

our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).

(c)

Demand of Fixed Rate Demand Non-Revolving Loans. If you have a Fixed Rate Demand Non-Revolving Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of: three (3) months interest calculated on the unpaid balance at the rate authorized or the Bank's Unwinding Costs.

1.13. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign. No modification of this Agreement or any Security shall be effective without the prior written agreement of the Bank, and each Borrower and Guarantor party to such document.

1.14. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.

1.15. **Pre-conditions.** You may use the Loans granted to you under this Agreement only if:

- (a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrow and give security;
- (b) all the required security has been received and registered to our satisfaction;
- (c) any special provisions or conditions set forth in the Agreement have been complied with; and
- (d) if applicable, you have given us the required number of days notice for a drawing under a Loan.

1.16. **Notices.** We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.

1.17. **Non-Revolving Loans.** The following terms apply to each Non-Revolving Loan:

(a) **Non-revolving Loans.** Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.

(b) **Floating Rate Non-Revolving Loans.** Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:

(i) **Blended payments.** If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate. If the Prime Rate during any month is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we choose to do so.

(ii) **Payments of fixed principal plus interest.** If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate.

21. ARTICLE 2 -- DEFINITIONS

2.1. **Definitions.** In this Agreement, the following terms have the following meanings:

"*Agreement*" means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached.

"*Business Day*" means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

"*Cash Collateral Account*" means funds on deposit held by the Bank in an interest bearing account pending satisfaction of certain terms and/or conditions.

"*Customer Automated Funds Transfer (CAFT)*" is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

"*CWB Branch/Centre*" means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

"*Demand Non-Revolving Loan*" means an installment loan that is payable upon demand. Such a Loan may be either at a fixed or a floating rate of interest.

"*Fixed Rate Loan*" means any loan drawn down, converted or extended under a Loan at an interest rate which was fixed for a term, instead of referenced to a floating rate such as the Prime Rate or U.S. Base Rate, at the time of such drawdown, conversion or extension.

"*Intangibles*" means assets of the business that have no value in themselves but represent value. They include but are not limited to such things as copyright, goodwill, patents and trademarks; franchises, licenses, leases, research and development costs, deferred development costs, investments in and advances to affiliated companies or entities, and any other asset determined by the Bank to be intangible.

"*Lakelse Secured Aircraft*" has the same meaning as in the LHLA Agreement.

"*Lease-Up Reserve*" means the amount of the Loan that is funded into a Cash Collateral Account pending lease-up of the Project in accordance with the Loan authorization.

"*Letter of Credit*" or "*L/C*" means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

"*LHLA Agreement*" means the Commitment Letter dated _____, 2018 between, inter alia, the Bank and Lakelse Helicopters Limited Partnership and 1167537 BC Ltd. as Borrowers;

"*Lien*" includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

"*Loan*" means any loan segment referred to in the Agreement and if there are two or more segments, "Loan" includes reference to each segment.

"*Loan Amount*" of any Loan means the amount specified in the Agreement and if there are two or more segments, "Loan Amount" includes reference to each segment.

"*Loan Maturity Date*" means for each of Loan Segment 1 and Loan 2, the last day of the term of each loan, meaning the date the loan is to be repaid or as each loan may be extended by for further term, at the option of the Bank.

"*Mandatory Capital Expenditures*" means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

"*Material Adverse Change*" means any material adverse change in the financial condition, ownership and/or operation or business activities of the Borrowers, or any Guarantor, and/or any material adverse change in the condition of any property or equipment, including but not limited to the UHNLP Secured Aircraft and Rotables, of the Borrower and/or any Guarantor, if applicable.

"*Normal Course Lien*" means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

"*Operating Account*" means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

"*Permitted Debt*" means, without duplication:

- (a) trade payables of the Borrowers incurred in the ordinary course of business;
- (b) all Debt of the Borrowers to the Bank;
- (c) all Debt of the Borrowers to Bank of Montreal;
- (d) all Postponed Debt;

- (e) Provided that incurring the following additional Debt, in aggregate or separately, does not result in a breach by the Borrower of any financial covenant under this Agreement:
- i. Debt in respect of Purchase Money Liens, capital leases and operating leases and unsecured; and
 - ii. such other Debt agreed to in writing by the Bank.

"*Permitted Encumbrances*" means, as at any particular time, any of the following Liens on the property or any portion of the property of any Borrower:

- (a) Normal Course Liens;
- (b) Purchase Money Liens, subject to Permitted Debt subparagraph (e) (i) of this Agreement;
- (c) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons and other minor defects, encumbrances, encroachments and restrictions which either alone or in the aggregate do not materially detract from the value of such land or materially impair its use;
- (d) Liens in favour of Bank of Montreal;
- (e) Liens in favour of the Bank;
- (f) all Security Interests securing the indebtedness described in paragraphs (f) of the definition of Permitted Debt;
- (g) all Liens securing Postponed Debt;
- (h) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the preceding paragraphs (a) to (f) inclusive of this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the principal amount of the indebtedness or obligation secured thereby is not increased, without the consent of the Bank, acting reasonably;
- (i) existing leases, excluding than any leases of UHNLP Secured Aircraft and/or Rotables, offers to lease and occupancy agreements, whether recorded or not; and
- (j) all such other claims and Liens agreed to in writing by the Bank.

"*Postponed Debt*" means any debt owed by you that has been formally postponed to the Bank.

"*Prime Rate*" means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

"*Principal Sum*" means the loan balance outstanding.

"*Priority Claims*" means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

"*Purchase Money Lien*" means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

"*Secured Property*" has the same meaning as in the LHLA Agreement;

"*Shareholders' Equity*" means paid-in capital, retained earnings and attributed or contributed surplus.

"*Standard Overdraft Rate*" means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

"*Unwinding Costs*" means the costs the Bank incurs when a Fixed Rate Loan is paid out early. The unwinding costs are calculated using the outstanding principal and interest of each of the Loan on the day of repayment (the "Repayment Date"), and are the difference between the dollar value of interest that the Bank would receive under the Interest Rate for each Loan for the remaining term of the Loan, and the dollar value of interest that the Bank would receive from the bid side yield for Government of Canada securities with the same principal amount and maturity date as the Loan on the Repayment Date, for the remaining term of the Loan.

"*U.S. Base Rate*" means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.



August 2, 2018

**Universal Helicopters Newfoundland and Labrador LP and
70703 Newfoundland and Labrador Inc.**
P.O. Box 529, Station C,
82 Winnipeg Street,
Goose Bay, Labrador, NL A0P 1C0

Attention: Shane Cyr

Dear Sir:

On the basis of the financial statements and other information provided by **Universal Helicopters Newfoundland and Labrador LP and 70703 Newfoundland and Labrador Inc. jointly and severally** (collectively the “Borrowers” or individually the “Borrower”) and **Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd., Lakelse Air Ltd., Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Tasiujatsoak Trust and Labrador Inuit Capital Strategy Trust** (collectively the “Guarantors” or individually the “Guarantor”) in connection with your request for financing, Canadian Western Bank (the “Bank”) has authorized the following loan(s) subject to the terms and conditions outlined in this Commitment Letter (the “Agreement”).

1. **LOAN AMOUNT and TIMING:**

Segment No. 1: Term Loan with original principal amount of CAD \$8,500,000 advanced November 30, 2017 with current balance of \$8,205,847.15,

Segment No. 2: Term Loan CAD \$4,000,000,

Collectively referred to from time to time as “the Loan or Loans”.

Advance of the Loan Segment No. 2 should be within approximately 20 business days of this Agreement providing all parties and their legal counsel complete required tasks in a timely manner.

2. **AVAILABILITY:**

Segments No. 2: To be advanced in a lump sum subject to satisfaction or waiver by the Bank of all conditions.

3. **PURPOSE OF LOANS:**

Segment No.1: to assist in the purchase and/or refinancing of the 19 helicopters (referred to as the “UHNLP Secured Aircraft”) with source and use of funds as follows:

<u>Source</u>		<u>Use</u>	
CWB Term Loans	\$ 8,500,000	Refinance Loan with Maynard’s	\$ 4,500,000
		Refinance Loan with BMO	\$ 2,300,000
		Maint. Reserve and Closing Costs	\$ 1,700,000
Totals	<u>\$ 8,500,000</u>		\$ 8,500,000

Segment No. 2: to assist with the purchase of the assets and shares of Lakelse Air Ltd. and the helicopters owned by related company, Bear Creek Contracting Ltd.

4. **INTEREST RATE:**

Loan Segment No. 1: The interest rate payable is fixed at an annual rate of 5.375% for a 5 year term, calculated and compounded monthly, not in advance.

Loan Segment No. 2: The interest rate payable is floating rate at 2.00% per annum above the Bank's Prime Lending Rate ("Prime"). As of the date of this Agreement the Bank's Prime is 3.70%.

Unless otherwise specified, all interest shall be payable on demand on the date specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

5. **SCHEDULED REPAYMENT, TERM & MATURITY DATE:**

Segments No. 1: The Borrowers shall make monthly payments sufficient to amortize the Loan over a 10 year period in 9 blended monthly payments of \$115,321.23 from April to December and interest only payments from January to March.

Segments No. 2: The Borrowers shall make monthly payments sufficient to amortize the Loan over a 10 year period in monthly blended payments from April to December and interest only payments from January to March.

Each Loan is repayable in full at the end of the term, which is to be selected at draw down, together with all interest, costs and charges, the earlier the Loan Maturity Date, or the date payment is demanded as a result of an Event of Default by the Borrower;

6. **MANDATORY REPAYMENTS:**

6.1. UHNLP Secured Aircraft dispositions: 100% of the net sale proceeds shall be applied to the outstanding Loan balances as a permanent reduction unless otherwise agreed to by the Bank acting reasonably;

6.2. 100% of all insurance proceeds from the UHNLP Secured Aircraft shall be applied to the outstanding Loan balances as a permanent reduction unless otherwise agreed to by the Bank acting reasonably;

6.3. Within 180 days of the Borrowers' fiscal year end an Annual Cash Flow Sweep "ACFS", calculated as follows:

- 50% of the Consolidated Net Free Cash Flow of Universal Helicopters Holdings LP (consolidated) defined as follows: EBITDA *Less* Unfunded Capital Expenditures *Less* Fixed Charges *Less* Earnout Payments (see Article II Schedule E for further definitions)
- The ACFS principal payment shall be applied to the outstanding Loan balances of the Borrower and/or Lakelse Helicopters Limited Partnership to CWB, as determined by Universal Helicopters Holdings LP;
- No change will be made to the Scheduled Repayment as detailed in Section 5 above;
- Maximum ACFS is \$700,000 per annum;

7. **PREPAYMENT:**

7.1. Prepayment on Prime Rate Loans is permitted without penalty at any time.

7.2. For Fixed Rate Loans, prepayment(s) shall not be permitted for a period of two (2) years from the date of initial advance of the Loan(s) without the prior written consent of the Bank. Thereafter, the Borrower may prepay the whole, but not part, of the sum of the unpaid principal balance under the Loan(s) with payment of a prepayment charge equal to the greater of the following:

- (a) three (3) months interest calculated on the unpaid principal balance at the rate provided herein; or
- (b) a prepayment charge equal to the Bank's Unwinding Costs

8. **FEES:**

The Borrower shall pay to the Bank the fees and costs as outlined below.

- a) An Application Fee of \$20,000 has been paid and shall not be refundable under any circumstances;
- b) A Commitment Fee of \$70,000 has been paid and shall not be refundable under any circumstances and will be deemed to have been fully earned with the issuance of this Agreement;
- c) The Borrower shall pay an Annual Review Fee of \$5,000 each year in conjunction with the annual review (based on the Borrower's fiscal year-end financial statements and other information) of the Loan(s);
- d) The Bank's reasonable travel expenses for initial and annual aircraft inspections.

9. **SECURITY AND SUPPORTING DOCUMENTS:**

The attached Schedule "A" forms part of this Agreement.

10. **INSURANCE:**

The attached Schedule "B" forms part of this Agreement.

11. **CONDITIONS PRECEDENT TO DRAWDOWN:**

The attached Schedule "C" forms part of this Agreement.

12. **GENERAL CONDITIONS/EVENTS OF DEFAULT:**

The attached Schedule "D" forms part of this Agreement.

13. **REPORTING REQUIREMENTS AND COVENANTS:**

The attached Schedule "E" forms part of this Agreement.

14. **STANDARD LOAN TERMS & DEFINITIONS:**

The attached Schedule "F" forms part of this Agreement. Where there may be conflict between terms in this Agreement and the Standard Loan Terms in Schedule "F", the terms in the Agreement shall take precedence.

15. **INTEREST AND FEES:**

The Bank has underwritten the Loan to the Borrower on the basis the interest rate and fees provided for in this letter will be paid to the Bank over the period from the date of acceptance of this letter to the Loan Maturity Date and that the Loan will be fully repaid by the Loan Maturity Date. The Borrower acknowledges to the Bank that unless the Loans have been repaid in full on or before the Loan Maturity Date or the current Loan Maturity Date has been extended by agreement in writing between the Borrower and the Bank on or before the current Loan Maturity Date, then the Bank is entitled, acting reasonably in accordance with normal commercial lending practices, to be compensated for:

- (i) loss of ability to earn additional fee income on the Loan principal after the Loan Maturity Date;
- (ii) loss of opportunity to reinvest the Loan funds at then current market rates after the Loan Maturity Date; and
- (iii) the increased risk to the Bank of the Loan being outstanding after the Loan Maturity Date;

16. **COSTS:**

The reasonable cost of all appraisals and environmental reports, the legal costs of the Bank on a solicitor-client basis, costs of the Bank's insurance consultant and all other reasonable out-of-pocket expenses incurred in the approval and making of the Loan and the preparation, execution, delivery and registration of the Security and Supporting Documents (including the cost of delivering copies of any documents required by law to be given to the Borrower or any other party) or in the collection of any amount owing under the terms of the Loan shall be for the account of the Borrower and may be debited to advances to be made under the terms of the Loan. Until paid, all such costs and expenses shall bear interest at the rate described in Section 3 of this Agreement.

17. **ASSIGNMENT BY BORROWER:**

The Borrowers shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

18. **BANK'S COUNSEL:**

Legal work and documentation to be performed at the Borrower's expense through the Bank's counsel as outlined below. Given the nature of the transaction, billing will be completed on an hourly basis plus disbursements.

Margot McMillan, McMillan Dubo Law Group

Phone: (778) 765-1712

Email: margot@mcmillandubo.com

19. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that if, in the opinion of the Bank, any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation by the Bank to advance all or any portion of any unadvanced Loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

20. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower(s) and/or any Guarantor(s) hereafter, and the advancement of any funds by the Bank. In the event of a conflict between the security documents and the terms of this Agreement, the terms of the security documents shall govern.

24. **ACCOUNTING CHANGES:**

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

25. **ACCEPTANCE:**

To become effective, this Agreement must be accepted in writing by the Borrowers and Guarantors.

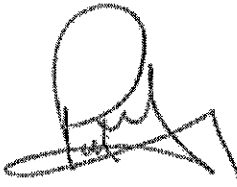
If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return a copy of this letter.

This Agreement will expire if not accepted by August 8, 2018.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,

CANADIAN WESTERN BANK



Peter Greenway
Director, Aviation Financing Centre



Riley Felton
Manager, Aviation Financing

ACKNOWLEDGEMENT:

Each of the Borrowers and the Guarantors certifies that any and all information it has provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWERS:

**UNIVERSAL HELICOPTERS
NEWFOUNDLAND AND LABRADOR LP
BY ITS GENERAL PARTNER,
70703 NEWFOUNDLAND AND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):**

**70703 NEWFOUNDLAND AND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):**

Signed: Shane Cyr
Shane Cyr, President and CEO
Date: 6 Aug 18

Signed: Shane Cyr
Shane Cyr, President and CEO
Date: 6 Aug 18

GUARANTORS:

**LAKELSE HELICOPTERS LIMITED PARTNERSHIP
BY IT'S GENERAL PARTNER,
1167537 B.C. LTD.
BY ITS AUTHORIZED SIGNATORY(IES):**

**1167537 B.C. LTD
BY ITS AUTHORIZED SIGNATORY(IES):**


Signed: Shane Cyr
Shane Cyr, President and CEO
Date: 6 Aug 18

Signed: Shane Cyr
Shane Cyr, President and CEO
Date: 6 Aug 18


**LAKELSE AIR LTD.
BY ITS AUTHORIZED SIGNATORY(IES):**

Signed: Shane Cyr
Shane Cyr, President and CEO
Date: 6 Aug 18

UNIVERSAL HELICOPTERS HOLDINGS LP
BY ITS GENERAL PARTNER,
81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: 
Shane Cyr, President and CEO
Date: 6 Aug 18

81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: 
Shane Cyr, President and CEO
Date: 6 Aug 18

TASIUJATSOAK TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____

Signed: _____

Date: _____

LABRADOR INUIT CAPITAL STRATEGY TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____

Signed: _____

Date: _____

UNIVERSAL HELICOPTERS HOLDINGS LP
BY ITS GENERAL PARTNER,
81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____
Shane Cyr, President and CEO

Date: _____

81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____
Shane Cyr, President and CEO

Date: _____

TASIJATSOAK TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

Signed:  _____

Signed: _____

Date: AUGUST 8, 2018

LABRADOR INUIT CAPITAL STRATEGY TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____

Signed: _____

Date: _____

UNIVERSAL HELICOPTERS HOLDINGS LP
BY ITS GENERAL PARTNER,
81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____
Shane Cyr, President and CEO

Date: _____

Signed: _____
Shane Cyr, President and CEO

Date: _____

TASIJATSOAK TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

LABRADOR INUIT CAPITAL STRATEGY TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____

Signed: Clint Davis
Clint Davis, Trustee

Signed: _____

Signed: _____

Date: _____

Date: _____

SCHEDULE "A"
SECURITY

The following security documentation described herein must be prepared, executed and registered, as required by the Bank, prior to drawdown of any funds, in form and content satisfactory to the Bank and/or its solicitors, and without restricting the generality of the foregoing, will include:

All Security pledged by the Borrowers and/or the Guarantors under this Agreement and all Security pledged by the Borrowers and/or the Guarantors in the LHLA Agreement dated August 2, 2018 will be held for any and all current and future advances and/or direct or indirect indebtedness of any and all of the Borrowers and/or Guarantors under this Agreement and the LHLA Agreement.

CURRENTLY HELD

General:

1. Fixed Rate Promissory Note in the amount of \$8,500,000 dated November 15, 2017;
2. General Security Agreement for each Borrower dated November 15, 2017 providing a floating charge on all present and after acquired property of the Borrowers. Registered PPR in all appropriate jurisdictions;
3. Assignment and Postponement of Creditor's Claims dated November 15, 2017 provided by the Tasiujatsoak Trust for \$3,000,000 loan to the Borrower's (the "Tasiujatsoak Trust Loan"). The Assignment and Postponement Agreement shall allow for full or partial repayment of the Tasiujatsoak Trust Loan provided that the Borrower is not in breach of the Financial Covenants outlined in Article II of Schedule E of this Agreement based on the repayment being accrued to the current year of the test of the Financial Covenants or such breach has been waived, and repayment will not result in a breach of these Financial Covenants. Registered PPR in all appropriate jurisdictions.
4. Enabling and Borrowing resolutions for the Borrowers dated November 10, 2017;
5. Report and satisfactory opinions (4) from the Bank's, Borrowers' and Guarantors legal counsel – various dates;
6. Creditor Life Insurance waiver dated November 15, 2017;
7. AML Requirements dated November 15, 2017;

Aircraft (the "UHNLP Secured Aircraft"):

1. Aircraft Security Agreement dated November 15, 2017 providing a first priority security interest against the UHNLP Secured Aircraft listed below as well as all spare time life components, parts and rotables owned by the Borrower for use in the UHNLP Secured Aircraft (referred to as the "Rotables"), and all future substitutions and additions. Security agreement shall restrict UHNLP Secured Aircraft from operating or being based outside of Canada without the Bank's consent. To be registered in the provincial personal property registry of each province the Aircraft may operate in; registration of each UHNLP Secured Aircraft and related engine(s) in the International Registry.
2. Irrevocable De-Registration and Export Request Authorization (IDERA) for each UHNLP Secured Aircraft signed by the Borrower or any Lessee, if permitted by the Bank, to be registered in the Transport Canada;

Year	Manufacturer	Model	Serial No.	Registration Mark
2012	Aerospatiale	AS350B3e	7540	C-FEPB
1988	Aerospatiale	AS350B2	2076	C-GPBY
1983	Aerospatiale	AS350B2	1685	C-GNAI
1989	Aerospatiale	AS350BA	2201	C-FAPN
1985	Aerospatiale	AS350B	1816	C-FXAL
2008	Bell	407	53888	C-FEPR
1999	Bell	407	53331	C-FTJU
1997	Bell	407	53130	C-GOFL
1996	Bell	407	53022	C-FXYF
1995	Bell	206L-4	52149	C-FLIA
1978	Bell	206L	46609	C-GVYO
1978	Bell	206L	45149	C-FCNG
1977	Bell	206L	45147	C-FPHO
1977	Bell	206L	45086	C-FCWR
1976	Bell	206L	45048	C-GAHS
1976	Bell	206L	45021	C-GDCA
1975	Bell	206L	45027	C-GIZY
1975	Bell	206L	45018	C-GLSH
1975	Bell	206L	45008	C-GQIX

3. Priority Agreement from Bank of Montreal dated November 15, 2017 granting the Bank priority on the UHNLP Secured Aircraft and Rotables;
4. Certificate of Airworthiness, Certificate of Registration and Bills of Sale for each UHNLP Secured Aircraft and any related engines;
5. Assignment of insurance on all aircraft showing the Bank as 1st loss payee, Certificate of Insurance dated December 1, 2017 includes:
 - a. Hull "All Risks" Insurance (includes rotors in motion & rotors not in motion coverage);
 - b. Liability insurance of no less than \$20,000,000 with Bank named as Additional Insured;
 - c. Hull Breach of Warranty, War & Terrorism and 30 day notice of cancelation clauses
6. Hypothecation of Bank Balances dated November 15, 2017 for the Maintenance Reserve Account. Registered PPSA;

SECURITY CURRENTLY HELD AND TO BE RELEASED ON PROVISION AND REGISTRATION OF SECURITY TO BE OBTAINED:

1. Commitment Letter dated October 4, 2017 – *to be replaced with this Agreement*;
2. General Assignment and Postponement of all Limited and General Partners' Claims dated November 15, 2017. Registered PPR in all appropriate jurisdictions;
3. Joint and Several Limited Liability Guarantee in the amount of \$3,000,000 dated November 15, 2017 provided by Tasiujatsoak Trust and Labrador Inuit Capital Strategy Trust in favour of the Bank;
4. Joint and Several Debt Servicing Agreement provided by Tasiujatsoak Trust and Labrador Inuit Capital Strategy Trust dated November 15, 2017 in favour of the Bank.

SECURITY TO BE OBTAINED

1. Commitment Letter;
2. Floating Rate Promissory Note in the amount of \$4,000,000;
3. General Security Agreement providing a first floating charge on all present and after acquired property of Universal Helicopters Holdings LP. Registered PPR in all appropriate jurisdictions;
4. General Security Agreement providing a first floating charge on all present and after acquired property of 81924 Newfoundland and Labrador Inc. Registered PPR in all appropriate jurisdictions;
5. General Assignment and Postponement of all Limited and General Partners' Claims to be registered PPR in all appropriate jurisdictions;
6. Updated waiver letter agreement between the Bank and BMO incorporating the following:
BMO acknowledgement and agreement that it does not hold an interest in the UHNL LP Secured Aircraft and rotables, including all attachments, spare parts, replacements, substitutions, exchanges, trade-ins, accessories and accessions to the equipment and all proceeds derived from it, including insurance payments and sale proceeds, and the hypothecated bank accounts held with the Bank (collectively the "Collateral") other than rights to any rents, charter payments or accounts receivables with respect to leases, subleases or charters, which rents, charter payments or accounts receivables shall not, for greater certainty, be included in the definition of "Collateral", and that any interest BMO does so hold in Collateral, or the UHNL LP Assignment shall hereafter be postponed and subordinated to the interests of the Bank. BMO will consent and agree to the general postponement and subordination of debt to the Ownership Group in favour of the Bank;
7. Bank acknowledgement and agreement that it does not hold an interest in the assets acquired in the South Coast purchase transaction and that the Bank consents and agrees to the postponement and subordination of \$3,000,000 in indebtedness of Universal Helicopters Newfoundland and Labrador LP to Tasiujatsoak Trust in favour of BMO;
8. Cross Default Agreement between Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd.;
9. Joint and Several Unlimited Liability Guarantee in favour of the Bank from Universal Helicopters Holdings LP and 81924 Newfoundland and Labrador Inc., together with acknowledgement that all security pledged in support of any and all current and future indebtedness to the Bank by its subsidiaries is also pledged in support of the indebtedness of the Borrowers;
10. Joint and Several Unlimited Liability Guarantee in favour of the Bank from Lakelse Air Ltd.;
11. Joint and Several Unlimited Liability Guarantee in favour of the Bank from Lakelse Helicopters Limited Partnership and 1167537 B.C. Ltd. together with acknowledgement that security pledged in support of any and all of their current and future indebtedness to the Bank is also pledged in support of the indebtedness of the Borrowers;

12. Joint and Several Limited Liability Guarantee in the amount of \$3,000,000 in favour of the Bank provided by Tasiujatsoak Trust and Labrador Inuit Capital Strategy Trust covering all current and future indebtedness of Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd.;
13. Joint and Several Debt Service and Permitted Repayment of Postponed Debt Agreement (the “DSPRA”) provided by Tasiujatsoak Trust and Labrador Inuit Capital Strategy Trust in favour of the Bank, providing that commencing and based on the fiscal year ending December 31, 2018 funds will be injected by way of Contribution or Postponed Debt for any debt servicing deficit being the amount required to bring the Trailing Fixed Charge Coverage Ratio of the consolidated financial results of Universal Helicopters Holdings LP to a minimum of 1.0:1. Commencing January 1, 2019, the Bank will have the right to terminate the Agreement should there have been Debt Servicing Deficit Corrections (as defined in the DSPRA) in excess of 10% of total Fixed Charges each year for at least three consecutive years. The DSPRA shall allow for full or partial repayment of the Postponed Debt owing to the Guarantors provided that the Borrower is not in breach of the Financial Covenants set out in this Agreement based on the repayment being accrued to the current year of the test of the Financial Covenants or such breach has been waived, and repayment will not result in a breach of these Financial Covenants;
14. Enabling and Borrowing resolutions for the Borrowers and Guarantors;
15. Creditor Life Insurance acceptance/waiver from President and CEO of the Borrower (Shane Cyr);
16. Power of Attorney related to the Irrevocable De-Registration and Export Request Authorization (IDERA) for each UHNLP Secured Aircraft signed by the Borrower and/or any Lessee;
17. Security documentation and registration related to Capital Helicopters (1995) Ltd. (the “Lessee”) for UHNLP Secured Aircraft 1997 Bell 407 MSN 531130 and Registration Number C-GOFL including:
 - a. Assignment of Lease in favour of the Bank provided by the Borrower;
 - b. Consent & Acknowledgement of Assignment of Lease in favour of the Bank provided by the Lessee;
 - c. Irrevocable De-Registration Export Request Authorization (IDERA) in favour of the Bank to be registered with Transport Canada;
 - d. Power of Attorney for the UHNLP Secured Aircraft in favour of the Bank;
 - e. Registration with the International Registry;
 - f. PPR registrations completed in all required jurisdictions;
 - g. Assignment of Insurance acceptable to the Bank and its insurance consultant;
 - h. Solicitor’s Letter of Opinion for Bank, Borrower and Lessee
18. Security documentation and registration related to lease to Capital Helicopters (1995) Ltd. (the “Lessee”) for UHNLP Secured Aircraft 1983 Eurocopter AS350B2 MSN 1685 and Registration Number C-GNAI including:
 - a. Assignment of Lease in favour of the Bank provided by the Borrower;
 - b. Consent & Acknowledgement of Assignment of Lease in favour of the Bank provided by the Lessee;
 - c. Irrevocable De-Registration Export Request Authorization (IDERA) in favour of the Bank to be registered with Transport Canada;
 - d. Power of Attorney for the UHNLP Secured Aircraft in favour of the Bank;
 - e. Registration with the International Registry;
 - f. PPR registrations completed in all required jurisdictions;
 - g. Assignment of Insurance acceptable to the Bank and its insurance consultant;
 - h. Solicitor’s Letter of Opinion for Bank, Borrower and Lessee.
19. Report and satisfactory opinion from the Bank’s, Borrowers’ and Guarantors’ Solicitors;

20. Assignment of any Leases of the UHNLP Secured Aircraft to the Bank together with the standard security documentation including:

- Consent to Assignment of Lease from any Lessees of the Aircraft;
- Irrevocable De-Registration and Export Request Authorization (IDERA) with Power of Attorney;
- To be registered in the provincial personal property registry of each province the Aircraft may operate in and registration of each UHNLP Secured Aircraft and related engine(s) in the International Registry;
- Assignment in terms acceptable to the Bank and their insurance consultant;
- Provision of the Lessee's Air Operator Certificate and Authorized Maintenance Organization Certificate;
- Solicitor's Letter of Opinion for Bank, Borrower and Lessee.

Such additional security instruments, assurances and supporting documents as the Bank may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

SCHEDULE "B" – TERM LOANS/MORTGAGES

INSURANCE FOR SECURED AIRCRAFT

ALL POLICIES MUST BE REVIEWED AND APPROVED BY THE BANK AND/OR ITS INSURANCE CONSULTANT, BEFORE THE FIRST LOAN ADVANCE:

AON REED STENHOUSE INC.
Suite 900, 10025 - 102A Avenue
Edmonton, Alberta T5J 0Y2
Attention: Danielle Boisvert
Telephone: (780) 423-9453
Facsimile: (780) 423-9876
Email: danielle.boisvert@aon.ca

GENERAL REQUIREMENTS

1. These Insurance Requirements outline only the protection required for the Bank's interests. The Borrower's interests will be different than the Bank's and the Borrowers must obtain its own advice as to appropriate coverages and details.
2. The forms, insurers, coverages, amounts, exclusions and deductibles are always subject to the Bank's discretion, having regard to the nature, location, value and risks. Without restricting that discretion, the Bank may require coverages not specifically mentioned or required.
3. Original policies and signatures on behalf of the insurer are required. The insurer(s), policy number(s) and policy term(s) must be shown on all insurance documentation. If actual policies are not available for the initial loan advance signed Binders or Certificates of Insurance will be accepted, provided the form and contents are satisfactory.
4. All policies must show the Borrowers and Lakelse Air Ltd. as a named insured.
5. All policies covering physical loss or damage must be for stipulated value of not less than the combined appraised value of the UHNLP Secured Aircraft and:
 - (a) provide coverage for all risks of physical loss or damage;
 - (b) include includes rotors in motion & rotors not in motion coverage;
 - (c) include terrorism, confiscation and war risk coverage;
 - (d) hull breach of warranty coverage
6. The Bank is to be shown as first or second loss payee up to the amount owing to the Bank under all policies covering physical loss or damage. Loss is to be payable using this wording:

"CANADIAN WESTERN BANK, 101, 1211 Summit Drive, Kamloops, BC as first loss payee."
7. The insurer may reserve the right to cancel the policy as permitted by statute but must agree that it will not terminate, make any adverse material change or otherwise alter the policy to the Bank's prejudice except by registered letter giving 30 days notification to the Bank.
8. The legal description of the Aircraft insured must be specified.
9. Commercial General Liability Insurance for bodily injury and/or death and damage to property of others in an amount acceptable to the Bank but in any case not less than \$20,000,000 for any one occurrence shall be in place for all loans. The Bank is to be shown as an Additional Insured under all Liability Insurance policies. At the option of the Bank, the policy shall include limited pollution liability.

SCHEDULE "C"

CONDITIONS PRECEDENT TO DRAWDOWN

The Bank shall be satisfied with the business, assets and financial condition of the Borrower and all security documentation and supporting agreements and documents must be completed in a form satisfactory to the Bank and its solicitors, and must be executed and registered, as appropriate, and the Bank shall have received a solicitor's letter of opinion with respect to the same.

The following conditions precedent must be fulfilled and documentation provided prior to the Bank having any obligation to advance:

Loan Segment No. 2

1. Conditions Precedent of Lakelse Helicopters Limited Partnership and 1167537 B.C. Ltd. are satisfied for advance of loans under the LHLP Agreement;
2. The Bank will require (2) full business days prior written notice of disbursement.

SCHEDULE "D"

GENERAL CONDITIONS

The Borrower agree that upon closing and thereafter:

1. no Event of Default has occurred and is continuing;
2. the Loan Maturity Date has not occurred;
3. no information provided by the Borrowers to the Bank contained any untrue statement of a material fact, or failed to disclose any material fact necessary to make the statements contained therein not materially misleading in light of the circumstances in which such statements were made;
4. the conditions of this Agreement and of all previous advances have been satisfied or waived;
5. to pay all sums of money when due under this Agreement;
6. to give the Bank prompt notice of any Event of Default or any event which, with notice or lapse of time or both, would constitute an Event of Default;
7. the loan advance for Loan Segment 2 no later than August 31, 2018 unless otherwise extended by the Bank;
8. no other loans may be secured against the UHNLP Secured Aircraft other than the Postponed Debt as outlined herein;
9. the Bank's opinions, approvals and decisions are in its sole discretion and are not subject to judicial review as to their reasonableness;
10. not to invest in, lend to, guarantee or otherwise provide for, on a direct or indirect or contingent basis, the payment of any monies or performance of any obligations by an unrelated third party except as provided herein, or with the prior written consent of the Bank, not to be unreasonably withheld;
11. not to change the parties of the limited partnership and not to make any distributions or redemptions without the prior written consent of the Bank, not to be unreasonably withheld;
12. not to change its name or merge, amalgamate or consolidate with any other corporation without the prior written consent of the Bank, not to be unreasonably withheld;
13. to insure and to keep fully insured the UHNLP Secured Aircraft as customarily insured by companies carrying on a similar business to that of the Borrowers including all risk hull insurance at stipulated value including terrorism, confiscation and war risks, breach of warranty coverage and Liability Insurance for \$20,000,000 including environmental pollution coverage;
14. to maintain adequate insurance on the UHNLP Secured Aircraft and acknowledges that failure to do so will hereby authorize the Bank to purchase insurance to protect the Bank's interest in the project to the value of the outstanding loan/mortgage. The Borrower authorizes the Bank to add the cost of said insurance to the loan/mortgage balance.
15. to file on a timely basis, all material tax returns which are or will be required to be filed, to pay or make provision for payment of all material taxes (including interest and penalties) and other potential Priority Claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;

16. to comply with all applicable environmental laws and regulations; to advise the Bank promptly of any breach of any environmental regulations or licenses or any control orders, work orders, stop orders, action requests or violation notices received concerning any of the Borrower's property; to comply with any such requests or notices, to diligently clean up any spills; and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environmental related liabilities existent now or in the future with respect to the Borrower's property;
17. to provide the Bank and its agents, nominees, and consultants with the right to enter the premises of the Borrowers from time to time, and to carry out such environmental reviews as the Bank in its sole discretion deems advisable and in that connection to make good faith enquiries with government agencies and to examine the records, books, assets, affairs and business operations of the Borrowers; and
18. to maintain and provide to the Bank upon request with copies of maintenance logs and flight books for the UHNLP Secured Aircraft held as security by the Bank;
19. UHNLP Secured Aircraft will be subject to approval of the Bank and will be airworthy at time of inclusion;

EVENTS OF DEFAULT:

1. The full amount of the indebtedness and liability of the Borrowers then outstanding, together with accrued interest and any other charges then owing by the Borrowers to the Bank shall, at the option of the Bank, forthwith be accelerated and be due and payable, and upon being declared to be due and payable, the securities shall immediately become enforceable and the Bank may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to collectively as the "Events of Default" or separately as an "Event of Default"):
 - (a) the Borrowers or any Guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
 - (b) there is a material breach by the Borrowers of any other term or condition contained in this Agreement or in any other agreement to which the Borrowers and the Bank are parties and the Borrowers has not corrected such breach within 15 days of notice having been provided to the Borrowers;
 - (c) any default occurs under the terms of any security to be provided in accordance with this Agreement or under any other credit, loan or security agreement to which the Borrowers are party and the Borrowers have not corrected such breach within 15 days of notice having been provided to the Borrowers;
 - (d) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other analogous proceedings are instituted by or against the Borrowers and, if instituted against the Borrowers are allowed against or consented to by the Borrowers or are not dismissed or stayed within 60 days after such institution;
 - (e) a receiver is appointed over any property of the Borrowers or any judgment or order or any process of any court becomes enforceable against the Borrowers or any property or any creditor takes possession of any property of the Borrowers;
 - (f) there have been Debt Servicing Deficit Corrections (as defined in the DSPRA) in excess of 10% of Fixed Charges each year for at least three consecutive years;
 - (g) an Event of Default occurs under the LHLA Agreement and/or any security documents granted thereunder;
 - (h) any Material Adverse Change occurs.

MISCELLANEOUS CONDITIONS:

1. The rights and remedies of the Bank pursuant to this Agreement and the securities taken pursuant hereto are cumulative and not alternative, and not in substitution for any other rights, remedies, or power of the Bank.
2. Any failure or delay by the Bank to exercise, or exercise fully, its rights and remedies pursuant to this Agreement and the securities taken pursuant hereto shall not be construed as a waiver of such rights and remedies.
3. In the absence of a formal Loan Agreement being entered into, this Agreement shall continue in full force and effect and shall not merge in any securities provided by the Borrowers to the Bank.
4. the Bank reserves the sole and absolute right to syndicate part or all of the loan facility contemplated herein, with various syndication partners with whom the Bank syndicates loans from time to time, on terms and conditions satisfactory to the Bank. A review will be completed by the Bank to establish the parameters, if any, available to have the involvement of the Borrowers with the selection of syndication partners;
5. This Agreement and the security documentation to be provided by the Borrowers pursuant hereto shall be construed in accordance with and governed by the laws of the Province of Newfoundland and Labrador, and applicable federal laws of Canada and Convention on International Interests in Mobile Equipment and Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment.

SCHEDULE "E"

REPORTING REQUIREMENTS AND COVENANTS

REPORTING REQUIREMENTS:

The Borrowers and/or the Guarantor, as applicable, agree to provide the undernoted information to the Bank:

For Lakelse Air Group:

1. Internally prepared consolidated financial statements of Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd. as at the end of each quarter including balance sheet, income statement, and year to date income statement with year over year comparison as well as comparison to budget by the 30th day of the following month;
2. Quarterly within 30 days of quarter-end listings of flying hours and maintenance costs, including invoices/receipts for same, for time-life components for each LHLP Secured Aircraft together with confirmation of deposit to the Maintenance Reserve Account of the amount stipulated in Section 2.03 of this Agreement;
3. Audited and unqualified consolidated financial statements of the Lakelse Helicopters Limited Partnership, prepared by a firm of qualified professional accountants within 120 days of the Borrowers' fiscal year-end;
4. Audited and unqualified financial statements of the Lakelse Air Ltd. prepared by a firm of qualified professional accountants within 120 days of the Borrowers' fiscal year-end;
5. Notice to Reader financial statements of 1167537 B.C. Ltd. prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
6. Annual desktop appraisal prepared by an external appraiser acceptable to the Bank of all LHLP Secured Aircraft commencing no later than April 30, 2019;
7. Annual site visit to Terrace, BC and inspection of available LHLP Secured Aircraft to be completed by a Bank Officer;
8. Copies of audits completed by Transport Canada and/or by any customer/lessee of Lakelse Helicopters Limited Partnership within 10 days of completion of the audit;
9. Annual payment confirmation for property tax and/or lease payments for the Secured Property of Lakelse Helicopters Limited Partnership and 1167537 B.C. Ltd.;
10. Annual business plan of Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd. the including budgeted consolidated profit and loss statements, cash flow, detailed aircraft flying hours and maintenance costs and capital expenditure forecasts for the upcoming fiscal year, showing purpose and source of financing within 120 days of previous fiscal year end;

For Universal Helicopters Group:

1. Internally prepared financial statements of the Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., as at the end of each quarter including balance sheet, income statement, and year to date income statement with year over year comparison as well as comparison to budget by the 30th day of the following month;
2. Quarterly within 30 days of quarter-end listings of flying hours and maintenance costs of Universal Helicopters Newfoundland and Labrador LP, including invoices/receipts for same, for time-life components for each UHNLP Secured Aircraft of together with confirmation of deposit to the Maintenance Reserve Account of the amount stipulated in Section 2.03 of this Agreement;

3. Audited and unqualified financial statements of Universal Helicopters Newfoundland and Labrador LP prepared by a firm of qualified professional accountants within 120 days of the Borrowers' fiscal year-end;
4. Notice to Reader financial statements of 70703 Newfoundland and Labrador Inc. prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
5. Annual desktop appraisal prepared by an external appraiser acceptable to the Bank of all UHNLP Secured Aircraft commencing no later than April 30, 2019;
6. Annual site visit to Goose Bay, Labrador and inspection of available UHNLP Secured Aircraft to be completed by a Bank Officer;
7. Copies of audits completed by Transport Canada and/or by any customer/lessee of Universal Helicopters Newfoundland and Labrador LP within 10 days of completion of the audit;
8. Annual business plan of Universal Helicopters Newfoundland and Labrador LP and 70703 Newfoundland and Labrador Inc., the including budgeted profit and loss statements, cash flow, detailed aircraft flying hours and maintenance costs and capital expenditure forecasts for the upcoming fiscal year, showing purpose and source of financing within 120 days of previous fiscal year end;

For Universal Holdings Group:

9. Internally prepared consolidated financial statements of the Universal Helicopters Holdings LP (consolidated) as at the end of each quarter including balance sheet, income statement, and year to date income statement with year over year comparison as well as comparison to budget by the 30th day of the following month;
10. Notice to Reader non-consolidated financial statements of the Universal Helicopters Holdings LP prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
11. Audited and unqualified consolidated financial statements of the Universal Helicopters Holdings LP prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
12. Notice to Reader financial statements of 81924 Newfoundland and Labrador Inc. prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
13. Annual business plan of Universal Helicopters Holdings LP including consolidated budgeted profit and loss statements, cash flow, detailed aircraft flying hours and maintenance costs and capital expenditure forecasts for the upcoming fiscal year, showing purpose and source of financing within 120 days of previous fiscal year end;

For the Ownership Group:

14. Audited and unqualified financial statements of the Tasiujatsoak Trust prepared by a firm of qualified professional accountants 180 days of the fiscal year-end;
15. Audited and unqualified financial statements of the Labrador Inuit Capital Strategy Trust prepared by a firm of qualified professional accountants 180 days of the fiscal year-end;

Any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which the Bank may from time to time require in its sole discretion, acting reasonably

COVENANTS

Article I. POSITIVE COVENANTS

Section 1.01 Unless otherwise agreed to in advance by the Bank in writing, acting reasonably in accordance with normal commercial lending practices, and without restricting the generality or enforceability of any of the other covenants herein contained, the Borrowers and each of the Guarantors, as applicable, agree that for so long as the Indebtedness or any part thereof remain outstanding:

- (a) The Borrowers and each of the Guarantors, as applicable, shall maintain their corporate or partnership existence, shall register and maintain their extra-territorial registrations in all required jurisdictions, and shall do all such acts and things as are necessary to permit it to carry on its business as presently carried on.
- (b) The Borrowers shall at all times carry and maintain, at their own cost, public liability, property damage and aircraft all risk hull insurance on the UHNLP Secured Aircraft, in each case in such form (including a loss payee and breach of warranty clause for physical damage) and in such types as may be customarily carried by air carriers engaged in the same or similar business and operating in a similar geographic area. Such insurance coverage shall be in amounts and form acceptable to the Bank, placed with insurance companies and underwriters acceptable to the Bank.
- (c) At least once each year, the Borrowers shall cause its insurance broker to furnish to the Bank a detailed report confirming the insurance then maintained on the UHNLP Secured Aircraft and other assets of the Borrower (together with certified copies of all policies and endorsements) to satisfy the requirements of this Agreement.
- (d) The Borrowers shall cause their insurance brokers to agree to advise the Bank in writing promptly of any default in the payment of any premium or of any other act or omission on the part of the Borrowers or Guarantors of which it might have knowledge and which might result in the invalidation or unenforceability, in whole or in part, of any such insurance. The Borrowers shall promptly deliver to the Bank copies of the policy endorsements on all such insurance.
- (e) Annually, the Bank may review the insurance coverage maintained by the Borrowers.
- (f) The Borrowers and the Guarantors, if applicable, shall maintain all material registrations, operating and other certificates, permits, licenses, and consents, from all local, municipal, territorial, provincial, and federal authorities, and shall pay all income, corporate, sales, value added, goods and services, property, employee, business or other taxes, assessments, charges, and the like assessed by any such governmental authority, as and when required by law, save and except for those income, corporate, sales, value added, goods and services, property, business or other taxes, assessments, charges and the like which are being disputed in good faith by the Borrower or any Guarantor and which have been disclosed in writing to, and acknowledged in writing by, the Bank.
- (g) The Borrowers shall ensure that the UHNLP Secured Aircraft charged as part of the Security remain continually registered as a commercial aircraft owned by them on the Canadian Civil Aircraft Register.
- (h) The Borrowers shall ensure that legal and beneficial ownership and custody and control of the UHNLP Secured Aircraft remain in the Borrower, and that all necessary operating certificates and registration certificates remain in the Borrowers, all in accordance with Applicable Laws.
- (i) The Borrowers shall be solely responsible for the airworthiness and maintenance of the UHNLP Secured Aircraft and shall keep and maintain the UHNLP Secured Aircraft in a fully operative and airworthy condition in conformity with any recommendation that may from time to time be made by the manufacturer of such UHNLP Secured Aircraft, and shall operate and maintain the UHNLP Secured Aircraft in conformity with all Applicable Laws, orders, rules, regulations, and directives of governmental departments, boards, or authorities, including, without limiting the generality of the foregoing, those of the Department of Transport relating to the

maintenance or storage of the UHNLP Secured Aircraft and in conformity with any limitations or restrictions of performance that may from time to time be recommended by the manufacturer of the Aircraft.

- (j) The Borrowers shall, at the request of the Bank, provide copies of any inspections of the UHNLP Secured Aircraft completed by any other lender to the extent those inspections were provided to the Borrowers. If no such inspection has been completed within the preceding 12-month period, the Bank or its agents shall have the right at all reasonable times during normal business hours and subject to the availability of the UHNLP Secured Aircraft, to fully inspect such UHNLP Secured Aircraft and any parts of them, and any documents relating to such UHNLP Secured Aircraft, to determine the condition of such UHNLP Secured Aircraft and to further determine whether the Borrowers are performing according to the covenants contained in this Agreement. The reasonable costs of these inspections shall be borne by the Borrowers.
- (k) The Borrowers shall operate the UHNLP Secured Aircraft for commercial purposes only and shall maintain all records, logs, and other material, both at all times in conformity with all the Applicable Laws, orders, rules, regulations, and directives of governmental departments, boards, or authorities, including, without limiting the generality of the foregoing, those of the Department of Transport and of the Canadian Transportation Agency.
- (l) The Borrowers shall base the UHNLP Secured Aircraft within the geographical limits of Canada, and shall use, maintain, or store the UHNLP Secured Aircraft in compliance with all the provisions of the insurance policies maintained on the Aircraft.
- (m) The Borrowers shall duly and punctually pay and cause to be paid all Creditors and any parties performing work or supplying materials in relation to the UHNLP Secured Aircraft, or any part thereof at the Borrower's request, and shall duly and punctually pay and discharge any and all liens save and except such liens, if any, as may be duly and validly contested by the Borrowers.

Article II. FINANCIAL COVENANTS AND MARGIN

Section 2.01 Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd. agree to maintain Financial Covenants outlined and defined below.

The following Financial Covenants will be tested quarterly based on the consolidated financial statements of Universal Helicopters Holdings LP commencing the fiscal year ending December 31, 2018 and each fiscal year thereafter:

- a) Trailing Fixed Charge Coverage Ratio of not less than 1.25:1 based on a rolling 4 quarter average with the first quarter to be included ending December 31, 2018 and the first quarterly test being September 30, 2019:

(EBITDA – Unfunded Capital Expenditures + Contributions + Partner Postponed Debt + HP Upgrade + Bargain Purchase Gains– see definition)

divided by

Fixed Charge + Earn Out Payments

Notwithstanding a) above, a 60 day cure period will be provided to permit Contributions and/or Partner Postponed Debt which will be used to calculate the Trailing Fixed Charge Coverage Ratio as set out in subparagraph a) above.

- b) Debt to Tangible Net Worth Ratio not greater than 1.50:1.
- c) Current Ratio not less than 1.0:1.

Section 2.02 Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd. (the "Universal Group") agree to maintain:

Loan to Orderly Liquidation Value ratio of all LHLP Secured Aircraft and UHNLP Secured Aircraft (collectively the "Secured Aircraft") not to exceed 60% to be tested utilizing a margin of: a) the combined orderly Liquidation values of all the Secured Aircraft translated at current foreign exchange rates plus the balance of all of the Universal Group Hypothecated Maintenance Reserve Account(s), and b) the combined balances of all Loans from the Bank to the Universal Group. This covenant will be tested annually, commencing no later than April 30, 2019. A 60 day cure period will be provided to rectify any margin deficit.

Section 2.03 The Borrowers agree to maintain a Hypothecated Maintenance Reserve Account with the Bank as follows:

- (i) Quarterly USD deposits to the Maintenance Reserve Account based the following equation: $(a \times b) - c$
 - a) the combined hourly flying time for all UHNLP Secured Aircraft for each quarterly fiscal period of the Borrowers;
 - b) the Component Burn Rate of the UHNLP Secured Aircraft by aircraft type based on current values and subject to update.
 - c) Disbursements from the account to fund time-life components repair, replacement and/or overhaul on the UHNLP Secured Aircraft and Rotables.
- (ii) Disbursements from the Maintenance Reserve Account are subject to the Bank's approval of the costs based on receipt of an invoice or confirmation of payment for a time life component on a UHNLP Secured Aircraft or for Rotables. Minimum disbursement is USD \$5,000. All costs incurred commencing September 1, 2017 shall be eligible to disburse;
- (iii) At all times the minimum balance of the Maintenance Reserve Account will be USD \$200,000;
- (iv) Annually, based on the current desk top fair market appraisal of the UHNLP Secured Aircraft, the combined value for all Time Life Components of the UHNLP Secured Aircraft must be more than the combined value mid-life value of all Time Life Components for all UHNLP Secured Aircraft. If this is not the case, no disbursements will be authorized by the Bank from Maintenance Reserve Account until such time as the amount of the negative variance is covered by deposits to the Maintenance Reserve Account and/or confirmation of payment for Time Life Component repair, replacement and/or overhaul for the UHNLP Secured Aircraft and Rotables.

DEFINITIONS:

1. ASPE: means Accounting Standards for Private Enterprises.
2. EBITDA: means consolidated net income plus or minus to the extent deducted or added in determining the net income for such period:
 - Tax expense or tax benefit in respect of current tax and deferred tax;
 - Interest expense, amortization or write-off of capitalized finance charges;
 - Foreign exchange gains and losses;
 - Charges or adjustments relating to fair market value adjustments to liabilities;
 - Amortization and Depreciation;
 - Gains and losses on sale of assets;
 - Items outside the ordinary course of business and unusual or non-recurring items;
3. Fixed Charge: Means, on a consolidated basis, Interest Expense, plus current portion of long term debt.
4. Interest Expense: Means interest charges on Debt and the interest component of capitalized leases.
5. Time Life Components: any part for a UHNLP Secured Aircraft for which a mandatory replacement limit is specified in the type design, the instructions for airworthiness or the maintenance manual.

6. Component Burn Rate: the total hourly costs for all the Time Life Components on the UHNLP Secured Aircraft by aircraft type as determined by the current appraisal and mid-life valuation for the UHNLP Secured Aircraft.
7. Unfunded Capital Expenditures: all capital expenditures less any capital expenditures funded by Permitted Debt, Postponed Debt or by the proceeds of any Contributions.
8. Debt: all liabilities listed on the balance sheet less loans from shareholders, partners or affiliates specifically postponed to the Bank.
9. Tangible Net Worth: the aggregate of capital, retained earnings, shareholder, partner and affiliated company loans specifically postponed to the Bank Intangibles.
10. Current Ratio: current assets listing on the balance sheet of the Borrower divided by current liabilities listed on the balance sheet of the Borrower.
11. Contribution(s): one or more contributions of capital, in the form of money by a limited partner of the Universal Helicopters Holdings LP.
12. HP Upgrade: For the fiscal 2018 EBITDA calculation of the costs of the work to be completed, which are not to exceed CAD \$800,000, on the LHLP Secured Aircraft 1973 Bell 212 MSN 30535 resulting in the helicopter being re-classified as a Bell 212HP.
13. Bargain Purchase Gains: For the fiscal 2018 EBITDA calculation, the portion of any bargain purchase gains recorded in the consolidated financial statements of Lakelse Helicopters LP in accordance with ASPE, representing the total of revenues less expenses of Lakelse Air Ltd. from the effective closing date of June 30, 2018 until the closing date of the purchase of the assets and shares from the Bear Creek Group.
14. Earnout Payment: Post closing payments made to the Bear Creek Group relating to the purchase of shares of Lakelse Air Ltd. as more particularly described below which is reproduced from the Purchase Agreement dated July 19, 2018 between the Borrower, the Subordinate Lender and Ian Munson:

Net Earnings ranging From: To:		Fiscal Years Ending December 31				
		2018	2019	2020	2021	2022
\$0	\$500,000	5.00%	5.00%	5.00%	5.00%	5.00%
\$500,000	\$1,000,000	10.00%	10.00%	10.00%	10.00%	10.00%
\$1,000,000	\$1,500,000	15.00%	15.00%	15.00%	15.00%	15.00%
\$1,500,000	\$2,000,000	20.00%	20.00%	20.00%	20.00%	20.00%
\$2,000,000	\$2,500,000	25.00%	25.00%	25.00%	25.00%	25.00%
\$2,500,000	unlimited	50.00%	50.00%	50.00%	50.00%	50.00%
Minimum Annual Payment Amount		\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Maximum Annual Payment Amount		\$500,000	\$600,000	\$700,000	\$800,000	\$900,000
Annual Payment Payable		April 30, 2019	April 30, 2020	April 30, 2021	April 30, 2022	April 30, 2023

Article III. NEGATIVE COVENANTS

Section 3.01 Neither the Borrowers nor any of the Guarantors, if applicable, shall, without the prior written consent of the Bank, (not to be unreasonably withheld):

- (a) Change the nature of its business as conducted on the date hereof.

- (b) Create any Liens ranking or purportedly ranking ahead of or *pari passu* with the Security held or required to be provided in favour of the Bank other than Permitted Encumbrances.
- (c) Sell, convey or dispose of (other than in the ordinary course of business), or encumber any of the UHNLP Secured Aircraft to any other entity.
- (d) Use or operate the UHNLP Secured Aircraft or permit it to be used or operated illegally or contrary to any applicable laws, regulations, orders, rules, or directives of any power or government or agency thereof having jurisdiction or contrary to any requirements under applicable insurance policies.
- (e) Base or operate the UHNLP Secured Aircraft outside Canada. If the Borrowers requests consent from the Bank, at its sole discretion, may withhold and if consent is granted will require the Borrowers has taken all steps at its expense to:
 - (i) register the Lender's interest in the UHNLP Secured Aircraft this Loan Agreement or the Security at all offices of record as may be necessary or desirable to record the Lender's interest in the UHNLP Secured Aircraft and provide proofs of the same to the Bank; and
 - (ii) extend any policies of insurance to allow for operation of the UHNLP Secured Aircraft in such additional area and provide proofs of the same to the Bank.
- (f) Fail to perform any covenant required to be performed under this Agreement.
- (g) Discontinue, alter or cancel its corporate registration or extra-territorial registrations.



SCHEDULE "F"

SCHEDULE – STANDARD LOAN TERMS

ARTICLE 1 – GENERAL

- 1.1. **Interest Rate.** You will pay interest on each Loan at nominal rates per year at the rate specified in this Agreement.
- 1.2. **Floating rate of interest.** Each floating rate of interest provided for under this Agreement will change automatically, without notice, whenever the Bank's Prime Rate changes.
- 1.3. **Payment of interest.** Interest is calculated on the daily balance of the Loan at the end of each day. Interest is due once a month, unless the Agreement states otherwise. Unless you have made other arrangements with us, we will automatically debit your Operating Account for interest amounts owing. If your Operating Account is in overdraft and you do not deposit to the account an amount equal to the monthly interest payment, the effect is that we will be charging interest on overdue interest (which is known as compounding). Unpaid interest continues to compound whether or not we have demanded payment from you or started a legal action, or get judgment, against you.
- 1.4. **Fees.** You will pay the Bank's fees for the Loans as outlined in the Agreement. You will also reimburse us for all reasonable fees (including legal fees on a solicitor and his own client basis) and out-of-pocket expenses incurred in registering any security, and in enforcing our rights under this Agreement or any security. We will automatically debit your Operating Account for fee amounts owing.
- 1.5. **Our rights re demand Loans.** We believe that the banker-customer relationship is based on mutual trust and respect. It is important for us to know all the relevant information (whether good or bad) about your business. Canadian Western Bank is itself a business. Managing risks and monitoring our customers' ability to repay is critical to us. We can only continue to lend when we feel that we are likely to be repaid. As a result, if you do something that jeopardizes that relationship, or if we no longer feel that you are likely to repay all amounts borrowed, we may have to act. We may decide to act, for example, because of something you have done, information we receive about your business, or changes to the economy that affect your business. Some of the actions that we may decide to take include requiring you to give us more financial information, negotiating a change in the interest rate or fees, or asking you to get further accounting assistance, put more cash into the business, provide more security, or produce a satisfactory business plan. It is important to us that your business succeeds. We may demand immediate repayment of any outstanding amounts under any demand Loan. We may also, at any time and for any cause, cancel the unused portion of any demand Loan.
- 1.6. **Payments.** If any payment is due on a day other than a Business Day, then the payment is due on the next Business Day.
- 1.7. **Applying money received.** If you have not made payments as required by this Agreement, or if you have failed to satisfy any term of this Agreement (or any other agreement you have that relates to this Agreement), or at any time before default but after we have given you appropriate notice, we may decide how to apply any money that we receive. This means that we may choose which Loan to apply the money against, or what mix of principal, interest, fees and overdue amounts within any Loan will be paid.
- 1.8. **Information requirements.** We may from time to time reasonably require you to provide further information about your business. We may require information from you to be in a form acceptable to us.
- 1.9. **Insurance.** You will keep all our business assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for property such as yours (plus for any other risks we may reasonably require). If we request, these policies will include a loss payee clause (and if you are giving us mortgage security, a Standard Mortgage Clause). As further security, you assign all insurance proceeds to us. If we ask, you will give us either the policies themselves or adequate evidence of their existence. If your insurance coverage for any reason stops, we may (but do not have to) insure the property. We will automatically debit your Operating Account for this amount. In the event there are no funds on deposit, we may add the insurance cost to your Loan. Finally, you will notify us immediately of any loss or damage to the property.
- 1.10. **Environmental Matters.** You will carry on your business, and maintain your assets and property, in accordance with all applicable environmental laws and regulations. If (a) there is any release, deposit, discharge or disposal of pollutants of any sort (collectively, a "Discharge") in connection with either your business or your property, and we pay any fines or for any clean-up, or (b) we suffer any loss or damage as a result of any Discharge, you will reimburse the Bank, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts (including amounts spent preparing any necessary environmental assessment or other reports, or defending any lawsuits) that result. If we ask, you will defend any lawsuits, investigations or prosecutions brought against the Bank or any of its directors, officers, employees and agents in connection with any Discharge. Your obligation to us under this section continues even after all Loans have been repaid and this Agreement has terminated.
- 1.11. **Consent to release information.** We may from time to time give any loan or other information about you to, or receive such information from, (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any person, firm or corporation with whom you may have or propose to have financial dealings, and (c) any person, firm or corporation in connection with any dealings you have or propose to have with us. You agree that we may use that information to establish and maintain your relationship with us and offer any services as permitted by law, including services and products offered by our subsidiaries when it is considered that this may be suitable to you.
- 1.12. **Proof of debt.** This Agreement provides the proof, between the Bank and you, of the loans made available to you. There may be times when

the type of loan you have requires you to sign additional documents. Throughout the time that we provide you loans under this Agreement, our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).

different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate.

1.13. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign. No modification of this Agreement or any Security shall be effective without the prior written agreement of the Bank, and each Borrower and Guarantor party to such document.

(c) **Demand of Fixed Rate Demand Non-Revolving Loans.** If you have a Fixed Rate Demand Non-Revolving Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of: three (3) months interest calculated on the unpaid balance at the rate authorized or the Bank's Unwinding Costs.

1.14. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.

1.15. **Pre-conditions.** You may use the Loans granted to you under this Agreement only if:

- (a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrow and give security;
- (b) all the required security has been received and registered to our satisfaction;
- (c) any special provisions or conditions set forth in the Agreement have been complied with; and
- (d) if applicable, you have given us the required number of days notice for a drawing under a Loan.

1.16. **Notices.** We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.

1.17. **Non-Revolving Loans.** The following terms apply to each Non-Revolving Loan:

- (a) **Non-revolving Loans.** Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.
- (b) **Floating Rate Non-Revolving Loans.** Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:
 - (i) **Blended payments.** If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate. If the Prime Rate during any month is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we choose to do so.
 - (ii) **Payments of fixed principal plus interest.** If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be

21. ARTICLE 2 – DEFINITIONS

2.1. **Definitions.** In this Agreement, the following terms have the following meanings:

"Agreement" means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached.

"Business Day" means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

"Cash Collateral Account" means funds on deposit held by the Bank in an interest bearing account pending satisfaction of certain terms and/or conditions.

"Customer Automated Funds Transfer (CAFT)" is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

"CWB Branch/Centre" means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

"Demand Non-Revolving Loan" means an installment loan that is payable upon demand. Such a Loan may be either at a fixed or a floating rate of interest.

"Fixed Rate Loan" means any loan drawn down, converted or extended under a Loan at an interest rate which was fixed for a term, instead of referenced to a floating rate such as the Prime Rate or U.S. Base Rate, at the time of such drawdown, conversion or extension.

"Intangibles" means assets of the business that have no value in themselves but represent value. They include but are not limited to such things as copyright, goodwill, patents and trademarks; franchises, licenses, leases, research and development costs, deferred development costs, investments in and advances to affiliated companies or entities, and any other asset determined by the Bank to be intangible.

"Lakelse Secured Aircraft" has the same meaning as in the LHLP Agreement.

"Lease-Up Reserve" means the amount of the Loan that is funded into a Cash Collateral Account pending lease-up of the Project in accordance with the Loan authorization.

"Letter of Credit" or *"L/C"* means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

"LHLP Agreement" means the Commitment Letter dated August 2, 2018 between, inter alia, the Bank and Lakelse Helicopters Limited Partnership and 1167537 BC Ltd. as Borrowers;

"Lien" includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

"Loan" means any loan segment referred to in the Agreement and if there are two or more segments, "Loan" includes reference to each segment.

"Loan Amount" of any Loan means the amount specified in the Agreement and if there are two or more segments, "Loan Amount" includes reference to each segment.

"Loan Maturity Date" means for each of Loan Segment 1 and Loan 2, the last day of the term of each loan, meaning the date the loan is to be repaid or as each loan may be extended by for further term, at the option of the Bank.

"Mandatory Capital Expenditures" means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

"Material Adverse Change" means any material adverse change in the financial condition, ownership and/or operation or business activities of the Borrowers, or any Guarantor, and/or any material adverse change in the condition of any property or equipment, including but not limited to the UHNLP Secured Aircraft and Rotables, of the Borrower and/or any Guarantor, if applicable.

"Normal Course Lien" means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

"Operating Account" means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

"Permitted Debt" means, without duplication:

- (a) trade payables of the Borrowers incurred in the ordinary course of business;
- (b) all Debt of the Borrowers to the Bank;
- (c) all Debt of the Borrowers to Bank of Montreal;

- (d) all Postponed Debt;
- (e) Provided that incurring the following additional Debt, in aggregate or separately, does not result in a breach by the Borrower of any financial covenant under this Agreement:
 - i. Debt in respect of Purchase Money Liens, capital leases and operating leases and unsecured; and
 - ii. such other Debt agreed to in writing by the Bank.

"Permitted Encumbrances" means, as at any particular time, any of the following Liens on the property or any portion of the property of any Borrower:

- (a) Normal Course Liens;
- (b) Purchase Money Liens, subject to Permitted Debt subparagraph (e) (i) of this Agreement;
- (c) easements, rights-of-way, servitudes or other similar rights in and (including rights-of-way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons and other minor defects, encumbrances, encroachments and restrictions which either alone or in the aggregate do not materially detract from the value of such land or materially impair its use;
- (d) Liens in favour of Bank of Montreal;
- (e) Liens in favour of the Bank;
- (f) all Security Interests securing the Indebtedness described in paragraphs (f) of the definition of Permitted Debt;
- (g) all Liens securing Postponed Debt;
- (h) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the preceding paragraphs (a) to (f) inclusive of this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the principal amount of the indebtedness or obligation secured thereby is not increased, without the consent of the Bank, acting reasonably;
- (i) existing leases, excluding than any leases of UHNLP Secured Aircraft and/or Rotables, offers to lease and occupancy agreements, whether recorded or not; and
- (j) all such other claims and Liens agreed to in writing by the Bank.

"Postponed Debt" means any debt owed by you that has been formally postponed to the Bank.

"Prime Rate" means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

"Principal Sum" means the loan balance outstanding.

"Priority Claims" means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

"Purchase Money Lien" means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

"Secured Property" has the same meaning as in the LHLF Agreement;

"Shareholders' Equity" means paid-in capital, retained earnings and attributed or contributed surplus.

"Standard Overdraft Rate" means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

"Unwinding Costs" means the costs the Bank incurs when a Fixed Rate Loan is paid out early. The unwinding costs are calculated using the outstanding principal and interest of each of the Loan on the day of repayment (the "Repayment Date"), and are the difference between the dollar value of interest that the Bank would receive under the Interest Rate for each Loan for the remaining term of the Loan, and the dollar value of interest that the Bank would receive from the bid side yield for Government of Canada securities with the same principal amount and maturity date as the Loan on the Repayment Date, for the remaining term of the Loan.

"U.S. Base Rate" means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.



August 31, 2018

**Universal Helicopters Newfoundland and Labrador LP and
70703 Newfoundland and Labrador Inc.**
P.O. Box 529, Station C,
82 Winnipeg Street,
Goose Bay, Labrador, NL A0P 1C0

Attention: Shane Cyr

Dear Sir

Re: First Amendment to Commitment Letter dated August 2, 2018

The following amendments have been authorized; all other terms and conditions of the Commitment Letter dated August 2, 2018 remain in full effect.

1. Schedule "D" Article 7 is deleted and replaced by the following:

the loan advance for Loan Segment 2 shall be no later than September 28, 2018 unless otherwise extended by the Bank;

2. Schedule "E" – Covenants Article II, Section 2.03, 14. is deleted and replaced with the following:

Earnout Payment: Post closing payments made to the Bear Creek Group relating to the purchase of shares of Lakelse Air Ltd. as more particularly described below which is reproduced from the Purchase Agreement dated July 19, 2018 between the Borrower, the Subordinate Lender and Ian Munson:

Net Earnings ranging		Fiscal Years Ending December 31				
From:	To:	2018	2019	2020	2021	2022
\$0	\$500,000	5.00%	5.00%	5.00%	5.00%	5.00%
\$500,000	\$1,000,000	10.00%	10.00%	10.00%	10.00%	10.00%
\$1,000,000	\$1,500,000	15.00%	15.00%	15.00%	15.00%	15.00%
\$1,500,000	\$2,000,000	20.00%	20.00%	20.00%	20.00%	20.00%
\$2,000,000	\$2,500,000	25.00%	25.00%	25.00%	25.00%	25.00%
\$2,500,000	unlimited	50.00%	50.00%	50.00%	50.00%	50.00%
Minimum Annual Payment Amount		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Maximum Annual Payment Amount		\$100,000	\$300,000	\$600,000	\$700,000	\$800,000
Annual Payment Payable		April 30, 2023	April 30, 2023	April 30, 2023	April 30, 2023	April 30, 2023

ACCEPTANCE:

To become effective, this Agreement must be accepted in writing by the Borrowers and Guarantors

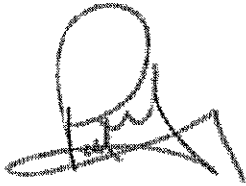
If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return a copy of this letter.

This Agreement will expire if not accepted by August 31, 2018.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,

CANADIAN WESTERN BANK



Peter Greenway
Director, Aviation Financing Centre




Riley Felton
Manager, Aviation Financing


ACKNOWLEDGEMENT:

The Borrowers and the Guarantors certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWERS:


LAKELSE HELICOPTERS LIMITED PARTNERSHIP 1167537 B.C. LTD
BY ITS GENERAL PARTNER, BY ITS AUTHORIZED
SIGNATORY(IES):
1167537 B.C. LTD.,
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: 
Shane Cyr, President and CEO
Date: 31 Aug 18


Signed: 
Shane Cyr, President and CEO
Date: 31 Aug 18

GUARANTORS:


LAKELSE AIR LTD.
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: 
Shane Cyr, President and CEO

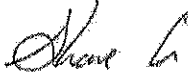
**UNIVERSAL HELICOPTERS
LABRADOR INC.
NEWFOUNDLAND AND LABRADOR LP**
BY ITS GENERAL PARTNER,
70703 NEWFOUNDLAND AND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: 
Shane Cyr, President and CEO
Date: 31 Aug 18

**70703 NEWFOUNDLAND AND
BY ITS AUTHORIZED SIGNATORY(IES):**

Signed: 
Shane Cyr, President and CEO
Date: 31 Aug 18

UNIVERSAL HELICOPTERS HOLDINGS LP
BY ITS GENERAL PARTNER,
81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):



Signed: _____
Shane Cyr, President and CEO

Date: 31 Aug 18

81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):



Signed: _____
Shane Cyr, President and CEO

Date: 31 Aug 18

TASIJJATSOAK TRUST
TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____

Signed: _____

Date: _____

LABRADOR INUIT CAPITAL STRATEGY
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: _____

Signed: _____

Date: _____



June 5, 2019

Universal Helicopters Newfoundland and Labrador LP and
70703 Newfoundland and Labrador Inc.
P.O. Box 529, Station C,
82 Winnipeg Street,
Goose Bay, Labrador, NL A0P 1C0.

Attention: Shane Cyr

Dear Sir:

On the basis of the financial statements and other information provided by Universal Helicopters Newfoundland and Labrador LP and 70703 Newfoundland and Labrador Inc. jointly and severally (collectively the "Borrowers" or individually the "Borrower") and Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd., Lakelse Air Ltd., Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Tasiujatsoak Trust and Labrador Inuit Capital Strategy Trust (collectively the "Guarantors" or individually the "Guarantor") in connection with your request for financing, Canadian Western Bank (the "Bank") has authorized the following loan(s) subject to the terms and conditions outlined in this Commitment Letter (the "Agreement").

1. LOAN AMOUNT:

Segment No. 1: Term Loan with original principal amount of CAD \$8,500,000 advanced November 30, 2017 with current balance of \$7,649,780.62.

Segment No. 2: Term Loan CAD \$4,000,000 advanced September 6, 2018 with current balance of \$3,822,163.10.

Collectively referred to from time to time as "the Loan or Loans".

2. PURPOSE OF LOANS:

Segment No. 1: to assist in the purchase and/or refinancing of the 19 helicopters (referred to as the "UHNLP Secured Aircraft") with source and use of funds as follows:

<u>Source</u>		<u>Use</u>	
CWB Term Loans	\$ 8,500,000	Refinance Loan with Maynard's	\$ 4,500,000
		Refinance Loan with BMO	\$ 2,300,000
		Maint. Reserve and Closing Costs	\$ 1,700,000
Totals	\$ 8,500,000		\$ 8,500,000

Segment No. 2: to assist with the purchase of the assets and shares of Lakelse Air Ltd. and the helicopters owned by related company, Bear Creek Contracting Ltd.

3. INTEREST RATE:

Loan Segment No. 1: The interest rate payable is fixed at an annual rate of 5.375% for a 5 year term, calculated and compounded monthly, not in advance.

Loan Segment No. 2: The interest rate payable is floating rate at 2.00% per annum above the Bank's Prime Lending Rate ("Prime"). As of the date of this Agreement the Bank's Prime is 3.95%.

Unless otherwise specified, all interest shall be payable on demand on the date specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

4. **SCHEDULED REPAYMENT, TERM & MATURITY DATE:**

Segments No. 1: The Borrowers shall make monthly payments sufficient to amortize the Loan over a 10 year period in 9 blended monthly payments of \$115,321.23 from April to December and interest only payments from January to March.

Segments No. 2: The Borrowers shall make monthly payments sufficient to amortize the Loan over a 10 year period in monthly blended payments from April to December and interest only payments from January to March.

Each Loan is repayable in full at the end of the term, which is to be selected at draw down, together with all interest, costs and charges, the earlier the Loan Maturity Date, or the date payment is demanded as a result of an Event of Default by the Borrower;

5. **MANDATORY REPAYMENTS:**

5.1. Lakelse Helicopters Limited Partnership Secured Aircraft and Universal Helicopters Holdings LP Secured Aircraft, referred to as the "UHHLP Secured Aircraft" dispositions: 100% of the net sale proceeds shall be applied to the outstanding Loan balances as a permanent reduction unless otherwise agreed to by the Bank acting reasonably. Notwithstanding the foregoing, the Bank agrees up to and including December 31, 2019 to allow the Borrowers to sell up to 2 UHHLP Secured Aircraft with sale proceeds directed as follows:

- a) retain up to USD \$2,500,000 provided same are deposited to the Combined Maintenance Reserve Account (the "MRA") and utilized as per Article II Section 2.03 of this Agreement;
- b) utilize up to an additional USD \$2,000,000 to:
 - i. fund up to 100% of the purchase(s) of additional UHHLP Secured Aircraft which are to be financed by the Bank subject to the Conditions Precedent in Schedule C of this Agreement; and/or
 - ii. apply as lump sum payment to the outstanding Term Loan balances as a permanent reduction with any funds not utilized for a purchase of a Secured Aircraft as at December 31, 2019 to be applied accordingly.

5.2. 100% of all insurance proceeds from the Lakelse Secured Aircraft shall be applied to the outstanding Loan balances as a permanent reduction unless otherwise agreed to by the Bank acting reasonably;

5.3. Within 180 days of the Borrowers' fiscal year end an Annual Cash Flow Sweep "ACFS", calculated as follows:

- 50% of the Consolidated Net Free Cash Flow of Universal Helicopters Holdings LP (consolidated) defined as follows: EBITDA Less Unfunded Capital Expenditures Less Fixed Charges Less Earnout Payments (see Article II Schedule E for further definitions)
- The ACFS principal payment shall be applied to the outstanding Loan balances of the Borrower and/or Universal Newfoundland and Labrador LP to CWB, as determined by Universal Helicopters Holdings LP;
- No change will be made to the Scheduled Repayment as detailed in Section 5 above;
- Maximum ACFS is \$700,000 per annum;

7. **PREPAYMENT:**

7.1. Prepayment on Prime Rate Loans is permitted without penalty at any time.

7.2. With the exception of prepayments made under Article 5 above which are permitted without penalty for Fixed Rate Loans any other prepayment(s) of Fixed Rate Loan(s) by the Borrower may be made in full, but not in part, of the sum of the unpaid principal balance under the Loan(s) with payment of a prepayment charge equal to the greater of the following:

- (a) three (3) months interest calculated on the unpaid principal balance at the rate provided herein; or

(b) a prepayment charge equal to the Bank's Unwinding Costs

8. FEES:

The Borrower shall pay to the Bank the fees and costs as outlined below:

- a) The Borrower shall pay an Annual Review Fee of \$5,000 each year in conjunction with the annual review (based on the Borrower's fiscal year-end financial statements and other information) of the Loan(s);
- b) The Bank's reasonable travel expenses for initial and annual aircraft inspections.

9. SECURITY AND SUPPORTING DOCUMENTS:

The attached Schedule "A" forms part of this Agreement.

10. INSURANCE:

The attached Schedule "B" forms part of this Agreement.

11. CONDITIONS PRECEDENT TO DRAWDOWN:

The attached Schedule "C" forms part of this Agreement.

12. GENERAL CONDITIONS/EVENTS OF DEFAULT:

The attached Schedule "D" forms part of this Agreement.

13. REPORTING REQUIREMENTS AND COVENANTS:

The attached Schedule "E" forms part of this Agreement.

14. STANDARD LOAN TERMS & DEFINITIONS:

The attached Schedule "F" forms part of this Agreement. Where there may be conflict between terms in this Agreement and the Standard Loan Terms in Schedule "F", the terms in the Agreement shall take precedence.

15. INTEREST AND FEES:

The Bank has underwritten the Loan to the Borrower on the basis the interest rate and fees provided for in this letter will be paid to the Bank over the period from the date of acceptance of this letter to the Loan Maturity Date and that the Loan will be fully repaid by the Loan Maturity Date. The Borrower acknowledges to the Bank that unless the Loans have been repaid in full on or before the Loan Maturity Date or the current Loan Maturity Date has been extended by agreement in writing between the Borrower and the Bank on or before the current Loan Maturity Date, then the Bank is entitled, acting reasonably in accordance with normal commercial lending practices, to be compensated for:

- (i) loss of ability to earn additional fee income on the Loan principal after the Loan Maturity Date;
- (ii) loss of opportunity to reinvest the Loan funds at then current market rates after the Loan Maturity Date; and
- (iii) the increased risk to the Bank of the Loan being outstanding after the Loan Maturity Date;

16. **COSTS:**

The reasonable cost of all appraisals and environmental reports; the legal costs of the Bank on a solicitor-client basis; costs of the Bank's insurance consultant and all other reasonable out-of-pocket expenses incurred in the approval and making of the Loan and the preparation, execution, delivery and registration of the Security and Supporting Documents (including the cost of delivering copies of any documents required by law to be given to the Borrower or any other party) or in the collection of any amount owing under the terms of the Loan shall be for the account of the Borrower and may be debited to advances to be made under the terms of the Loan. Until paid, all such costs and expenses shall bear interest at the rate described in Section 3 of this Agreement.

17. **ASSIGNMENT BY BORROWER:**

The Borrowers shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

18. **BANK'S COUNSEL:**

Legal work and documentation to be performed at the Borrower's expense through the Bank's counsel as outlined below. Given the nature of the transaction, billing will be completed on an hourly basis plus disbursements.
Margot McMillan, McMillan Dubo Law Group
Phone: (778) 765-1712
Email: margot@mcmillandubo.com

19. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that if, in the opinion of the Bank, any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower, any obligation by the Bank to advance all or any portion of any unadvanced Loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

20. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower(s) and/or any Guarantor(s) hereafter, and the advancement of any funds by the Bank. In the event of a conflict between the security documents and the terms of this Agreement, the terms of the security documents shall govern.

24. **ACCOUNTING CHANGES:**

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

25. ACCEPTANCE:

To become effective, this Agreement must be accepted in writing by the Borrowers and Guarantors.

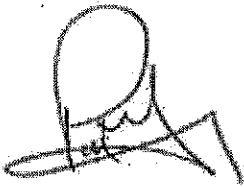
If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return a copy of this letter.

This Agreement will expire if not accepted by June 21, 2019.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,

CANADIAN WESTERN BANK



Peter Greenway
Director, Aviation Financing Centre



Riley Felton
Manager, Aviation Financing

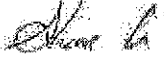
ACKNOWLEDGEMENT:


Each of the Borrowers and the Guarantors certifies that any and all information it has provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWERS:

**UNIVERSAL HELICOPTERS
NEWFOUNDLAND AND LABRADOR LP
BY ITS GENERAL PARTNER,
70703 NEWFOUNDLAND AND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):**

**70703 NEWFOUNDLAND AND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):**


Signed: 
Shane Cyr, President and CEO
Date: 12 June 19


Signed: 
Shane Cyr, President and CEO
Date: 12 June 19

GUARANTORS:


**LAKELSE HELICOPTERS LIMITED PARTNERSHIP
BY IT'S GENERAL PARTNER,
1167537 B.C. LTD.
BY ITS AUTHORIZED SIGNATORY(IES):**

**1167537 B.C. LTD.
BY ITS AUTHORIZED SIGNATORY(IES):**


Signed: 
Shane Cyr, President and CEO
Date: 12 June 19

Signed: 
Shane Cyr, President and CEO
Date: 12 June 19


**LAKELSE AIR LTD.
BY ITS AUTHORIZED SIGNATORY(IES):**

Signed: 
Shane Cyr, President and CEO
Date: 12 June 19


UNIVERSAL HELICOPTERS HOLDINGS LP
BY ITS GENERAL PARTNER,
81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: 
Shane Cyr, President and CEO
Date: 12 June 19

81924 NEWFOUNDLAND LABRADOR INC.
BY ITS AUTHORIZED SIGNATORY(IES):

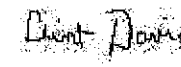
Signed: 
Shane Cyr, President and CEO
Date: 12 June 19

TASHIJATSOAK TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: 
Mike Flatters, Trustee

Signed: _____
Date: 12 June 19

LABRADOR INUIT CAPITAL STRATEGY TRUST
BY ITS AUTHORIZED SIGNATORY(IES):

Signed: 
Clint Davis, Trustee

Signed: _____
Date: 12 June 19

SCHEDULE "A"
SECURITY

The following security documentation described herein must be prepared, executed and registered, as required by the Bank, prior to drawdown of any funds, in form and content satisfactory to the Bank and/or its solicitors, and without restricting the generality of the foregoing, will include:

All Security pledged by the Borrowers and/or the Guarantors under this Agreement and all Security pledged by the Borrowers and/or the Guarantors in the LHLA Agreement dated June 5, 2019 will be held for any and all current and future advances and/or direct or indirect indebtedness of any and all of the Borrowers and/or Guarantors under this Agreement and the LHLA Agreement.

CURRENTLY HELD

General:

Agreements and Promissory Notes:

1. Commitment Letter dated July 30, 2018 – *to be replaced with this Agreement*;
2. Fixed Rate Promissory Note in the amount of \$8,500,000 dated November 15, 2017 with rate of 5.375% for a 5 year term;
3. Floating Rate Promissory Note in the amount of \$4,000,000 dated September 6, 2018 with rate of Prime plus 2.00%;
4. AML Requirements dated November 15, 2017;

Owners Security Documentation:

5. Assignment and Postponement of Creditor's Claims dated November 15, 2017 provided by the Tasiujatsoak Trust for \$3,000,000 loan to the Borrower's (the "Tasiujatsoak Trust Loan"). The Assignment and Postponement Agreement shall allow for full or partial repayment of the Tasiujatsoak Trust Loan provided that the Borrower is not in breach of the Financial Covenants outlined in Article II of Schedule B of this Agreement based on the repayment being accrued to the current year of the test of the Financial Covenants or such breach has been waived, and repayment will not result in a breach of these Financial Covenants. Registered PPR in all appropriate jurisdictions.
6. General Assignment and Postponement dated September 6, 2018 of all Claims from Tasiujatsoak Trust. Registered PPR in B.C. and Newfoundland;
7. General Assignment and Postponement of all Claims dated September 6, 2018 from Labrador Inuit Capital Strategy Trust. Registered PPR in B.C. and Newfoundland;
8. General Assignment and Postponement of all Claims dated September 6, 2018 from Cape Fund LP. Registered PPR in B.C. and Newfoundland;
9. Joint and Several Limited Liability Guarantee dated September 6, 2018 in the amount of \$3,000,000 in favour of the Bank provided by Tasiujatsoak Trust and Labrador Inuit Capital Strategy Trust covering all current and future indebtedness of Universal Helicopters Holdings L.P., 81924 Newfoundland and Labrador Inc., Universal Helicopters Newfoundland and Labrador L.P., 70703 Newfoundland and Labrador Inc., Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd.;
10. Joint and Several Debt Service and Permitted Repayment of Postponed Debt Agreement (the "DSPRA") dated September 6, 2018 provided by Tasiujatsoak Trust and Labrador Inuit Capital Strategy Trust in favour of the

Bank, providing that commencing and based on the fiscal year ending December 31, 2018 funds will be injected by way of Contribution or Postponed Debt for any debt servicing deficit being the amount required to bring the Trailing Fixed Charge Coverage Ratio of the consolidated financial results of Universal Helicopters Holdings LP to a minimum of 1.0:1. Commencing January 1, 2019, the Bank will have the right to terminate the Agreement should there have been Debt Servicing Deficit Corrections (as defined in the DSPRA) in excess of 10% of total Fixed Charges each year for at least three consecutive years. The DSPRA shall allow for full or partial repayment of the Postponed Debt owing to the Guarantors provided that the Borrower is not in breach of the Financial Covenants set out in this Agreement based on the repayment being accrued to the current year of the test of the Financial Covenants or such breach has been waived, and repayment will not result in a breach of these Financial Covenants;

Inter-Company Security Documentation:

11. Cross Default Agreement dated September 6, 2018 between Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd.;
12. Joint and Several Unlimited Liability Guarantee dated September 6, 2018 in favour of the Bank from Universal Helicopters Holdings LP and 81924 Newfoundland and Labrador Inc., together with acknowledgement that all security pledged in support of any and all current and future indebtedness to the Bank by its subsidiaries is also pledged in support of the indebtedness of the Borrowers;
13. Joint and Several Unlimited Liability Guarantee dated September 6, 2018 in favour of the Bank from Lakelse Air Ltd.;
14. Joint and Several Unlimited Liability Guarantee dated September 6, 2018 in favour of the Bank from Lakelse Helicopters Limited Partnership and 1167537 B.C. Ltd. together with acknowledgement that security pledged in support of any and all of their current and future indebtedness to the Bank is also pledged in support of the indebtedness of the Borrowers;

General Security Agreements:

15. General Security Agreement dated September 6, 2018 providing a first floating charge on all present and after acquired property of Universal Helicopters Holdings LP. Registered PPR in B.C. and Newfoundland;
16. General Security Agreement dated September 6, 2018 providing a first floating charge on all present and after acquired property of 81924 Newfoundland and Labrador Inc. Registered PPR in B.C. and Newfoundland;
17. General Security Agreement dated November 15, 2017 providing a floating charge on all present and after acquired property of Universal Helicopters Newfoundland and Labrador LP. Registered PPR in B.C. and Newfoundland;
18. General Security Agreement dated November 15, 2017 providing a floating charge on all present and after acquired property of 70703 Newfoundland and Labrador Inc. Registered PPR in B.C. and Newfoundland;
19. General Security Agreement dated September 6, 2018 from Lakelse Helicopters Limited Partnership providing a first floating charge on all present and after acquired property of the Borrowers and including a first fixed charge over the operations equipment and inventory purchased in the Lakelse Air transaction. Registered PPR in B.C. and Newfoundland;
20. General Security Agreement dated September 6, 2018 from 1167537 B.C. Ltd. providing a first floating charge on all present and after acquired property of the Borrowers and including a first fixed charge over the operations equipment and inventory to be purchased in the Lakelse Air transaction. Registered PPR in B.C. and Newfoundland;

21. General Security Agreement dated September 6, 2018 from Lakelse Air Ltd. providing a first floating charge on all present and after acquired property of the Lakelse Air Ltd. and including a first fixed charge over the operations equipment and inventory purchased in the Lakelse Air transaction. Registered PPR in B.C. and Newfoundland;

Other Security Documentation

22. Waiver letter agreement dated September 6, 2018 between the Bank and BMO incorporating the following: BMO acknowledgement and agreement that it does not hold an interest in the UHNL LP Secured Aircraft and rotables, including all attachments, spare parts, replacements, substitutions, exchanges, trade-ins, accessories and accessions to the equipment and all proceeds derived from it, including insurance payments and sale proceeds, and the hypothecated bank accounts held with the Bank (collectively the "Collateral") other than rights to any rents, charter payments or accounts receivables with respect to leases, subleases or charters, which rents, charter payments or accounts receivables shall not, for greater certainty, be included in the definition of "Collateral", and that any interest BMO does so hold in Collateral, or the UHNL LP Assignment shall hereafter be postponed and subordinated to the interests of the Bank. BMO will consent and agree to the general postponement and subordination of debt to the Ownership Group in favour of the Bank;
23. Bank acknowledgement and agreement dated September 6, 2018 that it does not hold an interest in the assets acquired in the South Coast purchase transaction and that the Bank consents and agrees to the postponement and subordination of \$3,000,000 in indebtedness of Universal Helicopters Newfoundland and Labrador LP to Tasiujatsok Trust in favour of BMO;
24. Creditor Life Insurance waiver dated November 15, 2017 from President and CEO of the Borrower (Shane Cyr);
25. Creditor Life Insurance waiver dated September 6, 2018 from President and CEO of the Borrower (Shane Cyr);
26. Enabling and Borrowing resolutions for the Borrowers dated November 10, 2017;
27. Report and satisfactory opinions (4) from the Bank's, Borrowers' and Guarantors legal counsel – various dates November 2017;
28. Enabling and Borrowing resolutions for the Borrowers and Guarantors dated in September 2018;
29. Report and satisfactory opinion from the Bank's, Borrowers' and Guarantors' Solicitors dated September 2018 to May 2019;

Aircraft (the "UHNL Secured Aircraft"):

1. Aircraft Security Agreement dated November 15, 2017 providing a first-priority security interest against the UHNL Secured Aircraft listed below as well as all spare time life components, parts and rotables owned by the Borrower for use in the UHNL Secured Aircraft (referred to as the "Rotables"), and all future substitutions and additions. Security agreement shall restrict UHNL Secured Aircraft from operating or being based outside of Canada without the Bank's consent. Registered in the provincial personal property registry of each province the Aircraft may operate in; registration of each UHNL Secured Aircraft and related engine(s) in the International Registry.

<u>Year</u>	<u>Manufacturer</u>	<u>Model</u>	<u>Serial No.</u>	<u>Registration Mark</u>
2012	Aerospatiale	A5350B3e	7540	C-FEPB
1988	Aerospatiale	A5350B2	2076	C-GPBY
1983	Aerospatiale	A5350B2	1685	C-GNAI
1989	Aerospatiale	A53508A	2201	C-FAPN
1985	Aerospatiale	A5350B	1816	C-FXAL
2008	Bell	407	53888	C-FEPR
1999	Bell	407	53331	C-FTJU
1997	Bell	407	53130	C-GOFL
1986	Bell	407	53022	C-FXYF
1995	Bell	206L-4	52149	C-FLIA
1978	Bell	206L	46509	C-GVYO
1978	Bell	206L	45149	C-FCNG
1977	Bell	206L	45147	C-FPHO
1977	Bell	206L	45086	C-FCWR
1976	Bell	206L	45048	C-GAHS
1976	Bell	206L	45021	C-GDCA
1975	Bell	206L	45027	C-GIZY
1975	Bell	206L	45018	C-GLSH
1975	Bell	206L	45008	C-GCIX

2. Irrevocable De-Registration and Export Request Authorization (IDERA) for each UHNLP Secured Aircraft signed by the Borrower or any Lessee, if permitted by the Bank, to be registered in the Transport Canada;
3. Power of Attorney related to the Irrevocable De-Registration and Export Request Authorization (IDERA) for each UHNLP Secured Aircraft signed by the Borrower and/or any Lessee;
4. Priority Agreement from Bank of Montreal dated November 15, 2017 granting the Bank priority on the UHNLP Secured Aircraft and Rotables;
5. Certificate of Airworthiness, Certificate of Registration and Bills of Sale for each UHNLP Secured Aircraft and any related engines;
6. Assignment of insurance on all aircraft showing the Bank as 1st loss payee, policy, 2017 includes:
 - a. Hull "All-Risks" Insurance (includes rotors in motion & rotors not in motion coverage);
 - b. Liability insurance of no less than \$20,000,000 with Bank named as Additional Insured;
 - c. Hull Breach of Warranty, War & Terrorism and 30 day notice of cancellation clauses
7. Hypothecation of Bank Balances dated November 15, 2017 for the Maintenance Reserve Account. Registered PPSA;
8. Security documentation and registration related to Capital Helicopters (1995) Ltd. (the "Lessee") dated in April and May 2018 for UHNLP Secured Aircraft 1997 Bell 407 MSN 531130 and Registration Number C-GOFL including:
 - a. Assignment of Lease in favour of the Bank provided by the Borrower;
 - b. Consent & Acknowledgement of Assignment of Lease in favour of the Bank provided by the Lessee;
 - c. Irrevocable De-Registration Export Request Authorization (IDERA) in favour of the Bank to be registered with Transport Canada;
 - d. Power of Attorney for the UHNLP Secured Aircraft in favour of the Bank;
 - e. Registration with the International Registry;
 - f. PPR registrations completed in all required jurisdictions;
 - g. Assignment of Insurance acceptable to the Bank and its insurance consultant;
 - h. Solicitor's Letter of Opinion for Bank, Borrower and Lessee

9. Security documentation and registration related to lease to Capital Helicopters (1995) Ltd. (the "Lessee") dated in April and May 2018 for UHNLP Secured Aircraft 1983 Eurocopter AS350B2 MSN 1685 and Registration Number C-GNAI including:
 - i. Assignment of Lease in favour of the Bank provided by the Borrower;
 - j. Consent & Acknowledgement of Assignment of Lease in favour of the Bank provided by the Lessee;
 - k. Irrevocable De-Registration Export Request Authorization (IDERA) in favour of the Bank to be registered with Transport Canada;
 - l. Power of Attorney for the UHNLP Secured Aircraft in favour of the Bank;
 - m. Registration with the International Registry;
 - n. PPR registrations completed in all required jurisdictions;
 - o. Assignment of Insurance acceptable to the Bank and its insurance consultant;
 - p. Solicitor's Letter of Opinion for Bank, Borrower and Lessee.

Such additional security instruments, assurances and supporting documents as the Bank may deem necessary or advisable for the purpose of obtaining and perfecting the foregoing security.

To be Obtained:

1. Lease of the UHNLP Secured Aircraft Bell 407 sn 53022 and Canadian Registration C-FXYF to South Coast Helicopters, LLC and acknowledged by TVPX Aircraft Solutions Inc. with following security documentation required:
 - * Lease Agreement;
 - * Assignment of Lease;
 - * Consent to Assignment of Lease and Subordination Agreement;
 - * Revocation of IDERA registered with Transport Canada;
 - * Irrevocable De-Registration and Export Request Authorization (IDERA) with Power of Attorney from Lessor (for Canada) and Lessee (for USA);
 - * Trust Agreement for TVPX Aircraft Solutions Inc.
 - * Certificate of Airworthiness and Registration in U.S.A.;
 - * Assignment of Insurance in terms acceptable to the Bank and their insurance consultant;
 - * Provision of the Lessee's Air Operator Certificate and Authorized Maintenance Organization Certificate;
 - * Corporate Resolutions;
 - * Solicitor's Letter of Opinion for Bank, Borrower and Lessee;

SCHEDULE "B" - TERM LOANS/MORTGAGES

INSURANCE FOR SECURED AIRCRAFT

ALL POLICIES MUST BE REVIEWED AND APPROVED BY THE BANK AND/OR ITS INSURANCE CONSULTANT, COMPLETED:

AON REED STENHOUSE INC.
Suite 900, 10025 - 102A Avenue
Edmonton, Alberta T5J 0Y2
Attention: Danielle Boisvert
Telephone: (780) 423-9453
Facsimile: (780) 423-9876
Email: danielle.boisvert@aon.ca

GENERAL REQUIREMENTS

1. These Insurance Requirements outline only the protection required for the Bank's interests. The Borrower's interests will be different than the Bank's and the Borrowers must obtain its own advice as to appropriate coverages and details.
2. The forms, insurers, coverages, amounts, exclusions and deductibles are always subject to the Bank's discretion, having regard to the nature, location, value and risks. Without restricting that discretion, the Bank may require coverages not specifically mentioned or required.
3. Original policies and signatures on behalf of the insurer are required. The insurer(s), policy number(s) and policy term(s) must be shown on all insurance documentation. If actual policies are not available for the initial loan advance signed Binders or Certificates of Insurance will be accepted, provided the form and contents are satisfactory.
4. All policies must show the Borrowers and Lakelse Air Ltd. as a named insured.
5. All policies covering physical loss or damage must be for stipulated value of not less than the combined appraised value of the UHNLP Secured Aircraft and:
 - (a) provide coverage for all risks of physical loss or damage;
 - (b) include includes rotors in motion & rotors not in motion coverage;
 - (c) include terrorism, confiscation and war risk coverage;
 - (d) hull breach of warranty coverage
6. The Bank is to be shown as first or second loss payee up to the amount owing to the Bank under all policies covering physical loss or damage. Loss is to be payable using this wording:

"CANADIAN WESTERN BANK, 101, 1211 Summit Drive, Kamloops, BC as first loss payee."
7. The insurer may reserve the right to cancel the policy as permitted by statute but must agree that it will not terminate, make any adverse material change or otherwise alter the policy to the Bank's prejudice except by registered letter giving 30 days notification to the Bank.
8. The legal description of the Aircraft insured must be specified.
9. Commercial General Liability Insurance for bodily injury and/or death and damage to property of others in an amount acceptable to the Bank but in any case not less than \$20,000,000 for any one occurrence shall be in place for all loans. The Bank is to be shown as an Additional Insured under all Liability Insurance policies. At the option of the Bank, the policy shall include limited pollution liability.

SCHEDULE "C"

CONDITIONS PRECEDENT TO DRAWDOWN

The Bank shall be satisfied with the business, assets and financial condition of the Borrower and all security documentation and supporting agreements and documents must be completed in a form satisfactory to the Bank and its solicitors, and must be executed and registered, as appropriate, and the Bank shall have received a solicitor's letter of opinion with respect to the same.

The following conditions precedent must be fulfilled and documentation provided prior to the Bank having any obligation to advance:

1. Conditions Precedent of Lakelse Helicopters Limited Partnership and 1167537 B.C. Ltd. are satisfied for advance of loans under the LHLP Agreement;

SCHEDULE "D"

GENERAL CONDITIONS

The Borrower agree that upon closing and thereafter:

1. no Event of Default has occurred and is continuing;
2. the Loan Maturity Date has not occurred;
3. no information provided by the Borrowers to the Bank contained any untrue statement of a material fact, or failed to disclose any material fact necessary to make the statements contained therein not materially misleading in light of the circumstances in which such statements were made;
4. the conditions of this Agreement and of all previous advances have been satisfied or waived;
5. to pay all sums of money when due under this Agreement;
6. to give the Bank prompt notice of any Event of Default or any event which, with notice or lapse of time or both, would constitute an Event of Default;
7. the loan advance for Loan Segment 2 no later than August 31, 2018 unless otherwise extended by the Bank;
8. no other loans may be secured against the UHNLP Secured Aircraft other than the Postponed Debt as outlined herein;
9. the Bank's opinions, approvals and decisions are in its sole discretion and are not subject to judicial review as to their reasonableness;
10. not to invest in, lend to, guarantee or otherwise provide for, on a direct or indirect or contingent basis, the payment of any monies or performance of any obligations by an unrelated third party except as provided herein, or with the prior written consent of the Bank, not to be unreasonably withheld;
11. not to change the parties of the limited partnership and not to make any distributions or redemptions without the prior written consent of the Bank, not to be unreasonably withheld;
12. not to change its name or merge, amalgamate or consolidate with any other corporation without the prior written consent of the Bank, not to be unreasonably withheld;
13. to insure and to keep fully insured the UHNLP Secured Aircraft as customarily insured by companies carrying on a similar business to that of the Borrowers including all risk hull insurance at stipulated value including terrorism, confiscation and war risks, breach of warranty coverage and Liability Insurance for \$20,000,000 including environmental pollution coverage;
14. to maintain adequate insurance on the UHNLP Secured Aircraft and acknowledges that failure to do so will hereby authorize the Bank to purchase insurance to protect the Bank's interest in the project to the value of the outstanding loan/mortgage. The Borrower authorizes the Bank to add the cost of said insurance to the loan/mortgage balance.
15. to file on a timely basis, all material tax returns which are or will be required to be filed, to pay or make provision for payment of all material taxes (including interest and penalties) and other potential Priority Claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
16. to comply with all applicable environmental laws and regulations; to advise the Bank promptly of any breach of any environmental regulations or licenses or any control orders, work orders, stop orders, action requests or violation notices

received concerning any of the Borrower's property; to comply with any such requests or notices, to diligently clean up any spills; and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environmental related liabilities existent now or in the future with respect to the Borrower's property;

17. to provide the Bank and its agents, nominees, and consultants with the right to enter the premises of the Borrowers from time to time, and to carry out such environmental reviews as the Bank in its sole discretion deems advisable and in that connection to make good faith inquiries with government agencies and to examine the records, books, assets, affairs and business operations of the Borrowers; and
18. to maintain and provide to the Bank upon request with copies of maintenance logs and flight books for the UHNL Secured Aircraft held as security by the Bank;
19. UHNL Secured Aircraft will be subject to approval of the Bank and will be airworthy at time of inclusion;

EVENTS OF DEFAULT:

1. The full amount of the indebtedness and liability of the Borrowers then outstanding, together with accrued interest and any other charges then owing by the Borrowers to the Bank shall, at the option of the Bank, forthwith be accelerated and be due and payable; and upon being declared to be due and payable, the securities shall immediately become enforceable and the Bank may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to collectively as the "Events of Default" or separately as an "Event of Default"):
 - (a) the Borrowers or any Guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise any payment of interest, principal, fees, commissions or other amounts payable to the Bank;
 - (b) there is a material breach by the Borrowers of any other term or condition contained in this Agreement or in any other agreement to which the Borrowers and the Bank are parties and the Borrowers has not corrected such breach within 15 days of notice having been provided to the Borrowers;
 - (c) any default occurs under the terms of any security to be provided in accordance with this Agreement or under any other credit, loan or security agreement to which the Borrowers are party and the Borrowers have not corrected such breach within 15 days of notice having been provided to the Borrowers;
 - (d) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other analogous proceedings are instituted by or against the Borrowers and, if instituted against the Borrowers are allowed against or consented to by the Borrowers or are not dismissed or stayed within 60 days after such institution;
 - (e) a receiver is appointed over any property of the Borrowers or any judgment or order or any process of any court becomes enforceable against the Borrowers or any property or any creditor takes possession of any property of the Borrowers;
 - (f) there have been Debt Servicing Deficit Corrections (as defined in the DSPRA) in excess of 10% of Fixed Charges each year for at least three consecutive years;
 - (g) an Event of Default occurs under the LHL Agreement and/or any security documents granted thereunder;
 - (h) any Material Adverse Change occurs;

MISCELLANEOUS CONDITIONS:

1. The rights and remedies of the Bank pursuant to this Agreement and the securities taken pursuant hereto are cumulative and not alternative, and not in substitution for any other rights, remedies, or power of the Bank.
2. Any failure or delay by the Bank to exercise, or exercise fully, its rights and remedies pursuant to this Agreement and the securities taken pursuant hereto shall not be construed as a waiver of such rights and remedies.
3. In the absence of a formal Loan Agreement being entered into, this Agreement shall continue in full force and effect and shall not merge in any securities provided by the Borrowers to the Bank.
4. The Bank reserves the sole and absolute right to syndicate part or all of the loan facility contemplated herein, with various syndication partners with whom the Bank syndicates loans from time to time, on terms and conditions satisfactory to the Bank. A review will be completed by the Bank to establish the parameters, if any, available to have the involvement of the Borrowers with the selection of syndication partners.
5. This Agreement and the security documentation to be provided by the Borrowers pursuant hereto shall be construed in accordance with and governed by the laws of the Province of Newfoundland and Labrador, and applicable federal laws of Canada and Convention on International Interests in Mobile Equipment and Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment.

SCHEDULE "E"

REPORTING REQUIREMENTS AND COVENANTS

REPORTING REQUIREMENTS:

The Borrowers and/or the Guarantor, as applicable, agree to provide the undenoted information to the Bank:

For Lakelse Air Group:

1. Internally prepared consolidated financial statements of Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd, and Lakelse Air Ltd, as at the end of each quarter including balance sheet, income statement, and year to date income statement with year over year comparison as well as comparison to budget by the 30th day of the following month;
2. Quarterly within 30 days of quarter-end listings of flying hours and maintenance costs, including invoices/receipts for same, for time-life components for each LHLP Secured Aircraft together with confirmation of deposit to the Maintenance Reserve Account of the amount stipulated in Section 2.03 of this Agreement;
3. Audited and unqualified consolidated financial statements of the Lakelse Helicopters Limited Partnership, prepared by a firm of qualified professional accountants within 120 days of the Borrowers' fiscal year-end;
4. Audited and unqualified financial statements of the Lakelse Air Ltd, prepared by a firm of qualified professional accountants within 120 days of the Borrowers' fiscal year-end;
5. Notice to Reader financial statements of 1167537 B.C. Ltd, prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
6. Annual desktop appraisal prepared by an external appraiser acceptable to the Bank of all LHLP Secured Aircraft commencing no later than April 30, 2019;
7. Annual site visit to Terrace, BC and inspection of available LHLP Secured Aircraft to be completed by a Bank Officer;
8. Copies of audits completed by Transport Canada and/or by any customer/lessee of Lakelse Helicopters Limited Partnership within 10 days of completion of the audit;
9. Annual payment confirmation for property tax and/or lease payments for the Secured Property of Lakelse Helicopters Limited Partnership and 1167537 B.C. Ltd.;
10. Annual business plan of Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd, and Lakelse Air Ltd, the including budgeted consolidated profit and loss statements, cash flow, detailed aircraft flying hours and maintenance costs and capital expenditure forecasts for the upcoming fiscal year, showing purpose and source of financing within 120 days of previous fiscal year end;

For Universal Helicopters Group:

1. Internally prepared financial statements of the Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., as at the end of each quarter including balance sheet, income statement, and year to date income statement with year over year comparison as well as comparison to budget by the 30th day of the following month;
2. Quarterly within 30 days of quarter-end listings of flying hours and maintenance costs of Universal Helicopters Newfoundland and Labrador LP, including invoices/receipts for same, for time-life components for each UHNLP Secured Aircraft of together with confirmation of deposit to the Maintenance Reserve Account of the amount stipulated in Section 2.03 of this Agreement;

3. Audited and unqualified financial statements of Universal Helicopters Newfoundland and Labrador LP prepared by a firm of qualified professional accountants within 120 days of the Borrowers' fiscal year-end;
4. Notice to Reader financial statements of 70703 Newfoundland and Labrador Inc. prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
5. Annual desktop appraisal prepared by an external appraiser acceptable to the Bank of all UHNLP Secured Aircraft commencing no later than April 30, 2019;
6. Annual site visit to Goose Bay, Labrador and inspection of available UHNLP Secured Aircraft to be completed by a Bank Officer;
7. Copies of audits completed by Transport Canada and/or by any customer/lessee of Universal Helicopters Newfoundland and Labrador LP within 10 days of completion of the audit;
8. Annual business plan of Universal Helicopters Newfoundland and Labrador LP and 70703 Newfoundland and Labrador Inc., including budgeted profit and loss statements, cash flow, detailed aircraft flying hours and maintenance costs and capital expenditure forecasts for the upcoming fiscal year, showing purpose and source of financing within 120 days of previous fiscal year-end;

For Universal Holdings Group:

9. Internally prepared consolidated financial statements of the Universal Helicopters Holdings LP (consolidated) as at the end of each quarter including balance sheet, income statement, and year to date income statement with year over year comparison as well as comparison to budget by the 30th day of the following month;
10. Notice to Reader non-consolidated financial statements of the Universal Helicopters Holdings LP prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
11. Audited and unqualified consolidated financial statements of the Universal Helicopters Holdings LP prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
12. Notice to Reader financial statements of 81924 Newfoundland and Labrador Inc. prepared by a firm of qualified professional accountants within 120 days of the fiscal year-end;
13. Annual business plan of Universal Helicopters Holdings LP including consolidated budgeted profit and loss statements, cash flow, detailed aircraft flying hours and maintenance costs and capital expenditure forecasts for the upcoming fiscal year, showing purpose and source of financing within 120 days of previous fiscal year-end;

For the Ownership Group:

14. Audited and unqualified financial statements of the Tashujatsoak Trust prepared by a firm of qualified professional accountants 180 days of the fiscal year-end;
15. Audited and unqualified financial statements of the Labrador Inuit Capital Strategy Trust prepared by a firm of qualified professional accountants 180 days of the fiscal year-end;

Any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which the Bank may from time to time require in its sole discretion, acting reasonably

COVENANTS

Article I. POSITIVE COVENANTS

Section 1.01 Unless otherwise agreed to in advance by the Bank in writing, acting reasonably in accordance with normal commercial lending practices, and without restricting the generality or enforceability of any of the other covenants herein contained, the Borrowers and each of the Guarantors, as applicable, agree that for so long as the Indebtedness or any part thereof remain outstanding:

- (a) The Borrowers and each of the Guarantors, as applicable, shall maintain their corporate or partnership existence, shall register and maintain their extra-territorial registrations in all required jurisdictions, and shall do all such acts and things as are necessary to permit it to carry on its business as presently carried on.
- (b) The Borrowers shall at all times carry and maintain, at their own cost, public liability, property damage and aircraft all risk hull insurance on the UHNLP Secured Aircraft, in each case in such form (including a loss payee and breach of warranty clause for physical damage) and in such types as may be customarily carried by air carriers engaged in the same or similar business and operating in a similar geographic area. Such insurance coverage shall be in amounts and form acceptable to the Bank, placed with insurance companies and underwriters acceptable to the Bank.
- (c) At least once each year, the Borrowers shall cause its insurance broker to furnish to the Bank a detailed report confirming the insurance then maintained on the UHNLP Secured Aircraft and other assets of the Borrower (together with certified copies of all policies and endorsements) to satisfy the requirements of this Agreement.
- (d) The Borrowers shall cause their insurance brokers to agree to advise the Bank in writing promptly of any default in the payment of any premium or of any other act or omission on the part of the Borrowers or Guarantors of which it might have knowledge and which might result in the invalidation or unenforceability, in whole or in part, of any such insurance. The Borrowers shall promptly deliver to the Bank copies of the policy endorsements on all such insurance.
- (e) Annually, the Bank may review the insurance coverage maintained by the Borrowers.
- (f) The Borrowers and the Guarantors, if applicable, shall maintain all material registrations, operating and other certificates, permits, licenses, and consents, from all local, municipal, territorial, provincial, and federal authorities, and shall pay all income, corporate, sales, value added, goods and services, property, employee, business or other taxes, assessments, charges, and the like assessed by any such governmental authority, as and when required by law, save and except for those income, corporate, sales, value added, goods and services, property, business or other taxes, assessments, charges and the like which are being disputed in good faith by the Borrower or any Guarantor and which have been disclosed in writing to, and acknowledged in writing by, the Bank.
- (g) The Borrowers shall ensure that the UHNLP Secured Aircraft charged as part of the Security remain continually registered as a commercial aircraft owned by them on the Canadian Civil Aircraft Register.
- (h) The Borrowers shall ensure that legal and beneficial ownership and custody and control of the UHNLP Secured Aircraft remain in the Borrower, and that all necessary operating certificates and registration certificates remain in the Borrowers, all in accordance with Applicable Laws.
- (i) The Borrowers shall be solely responsible for the airworthiness and maintenance of the UHNLP Secured Aircraft and shall keep and maintain the UHNLP Secured Aircraft in a fully operative and airworthy condition in conformity with any recommendation that may from time to time be made by the manufacturer of such UHNLP Secured Aircraft, and shall operate and maintain the UHNLP Secured Aircraft in conformity with all Applicable Laws, orders, rules, regulations, and directives of governmental departments, boards, or authorities, including, without limiting the generality of the foregoing, those of the Department of Transport relating to the

maintenance or storage of the UHNLP Secured Aircraft and in conformity with any limitations or restrictions of performance that may from time to time be recommended by the manufacturer of the Aircraft.

- (j) The Borrowers shall, at the request of the Bank, provide copies of any inspections of the UHNLP Secured Aircraft completed by any other lender to the extent those inspections were provided to the Borrowers. If no such inspection has been completed within the preceding 12-month period, the Bank or its agents shall have the right at all reasonable times during normal business hours and subject to the availability of the UHNLP Secured Aircraft, to fully inspect such UHNLP Secured Aircraft and any parts of them, and any documents relating to such UHNLP Secured Aircraft, to determine the condition of such UHNLP Secured Aircraft and to further determine whether the Borrowers are performing according to the covenants contained in this Agreement. The reasonable costs of these inspections shall be borne by the Borrowers.
- (k) The Borrowers shall operate the UHNLP Secured Aircraft for commercial purposes only and shall maintain all records, logs, and other material, both at all times in conformity with all the Applicable Laws, orders, rules, regulations, and directives of governmental departments, boards, or authorities, including, without limiting the generality of the foregoing, those of the Department of Transport and of the Canadian Transportation Agency.
- (l) The Borrowers shall base the UHNLP Secured Aircraft within the geographical limits of Canada, and shall use, maintain, or store the UHNLP Secured Aircraft in compliance with all the provisions of the insurance policies maintained on the Aircraft.
- (m) The Borrowers shall duly and punctually pay and cause to be paid all Creditors and any parties performing work or supplying materials in relation to the UHNLP Secured Aircraft, or any part thereof at the Borrower's request, and shall duly and punctually pay and discharge any and all liens save and except such liens, if any, as may be duly and validly contested by the Borrowers.

Article II. FINANCIAL COVENANTS AND MARGIN

Section 2.01 Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd, and Lakelse Air Ltd, agree to maintain Financial Covenants outlined and defined below.

The following Financial Covenants will be tested quarterly based on the consolidated financial statements of Universal Helicopters Holdings LP commencing the fiscal year ending December 31, 2018 and each fiscal year thereafter:

- a) Trailing Fixed Charge Coverage Ratio of not less than 1.25:1 based on a rolling 4 quarter average with the first quarter to be included ending December 31, 2018 and the first quarterly test being September 30, 2019:

(EBITDA – Unfunded Capital Expenditures + Contributions + Partner Postponed Debt + HP Upgrade + Bargain Purchase Gains – see definition)

Divided by

Fixed Charge + Earn Out Payments

Notwithstanding a) above, a 60 day cure period will be provided to permit Contributions and/or Partner Postponed Debt which will be used to calculate the Trailing Fixed Charge Coverage Ratio as set out in subparagraph a) above.

- b) Debt to Tangible Net Worth Ratio not greater than 1.50:1.
- c) Current Ratio not less than 1.0:1.

Section 2.02 Universal Helicopters Holdings LP, 81924 Newfoundland and Labrador Inc., Universal Helicopters Newfoundland and Labrador LP, 70703 Newfoundland and Labrador Inc., Lakelse Helicopters Limited Partnership, 1167537 B.C. Ltd. and Lakelse Air Ltd. (the "Universal Group") agree to maintain:

Loan to Orderly Liquidation Value ratio of all LHLP Secured Aircraft and UHNLP Secured Aircraft (collectively the "Secured Aircraft") not to exceed 60% to be tested utilizing a margin of: a) the combined orderly Liquidation values of all the Secured Aircraft translated at current foreign exchange rates plus the balance of all of the Universal Group Hypothecated Maintenance Reserve Account(s), and b) the combined balances of all Loans from the Bank to the Universal Group. This covenant will be tested annually, commencing no later than April 30, 2019. A 60 day cure period will be provided to rectify any margin deficit.

Section 2.03 Lakelse Helicopters Limited Partnership Secured Aircraft and Universal Helicopters Holdings LP agree to maintain a Combined Hypothecated Maintenance Reserve Account for use in their combined aircraft fleet, the "UHHLP Secured Aircraft" with the Bank as follows:

- (i) Quarterly USD deposits to the Maintenance Reserve Account based the following equation: $(a \times b) - c$
 - a) the combined hourly flying time for all UHHLP Secured Aircraft for each quarterly fiscal period of the Borrowers commencing January 1, 2019;
 - b) the Component Burn Rate of the UHHLP Secured Aircraft by aircraft type based on current values and subject to update;
 - c) Disbursements from the account to fund time-life components repair, replacement and/or overhaul on the UHHLP Secured Aircraft and Rotables.
- (ii) Disbursements from the Maintenance Reserve Account are subject to the Bank's approval of the costs based on receipt of an invoice or confirmation of payment for a time life component on a UHHLP Secured Aircraft or for Rotables. Minimum disbursement is USD \$5,000.
- (iii) At all times the minimum balance of the Maintenance Reserve Account will be USD \$200,000;
- (iv) Annually, based on the current desktop fair market appraisal of the UHHLP Secured Aircraft, the combined value for all Time Life Components of the UHHLP Secured Aircraft must be more than the combined value mid-life value of all Time Life Components for all UHHLP Secured Aircraft. If this is not the case, no disbursements will be authorized by the Bank from Maintenance Reserve Account until such time as the amount of the negative variance is covered by deposits to the Maintenance Reserve Account and/or confirmation of payment for Time Life Component repair, replacement and/or overhaul for the UHHLP Secured Aircraft and Rotables.

DEFINITIONS:

1. ASPE: means Accounting Standards for Private Enterprises.
2. EBITDA: means consolidated net income plus or minus to the extent deducted or added in determining the net income for such period:
 - * Tax expense or tax benefit in respect of current tax and deferred tax;
 - * Interest expense, amortization or write-off of capitalized finance charges;
 - * Foreign exchange gains and losses;
 - * Charges or adjustments relating to fair market value adjustments to liabilities;
 - * Amortization and Depreciation;
 - * Gains and losses on sale of assets;
 - * Items outside the ordinary course of business and unusual or non-recurring items;
3. Fixed Charge: Means, on a consolidated basis, Interest Expense, plus current portion of long term debt.
4. Interest Expense: Means interest charges on Debt and the interest component of capitalized leases.
5. Time Life Components: any part for a UHHLP Secured Aircraft for which a mandatory replacement limit is specified in the type design, the instructions for airworthiness or the maintenance manual.

6. **Component Burn Rate:** the total hourly costs for all the Time Life Components on the UHHLP Secured Aircraft by aircraft type as determined by the current appraisal and mid-life valuation for the UHHLP Secured Aircraft.
7. **Unfunded Capital Expenditures:** all capital expenditures less any capital expenditures funded by Permitted Debt, Postponed Debt or by the proceeds of any Contributions.
8. **Debt:** all liabilities listed on the balance sheet less loans from shareholders, partners or affiliates specifically postponed to the Bank.
9. **Tangible Net Worth:** the aggregate of capital, retained earnings, shareholder, partner and affiliated company loans specifically postponed to the Bank Intangibles.
10. **Current Ratio:** current assets listing on the balance sheet of the Borrower divided by current liabilities listed on the balance sheet of the Borrower.
11. **Contribution(s):** one or more contributions of capital, in the form of money by a limited partner of the Universal Helicopters Holdings LP.
12. **HP Upgrade:** For the fiscal 2018 EBITDA calculation of the costs of the work to be completed, which are not to exceed CAD \$800,000, on the LHLP Secured Aircraft 1973 Bell 212 MSN 30535 resulting in the helicopter being re-classified as a Bell 212HP.
13. **Bargain Purchase Gains:** For the fiscal 2018 EBITDA calculation, the portion of any bargain purchase gains recorded in the consolidated financial statements of Lakelse Helicopters LP in accordance with ASPE, representing the total of revenues less expenses of Lakelse Air Ltd. from the effective closing date of June 30, 2018 until the closing date of the purchase of the assets and shares from the Bear Creek Group.
14. **Earnout Payment:** Post closing payments made to the Bear Creek Group relating to the purchase of shares of Lakelse Air Ltd. as more particularly described below which is reproduced from the Purchase Agreement dated July 19, 2018 between the Borrower, the Subordinate Lender and Ian Munson:

Net Earnings ranging From: To:		Fiscal Years Ending December 31				
		2018	2019	2020	2021	2022
\$0	\$500,000	5.00%	5.00%	5.00%	5.00%	5.00%
\$500,000	\$1,000,000	10.00%	10.00%	10.00%	10.00%	10.00%
\$1,000,000	\$1,500,000	15.00%	15.00%	15.00%	15.00%	15.00%
\$1,500,000	\$2,000,000	20.00%	20.00%	20.00%	20.00%	20.00%
\$2,000,000	\$2,500,000	25.00%	25.00%	25.00%	25.00%	25.00%
\$2,500,000	unlimited	50.00%	50.00%	50.00%	50.00%	50.00%
Minimum Annual Payment Amount		\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Maximum Annual Payment Amount		\$500,000	\$600,000	\$700,000	\$800,000	\$900,000
Annual Payment Payable		April 30, 2019	April 30, 2020	April 30, 2021	April 30, 2022	April 30, 2023

Article III. NEGATIVE COVENANTS

Section 3.01 Neither the Borrowers nor any of the Guarantors, if applicable, shall, without the prior written consent of the Bank, (not to be unreasonably withheld):

- (a) Change the nature of its business as conducted on the date hereof;
- (b) Create any Liens ranking or purportedly ranking ahead of or *pari passu* with the Security held or required to be provided in favour of the Bank other than Permitted Encumbrances;
- (c) Sell, convey or dispose of (other than in the ordinary course of business), or encumber any of the UHNLP Secured Aircraft to any other entity;
- (d) Use or operate the UHNLP Secured Aircraft or permit it to be used or operated illegally or contrary to any applicable laws, regulations, orders, rules, or directives of any power or government or agency thereof having jurisdiction or contrary to any requirements under applicable insurance policies;
- (e) Base or operate the UHNLP Secured Aircraft outside Canada. If the Borrowers requests consent from the Bank, at its sole discretion, may withhold and if consent is granted will require the Borrowers has taken all steps at its expense to:
 - (i) register the Lender's interest in the UHNLP Secured Aircraft this Loan Agreement or the Security at all offices of record as may be necessary or desirable to record the Lender's interest in the UHNLP Secured Aircraft and provide proofs of the same to the Bank; and
 - (ii) extend any policies of insurance to allow for operation of the UHNLP Secured Aircraft in such additional area and provide proofs of the same to the Bank.
- (f) Fail to perform any covenant required to be performed under this Agreement;
- (g) Discontinue, alter or cancel its corporate registration or extra-territorial registrations;



SCHEDULE "F"

SCHEDULE—STANDARD LOAN TERMS

ARTICLE 1—GENERAL

- 1.1. **Interest Rate.** You will pay interest on each Loan at nominal rates per year at the rate specified in this Agreement.
- 1.2. **Floating rate of interest.** Each floating rate of interest provided for under this Agreement will change automatically, without notice, whenever the Bank's Prime Rate changes.
- 1.3. **Payment of interest.** Interest is calculated on the daily balance of the Loan at the end of each day. Interest is due once a month, unless the Agreement states otherwise. Unless you have made other arrangements with us, we will automatically debit your Operating Account for interest amounts owing. If your Operating Account is in overdraft and you do not deposit to the account an amount equal to the monthly interest payment, the effect is that we will be charging interest on overdue interest (which is known as compounding). Unpaid interest continues to compound whether or not we have demanded payment from you or started a legal action, or get judgment, against you.
- 1.4. **Fees.** You will pay the Bank's fees for the Loans as outlined in the Agreement. You will also reimburse us for all reasonable fees (including legal fees on a solicitor and his own client basis) and out-of-pocket expenses incurred in registering any security, and in enforcing our rights under this Agreement or any security. We will automatically debit your Operating Account for the amounts owing.
- 1.5. **Our rights re demand Loans.** We believe that the banker-customer relationship is based on mutual trust and respect. It is important for us to know all the relevant information (whether good or bad) about your business. Canadian Western Bank is itself a business. Managing risks and monitoring our customers' ability to repay is critical to us. We can only continue to lend when we feel that we are likely to be repaid. As a result, if you do something that jeopardizes that relationship, or if we no longer feel that you are likely to repay all amounts borrowed, we may have to act. We may decide to act, for example, because of something you have done, information we receive about your business, or changes to the economy that affect your business. Some of the actions that we may decide to take include requiring you to give us more financial information, negotiating a change in the interest rate or fees, or asking you to get further accounting assistance, put more assets into the business, provide more security, or produce a satisfactory business plan. It is important to us that your business succeeds. We may demand immediate repayment of any outstanding amounts under any demand Loan. We may also, at any time and for any cause, cancel the unused portion of any demand Loan.
- 1.6. **Payments.** If any payment is due on a day other than a Business Day, then the payment is due on the next Business Day.
- 1.7. **Applying money received.** If you have not made payments as required by this Agreement, or if you have failed to satisfy any term of this Agreement (or any other agreement you have that relates to this Agreement), or at any time before default but after we have given you appropriate notice, we may decide how to apply any money that we receive. This means that we may choose which Loan to apply the money against, or what mix of principal, interest, fees and overdue amounts within any Loan will be paid.
- 1.8. **Information requirements.** We may from time to time reasonably require you to provide further information about your business. We may require information from you to be in a form acceptable to us.
- 1.9. **Insurance.** You will keep all our business assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for property such as yours (plus for any other risks we may reasonably require). If we request, these policies will include a loss payee clause (and if you are giving us mortgage security, a Standard Mortgage Clause). As further security, you assign all insurance proceeds to us. If we ask, you will give us either the policies themselves or adequate evidence of their existence. If your insurance coverage for any reason stops, we may (but do not have to) insure the property. We will automatically debit your Operating Account for this amount. In the event there are no funds on deposit, we may add the insurance cost to your Loan. Finally, you will notify us immediately of any loss or damage to the property.
- 1.10. **Environmental Matters.** You will carry on your business, and maintain your assets and property, in accordance with all applicable environmental laws and regulations. If (a) there is any release, deposit, discharge or disposal of pollutants of any sort (collectively, a "Discharge") in connection with either your business or your property, and we pay any fines or for any clean-up, or (b) we suffer any loss or damage as a result of any Discharge, you will reimburse the Bank, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts (including amounts spent preparing any necessary environmental assessment or other reports, or defending any lawsuits) that result. If we ask, you will defend any lawsuits, investigations or prosecutions brought against the Bank or any of its directors, officers, employees and agents in connection with any Discharge. Your obligation to us under this section continues even after all Loans have been repaid and this Agreement has terminated.
- 1.11. **Consent to release information.** We may from time to time give any loan or other information about you to, or receive such information from, (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any person, firm or corporation with whom you may have or propose to have financial dealings, and (c) any person, firm or corporation in connection with any dealings you have or propose to have with us. You agree that we may use that information to establish and maintain your relationship with us and offer any services as permitted by law, including services and products offered by our subsidiaries when it is considered that this may be suitable to you.
- 1.12. **Proof of debt.** This Agreement provides the proof, between the Bank and you, of the loans made available to you. There may be times when the type of loan you have requires you to sign additional documents. Throughout the time that we provide you loans under this Agreement,

our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).

(c)

Demand of Fixed Rate Demand Non-Revolving Loans. If you have a Fixed Rate Demand Non-Revolving Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of three (3) months interest calculated on the unpaid balance at the rate authorized on the Bank's Unwinding Costs.

1.13. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign. No modification of this Agreement or any Security shall be effective without the prior written agreement of the Bank, and each Borrower and Guarantor party to such document.

1.14. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.

1.15. **Pre-conditions.** You may use the Loans granted to you under this Agreement only if:

- (a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrow and give security;
- (b) all the required security has been received and registered to our satisfaction;
- (c) any special provisions or conditions set forth in the Agreement have been complied with; and
- (d) if applicable, you have given us the required number of days' notice for a drawing under a Loan.

1.16. **Notices.** We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.

1.17. **Non-Revolving Loans.** The following terms apply to each Non-Revolving Loan:

(a) **Non-revolving Loans.** Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.

(b) **Floating Rate Non-Revolving Loans.** Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:

(i) **Blended payments.** If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate. If the Prime Rate, during any month, is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we choose to do so.

(ii) **Payments of fixed principal plus interest.** If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate.

26. ARTICLE 1 - DEFINITIONS

1.1. **Definitions.** In this Agreement, the following terms have the following meanings:

"Agreement" means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached.

"Business Day" means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

"Cash Collateral Account" means funds on deposit held by the Bank in an interest-bearing account pending satisfaction of certain terms and/or conditions.

"Customer Automated Funds Transfer (CAFT)" is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

"CWB Branch/Centre" means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

"Demand Non-Resolving Loan" means an installment loan that is payable upon demand. Such a Loan may be either at a fixed or a floating rate of interest.

"Fixed Rate Loan" means any loan drawn down, converted or extended under a Loan in an interest rate which was fixed for a term, instead of referenced to a floating rate such as the Prime Rate or U.S. Base Rate, at the time of such drawdown, conversion or extension.

"Intangibles" means assets of the business that have no value in themselves but represent value. They include but are not limited to such things as copyright, goodwill, patents and trademarks; franchises, licenses, leases; research and development costs, deferred development costs, investments in and advances to affiliated companies or entities, and any other asset determined by the Bank to be intangible.

"Lakelse Secured Aircraft" has the same meaning as in the LHLF Agreement.

"Lease-Up Reserve" means the amount of the Loan that is funded into a Cash Collateral Account pending lease-up of the Project in accordance with the Loan authorization.

"Letter of Credit" or "LC" means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

"LHLF Agreement" means the Commitment Letter dated August 2, 2018 between, inter alia, the Bank and Lakelse Helicopters Limited Partnership and 1167537 BC Ltd. as Borrowers.

"Lien" includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

"Loan" means any loan segment referred to in the Agreement and if there are two or more segments, "Loan" includes reference to each segment.

"Loan Amount" of any Loan means the amount specified in the Agreement and if there are two or more segments, "Loan Amount" includes reference to each segment.

"Loan Maturity Date" means for each of Loan Segment 1 and Loan 2, the last day of the term of each loan, meaning the date the loan is to be repaid or as each loan may be extended by for further term, at the option of the Bank.

"Mandatory Capital Expenditures" means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

"Material Adverse Change" means any material adverse change in the financial condition, ownership and/or operation of business activities of the Borrowers, or any Guarantor, and/or any material adverse change in the condition of any property or equipment, including but not limited to the CHMLP Secured Aircraft and Rotorblades, of the Borrower and/or any Guarantor, if applicable.

"Normal Course Lien" means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

"Operating Account" means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

"Permitted Debt" means, without duplication:

- (a) trade payables of the Borrowers incurred in the ordinary course of business;
- (b) all Debt of the Borrowers to the Bank;
- (c) all Debt of the Borrowers to Bank of Montreal;
- (d) all Postponed Debt;

(e) Provided that incurring the following additional Debt, in aggregate or separately, does not result in a breach by the Borrower of any financial covenant under this Agreement:

- i. Debt in respect of Purchase Money Liens, capital leases and operating leases and unsecured; and
- ii. such other Debt agreed to in writing by the Bank.

"*Permitted Encumbrances*" means, as at any particular time, any of the following Liens on the property or any portion of the property of any Borrower:

- (a) Normal Course Liens;
- (b) Purchase Money Liens, subject to Permitted Debt sub-paragraph (e) (i) of this Agreement;
- (c) easements, rights-of-way, servitudes or other similar rights in real (including rights-of-way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons and other minor defects, encumbrances, mortgages and restrictions which either alone or in the aggregate do not materially detract from the value of such land or materially impair its use;
- (d) Liens in favour of Bank of Montreal;
- (e) Liens in favour of the Bank;
- (f) all Security Interests securing the indebtedness described in paragraph (f) of the definition of Permitted Debt;
- (g) all Liens securing Postponed Debt;
- (h) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the preceding paragraphs (a) to (f) inclusive of this definition, so long as any such extension, renewal or replacement of such Lien is limited in all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the principal amount of the indebtedness or obligation secured thereby is not increased, without the consent of the Bank, acting reasonably;
- (i) existing leases, excluding than any leases of CHNLP Secured Aircraft and/or Rotables, offers to lease and occupancy agreements, whether recorded or not; and
- (j) all such other claims and Liens agreed to in writing by the Bank.

"*Postponed Debt*" means any debt owed by you that has been formally postponed to the Bank.

"*Prime Rate*" means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

"*Principal Sum*" means the loan balance outstanding.

"*Priority Claims*" means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

"*Purchase Money Lien*" means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

"*Secured Property*" has the same meaning as in the LHP Agreement;

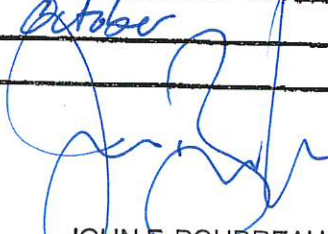
"*Shareholders' Equity*" means paid-in capital, retained earnings and attributed or contributed surplus;

"*Standard Overdraft Rate*" means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

"*Unwinding Costs*" means the costs the Bank incurs when a Fixed Rate Loan is paid out early. The unwinding costs are calculated using the outstanding principal and interest of each of the Loan on the day of repayment (the "Repayment Date"), and are the difference between the dollar value of interest that the Bank would receive under the Interest Rate for each Loan for the remaining term of the Loan, and the dollar value of interest that the Bank would receive from the bid side yield for Government of Canada securities with the same principal amount and maturity date as the Loan on the Repayment Date, for the remaining term of the Loan.

"*U.S. Base Rate*" means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.

This is exhibit C referred to
in the affidavit of J. Eric Findlay sworn
or affirmed before me this 2nd day
of October, 2020



JOHN F. BOUDREAU
A Notary Public in and for the
Province of Nova Scotia

AIRCRAFT SECURITY AGREEMENT

THIS AIRCRAFT SECURITY AGREEMENT dated November 15, 2017.

BETWEEN:

UNIVERSAL HELICOPTERS NEWFOUNDLAND AND LABRADOR LP and
70703 NEWFOUNDLAND AND LABRADOR INC.
P.O. BOX 529, STATION C
82 WINNIPEG STREET
GOOSE BAY, LABRADOR, NL A0P 1C0

(hereinafter referred to as the "Borrowers")

AND:

CANADIAN WESTERN BANK
101, 1211 SUMMIT DRIVE
KAMLOOPS, BC V2C 5R9

(The "Bank")

WHEREAS:

- A. The Borrowers is or will become the beneficial owner of the aircraft described in Schedule "A" hereto and all engines, appliances, components, accessories, instruments, navigational and communications equipment, auxiliary power units, modules, parts, appurtenances, accessories, furnishings, or other equipment of any kind that may from time to time be incorporated or installed in or attached to the airframe or any engines or that may be detached from the aforesaid aircraft. The aircraft, engines and described appurtenances; spare parts, and aviation equipment and spare parts generally; manuals, catalogues, reports, lists, logs, specifications, and technical records in respect of the aircrafts and any and all replacements, renewals, additions, and substitutions in respect of any of the foregoing aircraft or general collateral are hereinafter referred to as the "Aircraft".
- B. The Bank has agreed to loan to the Borrowers monies from time to time (the "Loan") with security for the Loan to include, a specific charge on the Aircraft and this Aircraft Security Agreement (the "Aircraft Security Agreement"),

NOW THEREFORE WITNESSETH:

1. In this Aircraft Security Agreement words and expressions used herein may be used as defined in the Consolidated Text (as hereinafter defined) or the regulations or procedures issued by the Supervisory Authority for the International Registry of the Convention and the following words and expressions shall have the following meanings:

"Administrator" means the person designated to act on behalf of the Borrowers in accordance with the Consolidated Text and/or its regulations or procedures;

"Aircraft Protocol" means the English-language version of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment adopted by the Secretariats of the International Civil Aviation Organization ("ICAO") and the International Institute for the Unification of Private Law ("UNIDROIT"), and adopted pursuant to Resolution No. 1 of the Final Act of the Diplomatic Conference to adopt the Convention and the Aircraft Protocol ("Resolutions No. 1") under the auspices of ICAO and UNIDROIT at Cape Town, South Africa from 29 October to 16 November 2001; as amended

from time to time;

"Aviation Authority" means any person who shall from time to time be vested with the control and supervision of, or have jurisdiction over, the registration, airworthiness, operation maintenance or other matters relating to aircraft and civil aviation in Canada, being at the date hereof, the Canadian Minister of Transport a/k/a Transport Canada Aviation ("Transport Canada");

"Cape Town Laws" means the Consolidated Text as ratified and implemented in Canada by the *International Interests in Mobile Equipment (aircraft equipment) Act* (Canada) and Provincial and Territorial legislation, and any declarations made thereunder and protocols, regulations, amendments or revisions made thereto;

"Consolidated Text" means the consolidated text of the Convention and the Aircraft Protocol attached to Resolution No. 1, as reprinted in Schedule 3 of the *International Interests in Mobile Equipment (Aircraft Equipment) Act* (Canada) together with the regulations and International Registry procedures issued by the Supervisory Authority for the IR, and all other rules, amendments, supplements, modifications, and revisions thereto;

"Convention" means the English-language version of the Convention on International Interests in Mobile Equipment signed in Cape Town, South Africa on 16 November 2001, as amended from time to time together with the Regulations and IR Procedures issued by the Supervisory Authority for the IR, and all other rules, amendments, supplements, modifications, and revisions thereto;

"General Security Agreement" means the general security granted by the Borrowers to the Bank pursuant to the PPSA and dated for reference the 15 day of November, 2017;

"IDERA" means an irrevocable de-registration and export request authorization as referred to in Article 25 of the Consolidated Text and in the form annexed to Schedule 3 of the *International Interests in Mobile Equipment (aircraft equipment) Act* (Canada) and acceptable to Transport Canada for filing, or in such other form as the Bank shall from time to time direct in favour of the Bank;

"International Interest" means, in relation to any Aircraft or any engine, an interest described in Article 2 (which complies with Article 10) of the Consolidated Text, and for the purpose of this Aircraft Security Agreement, is deemed to include a prospective international interest as the context requires;

"International Registry" and "IR" means The International Registry for International Interests in Mobile Equipment (aircraft equipment) established in accordance with the Consolidated Text;

"Lease" means any lease or other contract pursuant to which the Borrowers shall lease or part with possession of an Aircraft for compensation, and shall include any interest of the Borrowers in any sublease pursuant to which a lessee under a lease shall sublease or otherwise part with possession of the Aircraft for compensation and any further subleases and other contracts pursuant to which subsequent sublessors give possession of the Aircraft to the ultimate operator thereof;

"Manufacturer" means the original equipment manufacturer of an airframe, an engine or any part of any Aircraft;

"Permitted Lease" means a lease of an Aircraft entered into by the Borrowers, as lessor, with the prior written consent of the Bank;

"Permitted Lessee" means any person with whom the Borrowers has entered into a Lease of an Aircraft pursuant to a Permitted Lease;

"PPSA" means the *Personal Property Security Act* and all regulations thereto that apply in the province or territory where the chief executive office of the Borrowers is located and where any Aircraft is located, at the time of execution of this Aircraft Security Agreement and at the time the Security Interests attach to any Aircraft, airframe or any engine, or upon the exercise of the rights and remedies of the Bank set out in

the General Security Agreement and this Aircraft Security Agreement;

"Professional User Entity" has the meaning ascribed thereto in the Consolidated Text;

"Register" means the Canadian Civil Aircraft Register maintained by the Aviation Authority under regulations made pursuant to the *Aeronautics Act*, R.S.C. 1985, Chapter A-3, as amended from time to time;

"Security Interests" means, for purposes of this Aircraft Security Agreement, the Security Interests as defined in the General Security Agreement granted by the Borrowers to the Bank as well as this Aircraft Security Agreement together with the mortgage, charge, security interest and any International Interest referred to in Clause 2 below and any assignment thereof;

"Transacting User Entity" has the meaning ascribed thereto in the Consolidated Text; and

"Warranties" means any and all conditions, warranties, guarantees, representations, service contracts, contracts to stock spare parts or other agreements of any nature whatsoever, verbal or written, express or implied, legal, statutory, conventional, collateral or otherwise, in respect of, or that shall in any manner apply to an Aircraft an airframe an engine or any part.

2. The Borrowers represents and warrants and covenants to and in favour of the Bank that in addition to the Security Interests created by the General Security Agreement, the Borrowers mortgages and charges as a fixed and specific charge, and assigns and transfers to the Bank and grants to the Bank a general and continuing security interest and International Interest in each Aircraft (including each airframe and each engine) and all associated rights (as defined in Article 1 of the Consolidated Text).
1. The Borrowers is solely responsible for the airworthiness and maintenance of the Aircraft and will keep and maintain the Aircraft in a fully operative and airworthy condition in conformity with any recommendation that may from time to time be made by the manufacturer of such Aircraft, and will operate and maintain the Aircraft in conformity with all applicable laws, orders, rules, regulations, and directives of governmental departments, boards, or authorities, domestic or foreign, including, without limiting the generality of the foregoing, those of Transport Canada and the Canadian Transportation Agency relating to the maintenance or storage of the Aircraft and in conformity with any limitations or restrictions of performance that may from time to time be recommended by the manufacturer of the Aircraft. Further, the Borrowers will make good all damage to the Aircraft, including without limitation; damage by crash, collision, fire or explosion and replace at the Borrowers's expense each of the Aircraft or engines, propellers or parts which may be worn out, lost, destroyed, confiscated or rendered unfit for use in the Borrowers's ordinary operations with another aircraft, engine, propeller, or part which shall be in good airworthy and operating condition and shall have a time and modification status and value at least equal to the value of the property so worn out, lost, destroyed or confiscated or rendered unfit for use and, shall, unless the Bank shall otherwise consent, be the same manufacturer's model as the Aircraft or parts being replaced.
2. The Bank or its agents shall have the right at all reasonable times and in any event at least once during each year of this Aircraft Security Agreement to fully inspect the Aircraft and any parts of it, or any documents relating to the Aircraft to determine the condition of the Aircraft and to further determine whether the Borrowers is performing according to the covenants contained in this Aircraft Security Agreement; the costs of these inspections are to be borne by the Borrowers.
3. The Borrowers will operate the Aircraft for commercial purposes only and will maintain all records, logs, and other material, both at all times in conformity with all applicable laws, orders, rules, regulations, and directives of governmental departments, boards, or authorities, domestic or foreign, including, without limiting the generality of the foregoing, those of Transport Canada and of the Canadian Transportation Agency and in conformity with any limitations or restrictions of performance that may from time to time be recommended by the manufacturer of the Aircraft.
4. The Borrowers will not operate the Aircraft in any case outside of the territorial limits of Canada and in addition will not operate the Aircraft beyond the geographical limits, if any, defined in the policies of insurance

for the Aircraft nor use, maintain, or store the Aircraft in violation of any of the provisions of such policies.

The Borrowers will not use or operate the Aircraft or permit it to be used or operated illegally or contrary to any applicable laws, regulations, orders, rules, or directives of any power or government or agency thereof having jurisdiction.

8. The Borrowers will indemnify and hold the Bank harmless from and against any and all actions, prosecutions, administrative proceedings or similar assertions or threats arising in any way out of the custody, use, or operation of the Aircraft during the term of this Aircraft Security Agreement, and will assume liability and pay for any and all transgressions, defaults, fines, penalties, or forfeitures incurred, suffered, or assessed against the Bank or the Aircraft during the term of this Aircraft Security Agreement, together with all legal fees, costs, and expenses incidental to the foregoing to the complete exoneration of the Bank.
5. The Borrowers will pay when due all licence fees and other fees and assessments necessary for the securing of licences, certificates of registration certificates of airworthiness, and other similar permits for the operation of the Aircraft, such certificates to the extent possible showing title in the Borrowers, and, further, will pay when due all taxes, fees, assessments, or other levies now or hereafter imposed by any government upon the Aircraft or upon the leasing, use, or operation thereof whether assessed to the Borrowers or the Bank or others (excepting any income tax of the Bank); provided that upon payment of such fees, assessments, taxes, or levies, the Borrowers will immediately deliver the receipts for such payments to the Bank; and that if the Bank pays any sum that is an obligation of the Borrowers under this Aircraft Security Agreement, then the amount of such payment will be added to the Loan.
6. The Borrowers will furnish at its own cost and expense all fuels, oils, lubricants, and other materials necessary for the operation of the Aircraft and pay all maintenance, storage, hangar, landing, airport and customs charges and fees, and all other charges of any nature incidental to the use, operation, and maintenance or storage of the Aircraft.
7. The Borrowers will staff the Aircraft or cause it to be staffed with persons in the employ of the Borrowers and acceptable to the Bank and the Insurer.
8. The Borrowers will indemnify and hold the Bank harmless from and against all claims, demands, actions, and causes of actions for loss or damage or injury (including death) to persons or property arising from or in any way relating to the use or operation of the Aircraft during the term of this Aircraft Security Agreement; the Bank shall not be responsible to the Borrowers for any loss of use of the Aircraft during the term of this Aircraft Security Agreement.
9. The Borrowers will insure and keep insured and assigned to the Bank all risk Hull Insurance in form and with insurers satisfactory to the Bank, such policies to include the standard BREACH OF WARRANTY CLAUSE on all the Aircraft charged or which may be charged in favour of the Bank and will supply the Bank evidence of Third Party Liability (including passenger) insurance, such insurance shall, amongst other things: (a) name the Bank as additional insured; (b) waive all rights of subrogation against the Bank; (c) provide 15-day notice of cancellation to the Bank; (d) cover engines and parts when removed from the aircraft, wherever located; (e) cover terrorism, confiscation and war risk; and (f) sudden release of pollutants.
10. The Borrowers shall be responsible for and shall bear the expense of replacing all components of the Aircraft, including, without limiting the generality of the foregoing, the engines, rotors, and airframe components that have a time expiry life, at their normal expiry time, such replacements to be made in order to maintain the Aircraft in a full operational and airworthy condition during the term of this Aircraft Security Agreement. All such replacements shall become part of the Aircraft and subject to this Aircraft Security Agreement and all security instruments. The Borrowers will deliver to the Bank copies of all Aircraft inspections and audit reports done for maintenance, repairs or otherwise.
11. The Borrowers will not change the registration of the Aircraft.
12. The Borrowers will not sell, assign lease, transfer part with possession, or further encumber the Aircraft or enter into any agreement for sale, assignment, lease, transfer, parting with possession, or encumbering the Aircraft unless first approved by the Bank in writing, provided that nothing in this Aircraft Security Agreement

shall prevent the Borrowers from chartering the Aircraft in the ordinary course of its business.

17. The consent of the Bank to any Permitted Lease is conditional, amongst other things as determined in the absolute discretion of the Bank, on compliance with the other provisions of this Aircraft Security Agreement and satisfaction of the following requirements prior to or concurrently with any such Permitted Lease being entered into:
 - I. the Permitted Lessee must be a Canadian with its chief executive office and place of business in Canada and otherwise be acceptable to the Bank;
 - II. the Permitted Lease must be in form acceptable to the Bank and a fully executed copy of the Permitted Lease provided to the Bank;
 - III. an assignment of the Permitted Lease in favour of and in the form required by the Bank;
 - IV. an acknowledgement from the Permitted Lessee in the form required by the Bank of the Security Interests in the Aircraft and the assignment of the Permitted Lease; and
 - I. receipt by the Bank of evidence satisfactory to the Bank of compliance with the requirements of Clause 18 in connection with the Permitted Lease and its assignment to the Bank including registration, filing or recording by the Borrowers of the Permitted Lease with the IR and in accordance with the requirements of any PPSA.
18. The Borrowers will cooperate (and cause any Permitted Lessee to cooperate) with the Bank to file, register or record any Permitted Lease and any Security Interests and International Interest in such public offices and registries as required or permitted by law or as necessary or, in the opinion of the Bank, desirable in order to perfect, protect and preserve the priority of any Security Interests and in furtherance thereof the Bank is hereby authorized to take any action (including without limitation, the filing of one or more financing statements, financing change statements or like documents and amendments and discharges thereof, the registration or de-registration of any International Interest pursuant to the Cape Town Laws and amendments and discharges thereof, and, upon the occurrence of a default which is continuing, the de-registration of any Aircraft from the Register with the Aviation Authority), which the Bank may deem necessary or advisable to preserve and perfect the Security Interests and International Interests created by the General Security Agreement and this Aircraft Security Agreement.
19. If required by the Bank, the Borrowers shall acquire and maintain throughout the term of this Aircraft Security Agreement a total assurance program with the manufacturer of the airframe and a service plan with the manufacturer of the engines on the Aircraft in form and with such terms as shall be acceptable to the Bank acting reasonably. The contracts establishing the manufacturer's total assurance program and service plans shall be assigned to the Bank as security for the loan. Alternatively, the Bank may establish a Maintenance Reserve Account for the Aircraft to be funded in amounts and at times designated by the Bank with balances hypothecated by the Bank and used as required for repair and maintenance to the Aircraft.
20. The Borrowers shall not allow the name of any person, association, or corporation (other than that of a Permitted Lessee) to be placed on the Aircraft as a designation that could reasonably be interpreted as a claim of ownership; provided, however, that the Aircraft may be marked with the name, colours, and insignia of the Borrowers.
21. The Borrowers agrees that, in respect of the Cape Town Laws:
 - it is or will immediately take the necessary steps to become and will ensure that any Permitted Lessee is or takes immediate steps to become, a Transacting User Entity with the International Registry and has designated and appointed (and will cause any Permitted Lessee to designate and appoint) an Administrator, which may be a Professional User Entity;
 - H. the events of default of the General Security Agreement or this Aircraft Security Agreement are events that constitute a default or otherwise which give rise to the rights and remedies specified in Articles 12 to 15 and 20, 23 and 25 of the Consolidated Text and entitle the Bank, at its option, to


- require the Borrowers to co-operate in the immediate discharge of any International Interest in any Aircraft or any engine from the Aircraft in the Bank's favour from the IR;
- iii. the Borrowers has power to dispose of the Aircraft for the purpose of Article 10(b) of the Consolidated Text;
 - iv. the Borrowers may assign the associated rights (as defined in Article 1 of the Consolidated Text) under any assignment permitted herein, which associated rights consist of all rights to payment or other performance by the Borrowers (as debtor) under the General Security Agreement and/or this Aircraft Security Agreement and are associated with the Aircraft and engine(s) of the Aircraft;
 - v. to issue (and cause any Permitted Lessee to issue) in favour of the Bank an IDERA in respect of each Aircraft and present or cause any Permitted Lessee to present each such IDERA to the Aviation Authority (being the registry authority for the purposes of the Consolidated Text) for recordation under article 25(2) of the Consolidated Text and following such recordation, the Borrowers shall provide (or cause any Permitted Lessee to provide) the Bank with documentary evidence, satisfactory to the Bank, of its compliance herewith, and the Borrowers shall further provide (or cause any Permitted Lessee to provide) to the Bank with each original IDERA or a copy thereof endorsed for recordation with the Aviation Authority;
 - vi. if any original engine installed on any Aircraft is replaced by a replacement engine (other than a temporary engine), the Borrowers shall, at the Borrowers's expense and on or prior to title to the replacement engine being vested in the Borrowers, take such steps as shall be available to it under the terms of the Consolidated Text and as are necessary:
 - A. to subject the relevant replacement engine to the Security Interests, and to register the International Interest of the Bank in respect of such replacement engine in accordance with Chapter V of the Consolidated Text;
 - B. if such engine is subject to a Permitted Lease, to constitute in favour of the Borrowers as a creditor (being the lessor under a leasing agreement of an aircraft object), an International Interest in the replacement engine;
 - vii. ten (10) business days' prior written notice shall be the maximum required to be given to any person entitled to any notice under Articles 12(3) or 15(4) of the Consolidated Text before the Bank sells or leases an Aircraft or procures the Aircraft's de-registration as a result of a default under the General Security Agreement or this Aircraft Security Agreement.
22. Any Aircraft which becomes grounded by the Aviation Authority as a result of withdrawal, expiry or cancellation of the certificate of airworthiness for such Aircraft or as a result of any action taken by any other competent governmental authority and which remains grounded for a period of thirty (30) days shall be deemed and considered unfit for use; the Borrowers shall promptly notify the Bank of any Aircraft or engine becoming worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or rendered unfit for use for any reason whatsoever and if the Borrowers replaces any such Aircraft or engine out of the proceeds of insurance or otherwise, the Borrowers will do all things necessary as required by the Bank (including, without limitation, execution of a supplement to General Security Agreement or this Aircraft Security Agreement or a new security agreement) to subject any such Aircraft or engine to the Security Interests or to create a new or further security interest in such Aircraft or engine in favour of the Bank and will provide all information required by the Bank concerning any such replacement Aircraft or engine;
13. On default under the General Security Agreement or this Aircraft Security Agreement, the Bank shall be entitled to exercise and enforce all rights and remedies and take all actions contemplated by this the General Security Agreement or this Aircraft Security Agreement, any other security held by the Bank, any applicable PPSA, the Cape Town Laws or otherwise as permitted at law or in equity, all of which rights and remedies being specifically reserved, and no failure by the Bank to exercise any such rights or remedies or to follow any procedure imposed by the Cape Town Laws, any applicable PPSA or other applicable law, for the exercise or enforcement of any right or remedy available to the Bank thereunder shall adversely

affect any other rights or remedies available to the Bank under General Security Agreement or this Aircraft Security Agreement, any other security held by the Bank, any applicable PPSA, the Cape Town Laws or otherwise at law or in equity.

24. The Borrowers will not base the Aircraft outside of Canada nor operate the Aircraft outside of Canada without the prior written consent of the Bank and such consent is at the sole discretion of the Bank. Any consent given by the Bank will be conditional until the Borrowers has taken all steps at the Borrowers' expense to:
- (a) register the Bank's interest in the Aircraft or this Aircraft Security Agreement at all offices or record as may be necessary or desirable to record the Bank's Interest in the Aircraft and to provide proofs of the same to the Bank; and
 - (b) extend any policies of insurance to allow for operation of the Aircraft in such area(s) and to provide proofs of the same to the Bank.
25. The term of this Aircraft Security Agreement shall expire when the Loan from the Bank has been paid in full.
26. Default by the Borrowers in the performance of this Aircraft Security Agreement shall constitute default of the other security documents and agreements held by the Bank for the Loan.
27. This Aircraft Security Agreement shall enure to and be binding upon the Borrowers and its successors and permitted assigns.

IN WITNESS WHEREOF the Borrowers have duly executed this Aircraft Security Agreement:


UNIVERSAL HELICOPTERS NEWFOUNDLAND AND LABRADOR LP,
by its General Partner **70703 NEWFOUNDLAND AND LABRADOR INC.**
by its authorized signatory(ies):



Name: Shane Cyr
Title: President / CEO

Name:
Title:

70703 NEWFOUNDLAND AND LABRADOR INC.
by its authorized signatory(ies):



Name: Shane Cyr
Title: President / CEO

Name:
Title:

**SCHEDULE "A" TO
AIRCRAFT SECURITY AGREEMENT**

- 2012 AEROSPATIALE AS350B3E HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 7540 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FEPB
- 1988 AEROSPATIALE AS35062 HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 2076 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-GPBY
- 1983 AEROSPATIALE AS35062 HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 1685 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-GNAI
- 1989 AEROSPATIALE AS350BA HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 2201 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FAPN
- 1985 AEROSPATIALE AS350B HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 1816 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FXAL
- 2008 BELL 407 HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 53888 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FEPR
- 1999 BELL 407 HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 53331 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FTJU
- 1997 BELL 407 HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 53130 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-GOFL
- 1996 BELL 407 HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 53022 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FXYF
- 1995 BELL 206L-4 HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 52149 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FLIA
- 1978 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 46609 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-GVYO
- 1978 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 45149 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FCNG
- 1977 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 45147 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FPHO
- 1977 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 45086 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-FCWR
- 1976 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 45048 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-GAHS
- 1976 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 45021 AND TRANSPORT CANADA CIVIL AIRCRAFT REGISTRATION MARK C-GDCA

1975 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 45027 AND TRANSPORT CANADA
CIVIL AIRCRAFT REGISTRATION MARK C-GIZY

1975 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 45018 AND TRANSPORT CANADA
CIVIL AIRCRAFT REGISTRATION MARK C-GLSH

1975 BELL 206L HELICOPTER BEARING MANUFACTURER'S SERIAL NUMBER 45008 AND TRANSPORT CANADA
CIVIL AIRCRAFT REGISTRATION MARK C-GQIX