

This is the 1st affidavit of
John Hanbury in this case
and was made on February 10, 2017

No. S-169079
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C36, AS AMENDED**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE
UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS
WITH RESPECT TO THE COMPANIES LISTED ON SCHEDULE "A" HERETO**

**APPLICATION OF CHC GROUP LTD
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C 36, AS AMENDED**

AFFIDAVIT

I, John Hanbury, Businessman, of 4740 Agar Drive, Richmond, British Columbia, V7B 1A3,
SWEAR THAT:

1. I am the Corporate Treasurer of the petitioner, CHC Group Ltd. ("**CHC Group**" or the "**Petitioner**"), and as such I have personal knowledge of the matters deposed to in this Affidavit except where I depose to a matter based on information from an informant I identify, in which case, I believe that both the information from the informant and the resulting statement are true.

2. I was involved in negotiations with Argo Ventures Inc. ("**Argo**") in respect to the Purchase and Sale Agreement ("**PSA**"), dated for reference June 30, 2011 and a lease back of the premises after closing of the PSA.

3. Negotiations with Argo in respect to the helicopter maintenance facilities of Heli-One Canada Inc. ("**Heli-One**") at 4300 80th Street, Delta, British Columbia, ("**Boundary Bay Facility**") originally commenced in or about 2008 in circumstances where Argo made an offer to



purchase both the Boundary Bay Facility and the CHC Helicopter Canada facilities at Agar Rd. in Richmond (“**Agar Facility**”).

4. There were environmental issues identified by Argo with respect to the Agar Facility and eventually negotiations concentrated only on the sale of the Boundary Bay Facility.

5. I was the person within CHC Group/Heli-One responsible for the direct negotiation of the PSA with Eric Lee and Jason Hong as representatives of Argo.

6. I understand that Argo is taking the position that the PSA for the Boundary Bay Facility involved the transfer of all of the trade fixtures and other equipment located in the Boundary Bay Facility at the date of the sale; in addition to those “Chattels” that are listed in Schedule “C” of the PSA, as being transferred to Argo.

7. I am aware that under the PSA Heli-One did transfer the overhead hoists and cranes, security system, the evaporators and air compressor to Argo. I do not recall any discussion with Argo concerning the transfer of any other trade fixtures or equipment of Heli-One located on the premises or used by Heli-One in its business to Argo as part of the PSA.

8. I do not recall any discussion where Argo requested, or I provided, a list of trade fixtures or equipment located in the building other than Schedule “C”, or that Argo requested, or I provided, a list of the values of any trade fixtures or equipment located in the building or that we discussed the value of the trade fixtures or equipment located in the building as a part of the purchase price to be paid under the PSA.

9. I am advised by Guy Borowski that at the time of the negotiation and closing of the PSA, the trade fixtures and equipment that Argo now claims to be its property pursuant to the PSA include certain Paint Booths, a gearbox test cell, two engine test cells, a plasma booth, cooling towers located outside the building and a vapor degreaser, among other items. I do not recall any discussion with Argo concerning the transfer of these pieces of equipment or trade fixtures to Argo pursuant to the PSA.

10. To my recollection, I was only generally aware of the value of the equipment and trade fixtures in the premises and did not concentrate on that value at the time of the negotiation because they were not discussed as part of the sale other than those chattels listed in Schedule “C” of the PSA. Later I became more aware of those values because I was investigating the

possibility of a sale leaseback transaction for our major trade fixtures and equipment such as the test cells and paint booths.

11. My recollection of the negotiations in respect to the PSA is that the purchase price was set on the basis of the value of the land lease and building, including a consideration of the value of the lease payment stream that would be payable to Argo pursuant to the lease-back element of the entire transaction. I do not recall there being any discussion or any consideration of the value of the trade fixtures or equipment as part of these calculations.

12. I have reviewed the Affidavit of Eric Lee made on February 6, 2017. At paragraph 10 of that Affidavit, Mr. Lee states, "At all times, Ventures and Argo intended to acquire the assets and the premises... This included the equipment attached to the building for various aircraft maintenance purposes."

13. I cannot comment on Mr. Lee's or Argo's intentions. I do not recall that he ever expressed to me that the PSA included the purchase of the trade fixtures and equipment listed in paragraph 9 herein. The first time I ever heard that Argo took the position that they owned the trade fixtures and equipment referred to in paragraph 9 herein was in the last two months.

SWORN BEFORE ME at the City of
Richmond, British Columbia on February
10, 2017

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A Commissioner for taking Affidavits for)
British Columbia)
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[Signature]

John Hanbury

SCHEDULE "A"

LIST OF COMPANIES

CHC Group Ltd.	CHC Hoofddorp B.V.
6922767 Holding SARL	CHC Leasing (Ireland) Limited (n/k/a CHC Leasing (Ireland) Designated Activity Company)
Capital Aviation Services B.V.	CHC Netherlands B.V.
CHC Cayman ABL Borrower Ltd.	CHC Norway Acquisition Co AS
CHC Cayman ABL Holdings Ltd.	Heli-One (Netherlands) B.V.
CHC Cayman Investments I Ltd.	Heli-One (Norway) AS
CHC Den Helder B.V.	Heli-One (U.S.) Inc.
CHC Global Operations (2008) ULC	Heli-One (UK) Limited
CHC Global Operations Canada (2008) ULC	Heli-One Canada ULC
CHC Global Operations International ULC	Heli-One Holdings (UK) Limited
CHC Helicopter (1) S.á.r.l.	Heli-One Leasing (Norway) AS
CHC Helicopter (2) S.á.r.l.	Heli-One Leasing ULC
CHC Helicopter (3) S.á.r.l.	Heli-One USA Inc.
CHC Helicopter (4) S.á.r.l.	Heliworld Leasing Limited
CHC Helicopter (5) S.á.r.l.	Integra Leasing AS
CHC Helicopter Australia Pty Ltd	Lloyd Bass Strait Helicopters Pty. Ltd.
CHC Helicopter Holding S.á.r.l.	Lloyd Helicopter Services Limited
CHC Helicopter S.A.	Lloyd Helicopter Services Pty. Ltd.
CHC Helicopters (Barbados) Limited	Lloyd Helicopters International Pty. Ltd.
CHC Helicopters (Barbados) SRL	Lloyd Helicopters Pty. Ltd.
CHC Holding (UK) Limited	Management Aviation Limited
CHC Holding NL B.V.	