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Netherlands B.V., Heli-One (Poland) Sp. Z.o.o. and
Heli-One Canada Inc.*

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

)	
In re:)	Chapter 11
)	
WAYPOINT LEASING HOLDINGS LTD., <i>et al.</i> ,)	Case No. 18-13648 (SMB)
)	
Debtors. ¹)	Jointly Administered
)	

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

CHC Leasing S.A.R.L., CHC Helicopters Netherlands B.V., Heli-One (Poland) Sp. Z.o.o.
and Heli-One Canada Inc. (collectively, “CHC”), hereby submit this limited objection (the
“**Objection**”) to the Debtors’ *Supplemental Notice of Assumption, Assignment and Cure Amount
With Respect to Executory Contracts and Unexpired Leases of Debtors* [Docket No. 299] (the
“**Supplemental Notice of Assumption**”), and respectfully states as follows:

Background

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

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

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

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

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

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

6. On January 16, 2019, CHC filed its *Limited Objection to the Debtors' Notice of Assumption, Assignment and Cure Amount With Respect to Executory Contracts and Unexpired Leases of Debtors* [Docket No. 279] (the “**Initial Objection**”), which, among other things,

disputed certain of the cure amounts listed in the *Notice of Assumption, Assignment, and Cure Amount with Respect to Executory Contracts and Unexpired Leases of Debtors* [ECF No. 180] (the “**Initial Notice of Assumption**”).

7. On January 23, 2019, the Debtors filed the *Notice and Identities of Successful Credit Bidders* [Docket No. 297] which identified three credit bids that were deemed the successful bids for certain of the Debtors’ assets.

8. In light of the successful credit bids, the Debtors filed the Supplemental Notice of Assumption on January 25, 2019, which lists certain modifications to the Debtors’ Initial Notice of Assumption.

Limited Objection

9. As set forth in the Initial Objection, prior to the Petition Date, the Debtors and CHC entered into various aircraft lease agreements (the “**CHC Leases**”). The Debtors and CHC have also entered into various executory contracts related to aircraft maintenance, repair and overhaul services (the “**CHC Contracts**”).

10. The Supplemental Notice of Assumption lists certain CHC Leases and CHC Contracts that the Debtors propose to assume and assign to the successful purchasers, as well as the proposed cure amounts for each such lease.

11. Section 365 of the Bankruptcy Code permits a debtor to assume or reject an unexpired lease in its discretion. However, section 365 makes clear that an unexpired lease may only be assumed if the debtor satisfies certain statutory conditions, including curing all monetary defaults. 11 U.S.C. § 365(b)(1)(A). *See also ReGen Capital I, Inc. v. Halperin (In re Wireless Data, Inc.)*, 547 F.3d 484, 489 (2d Cir. 2008) (“It is particularly important for a bankruptcy court to know to what degree a debtor is in default on an executory contract because a debtor cannot assume such a contract unless the debtor satisfies several statutory conditions designed to make

the non-debtor contracting party whole.”). “The resolution of these claims, generally referred to as ‘cure claims,’ strives to restore the ‘debtor-creditor relationship . . . to pre-default conditions,’ bringing the contract back into compliance with its terms.” *Id.* (internal citations omitted). *See also In re Ionosphere Clubs, Inc.*, 85 F.3d 992, 999 (2d Cir.1996) (“Congress’s intent in imposing these conditions on the ability of the debtor to assume the contract was to insure that the contracting parties receive the full benefit of their bargain if they are forced to continue performance.”).

12. In support of this Objection, CHC hereby incorporates its Initial Objection as if fully set forth herein. In addition, while CHC has no objection to the assumption and related assignment of the CHC Leases and CHC Contracts identified in the Supplemental Notice of Assumption upon payment of the appropriate cure amount, CHC hereby objects to the proposed cure amounts listed in the Supplemental Notice of Assumption with respect to following CHC Contract:

Contract Category	Contract Description	Waypoint Entity	CHC Entity	Waypoint Cure Amount	CHC Cure Amount
PO#2018-065	Aircraft Transport	Waypoint Leasing (Ireland) Limited	Heli One Poland	\$23,996.55	\$24,360.13

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

14. Lastly, CHC also objects to the extent the Debtors seek to assume the CHC Leases and CHC Contracts without assuming all related agreements and contracts. “When the debtor assumes the lease or the contract under § 365, it must assume both the benefits and the burdens of the contract. Neither the debtor nor the bankruptcy court may excise material obligations owing to the non-debtor contracting party.” *Empire State Bldg. Co. v. New York*

Skyline, Inc. (In re New York Skyline, Inc.), 432 B.R. 66, 77 (Bankr. S.D.N.Y. 2010). This principle also applies when the agreement between the parties consists of several related agreements that all form part of the same integrated transaction. *Id. See also In re Physiotherapy Holdings, Inc.*, 538 B.R. 225, 234 (D. Del. 2015) (holding that several separate agreements constitute one integrated agreement for the purpose of assumption under section 365).

15. Here, the CHC Leases and CHC Contracts are part of a complex leasing and business arrangements between the Debtors and CHC regarding the operation, maintenance and storage of numerous aircraft. The CHC Leases and CHC Contracts therefore cannot be separated from the related operative agreements that form an integral part of the transaction.

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

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

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

WHEREFORE, CHC respectfully requests that the Court (i) deny the proposed assumption of the CHC Leases and CHC Contracts unless the Debtors cure all monetary defaults as of the date of assumption, (ii) amend the proposed sale order to address the issues addressed herein, and (iii) grant such other and further relief as it deems just and proper.

February 5, 2019
New York, New York

/s/ Jasmine Ball

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Exhibit A

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

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

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

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