bank Accounts**"), the Debtors have proposed to engage in discussions with the U.S. Trustee to determine what modifications to such Non-Approved Bank Accounts, if any, are necessary under the circumstances. To enable such discussions, if they become necessary, the Debtors have requested a 45-day extension (or such additional time to which the U.S. Trustee may agree or the court may order) of the time period in which to come into compliance with section 345(b) of the Bankruptcy Code, to make other arrangements that would be acceptable to the U.S. Trustee, or to seek relief from this Court.

125. I believe that in Chapter 11 Cases such as these, strict adherence to the requirements of section 345(b) of the Bankruptcy Code would be inconsistent with the value-maximizing purpose of chapter 11 by unduly hampering a debtor's ability under section 345(a) to invest money such as will yield the maximum reasonable net return on such money. I have been informed that Congress amended section 345(b) to provide that its strict investment requirements may be waived or modified if the court so orders for cause. I believe that there is cause to warrant a waiver of the requirements of section 345(b) because, among other things: (i) all or nearly all of the Debtors' Banks holding significant balances are highly rated, reputable banks that are typically subject to supervision by national banking regulators; (ii) the Debtors retain the right to close accounts with the Banks and establish new bank accounts as needed; (iii) the cost associated with satisfying the requirements of section 345(b) is needlessly burdensome to the Debtors and their estates; and (iv) the process of satisfying such requirements would lead to needless inconvenience and inefficiencies in the management of the Debtors' businesses. I believe that the benefits of a waiver would far outweigh any potential harm to the estates from noncompliance with section 345(b). I understand that the international nature of the Debtors' businesses requires bank accounts in multiple jurisdictions across the globe. Moreover, I believe that a bond secured by the undertaking of a corporate surety would be prohibitively expensive (if such a bond could be obtained at all). I have been informed that the Debtors intend to be in chapter 11 only a short period of time, and the costs of disruption to the businesses by having to close dozens of accounts far outweighs the risks of the Debtors continuing to maintain their historic Bank Accounts for the short period of time they remain in chapter 11. Furthermore, I have been informed that, based on the company's past experience opening new bank accounts, it would take months to create a new suite of bank accounts to service their businesses. Accordingly, I believe that the Court should grant a temporary extension of 45 days for the

Debtors to comply with the requirements of section 345(b) with respect to any Non-Approved Bank Accounts. During that 45 day period (the "**Extension Period**), I understand that the Debtors propose to conference with the U.S. Trustee and identify certain accounts for which the Court will be asked to waive the requirements of section 345(b) in these Chapter 11 Cases. I have been informed that on or before the expiry of the Extension Period, the Debtors propose to (i) seek an additional extension of time, if necessary, to comply with the requirements of section 345(b) with respect to certain Bank Accounts, or (ii) request that the Court rule upon a waiver of the requirements of section 345(b) with respect to certain Bank Accounts (the Debtors to endeavor to conference in good faith with the U.S. Trustee to consensually agree upon the identity of such accounts).

126. As described above, the Debtors have a unique cash situation with respect to their Mozambique branch. By the Cash Management Motion, the Debtors are seeking authority, on a final basis only, to permit CHC Mozambique to satisfy its prepetition obligations to Hoofddorp to repatriate the approximately $1,3000,000 held by CHC Mozambique that otherwise would be unavailable to the overall CHC enterprise. I also understand that the Debtors also intend and seek authority to continue repatriating revenue earned in Mozambique in the ordinary course of business. I have been informed that the Debtors' requested transfer will satisfy a prepetition intercompany claim between Go Canada (via CHC Mozambique) and Hoofddorp. To avoid prejudicing the creditors of GO Canada by depriving GO Canada of the Mozambique Funds, the Debtors have proposed to effect a simultaneous transfer of an amount equal to the Mozambique Funds from Hoofddorp to GO Canada (the "**Mozambique Settlement**"). To further avoid upsetting the relative prepetition position of the creditors at Hoofddorp and GO Canada, the Debtors have requested that the Court enter an order that the Mozambique Settlement be stripped of the administrative priority it otherwise would be

accorded, and that the corresponding intercompany obligation owed by GO Canada to Hoofddorp be accorded the same priority as the prepetition claim owed by GO Canada to Hoofddorp. I believe that the requested relief is in the best interests of the Debtors, their estates and all parties in interest because it will free up approximately $1,3000,000 of liquidity for use by the overall CHC enterprise that otherwise would remain trapped in Mozambique.

127. For the foregoing reasons, I believe that granting the relief requested in the Cash Management Motion is appropriate, entirely consistent with the rehabilitative purpose of chapter 11, and in the best interests of the Debtors' estates and creditors.

G. Cash Collateral Motion

MOTION OF DEBTORS FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO UTILIZE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES PURSUANT TO SECTIONS 105, 361, 362, 363, AND 507 OF THE BANKRUPTCY CODE; AND (III) SCHEDULING FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001(b)

128. Pursuant to the Cash Collateral Motion, the Debtors request entry of an interim order (i) authorizing the Debtors to use cash collateral and (ii) granting adequate protection to the certain Prepetition Secured Parties (as defined in the motion) on the terms and conditions set forth in the proposed interim order. The Debtors also request a final hearing to consider the relief requested in the motion.

129. The proposed Cash Collateral the Debtors seek to use consists of proceeds or products of Prepetition Collateral or cash subject to the Prepetition Secured Parties' rights of setoff, if any. The Debtors require authorization to use Cash Collateral to maintain their existing cash management system, which includes the pooling of Cash Collateral and Unencumbered Cash. Without this authorization, the Debtors would not be able to access their cash management system and provide sufficient working capital to carry on the operation of their

businesses. This outcome could have disastrous effects on their business causing immediate and irreparable harm to the Debtors, their respective estates, and their creditors.

130. The Debtors seek authority to use Cash Collateral until such time as the Court holds a final hearing on the motion. During the interim period, the Debtors will fund operations in accordance with the forecast (as may be revised from time to time at the sole discretion of the Debtors, the "**Forecast**"), which sets forth all projected cash receipts and cash disbursements on a weekly basis over a 4-week period.[9] I worked with the Debtors and a team from Seabury Group to formulate the Forecast, which includes reasonable and foreseeable expenses to be incurred, and the costs of administering the Chapter 11 Cases during, the applicable period.

131. To protect the Prepetition Secured Parties to the extent of any aggregate diminution in value of the Prepetition Collateral resulting from the use of Cash Collateral, the Debtors propose to provide various forms of adequate protection detailed in the proposed interim order to the motion. The proposed adequate protection includes a first priority lien on, and security interest in certain unencumbered property, which includes approximately $142.6 million in a Bank of America (London branch) account owned by the Debtor CHC Cayman Investments I Ltd.

132. I believe that the proposed adequate protection provides the Prepetition Secured Parties with sufficient adequate protection to protect them from any diminution in value of their interests in the Prepetition Collateral during the Chapter 11 Cases. I believe that the relief requested in the cash collateral motion is in the best interests of the Debtors, their estates, and all parties in interests and should be approved.

[9] CHC's Weekly Cash Flow Forecast is annexed hereto at **Exhibit F.**

H. Tax Motion

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY CERTAIN PREPETITION TAXES AND ASSESSMENTS AND (II) DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS PURSUANT TO SECTIONS 105(a), 363(b), 507(a)(8), AND 541(d) OF THE BANKRUPTCY CODE

133. Pursuant to the tax motion, the Debtors seek authority, but not direction, to satisfy all Taxes (as defined below) due and owing to various local, state and foreign taxing authorities and governmental regulatory bodies (collectively, the "**Taxing Authorities**") that arose prior to the Petition Date (as defined below), including all Taxes subsequently determined by audit or otherwise to be owed for periods prior the Petition Date. In the ordinary course of their businesses, the Debtors collect, remit, withhold, and pay certain sales, property, and foreign taxes, and also incur certain regulatory assessments and other charges.

134. **Sales Taxes**. As described more fully in the tax motion, the Debtors are required to collect sales taxes from certain customers on behalf of the applicable Taxing Authorities. The Debtors then remit these collected sales taxes to the relevant Taxing Authorities according to the requirements of such authorities. The Debtors also self-assess import sales taxes on certain asset purchases and then pay such sales taxes to the applicable Taxing Authorities according to the requirements of such authorities, which depend on the timing of the asset purchase imports. The timing and frequency of remittance and payment of the sales taxes differs depending on the tax. For example, the Debtors remit collected sales taxes in California on a monthly basis and pay the self-assessed sales taxes in British Columbia, Canada on a quarterly basis. I have been informed that the Debtors' owe approximately $35,000 in sales taxes in California and approximately $85,000 in sales taxes in Canada relating to periods prior to the Petition Date.

135. **Property Taxes**. The Debtors own or lease certain real and personal properties in domestic and non-U.S. jurisdictions that are subject to local property taxes. The Debtors pay property taxes in numerous locations, including, but not limited to, Canada, Ireland, the Netherlands, Norway, and the United Kingdom. The property taxes are generally assessed in estimated amounts once per year, although certain property taxes are assessed more frequently on a monthly or semi-annual basis. I have been informed that the Debtors' owe approximately $50,000 in property taxes relating to periods prior to the Petition Date, which the Debtors believe is due and payable in the next thirty (30) days.

136. **Foreign Taxes**. In connection with its foreign operations, the Debtors withhold and incur certain corporate income taxes, withholding taxes, customs taxes, value-added taxes, goods and services taxes, and other business taxes, and are obligated to timely collect, withhold, and remit the foreign taxes to various foreign Taxing Authorities. For instance, the Debtors incur corporate income taxes in jurisdictions including, but not limited to, Equatorial Guinea, Kazakhstan, Barbados, Luxembourg, and Ireland, business withholding taxes in jurisdictions including, but not limited to, Canada and Equatorial Guinea, and value-added taxes or goods and services taxes in jurisdictions including, but not limited to, Ireland, the United Kingdom, Canada, and the Netherlands. The timing and frequency of payment of the foreign taxes differs depending on the tax, ranging from monthly, to quarterly, to annually or with variant timing, depending upon assessment by the Taxing Authority. The Debtors estimate that they owe approximately $8,100,000 in Foreign Taxes relating to periods prior to the Petition Date, approximately $6,700,000 of which the Debtors estimate is due and payable in the next thirty (30) days. Additionally, certain of the foreign countries in which the Debtors operate require a tax paying entity to pay a security deposit or provide a bank guarantee for certain taxes. For instance, the Debtors have paid a goods and services tax security deposit of

approximately $300,000 with the Canadian Revenue Agency. This amount is adjusted up or down at the request of the Canadian Revenue Agency depending on the Debtors' import activity into Canada. Additionally, the Debtors have certain bank guarantees in the form of letters of credit posted by banks for approximately $225,000 the United Kingdom relating to the importation of goods. These bank guarantees represent security placed with the customs authorities in order to defer the payment of import value-added taxes and customs duties. The bank guarantees are posted once based on the estimated monthly value of imports and adjusted if import volume increases or decreases. Currently the Debtors have no additional deposit amounts or bank guarantees they are obligated to post.

137. Regulatory Assessments and Other Miscellaneous Payments. The Debtors incur, in the ordinary course of business, certain regulatory assessments, permitting fees, licensing and registration fees, levies, and other miscellaneous obligations to governmental authorities (collectively, the "**Regulatory Assessments**" and, collectively with the sales taxes, the property taxes, and the foreign taxes, the "**Taxes**") to governmental regulatory bodies (the "**Regulatory Bodies**"). The continued payment of these regulatory assessments, including any amounts due and owing on account of prepetition regulatory assessments, are necessary to satisfy business licensing requirements to conduct business in various jurisdictions and to operate at various airports. I have been informed that the Debtors' owe approximately $100,000 in Regulatory Assessments relating to the period prior to the Petition Date, which the Debtors believe is due and payable in the next thirty (30) days.

138. I understand that ample reasons exist to authorize the payment of the prepetition Taxes, including, among other things, that (i) the failure to pay the prepetition Taxes may interfere with the Debtors' continued operations and successful reorganization efforts; (ii) certain of the prepetition Taxes may not be property of the Debtors' estates; (iii) the failure to

pay prepetition Property Taxes and Foreign Taxes may increase the scope of secured and priority claims held by the applicable Taxing Authorities against the Debtors' estates; (iv) the payment of prepetition Taxes affects only the timing of payments as most, if not all, of the Taxes are afforded priority status under the Bankruptcy Code; and (v) the Court has authority to grant the requested relief under sections 105(a) and 363(b) of the Bankruptcy Code.

139. In summary, as of the Petition Date, the Debtors estimate that approximately $120,000 in Sales Taxes, $50,000 in Property Taxes, $8,100,000 in Foreign Taxes, and $100,000 in Regulatory Assessments are due and owing to the Taxing Authorities and Regulatory Bodies relating to periods prior to the Petition Date. I have been informed that approximately $50,000 of the Property Taxes, $6,700,000 of the Foreign Taxes, and $100,000 of the Regulatory Assessments are due and payable in the next thirty (30) days.

140. Based on the foregoing, I believe that the relief requested in the tax motion is in the best interests of the Debtors, their estates and all parties in interest and should be granted.

I. Employee Wages and Benefits Motion (the "Wages Motion")

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO PAY (A) CERTAIN EMPLOYEE OBLIGATIONS AND (B) PREPETITION CLAIMS OF INDEPENDENT CONTRACTORS AND (II) DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS PURSUANT TO SECTIONS 105(A), 363(B), AND 507(A) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004

141. Pursuant to the Wages Motion, the Debtors seek authorization, but not direction, to pay their current employees and independent contractors for work performed prepetition, to honor certain other prepetition employee-related obligations and benefits, and to continue paying their employee and independent contractor obligations in the ordinary course of the Debtors' business. The Debtors also seek modification of the automatic stay with respect to

employees' claims and payments due under the various workers compensation programs. In addition, the Debtors seek authorization for applicable banks to receive, process, honor, and pay any and all checks and electronic funds transfers related to any of the employee and independent contractor obligations.

Employee Obligations

142. For purposes of the Wages Motion, the term "**Employees**" includes all persons, as of the Petition Date, entitled to compensation, benefits, reimbursement, or any other similar payment as a consequence of being employed by the Debtors and does not include independent contractors. I have been advised that, as of the Petition Date, the Debtors employ approximately 1,790 Employees through thirteen (13) separate legal entities (collectively, the "**CHC Employers**")[10] across 20 different countries.[11] The Debtors' Employees only account for a portion of CHC's total workforce, with the remainder of the workforce—approximately 2,000 employees—being employed by Non-Debtor Affiliates. Of the Debtors' total 1,790 Employees, approximately 1,740 are full-time Employees and 50 are part-time Employees.[12] Included among these Employees are the Debtors' global touring crew (pilots and engineers that are seconded to various operating jurisdictions), domestic aircrew, mechanics, engineers, and

[10] These entities are CHC Group Ltd., CHC Helicopter S.A., CHC Global Operations (2008) ULC, CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, Lloyd Helicopters Pty. Ltd., CHC Helicopters (Barbados) SRL, CHC Hoofddorp B.V., CHC Leasing (Ireland) Limited, Heli-One (Netherlands) B.V., Heli-One (Norway) AS, Heli-One (UK) Limited, and Heli-One Canada ULC.

[11] These countries are Australia, Barbados, Brazil, Canada, Equatorial Guinea, Gabon, Ireland, Kazakhstan, Luxembourg, Malaysia, Mexico, Mozambique, Netherlands, Nigeria, Norway, Romania, Thailand, Timor-Leste, the United Kingdom, and Uruguay. Employees based in several of these counties are part of the touring crew employed by two Canadian Debtors: CHC Global Operations (2008) ULC and CHC Global Operations International ULC.

[12] The 50 part-time Employees include "casual employees" as designated in Australia. A casual employee is one who has no guaranteed hours of work and often works at irregular hours, but at higher hourly pay rates than other Employees.

warehousemen, as well as corporate employees in the executive office, finance, information technology, and human resources departments, and various operations personnel.

143. As of the Petition Date, approximately 1,020 of the Debtors' Employees are members of unions (the "**Union Employees**") whose employment agreements and benefits are governed by collective labor agreements (the "**CLAs**"). The unions include, among others, the British Air Line Pilots Association, Unite the Union, the Office and Professional Employees International Union, the Global Helicopter Pilots Association, the Transport Workers' Union, the Australian Federation of Air Pilots, the Australian Licensed Aircraft Engineers' Association, and the Australian Manufacturing Workers' Union. The majority of Union Employees are based in Australia and Norway, while the remaining Union Employees are dispersed throughout various of the Debtors' operating jurisdictions depending upon the relevant Employees' assignments. The Union Employees predominantly function in service operation roles, serving as captains, first officers, and other aircrew, as well as engineers, technicians, and ground crew.

144. I understand that the Debtors have dedicated enormous effort into recruiting and maintaining this team of experienced, motivated, and invaluable Employees—many of whom are specialists in the global commercial helicopter service industry. In addition to holding a deep understanding of the Debtors' detailed business practices and policies, many have specific skill sets, licenses, and expertise critical to the Debtors' operations.

145. **Compensation Obligations**. The Debtors typically pay obligations relating to Employee wages and salary (the "**Wage Obligations**") on a monthly, semimonthly, or biweekly basis, varying based upon the country in which a given Employee works (the "**Work Country**") as well as Employee classification. Wage Obligations are paid in several currencies

in accordance with the relevant Work Country.[13] Employees are typically paid through a fixed compensation schedule, with certain variable compensation elements, such as country-specific allowances.

146. The Debtors estimate their average gross monthly payroll (the "**Monthly Payroll**") to be approximately $5 million, their average gross semi-monthly payroll (the "**Semi-Monthly Payroll**") to be approximately $3.5 million, and their average gross bi-weekly payroll (the "**Bi-Weekly Payroll**") to be approximately $4 million. The Debtors' last Monthly Payroll Semi-Monthly Payroll, and Bi-Weekly Payroll were each made on April 29, 2016. The Debtors estimate that as of the Petition Date, there are approximately $5 million of accrued and outstanding Wage Obligations. I have been advised that the Debtors do not believe that any of the Employees are owed prepetition Wage Obligations in an amount exceeding the $12,850 priority cap imposed by section 507(a)(4) of the Bankruptcy Code (the "**Priority Wage Cap**").

147. Certain sales Employees are entitled to wages based upon a sales commissions program. Wages paid through this program (the "**Commission Wages**") are paid on a quarterly basis. I have been advised that, as of the Petition Date, the Debtors owe approximately $25,000 on account of Commission Wages, and do not believe that any of the Employees are owed Commission Wages in an amount exceeding the Priority Wage Cap.

148. CHC Group, one of the CHC Employers, employs certain of the U.S.-based executive-level Employees (the "**Executives**"). I understand that although these Executives have employment agreements with CHC Group, the Executives receive payroll from CHC Helicopter Support Services (US) Inc. ("**CHC Support Services**"), a Non-Debtor Affiliate. Periodically, CHC Support Services is reimbursed for the Executives' payroll through

[13] All amounts stated herein denominated in currencies other than United States dollars have been stated in their United States dollar equivalents.

intercompany service fees (the "**Executive Service Fees**" and, collectively with the Wage Obligations and Commission Wages, the "**Compensation Obligations**") charged in accordance with an intercompany service agreement across several CHC entities, including certain Debtors as well as Non-Debtor Affiliates. During these Chapter 11 Cases, the Executives will continue to be paid by CHC Support Services their respective Executive Service Fees, which include the U.S. Executive payroll costs, in accordance with the service agreements in the ordinary course of business.

149. **Payroll Taxes and Deductions**. In various jurisdictions, the CHC Employers are required by law to withhold amounts from the Compensation Obligations related to income taxes, healthcare taxes, and other social welfare benefits (collectively, the "**Withholding Taxes**") and to remit the same and certain other amounts to the appropriate taxing authorities (collectively, the "**Taxing Authorities**") according to schedules established by such Taxing Authorities. Additionally, where certain Employees are residents of one jurisdiction while working in another, the CHC Employers are required to remit a separate payment on account of certain foreign taxes, which are not withheld from Employees' wages (the "**Foreign Wage Taxes**"). I have been advised that there is approximately $5 million remain outstanding on account of prepetition Foreign Wage Taxes.

150. In certain circumstances, the CHC Employers are also required to make additional payments from their own funds in connection with the Withholding Taxes (collectively, the "**Contribution Taxes**" and, together with the Withholding Taxes and the Foreign Wage Taxes, the "**Payroll Taxes**"). In the aggregate, the Payroll Taxes, including both the Employee and CHC Employer portions, total approximately $2 million for the Monthly Payroll, $1 million for the Semi-Monthly Payroll, and $1.5 million for the Bi-Weekly Payroll. I

have been advised that, as of the Petition Date, the Debtors estimate that they owe approximately $15 million on account of prepetition Payroll Taxes.

151. The CHC Employers, either directly or through professional employer organizations (the "**PEOs**"), also withhold other amounts from certain Employees' paychecks related to various Retirement Plans and other Employee Benefits (each defined below), loan repayments, and union deductions (collectively the "**Deductions**" and, together with the Payroll Taxes, the "**Payroll Taxes and Deductions**"). I have been advised that, as of the Petition Date, the Debtors estimate that they owe approximately $4 million on account of prepetition Deductions.

152. **Expense Reimbursements**. In the ordinary course of business, certain Employees incur expenses in connection with their employment duties, such as travel and meal expenses. Such expenses incurred in the course of their employment and in furtherance of the Debtors' businesses are reimbursed by the CHC Employers (the "**Expense Reimbursements**") through an automated system. Upon approval by the respective CHC Employers, the Employees receive the Expense Reimbursements as part of their next scheduled paycheck.

153. Because of the irregular nature of requests for Expense Reimbursements, it is difficult to determine the amount of Expense Reimbursements outstanding at any given time. The Debtors, however, estimate that Expense Reimbursements average approximately $500,000 per month, and based on that estimate, approximately $500,000 in accrued Expense Reimbursements remain outstanding as of the Petition Date.

154. **PEOs**. In every jurisdiction other than Equatorial Guinea,[14] the Debtors engage PEOs to help administer many of their human resources functions, including calculating

[14] CHC Global Operations administers payroll in-house for these Employees.

and remitting payments related to payroll and benefits. The CHC Employers employ different PEOs in different countries in accordance with the following table:

PEO(s)	Work Country
ADP, United Tax Network, Solutions Aberdeen, CIPP, Anderson Anderson Brown	Australia, Canada, Netherlands, Norway,[15] Kazakhstan, United Kingdom
Activ Payroll	Ireland
Konnettko	Timor-Leste

155. I understand that the PEOs facilitate the administration of payroll and other benefits for the CHC Employers and their Employees. Different CHC Employers contract with different PEOs, and the scope of services provided varies from contract to contract (each a "**PEO Agreement**"). I understand that in each instance, the CHC Employers pay monthly service fees to the PEOs (the "**PEO Fees**"), or the same are withdrawn from payroll.

156. Under the agreements between the PEOs and the CHC Employers in Canada, Timor-Leste, the Netherlands, Ireland, and the United Kingdom, the PEOs administer payroll to the Employees, calculate any relevant withholdings, and remit those withholdings to the appropriate parties. To facilitate payments of the Employee Obligations, the Debtors advance funds from the Banks to the PEOs approximately 2–3 days prior to the Debtors' regularly scheduled payroll. Subsequently, the PEOs make payments to (i) the Employees, (ii) the Taxing Authorities, and (iii) to certain Benefits Providers (as defined below)

157. By contrast, under the PEO Agreements with the CHC Employers in Australia, Norway, and Kazakhstan, the PEOs simply calculate the payroll and withholding amounts for the CHC Employers. The CHC Employers then provide direct payments to the Employees, Taxing Authorities, and Benefits Providers and remit withholdings as appropriate.

[15] ADP subcontracts the payroll service functions to Blue Garden for CHC Employers in Norway.

158. Additionally, pursuant to the PEO Agreement with CHC Helicopter S.A., ADP provides services both to certain CHC Employers[16] and to certain Non-Debtor Affiliates. Under this agreement, the CHC Employers pay the entirety of the PEO Fees and book intercompany claims against the Non-Debtor Affiliates for their proportional usage.

159. The Debtors pay approximately $60,000 per month in aggregate PEO Fees, including the portion owed by Non-Debtor Affiliates through intercompany claims. As of the Petition Date, the Debtors owe approximately $100,000 on account of prepetition PEO Fees in the ordinary course of business.

160. **Employee Benefit Plans**. The CHC Employers have established certain benefit plans and policies for their Employees, pursuant to which Employees receive Health Benefits, Risk and Disability Insurance, Retirement Plans, Workers Compensation, PTO Benefits, and Other Benefits (each as defined below, and collectively, the "**Employee Benefits**"). The Employee Benefits are administered by several different providers (collectively the "**Benefits Providers**"), depending upon the benefit and the respective CHC Employer. Included among the Benefits Providers is CHC Reinsurance, S.A. ("**CHC Reinsurance**")—a captive reinsurance company and wholly-owned Non-Debtor Affiliate that provides Health Benefits and Risk and Disability Insurance, among other types of insurance. To comply with regulations in various jurisdictions, however, CHC Reinsurance funds the Employee Benefits using third-party pass-through insurers who charge fees for their services (the "**Service Fees**").

161. Each Benefits Provider charges the CHC Employers either an annual or a monthly premium for the provision of the Employee Benefits. These premiums are either wholly or partially covered by the CHC Employers. Where the CHC Employers fund only a portion of these premiums, covered Employees contribute their pro rata portion of the remainder, which is

[16] These are Lloyd Helicopters Pty. Ltd., CHC Hoofddorp B.V., and Heli-One (Netherlands) B.V.

withheld from these Employees' paychecks. As set forth in more detail below, the Debtors estimate that, on average, a total of approximately $1.9 million is due each month, in addition to $3.5 million in annual payments, from the CHC Employers on account of the Employee Benefits premiums.

162. Medical and Dental Benefits. The CHC Employers administer the following medical and dental plans (the "**Health Benefits**") to eligible Employees:

CHC Employer(s)	**Type of Benefits**	**Benefits Provider**	**Employer Contribution**
Lloyd Helicopters Pty. Ltd.	Travel Medical[17]	Chubb	100%
CHC Helicopters (Barbados) SRL	Medical	MSH International	100%
	Dental		
Heli-One Canada ULC	Travel Medical	SSQ	100%
	Medical	Sun Life	Up to 90%
	Dental		
CHC Global Operations (2008) ULC CHC Global Operations International ULC	Travel Medical	SSQ; MSH International	100%
	Medical	Sun Life; MSH International; Eurasia	90-100%[18]
	Dental	Sun Life; MSH International	
CHC Global Operations Canada (2008) ULC	Medical	Now Health	100%

[17] Travel Medical covers emergency health services for Employees who are working outside of their home country.

[18] These CHC Employers provide different levels of contributions for Health Benefits Premiums depending upon the type of Employee. The CHC Employers provide 100% contributions of Health Benefits for crew member Employees, and cover up to 90% of contributions to Health Benefits for non-crew member Employees.

CHC Employer(s)	Type of Benefits	Benefits Provider	Employer Contribution
CHC Leasing (Ireland) Limited	Travel Medical	CHC Reinsurance (though MSH International)	100%
	Medical	Aviva	100%
	Dental		
CHC Hoofddorp B.V. Heli-One (Netherlands) B.V.	Travel Medical	CHC Reinsurance (through MSH International)	100%
Heli-One (Norway) AS	Medical	Storebrand; BUPA; Protector	100%
Heli-One (UK) Limited	Travel Medical	CHC Reinsurance (through MSH International)	100%
	Medical	CHC Reinsurance (through BUPA)	100%
	Dental		

163. The CHC Employers pay premiums related to the Health Benefits (the "**Health Benefits Premiums**") of approximately $200,000 in the aggregate per year. The percentage of contributions made by the CHC Employers toward the Health Benefits Premiums is provided in the table above. Some Health Benefits Premiums are paid on a monthly basis, whereas others are paid annually. Of the Health Benefits paid in monthly installments, the Debtors pay approximately $5,000 per month, most of which are paid in advance. On account of the Health Benefits Premiums paid annually, the Debtors estimate that approximately $140,000 remains outstanding in prepetition obligations.

164. Additionally, the CHC Employers maintain certain "pay-as-you-go" Health Benefits programs, such as medical and dental coverage, whereby the Debtors bear the costs incurred by Employees who are covered by these programs. Although the costs of the pay-

as-you-go programs (the "**PAYG Costs**") are variable, the Debtors estimate that the average monthly costs incurred through these programs is approximately $350,000 and based on that estimate, approximately $350,000 of PAYG Costs remain outstanding as of the Petition Date.

165. Risk and Disability Insurance. The CHC Employers also offer Employees life, accidental death, long-term disability, and certain other risk and disability insurance benefits (collectively, "**Risk and Disability Insurance**"). Generally, CHC Employers offer market-based levels of Risk and Disability Insurance to all Employees. The extent of the Risk and Disability Insurance offered to Employees varies by CHC Employer, but each Employee has access to a similar set of benefits. For example, I understand that CHC Hoofddorp B.V. provides Employees with life and accidental death insurance, funded through CHC Reinsurance, which uses Generali Worldwide Insurance Company Limited ("**Generali**") as a pass-through insurer, pursuant to which Employees' beneficiaries are entitled to receive death benefits in an amount up to approximately $100,000. CHC Hoofddorp B.V. also offers Employees disability insurance, which covers up to 70% of salary where an Employee is fully but temporarily disabled. Pilots are also insured for a capped amount in the event of a loss of license. For example, Lloyd Helicopters Pty. Ltd. provides insurance to captains and co-pilots for up to approximately $267,000 per Employee for loss of license depending on the age of the insured when impacted. As of the Petition Date, there are no prepetition obligations owed on account of loss of license insurance.

166. In order to retain the Risk and Disability Insurance, the CHC Employers are required to pay premiums to various Benefits Providers—some on an annual basis and others in monthly installments. On average, the Debtors pay approximately $140,000 per month (in addition to a $1.5 million annual payment) on account of Risk and Disability Insurance

premiums. As of the Petition Date, the Debtors estimate they owe approximately $498,000 in prepetition Risk and Disability Insurance premiums.

167. Retirement Plans. I understand that the CHC Employers also provide certain eligible Employees with retirement benefits as described below. These retirement benefits are provided through various Defined Contribution Plans, the U.K. Pension Scheme, and the Norway Pension Scheme (each defined below, and collectively, the "**Retirement Plans**"). Certain CHC Employers participate in defined contribution retirement plans (the "**Defined Contribution Plans**") for the benefit of Employees in Australia, Canada, Ireland, the Netherlands, and the United Kingdom, as described in the table below:

CHC Employer(s)	Provider	Employer Contribution (percent of Employee salary)
Lloyd Helicopters Pty. Ltd.	Mercer	9.5%
Heli-One Canada ULC	Manulife	4%
CHC Global Operations (2008) ULC CHC Global Operations International ULC	Manulife (Registered Pension Plan) Fidelity (Group Pension Plan) Merrill Lynch (401(k))	4%
CHC Leasing (Ireland) Limited	Irish Life	6%
CHC Hoofddorp B.V. Heli-One (Netherlands) B.V.	BeFrank	Variable (by age)
Heli-One (UK) Limited	Scottish Widows	7–10%

168. The participating CHC Employers make contributions to the Defined Contribution Plans (the "**DC Employer Contributions**") at the statutorily mandated rates described above. The Debtors estimate that the aggregate cost of DC Employer Contributions is approximately $1.2 million per month, including associated administration fees paid to the

providers. As of the Petition Date, the Debtors estimate that the aggregate amount owed prepetition on account of DC Employer Contributions is approximately $410,000.

169. Certain CHC Employers[19] participate in a defined benefits pension scheme for certain Employees in the United Kingdom (the "**U.K. Pension Scheme**"). Although the U.K. Pension Scheme was closed for new accruals beginning in 2009, the CHC Employers remain obligated for previously accrued benefits. The annual deficit funding contribution into the U.K. Pension Scheme is approximately $9.3 million, payment of which is made quarterly. I have been informed that , as of the Petition Date, the technical provisions funding deficit for the U.K. Pension Scheme is approximately $65.2 million.

170. Additionally, Heli-One (Norway) AS is also party to a defined benefits pension scheme for certain Employees in Norway (the "**Norway Pension Scheme**"). In addition to providing participating retirees with retirement payments, the Norway Pension Scheme also provides such retired Employees with certain other benefits, such as spousal death benefits and long-term disability insurance. Contributions to the Norway Pension Scheme are actuarially calculated at the beginning of each fiscal year, and payments are made on a monthly basis. The estimated annual contribution into the Norway Pension Scheme for 2017 is approximately $2.8 million. As of the Petition Date, the Norway Pension Scheme is fully funded with no outstanding prepetition obligations.

171. Workers Compensation Programs. The CHC Employers also provide Employees with workers compensation and employer's liability coverage ("**Workers Compensation Programs**"). I understand that in Australia, Ireland, and the United Kingdom, Workers Compensation Programs are administered through various third-party insurers. In

[19] Debtors Heli-One (UK) Limited and Heli-One (Norway) AS are obligors under the U.K. Pension Scheme, and Debtors 6922676 Holding SARL, Capital Aviation Services B.V., CHC Helicopter Holding S.à r.l., CHC Leasing (Ireland) Limited, CHC Netherlands B.V., and Heliworld Leasing Limited are guarantors under the U.K. Pension Scheme.

Canada, Workers Compensation Programs are administered through the government. The Netherlands provides for equivalent Workers Compensation Programs benefits through other government programs such as social security, the costs of which are included in the Payroll Taxes and Deductions described above. Employees in Norway are provided with equivalent Workers Compensation Programs benefits through Risk and Disability Insurance, the costs of which are similarly captured by the $1.5 million annual payment described above. In each case, the CHC Employers are responsible for the full amount of the contributions to the Workers Compensation Programs for the benefit of Employees. For Employees in Canada, the CHC Employers pay the provincial governments for Workers Compensation Programs monthly through payroll. In all other jurisdictions, the CHC Employers pay the premiums in discrete annual payments to the respective private insurers.

172. On average, the Debtors pay approximately $18,000 per month and $2.2 million annually in the aggregate for the Workers Compensation Programs. I have been advised that, as of the Petition Date, the Debtors estimate that there is approximately $60,000 in accrued prepetition obligations related to Workers Compensation Programs.

173. **PTO Benefits**. I also understand that the CHC Employers all maintain paid time off policies for Employees (the "**PTO Benefits**"), which policies vary across CHC Employers. Typically, the PTO Benefits are comprised of vacation, holidays, parental leave, bereavement, other personal leave, long service leave, and field leave and, in most cases, with respect to accrued and unused days, the Employees are entitled either (i) to elect a cash payment for some portion of these days (the "**PTO Cash-Out Benefits**"), or (ii) to roll them into the next calendar year. I have been advised that, as of the Petition Date, there is approximately $26 million of accrued obligations related to the PTO Cash-Out Benefits.

174. **Other Benefits**. The CHC Employers also provide a range of other benefits to eligible Employees (collectively, the "**Other Benefits**"). These Other Benefits include reimbursement for domestic relocation costs, tuition reimbursement for Employees in job-related courses of study, among others. In the aggregate, the CHC Employers pay approximately $10,000 per month on account of all Other Benefits.

Independent Contractor Obligations

175. I understand that, in addition to Employees, the Debtors utilize various contractors (the "**Independent Contractors**") to perform a range of functions (including, for example, short-term projects or flexible hour tasks), each of which is necessary for the operation of the Debtors' businesses. Among other positions, the Debtors hire Independent Contractors to serve as co-pilots, technical consultants, finance analysts, and administrative support staff. As of the Petition Date, five (5) of the Debtors[20] have contracted with approximately 16 Independent Contractors, the majority of whom are based in Canada. As with Employees, the CHC Employers pay the Independent Contractors on a salary or wage basis (the "**Independent Contractor Obligations**"). I understand that certain of the Independent Contractors are contracted directly with the relevant CHC Employer and are paid through the same PEO as that employer's Employees. In other instances, the Debtors make payments to third-party placement agencies, which in turn remit wages to the Independent Contractors.

176. On average, the Debtors pay approximately $122,000 per month with respect to the Independent Contractor Obligations. I understand that the Debtors estimate that, as of the Petition Date, there are no accrued and outstanding prepetition Independent Contactor Obligations.

[20] These Debtors are CHC Hoofddorp B.V., CHC Global Operations (2008) ULC, Lloyd Helicopters Pty. Ltd., Heli-One Canada ULC, and Heli-One (Norway) AS.

177. The Independent Contractors play an important role in the Debtors' businesses. I believe that the Debtors depend upon the expertise, efficiency, and flexibility of the Independent Contractors to provide, among other things, professional services related to the maintenance and operation of their helicopters. I also understand that it would be difficult, costly, and disruptive to the Debtors' reorganization efforts if they were forced to replace their Independent Contractors, who already understand the Debtors' business practices and policies and who are familiar with the global helicopter service industry.

178. In sum, I believe that payment to the Debtors' current Employees and Independent Contractors on account of prepetition Employee Obligations and Independent Contractor Obligations is critical to the Debtors' ability to conduct their operations. I also believe that, in order to actualize an effective reorganization, it is necessary for the Debtors to continue payments on account of Employee Obligations and Independent Contractor Obligations in the ordinary course of the business.

179. Based upon the foregoing, I believe that the relief requested in the Wages Motion is in the best interests of the Debtors, their estates, and all parties in interest and should be granted.

J. Insurance Motion

MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO (A) CONTINUE THEIR INSURANCE PROGRAMS AND ARRANGEMENTS AND (B) PAY ALL UNDISPUTED OBLIGATIONS IN RESPECT THEREOF AND (II) AUTHORIZING AND DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS PURSUANT TO SECTIONS 105(**a**), 363(**b**), AND 503(**b**) **OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004**

180. By the Insurance Motion, the Debtors request (i) authority, but not direction, to (a) continue and/or renew their existing aviation, corporate, property, and other insurance policies and programs, including their Sharing Arrangements (as defined below) and

Ancillary Coverage (as defined below) (collectively, the "**Insurance Programs**") uninterrupted, and (b) pay, in the Debtors' sole discretion, any undisputed prepetition obligations, including premiums, deductibles, administrative fees, brokers' fees and other obligations, as well as, on an ongoing basis, any postpetition obligations, thereunder (collectively, the "**Insurance Obligations**"), and (ii) that the Court authorize and direct applicable banks and financial institutions to honor and process all checks and electronic funds transfers related to the above.

181. In connection with the operation of their businesses, the Debtors maintain certain aviation, corporate, property-related, and other insurance policies and programs, obtained through agreements with their insurance brokers, Willis Towers Watson plc. ("**Willis**"), Aon plc ("**Aon**"), and First Ireland Risk Management Ltd ("**First Ireland**" and, together with Willis and Aon, the "**Insurance Brokers**") and directly from Insurance Carriers (as defined below), such as Factory Mutual Insurance Company ("**FM Global**") and Protector Forsikring ASA ("**Protector**").[21] Additionally, certain aircraft lessors (the "**Lessors**") choose to condition their financing on their ability to purchase certain ancillary insurance policies for which the Debtors must reimburse them for the premiums (the "**Ancillary Coverage**"). In addition to the relationships set forth above, the Debtors have a captive non-debtor reinsurance affiliate, CHC Reinsurance S.A. ("**CHC Reinsurance**") which provides reinsurance services to the Debtors and their non-debtor affiliates on certain of their Protector insurance policies.[22]

[21] As described in more detail below, the Debtors purchase most of their insurance policies with Protector through an Insurance Broker, but in certain limited circumstances may purchase policies directly from Protector.

[22] As addressed separately in the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Certain (A) Employee Obligations and (B) Independent Contractor Obligations, (II) Modifying the Automatic Stay, and (III) Directing Financial Institutions to Honor and Process Checks and Transfers Related to Such Obligations Pursuant to Sections 105(a), 363(a), and 507(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004*, filed contemporaneously herewith, CHC Reinsurance also reinsures certain employee-related insurance policies for both the Debtors and their non-debtor affiliates through a partnership with Assicurazioni Generali S.p.A.

182. **Insurance Programs**. Through the Insurance Programs, the Debtors maintain comprehensive aviation hull and liability coverage, as well as aviation hull war and aviation excess spares coverage. Collectively, these policies cover a wide range of liabilities and risks associated with the Debtors' aircraft, including, but not limited to, physical loss of or damage to the aircraft, its engines or its parts, and losses due to terrorism, hijacking, war, expropriation, confiscation and nationalization. The Debtors also maintain customary corporate insurances, such as commercial general liability, director and officer liability, and employment practices liability, as well as policies for corporate travel, auto insurance, medical malpractice,[23] pension fiduciary liability, comprehensive crime, foreign employer's liability, contingent protective insurance, cyber-attacks and information technology, environmental liability, worldwide property damage, business and services interruption, machinery and equipment, high flood deductibles, property, terrorism and war, political risk, and residual value, all as further detailed in the chart below. Continuation of these policies is essential to the ongoing operations of the Debtors' businesses, with certain coverage being required either by regulation or pursuant to certain of the Debtors' prepetition agreements. For example, I understand that in order to maintain certain aircraft operating certificates necessary to provide helicopter services, the Debtors must maintain specified levels of insurance coverage. I also understand that most, if not all, of our helicopter lessors require us to maintain certain levels of coverage as a condition of our financing. Moreover, I believe that preserving positive relationships with each of the Insurance Providers is integral for the Debtors to obtain and renew Insurance Programs at the most competitive rates.

[23] As noted above, CHC provides helicopter services for search and rescue and emergency medical services to various government agencies.

183. Based upon the foregoing, I believe that the relief requested in the Insurance Motion is in the best interests of the Debtors, their estates, and all parties in interest and should be granted.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: May 5, 2016
Dallas, Texas

/s/ Robert A. Del Genio
Robert A. Del Genio

EXHIBIT A

DEBTORS

Debtor	Last Four Digits of Federal Tax I.D. No.
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

Debtor	Last Four Digits of Federal Tax I.D. No.
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

DEBTORS' ORGANIZATIONAL CHART

CHC GROUP LTD.

Basic Ownership of Debtors

Legend

- Debtor
- Non-debtor

CHC GROUP LTD.

6922767 Holding SARL

CHC Helicopter Holding S.à r.l.

CHC Helicopter S.A.

CHC Holding NL B.V.

CHC Leasing (Ireland) Limited

Heli-One Holdings (UK) Limited

CHC Netherlands B.V.

CHC Holding (UK) Limited

CHC Helicopters (Barbados) SRL

CHC Helicopters (Barbados) Limited

CHC Helicopter Holding (Cayman) Ltd.

CHC Hoofddorp B.V.

CHC Den Helder B.V.

Heli-One (UK) Limited

CHC Cayman ABL Parent Lt.

Heliworld Leasing Limited

CHC Cayman Investments I Ltd.

CHC Cayman ABL Holdings Ltd.

Capital Aviation Services B.V.

Heli-One (Netherlands) B.V.

CHC Cayman ABL Borrower Ltd.

CHC Norway Acquisition Co AS

Lloyd Helicopter Services Limited

Heli-One Leasing (Norway) AS

Heli-One (Norway) AS

Integra Leasing AS

Management Aviation Limited

CHC Helicopter (1) S.à r.l.

CHC Helicopter (2) S.à r.l.

CHC Helicopter (3) S.à r.l.

CHC Helicopter (4) S.à r.l.

CHC Helicopter (5) S.à r.l.

Lloyd Helicopter Services Pty Ltd.

Heli-One Canada ULC

Heli-One Leasing ULC

CHC Global Operations International ULC

CHC Global Operations Canada (2008) ULC

CHC Global Operations (2008) ULC

Lloyd Helicopters Pty Ltd.

Lloyd Bass Strait Helicopters Pty Ltd.

CHC Helicopter Australia Pty Ltd.

Heli-One (U.S.) Inc.

Lloyd Helicopters International Pty Ltd.

Heli-One USA Inc.

EXHIBIT C

ABL BORROWING BASE CERTIFICATE

BORROWING BASE CERTIFICATE

Reference is hereby made to that certain Credit Agreement, dated as of June 12, 2015 (including all annexes, exhibits and schedules thereto and as amended, supplemented, waived or otherwise modified from time to time, the "Credit Agreement"; capitalized terms that are not defined herein have the meanings ascribed to such terms in the Credit Agreement), among 6922767 HOLDING SARL, a private limited liability company ("*société à responsabilité limitée*") incorporated and existing under the laws of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B136.792, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and a share capital of EUR 1,228,377,778, as Parent Guarantor, CHC CAYMAN ABL HOLDINGS LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands, as Holdings, CHC CAYMAN ABL BORROWER LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Parent Borrower"), the Subsidiary Borrowers from time to time party thereto, the several banks and other financial institutions from time to time parties thereto (the "Lenders"), MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent for the Lenders, and BNP PARIBAS S.A., as Collateral Agent for the Secured Parties (as defined therein).

As of April 6, 2016 Parent Borrower and the other Qualified Loan Parties and not in my individual capacity that to the best of my knowledge and belief (i) the statements and calculations of the Borrowing Base set forth on Annex A hereto (and the schedules attached thereto) are true and correct as of the Determination Date and (ii) such calculations have been made in accordance with the requirements of the Credit Agreement.

[*Remainder of page intentionally left bank; signature page follows*]

IN WITNESS WHEREOF, the undersigned has caused this Borrowing Base Certificate to be executed and delivered on the 6th day of April, 2016.

CHC CAYMAN ABL BORROWER LTD.

By: _____
Name: John Hanbury
Title: Attorney-in-Fact

ANNEX A

BORROWING BASE

Average Appraised Value	MSN 2674: $16,535,000	$16,535,000
	MSN 2949: $25,446,667	$25,446,667
	MSN 9009: $9,830,000	$9,830,000
	MSN 31099: $7,950,000	$7,950,000
	MSN 760625: $7,680,000	$7,680,000
	MSN 760632: $7,680,000	$7,680,000
	MSN 2986: $29,339,167	$29,339,167
	MSN 31561: $12,108,333	$12,108,333
	MSN 31610: $16,452,500	$16,452,500
	MSN 760636: $7,680,000	$7,680,000
	MSN 760674: $7,905,000	$7,905,000
	MSN 31072: $7,335,000	$7,335,000
	MSN 2914: $29,506,667	$29,506,667
Eligible Insurance Claims		$0
Advance Rate		75%
Availability Reserves		$0
Total Outstanding ABL Term Loans as at the end of the last Fiscal Period		$0
Total Borrowing Base		$139,086,251
Aggregate Lender Exposure		$129,300,000
Excess Availability		$9,786,251

EXHIBIT D

MONTHLY DEPRECIATION SCHEDULE FOR

THE PERIOD OF MAY 2015 THROUGH MARCH 2016

CHC
Segment Note - YTD Q3
31-Jan-11

		2	3	4	5	6	7	8	9	10	5
	FY 2016	-	-	-	-	-	-	-	-	Consol	G&A
Direct Costs		-	-	-		-	-	-	-	-	-
IC Building Rental		-	-	-	-	-	-	-	-		
	0	-	-	-		-	-	-	-	-	-
Total direct costs		-	-	-		-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-	-	-
Total Direct Costs		-	-	-	-	-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-
									-	-	
					Rec to FS:		Per above			-	-
							Per FS		(893,474)		
								Equity	1,093		
										(892,381)	(43,313)
							Diff - insignificant - due to GL 4991			892,381	43,313

Internal leases

-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

External leases

-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
										-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

All Cube Information	FAST v3.0 Production Actual Data as of Apr 20 2016 7:00
All Periodicity	Periodic (default)
All Unit Of Measure	Converted To USD @ Version Rate
All Divisions	All Divisions
All Bases	All Bases

Amount	**Column Labels**											
	Actual											**Actual Total**
	FY 2016											
	FY 2016 - Q1			**FY 2016 - Q2**			**FY 2016 - Q3**			**FY 2016 - Q4**		
Row Labels	**201601 (MAY-15)**	**201602 (JUN-15)**	**201603 (JUL-15)**	**201604 (AUG-15)**	**201605 (SEP-15)**	**201606 (OCT-15)**	**201607 (NOV-15)**	**201608 (DEC-15)**	**201609 (JAN-16)**	**201610 (FEB-16)**	**201611 (MAR-16)**	
All P&L	**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
Comprehensive Earnings (Loss)	**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
Net Earnings (Loss) of Controlling Interest	(10,480,598)	(10,639,459)	(19,160,541)	(10,533,550)	(11,886,973)	(13,116,872)	(9,715,420)	(9,721,176)	(19,329,619)	(12,248,551)	(11,938,022)	(138,770,781)
Net Earnings (Loss)	**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
Net Earnings (Loss) from Continuing Operations, net of Tax	(10,480,598)	(10,639,459)	(19,160,541)	(10,533,550)	(11,886,973)	(13,116,872)	(9,715,420)	(9,721,176)	(19,329,619)	(12,248,551)	(11,938,022)	(138,770,781)
Net Earnings (Loss) from Continuing Operations before Income Tax	**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
Operating Income (Loss)	(10,480,598)	(10,639,459)	(19,160,541)	(10,533,550)	(11,886,973)	(13,116,872)	(9,715,420)	(9,721,176)	(19,329,619)	(12,248,551)	(11,938,022)	(138,770,781)
Depreciation	**(10,480,598)**	**(10,639,459)**	**(19,160,541)**	**(10,533,550)**	**(11,886,973)**	**(13,116,872)**	**(9,715,420)**	**(9,721,176)**	**(19,329,619)**	**(12,248,551)**	**(11,938,022)**	**(138,770,781)**
7000 - 7999	(10,480,598)	(10,639,459)	(19,160,541)	(10,533,550)	(11,886,973)	(13,116,872)	(9,715,420)	(9,721,176)	(19,329,619)	(12,248,551)	(11,938,022)	(138,770,781)
7500 - Aircraft Fixed Asset Cost (Only) Depn	(1,421,223)	(1,561,942)	(1,461,229)	(1,460,280)	(1,578,565)	(1,541,963)	(1,529,500)	(1,639,361)	(1,643,547)	(1,541,554)	(1,552,294)	(16,931,456)
7501 - Aircraft Major Inspections Depn	(446,475)	(246,914)	(413,632)	(853,840)	(1,453,757)	(158,959)	(174,464)	(174,536)	(156,218)	(81,119)	(88,537)	(4,248,451)
7502 - Aircraft Modifications (PDM) Depn	(863,897)	(1,248,420)	(1,142,900)	(995,529)	(1,668,233)	(1,080,258)	(897,423)	(896,753)	(855,680)	(912,929)	(820,892)	(11,382,914)
7503 - Aircraft Major Spare Depn	(99,545)	(94,183)	(91,152)	(96,197)	(97,273)	(98,465)	(96,411)	(93,802)	(93,418)	(92,862)	(93,480)	(1,046,788)
7504 - Aircraft Main Rotor Blades Depn	(75,306)	(73,936)	(68,775)	(72,449)	(72,607)	(74,036)	(70,313)	(70,590)	(68,319)	(69,284)	(72,953)	(788,568)
7505 - Aircraft Rotables Depn	(5,568,406)	(5,412,513)	(5,323,665)	(5,272,350)	(5,253,263)	(8,352,041)	(5,009,637)	(5,017,316)	(13,506,402)	(7,704,825)	(8,012,841)	(74,433,259)
7506 - Facilities Depn	(812,872)	(669,670)	(652,377)	(607,491)	(615,284)	(576,529)	(626,035)	(567,037)	(1,381,723)	(647,973)	(573,203)	(7,730,195)
7507 - Equipment and Other Depn	(741,006)	(780,216)	(1,001,352)	(730,050)	(721,210)	(755,498)	(767,675)	(769,874)	(820,029)	(636,581)	(164,523)	(7,888,014)
7511 - Amort Intangibles			(58,677)	148	76	49	(58,033)	270	(57,709)	137	26	(173,713)
7513 - Capital Lease Amortization	(225,231)	(241,354)	(8,688,925)	(168,586)	(165,939)	(218,849)	(227,064)	(224,520)	(292,213)	(283,458)	(282,852)	(11,018,991)
7514 - Software Depreciation	(226,637)	(310,311)	(257,857)	(276,927)	(260,918)	(260,322)	(258,867)	(267,658)	(454,359)	(278,104)	(276,473)	(3,128,431)

EXHIBIT E

PROJECTED AIRCRAFT DEPRECIATION SCHEDULE

Aircraft - Dprcn rates of owned AC (excl Cap Lses)

Prepared by Ian Munro
Prepared on May 2 2016

** Non-USD dprcn translated at Apr 30 FX rate*

HFS - no dprcn

SERIAL #	AIRCRAFT TYPE	% Dprcn	Projected May dprcn (USD)*	Comments
33029	412	0.0%	-	Fully dprc'd
33091	412	0.0%	-	Fully dprc'd
36100	412EP	0.3%	778	Time-based; dprc'd until Jul 2020
36274	412EP	3.5%	10,064	
36275	412EP	3.5%	10,064	
36312	412EP	3.5%	8,581	
36419	412EP	3.5%	15,562	
2058A	AS332L	5.0%	2,083	
2063	AS332L	5.0%	2,165	
2074	AS332L	5.0%	2,184	
2075	AS332L	0.0%	-	Fully dprc'd (was HFS)
2102	AS332L	**HFS**	**-**	To be sold in May
2113	AS332L	5.0%	5,461	
2312	AS332L1	4.0%	8,660	
2347	AS332L1	4.0%	1,747	
2381	AS332L1	4.0%	8,819	
2407	AS332L1	**HFS**	**-**	SOLD in Apr
2468	AS332L1	**HFS**	**-**	To be sold in May
9009	AS332L1	4.0%	15,000	
2396	AS332L2	3.0%	14,500	
2484	AS332L2	3.0%	20,947	
2493	AS332L2	3.0%	17,674	
6358	AS365N2	0.0%	-	Fully dprc'd (was HFS)
6423	AS365N2	0.0%	-	Fully dprc'd (was HFS)
6846	AS365N3	3.0%	13,585	
31072	AW139	3.5%	22,465	
31099	AW139	3.5%	22,051	
31561	AW139	3.5%	38,412	
31610	AW139	3.5%	48,992	
834	EC135	3.5%	13,725	
9203	EC145	3.5%	18,362	
9235	EC145	3.5%	20,226	
6739	EC155B1	3.5%	16,861	
2674	EC225	3.5%	52,962	
2675	EC225	3.5%	49,610	
2914	EC225	3.5%	97,741	
2930	EC225	3.5%	95,218	
2949	EC225	3.5%	79,622	
2986	EC225	3.5%	80,840	
760089	S76A++	0.0%	-	Fully dprc'd
760103	S76A++	0.0%	-	Fully dprc'd
760105	S76A++	0.0%	-	Fully dprc'd
760113	S76A++	0.0%	-	Fully dprc'd
760122	S76A++	0.0%	-	Fully dprc'd
760160	S76A++	0.0%	-	Fully dprc'd (was HFS)
760300	S76A++	0.0%	-	Fully dprc'd
760490	S76C+	4.0%	10,035	
760466	S76C+	4.0%	10,035	
760468	S76C+	4.0%	10,000	
760547	S76C+	13.6%	62,500	Time-based on 15yr UEL from YOM
760548	S76C+	13.6%	62,500	Time-based on 15yr UEL from YOM
760572	S76C+	10.9%	50,000	Time-based on 15yr UEL from YOM
760574	S76C+	10.5%	43,538	Time-based on 15yr UEL from YOM
760575	S76C+	10.9%	50,000	Time-based on 15yr UEL from YOM
760589	S76C+	9.1%	41,667	Time-based on 15yr UEL from YOM
760593	S76C+	9.1%	41,667	Time-based on 15yr UEL from YOM
760596	S76C+	7.1%	25,472	Time-based on 15yr UEL from YOM
760598	S76C+	6.9%	24,437	Time-based on 15yr UEL from YOM
760601	S76C+	8.9%	39,506	Time-based on 15yr UEL from YOM
760602	S76C+	8.5%	34,293	Time-based on 15yr UEL from YOM
760603	S76C+	8.7%	37,815	Time-based on 15yr UEL from YOM
760625	S76C++	3.5%	23,417	
760632	S76C++	3.5%	23,337	
760636	S76C++	3.5%	23,367	
760670	S76C++	3.5%	23,000	
760674	S76C++	3.5%	23,343	
920045	S92A	3.5%	51,695	
920253	S92A	3.5%	77,177	
			1,603,764	**USD**

Total owned AC per Mar 31 fleet list:	68
Per above:	68
Variance:	-

EXHIBIT F

CHC CASH FLOW FORECAST

CHC Group Weekly Cash Flow Forecast
As of 5/4/16

	Week Ending				
	5/6/2016	**5/13/2016**	**5/20/2016**	**5/27/2016**	**4-Week Total**
Beginning Cash	**$ 234,711,138**	**$ 226,716,111**	**$ 215,267,295**	**$ 195,108,174**	**$ 234,711,138**
Cash Receipts	15,683,962	12,008,473	3,264,118	12,106,536	43,063,088
Other Receipts	1,358,495	1,889,320	2,968,188	1,962,856	8,178,860
Total Cash Receipts	$ 17,042,457	$ 13,897,793	$ 6,232,305	$ 14,069,392	$ 51,241,947
Disbursements					
Payroll	$ 1,362,493	$ 13,090,184	$ 13,387,873	$ 10,438,188	$ 38,278,737
Benefits	1,410,195	582,564	1,049,147	541,868	3,583,774
Pension	2,088,552	2,184,796	870,000	215,000	5,358,348
Aircraft Leases	-	-	-	-	-
Aircraft Related Transactions	-	(1,994,285)	-	-	(1,994,285)
OEM	8,311,171	8,430,985	8,430,985	3,430,985	28,604,127
Debt Payments	-	-	-	-	-
FX / Fees	-	-	-	-	-
Freight & Customs	22,707	22,983	706,577	57,743	810,010
Taxes	1,082,569	(45,839)	(882,927)	2,656,322	2,810,124
Professional Fees	1,800,000	1,800,000	1,800,000	1,800,000	7,200,000
Insurance	-	-	50,000	1,166,000	1,216,000
Fuel	174,971	186,010	128,722	192,791	682,493
Training	35,836	46,836	62,972	171,942	317,586
Information Technology	488,150	488,150	488,150	488,150	1,952,602
Travel	157,224	157,224	77,965	89,840	482,254
Airport Fees	101,796	167,630	57,630	212,058	539,115
Building & PPE	124,201	40,418	52,298	207,749	424,666
Other Expenses	7,877,619	188,953	112,032	269,610	8,448,214
Total Disbursements	**$ 25,037,483**	**$ 25,346,609**	**$ 26,391,426**	**$ 21,938,246**	**$ 98,713,764**
Net Cash Flow	**(7,995,026)**	**(11,448,816)**	**(20,159,121)**	**(7,868,853)**	**(47,471,817)**
Ending Cash - Operating	**$ 226,716,111**	**$ 215,267,295**	**$ 195,108,174**	**$ 187,239,321**	**$ 187,239,321**
Trapped/Minimum Cash	(70,200,000)	(70,200,000)	(70,200,000)	(70,200,000)	(70,200,000)
Ending Cash - Available	**$ 156,516,111**	**$ 145,067,295**	**$ 124,908,174**	**$ 117,039,321**	**$ 117,039,321**