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*Counsel for ECN Capital (Aviation) Corp.*

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

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

**ECN CAPITAL (AVIATION) CORP.'S OBJECTION TO ASSUMPTION OR  
REINSTATEMENT OF EXECUTORY CONTRACT AND RESERVATION OF RIGHTS**

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

ECN Capital (Aviation) Corp. (f/k/a Element Capital Corp.) ("ECN Capital"), a creditor in the above-captioned bankruptcy cases, through its undersigned counsel, files this treatment objection and reservation of rights (the "Objection") with respect to certain agreements the above-



captioned debtors (collectively, the “Debtors”) have listed in their *Plan Supplement in Connection with the Debtors’ Second Amended Joint Chapter 11 Plan* [Dkt. No. 1519] (the “Plan Supplement”). In support of its Objection, ECN Capital respectfully represents as follows:

**OBJECTION**

1. On June 25, 2016, ECN Capital and CHC Helicopters (Barbados) SRL (“CHC Barbados”) entered into the *Interim Restructuring Term Sheet* (“Restructuring Term Sheet”) with respect to aircraft S92A MSN 920014 (the “S92A Aircraft”). The Restructuring Term Sheet set forth certain terms on which CHC Barbados and ECN Capital may have amended the existing lease agreement (the “S92A Lease Agreement”) for the S92A Aircraft. The Debtors listed the Restructuring Term Sheet as a Postpetition Aircraft Agreement on Exhibit H5 of the Plan Supplement.

2. Since filing the Plan Supplement, CHC Barbados has informed ECN Capital that it no longer intends to restructure the S92A Lease Agreement and ECN Capital understands that the Debtors intend to reject this agreement (along with any related sublease) at the omnibus hearing scheduled for February 13, 2017. *See Debtors’ Seventh Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* (the “Rejection Motion”) [Dkt. No. 1406]; *Notice of Adjournment of Hearing to Consider Debtors’ Seventh Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code Solely With Respect to the Equipment Set Forth on Exhibit A Hereto* [Dkt. No. 1527]. ECN Capital does not oppose the Rejection Motion.

3. ECN Capital objects to the Debtors’ proposed assumption or reinstatement of the Restructuring Term Sheet set forth in the Plan Supplement. *See Schedule of Postpetition Aircraft Agreements*, Plan Supp., Ex. H5. In light of the impending rejection of the S92A Lease Agreement and the related sublease, out of an abundance of caution, ECN Capital objects to the treatment of the Restructuring Term Sheet as an assumed or reinstated executory contract on the *Debtors’ Schedule of Postpetition Aircraft Agreements* and instead requests that the Restructuring Term Sheet

be listed on the Debtors' *Schedule of Rejected Aircraft Leases*, pending this Court's approval of the Rejection Motion. *See* Plan Supp., Ex. H4.

**RESERVATION OF RIGHTS**

4. ECN Capital reserves the right to amend, modify and/or supplement this Objection in any respect.

**CONCLUSION**

5. WHEREFORE, ECN Capital respectfully requests that the Court require the Debtors to modify the Plan Supplement consistent with this Objection and grant such other and further relief as to the court may deem proper.

Dated: February 6, 2017

ORRICK, HERRINGTON & SUTCLIFFE LLP

s/Jeffery Hermann

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