Hearing Date (if needed): May 21, 2018 at 10:30 a.m. (CT)
Objection Deadline: May 4, 2018 at 4:00 p.m. (CT)

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

In re:	:	**Chapter 11**
CHC GROUP LTD. et al.,	:	**Case No. 16–31854 (BJH)**
Debtors.	:	**(Jointly Administered)**

DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER A SETTLEMENT AGREEMENT WITH ERA LEASING LLC

NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT BEFORE TO 4:00 P.M. (PREVAILING CENTRAL TIME) ON MAY 4, 2018, WHICH IS AT LEAST 24 DAYS FROM THE DATE OF SERVICE HEREOF.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR

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RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-FOUR (24) DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING (BY 4:00 P.M. (PREVAILING CENTRAL TIME) ON MAY 4, 2018). YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THIS NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

IF AN OBJECTION IS FILED, A HEARING WILL BE CONDUCTED ON THIS MATTER ON MAY 21, 2018 AT 10:30 A.M. (CT) IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242.

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

CHC Group Ltd. and its above-captioned debtor affiliates, as reorganized debtors (collectively, the "**Debtors**")[1], respectfully represent as follows:

Relief Requested

1. The Debtors hereby submit this motion (the "**Motion**"), pursuant to sections 105(a) and 363(b) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6004(h) and 9019 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), respectfully requesting entry of an order, substantially in the form attached hereto as **Exhibit B** (the "**Order**"), authorizing the Debtors to enter into, and perform under, a settlement agreement (together with all exhibits and schedules attached to such settlement agreement, the "**Settlement Agreement**") between Era Leasing LLC and its affiliates (collectively, "**Era**") and certain of the Debtors concerning the settlement of claims arising out of the post-petition use and

[1] On December 14, 2017, the Bankruptcy Court entered the *Final Decree Closing Certain of the Chapter 11 Cases* [Docket No. 2231], closing twenty-four (24) of the Debtors' chapter 11 cases. A list of Debtors in these chapter 11 cases, including the closed chapter 11 cases, along with the last four digits of each Debtors' federal tax identification number, where available, is annexed hereto as **Exhibit A**.

the rejection of the agreements related to the helicopter bearing manufacturer's serial number 2691 (the "**Rejected Helicopter**").

2. A copy of the Settlement Agreement is attached hereto as **Exhibit C**.

Jurisdiction and Venue

3. The United States Bankruptcy Court for the Northern District of Texas (the "**Court**") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief requested herein are sections 105(a) and 363(b) of the Bankruptcy Code and Rules 6004(h) and 9019 of the Bankruptcy Rules.

Background

4. On May 5, 2016 (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

5. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

6. On March 3, 2017, the Court entered the *Findings of Fact, Conclusions of Law, and Order Confirming the Debtors' Fourth Amended Joint Chapter 11 Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code* [Docket No. 1794] confirming the Debtors' *Fourth Amended Joint Chapter 11 Plan of CHC Group Ltd. and Its*

Affiliated Debtors [Docket No. 1701] (the "**Plan**"). On March 24, 2017, the Plan became effective.

The Debtors' Businesses

7. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter services company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business, which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the Debtors' funded debt – are Debtors in the chapter 11 proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their business in the ordinary course.

8. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* [Docket No. 13] (the "**Del Genio Declaration**").

The Debtors' Fleet Restructuring

9. In connection with the commencement of its chapter 11 cases, CHC undertook to formulate a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC

identified cost savings to be achieved through a significant reduction in its fleet by eliminating helicopters and other related equipment that were not, or soon would not be, used to generate revenue in CHC's businesses. In addition, CHC reduced the complexity of its fleet, which decreased costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet created a significant surplus of helicopters and other related equipment owned and leased by CHC.

10. As of the Petition Date, CHC maintained a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) (collectively, the "**CHC Fleet**"). A significant portion of the CHC Fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the CHC Fleet as of the Petition Date, CHC owned 67 helicopters and CHC leased the remainder from various third-party lessors. In most cases CHC subleased helicopters to affiliated operating entities. These leasing structures provide maximum regulatory and business flexibility.

11. The Debtors undertook an accelerated fleet replacement strategy in exiting from non-revenue generating helicopters and five older technology helicopter types, in order to meet their customers' demands for newer technology helicopters and reduce the number of different helicopter types in their fleet. During the chapter 11 cases, the Court approved the rejection of 79 helicopters. *See* Docket Nos. 273, 427, 428, 565, 833, 1042, 1145, 1492, 1612, 1742, 1746 and 1769. The Court also approved the abandonment of 5 helicopters. *See* Docket No. 1299.

The Rejected Helicopter and the Settlement Agreement

12. On May 27, 2016, the Debtors filed a motion seeking this Court's authorization to reject the lease and sublease for the Rejected Helicopter [Docket No. 210]. On June 30, 2016, the Court entered an order approving the rejection of the Rejected Helicopter [Docket No. 427].

13. Prior to the entry of the order approving the rejection of the Rejected Helicopter, the Debtors briefly utilized the Rejected Helicopter. The Debtors and Era dispute the appropriate payment due for such post-petition usage during the initial 60 day post-petition period prior to entry of the rejection order.

14. Era filed proof of claim numbers 436, 437 and 438 (the "**Filed Proofs of Claim**") asserting approximately $11 million in general unsecured claims on account of rejection damages claims, not including unliquidated and undetermined amounts. ERA has also requested over EUR 520,000 in administrative priority expense claims for the Debtors' post-petition usage of the Rejected Helicopter, which amount is disputed. The Filed Proofs of Claim relate to the Rejected Helicopter and an executory contract pursuant to which, among other things, one of the Debtors agreed to supply certain replacement helicopter parts and components to ERA.

15. On February 22, 2018, the Debtors filed the *Debtors' Objection to Claims Asserted by Era Leasing LLC* [Docket No. 2276] objecting to the Claimants' Filed Proofs of Claim (the "**Claims Objection**").

16. After good faith negotiations between the Debtors and Era, the parties have entered into the Settlement Agreement in order to settle all their claims with respect to the Rejected Helicopter, the Filed Proofs of Claim and resolve the Claims Objection. Upon the effectiveness of the Settlement Agreement, and without the need for Era to file proofs of claim or

request payment or take any other action, Era shall receive separate and distinct stipulated, allowed claims as set forth below:[2]

(a) an Allowed Primary General Unsecured Claim in Heli One Leasing ULC SRL's Class 7 General Unsecured Claims class of $3,750,000;

(b) an Allowed Secondary General Unsecured Claim in CHC Helicopter Holding S.à.r.l's Class 7 General Unsecured Claims class of $3,750,000; and

(c) an Allowed Administrative Expense Claim of $300,000.

17. The Settlement Agreement (including the related waiver, release and claims allowances) will be effective upon occurrence of (i) execution by all parties thereto and (ii) approval by the Bankruptcy Court.

Basis for Relief

18. The settlement embodied in the Settlement Agreement should be approved pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019. A bankruptcy court may approve a settlement in accordance with Bankruptcy Rule 9019, which provides that "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a).

19. "Compromises are 'a normal part of the process of reorganization,'" *Protective Comm. for Indep. S'holders of TMT Trailer Ferry Inc., v. Anderson*, 390 U.S. 414, 424 (1968), and are favored in bankruptcy because they minimize litigation costs and further the parties' interest in expediting the administration of the bankruptcy case. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996); *In re Bond*, 1994 U.S. App. Lexis 1282, *9-*14 (4th

[2] The summary of the terms of the Settlement Agreement contained in this Motion is qualified in its entirety by the terms of the Settlement Agreement. To the extent this Motion and the Settlement Agreement are inconsistent, the Settlement Agreement shall control.

Cir. 1994). "One of the goals of Congress in fashioning the Bankruptcy Code was to encourage parties in a distress situation to work out a deal among themselves." *In re Mirant Corp.*, 334 B.R. 800, 811 (Bankr. N.D. Tex. 2005).

20. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *In re World Health Alts., Inc.*, 344 B.R. 291, 296 (Bankr. D. Del. 2006); 9 Collier on Bankruptcy at ¶ 9019.02. Approval of a settlement is appropriate "when the settlement is fair and equitable and the best interests of the estate." *Official Committee of Unsecured Creditors v. Moeller (In re Age Refining, Inc.),* 801 F.3d 530, 540 (5th Cir. 2015); *In re Heritage Organization, LLC*, 375 B.R. 230, 260 (Bankr. N.D. Tex. 2007). In determining whether to approve a settlement, courts in the Fifth Circuit have applied a three factor test with a focus on comparing "the terms of the compromise with the likely rewards of litigation." *In re Age Refining, Inc*., 801 F.3d at 540 (*citing In re Jackson Brewing Co*., 624 F.2d 599, 607 (5th Cir. 1980)). A bankruptcy court must evaluate: (a) the probability of success in the litigation, with due consideration for the uncertainty in fact and law, (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (c) all other factors bearing on the wisdom of the compromise. *See In re Age Refining, Inc.*, 801 F.3d at 540; *In re Cajun Elec. Power Coop*., 119 F.3d 349, 356 (5th Cir. 1997); *In re Jackson Brewing Co*., 624 F.2d at 607; *In re Mirant Corp*., 348 B.R. 725, 739-40 (Bankr. N.D. Tex. 2006). Furthermore, "[u]nder the rubric of the third, catch-all provision, [the Fifth Circuit has] specified two additional factors that bear on the decision to approve a proposed settlement." *Id*. These "other factors" include consideration of (i) "the best interest of creditors, with proper deference to their reasonable views;" and (ii) "the extent to which the settlement is truly the product of arms-length

bargaining, and not of fraud or collusion." *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; *see also In re Age Refining, Inc.*, 801 F.3d at 540.

21. "In evaluating a Rule 9019 settlement, a bankruptcy court does not 'conduct a mini-trial to determine the probable outcome of any claims waived in the settlement.'" *In re Age Refining*, 801 F.3d at 541. "Rather, the bankruptcy court must apprise [itself] of the relevant facts and law so that [it] can make an informed and intelligent decision." *Id.*; *see also TMT Trailer Ferry,* 390 U.S. at 425 (noting that a court should "compare the terms of the compromise with the likely rewards of litigation"); *In re Cajun Elec. Power Coop.*, 119 F.3d at 356; *In re Heritage Organization, LLC*, 375 B.R. at 260 ("it is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in the settlement. The judge need only apprise himself of the relevant facts and law so that he can make an informed and intelligent decision...."); *In re Mirant,* 348 B.R. at 741, n.36 ("For a settlement to meet the best interests test, the amount being paid or received by the estate (or, here, Mirant) need only be within the extremes of the range."); *In re Nutritional Sourcing Corp.*, 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting *In re Coram Healthcare Corp.*, 315 B.R. 321, 330 (Bankr. D. Del. 2004)) (holding that a court need not be convinced that the proposed settlement is the best possible outcome, rather "[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.").

22. In the Debtors' business judgment, the settlement and resolutions embodied in the Settlement Agreement are fair and equitable and in the best interest of the Debtors, their estates and creditors, and should be approved. The Settlement Agreement provides for a global resolution of the various claims of ERA related to the Rejected Helicopter

and the Filed Proofs of Claim and reflect fair value for the obligations being settled. Such claims, if litigated, could be distracting to the Reorganized Debtors' operations, impose significant demands on certain of the Debtors' personnel, and result in extensive, protracted and costly litigation due to the complex nature of the underlying contracts with Era and the fact-intensive inquiry that would be required to prepare for any litigation. Lastly, the Settlement Agreement is the product of lengthy good faith, arms-length negotiations between the parties that falls well within the reasonable range of litigation possibilities. Accordingly, each of the applicable factors weighs in favor of approving the Settlement Agreement.

23. In addition, the Debtors respectfully submit that the decision to enter in to the Settlement Agreement represents a reasonable exercise of the Debtors' business judgment under section 363 of the Bankruptcy Code. The settlement of the claims associated with the Rejected Helicopter avoids costly and potentially lengthy litigation over complex contractual terms and factual disputes and allows the Debtors to efficiently and quickly resolve such matters for amounts that the Debtors believe are appropriate given the amounts and issues in question and maximize value for their estates and the creditors.

24. Lastly, approval of the Settlement Agreement is also in the best interest of creditors by resolving Era's claims will allow the Debtors to resolve the last disputed aircraft claims that will enable the Debtors to make further distributions to other general unsecured creditors. In addition, the Post-Effective Date Committee supports approval of the Settlement Agreement.

25. Based on the foregoing, the Debtors respectfully request that the Court authorize the Debtors to enter into, and perform under, the Settlement Agreement, as such actions are a reasonable exercise of the Debtor's business judgment, are supported by a good

business reason and such settlement falls well within the reasonable range of litigation possibilities.

Reservation of Rights

26. Notwithstanding anything contained or requested in this Motion or the Settlement Agreement, nothing herein contemplates or constitutes an assumption of any lease or executory contract with Era pursuant to section 365 of the Bankruptcy Code. In addition, nothing contained or requested in this Motion or the Settlement Agreement shall be an acknowledgement that section 1110 of the Bankruptcy Code or the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment are applicable.

Rule 6004(h) Waiver

27. The Debtors respectfully request that any order approving this Motion be effective immediately, thereby waiving the 14-day stay period imposed by Bankruptcy Rule 6004(h). Waiver of the stay period is necessary for the Settlement Agreement to be implemented as expeditiously as possible and within the time frames contemplated by the parties.

Notice

28. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Post-Effective Date Committee; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn:

Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to Era; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

No Prior Request

29. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to enter into, and perform under, the Settlement Agreement and (b) granting such other and further relief as this Court may deem just and proper.

Dated: New York, New York
April 10, 2018

By: */s/ Jasmine Ball*

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-and-

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kelly.diblasi@weil.com
Attorneys for Debtors and Reorganized Debtors

EXHIBIT A
Debtors

Open Cases	
Debtor	**Last Four Digits of Federal Tax I.D. No.**
CHC Group Ltd.	7405
6922767 Holding SARL	8004
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A. (n/k/a CHC Leasing S.à r.l.)	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One Canada ULC	8735
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691

Closed Cases	
Debtor	**Last Four Digits of Federal Tax I.D. No.**
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Holding NL B.V.	6801
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited (n/k/a CHC Leasing (Ireland) Designated Activity Company)	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (UK) Limited	2451
Heli-One Holdings (UK) Limited	6780
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

Exhibit B

Proposed Form of Order

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

----------	x	
	:	
In re:	:	**Chapter 11**
	:	
CHC GROUP LTD. *et al.*,	:	**Case No. 16– 31854 (BJH)**
	:	
	:	
Debtors.	:	**(Jointly Administered)**
	:	
----------	x	

ORDER GRANTING DEBTORS' MOTION FOR AN ORDER PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE AND FEDERAL RULES OF BANKRUPTCY PROCEDURE 6004(h) AND 9019 AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM UNDER A SETTLEMENT AGREEMENT WITH ERA LEASING LLC

Upon the motion dated April 10, 2018 (the "**Motion**")[1] of CHC Group Ltd. and its above-captioned debtor affiliates (collectively, the "**Debtors**"), pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rules 6004(h) and 9019, seeking authority to enter into, and perform under, a settlement agreement between Era Leasing LLC and its affiliates (collectively, "**Era**") and certain of the Debtors concerning the settlement of claims arising out

[1] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

of the post-petition use and the rejection of the agreements related to the helicopter bearing manufacturer's serial number 2691 (the "**Rejected Helicopter**"), and upon consideration of the Del Genio Declaration, and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.), counsel to the Post-Effective Date Committee; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) counsel to Era; and (x) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002, and no other or further notice need be provided; and the relief requested in the Motion being in the best

interests of the Debtors and their estates and creditors; and the Court having reviewed the legal and factual bases set forth in the Motion, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted.

2. Pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, and Bankruptcy Rule 9019, the Debtors are hereby authorized to enter into and perform under the Settlement Agreement.

3. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

4. The Settlement Agreement, and the transactions contemplated therein, represent a valid exercise of the Debtors' business judgment and are hereby approved in their entirety.

5. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Settlement Agreement.

6. Upon the effectiveness of the Settlement Agreement, and without the need for Era to file proofs of claim or request payment or take any other action, Era shall receive, in lieu of its currently filed claims, shall receive separate and distinct stipulated, allowed claims as set forth below:

(a) an Allowed Primary General Unsecured Claim in Heli One Leasing ULC SRL's Class 7 General Unsecured Claims class of $3,750,000;

(b) an Allowed Secondary General Unsecured Claim in CHC Helicopter Holding S.à.r.l's Class 7 General Unsecured Claims class of $3,750,000; and

(c) an Allowed Administrative Expense Claim of $300,000.

7. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

Respectfully Submitted,

DEBEVOISE & PLIMPTON LLP

/s/ Jasmine Ball

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-and-

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kelly.diblasi@weil.com

Attorneys for Debtors and Reorganized Debtors

Exhibit C

Settlement Agreement

SETTLEMENT AGREEMENT BETWEEN
ERA LEASING LLC AND HELI ONE LEASING ULC

This SETTLEMENT AGREEMENT, dated as of April 9, 2018 (this "**Agreement**"), is made by and among (a) Heli One Leasing ULC ("**CHC**") and (b) Era Leasing LLC and its affiliates (the "**Claimant**").

W I T N E S S E T H:

WHEREAS, on May 5, 2016 (the "**Petition Date**"), CHC and certain of its affiliates (collectively, the "**Debtors**")[1] each filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Northern District of Texas (the "**Bankruptcy Court**");

WHEREAS, prior to the Petition Date, CHC was party to a lease agreement with Claimant (the "**Lease**") with respect to the helicopter bearing manufacturer's serial number 2691 (the "**Helicopter**") and CHC's affiliate, CHC Helicopter Holding S.à.r.l (the "**Guarantor**"), was a party to a guaranty agreement with Claimant (the "**Guaranty**" and together with the Lease and any other operative or related documents and agreements, the "**Transaction Documents**") in connection with the leasing transaction for the Helicopter;

WHEREAS, pursuant to the *Order Granting Debtors' Second Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code*, entered on June 30, 2016, [Docket No. 427], CHC rejected the Lease and the related Transaction Documents;

WHEREAS, on or before the bar date, the Claimant filed proof of claim numbers 436, 437 and 438 with respect to the Helicopter and the Transaction Documents (together, the "**Filed Proofs of Claim**");

WHEREAS, on February 22, 2018, the Debtors filed the *Debtors' Objection to Claims Asserted by Era Leasing LLC* [Docket No. 2276] objecting to the Claimants' proof of claim numbers 436, 437 and 438 (the "**Claims Objection**");

WHEREAS, the Claimant is asserting claims against the Debtors and certain of their affiliates (including, for the avoidance of doubt, certain affiliates who are not Debtors), claims for damages for any use of the Helicopter and for any breach, termination, rejection or modification of the Transaction Documents, including general unsecured non-priority pre-

[1] A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as Exhibit A.

petition claims related thereto and general post-petition administrative expense claims related thereto (together with the Filed Proofs of Claim, the "**Claims**");

WHEREAS, on August 8, 2016, CHC returned and surrendered the Helicopter to the Claimant;

WHEREAS, on March 3, 2017 the Bankruptcy Court entered the *Findings of Fact, Conclusions of Law, and Order Confirming the Debtors' Fourth Amended Joint Chapter 11 Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code* [Docket No. 1794] confirming the Debtors' *Fourth Amended Joint Chapter 11 Plan of CHC Group Ltd. And Its Affiliated Debtors* [Docket No. 1701] (the "**Plan**").[2] On March 24, 2017, the Plan became effective and has been substantially consummated; and

WHEREAS, the parties have engaged in arm's-length negotiations and hereto desire to resolve, solely to avoid further expense and inconvenience and without any admission of any issue of fact or law, (i) the Claims Objection and (ii) the Claims and any and all other claims against the Debtors or any of the Debtors' affiliates (including, for the avoidance of doubt, any affiliates who are not Debtors) owned or controlled by the Claimant relating to the Helicopter or the Transaction Documents (collectively, the "**Settled Claims**"), on the terms and conditions set forth herein;

NOW, THEREFORE, in light of the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged, it is hereby agreed, by and among the parties hereto, as follows:

1. The Claimant represents and warrants that it owns and controls or otherwise has authority to settle one hundred percent (100%) of the Settled Claims.

2. The Claimant hereby confirms that the Settled Claims are the only claims filed or to be filed or otherwise owned or controlled by such Claimant relating to the Helicopter or the Transaction Documents (and, to the extent that the Claimant has filed claims relating to the Covered Matters (as defined below) in the Debtors' current chapter 11 cases, that this Agreement shall govern and control such claims and the allowed amount of such claims in all respects and, upon the effectiveness of this Agreement, the Debtors are authorized to direct their claims agent to amend or update such claims on the claims register accordingly).

3. In full and final satisfaction of the Settled Claims, upon the effectiveness of this Agreement, and without the need for the Claimant to file proofs of claim, any amendment to the Filed Proofs of Claim or request for payment or take any other action, the Claimant shall receive separate and distinct stipulated, allowed claims as follows:

(a) an Allowed Primary General Unsecured Claim in Heli One Leasing ULC SRL's Class 7 General Unsecured Claims class of $3,750,000 (the "**Primary GUC**");

[2] The defined terms used herein but not otherwise defined shall have the meaning set forth in the Plan.

(b) an Allowed Secondary General Unsecured Claim in CHC Helicopter Holding S.à.r.l's Class 7 General Unsecured Claims class of $3,750,000 (the "**Secondary GUC**"); and

(c) an Allowed Administrative Expense Claim of $300,000 (the "**Allowed Administrative Claim**" and together with the Primary GUC and Secondary GUC, the "**Allowed Claims**").

Other than the Allowed Claims, the Settled Claims shall be disallowed and expunged in all other respects.

4. The Allowed Claims shall be treated in accordance with the terms of the Plan that has become effective or in accordance with such other general distributions to similarly situated creditors of the same priority as may be approved by the Bankruptcy Court. It is expressly understood by the Claimant that the Claimant may seek satisfaction of the Settled Claims only as set forth in the Plan or such order approved by the Bankruptcy Court, and that, except as so provided in the Plan or such order, to the extent allowed hereunder, in no event will the Debtors or their estates, the reorganized Debtors, the Debtors' or the reorganized Debtors' affiliates (including, for the avoidance of doubt, any affiliates who are not Debtors), or any persons who are employed by or otherwise associated with the Debtors or the reorganized Debtors or their affiliates be liable to the Claimant or its respective affiliates in any other way whatsoever with respect to the Settled Claims or the debts, obligations, liabilities, accounts, suits, damages or causes of action giving rise to the Settled Claims.

5. Except as expressly agreed herein, upon the effectiveness of this Agreement, the Claimant (on behalf of itself and its successors and assigns) does hereby fully, finally and forever waive, release and discharge CHC, the other Debtors, their estates, the reorganized Debtors and their respective executors, heirs, successors, assigns, affiliates (including, for the avoidance of doubt, any affiliates who are not Debtors), shareholders, associates, joint venture partners, strategic aircraft operating partners, customers, parents, subsidiaries and predecessors and any operator of the Helicopter, together with the officers, directors, partners, principals, members, employees, attorneys, representatives, trustees and agents of any of the foregoing, from any and all claims (as defined in section 101(5) of the Bankruptcy Code), causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses or demands (including, without limitation, under any provision of any tax indemnity or general indemnity), of whatsoever kind and nature, character and description, whether pre-petition unsecured, priority, administrative or post-petition/administrative, whether sounding in tort, contract or under other applicable law, whether known or unknown, whether anticipated or unanticipated, whether presently existing or existing at any time in the future, whether or not asserted, and whether founded in fact or law or in equity, in any way arising out of, arising as a result of, related to, with respect to or in connection with, or based in whole or in part on, any of the following (the "**Covered Matters**"): (a) the Settled Claims, (b) any other claims owned or controlled by the Claimant relating to the Helicopter, (c) the Transaction Documents, including, without limitation, the breach, rejection, modification or termination of the Lease or the Guaranty or any exercise or purported exercise of remedies thereunder or (d) the Helicopter, including, without limitation, the condition or capabilities of the Helicopter upon its surrender and return.

6. Upon the effectiveness of this Agreement, CHC (on behalf of itself and its heirs,

successors and assigns and its chapter 11 estate and its affiliates) hereby waives, releases and discharges any right they had or may have to assert any objection, counterclaim or right of setoff with respect to the Allowed Claims, or to assert a claim pursuant to Section 502(d) of the Bankruptcy Code against the Claimant with respect to the Allowed Claims, or otherwise to seek any reduction to the Allowed Claims. In addition, pursuant to section 10.11 of the Plan, all Avoidance Actions against the Claimant were, and for the avoidance of any doubt are hereby, released as of the Plan's Effective Date.

7. Upon the effectiveness of this Agreement, the Debtors will withdraw the Claims Objection.

8. The Claimant hereby directs CHC (or its estate, as the case may be) to make any and all distributions on the Allowed Claims, as allowed hereunder, in accordance with Schedule A attached hereto. Distributions on the Primary GUC and Secondary GUC Claims shall not be made except on a date on which CHC (or its estate, as the case may be) makes distributions generally to creditors of the same priority in accordance with the terms of the Plan. Distributions on the Allowed Administrative Claim shall be made within 10 business days after the effectiveness of the Agreement.

9. Except as specifically provided herein, nothing contained herein shall be deemed an admission of liability on the part of the Debtors, the reorganized Debtors or the Claimant with respect to the Settled Claims, nor shall anything herein be deemed to be, or construed as, an admission by the Debtors, the reorganized Debtors or the Claimant of any liability, wrongdoing, act or matter or that any claim or defense has or lacks merit.

10. Until this Agreement becomes effective, this Agreement is intended for settlement purposes only and is subject to the privilege provided for in Federal Rule of Evidence 408. Neither this Agreement, nor any statement made or action taken in connection with the negotiation of this Agreement, shall be offered or reserved in evidence or in any way referred to in any legal action or administrative proceeding among or between the parties hereto, other than as may be necessary (i) to enforce this Agreement, (ii) to seek damages or injunctive relief in connection with a breach or alleged breach of this Agreement or (iii) to obtain approval of this Agreement in CHC's current chapter 11 case.

11. All parties shall maintain the confidentiality of this Agreement except to the extent necessary to enforce this Agreement; provided, that each party shall be entitled to deliver a copy of this Agreement (i) as may be necessary in connection with any rule, regulation or requirement (including filing requirements) of any government authority or court process or any stock exchange, (ii) as may be necessary to obtain approval of this Agreement in CHC's current chapter 11 case (including, without limitation, to the Post-Effective Date Committee), (iii) to its attorneys, auditors, tax or other professionals, who shall be informed of the confidential nature of this Agreement, (iv) to an actual or prospective purchaser of any Allowed Claims and (v) to an actual or prospective purchaser of, or investor in, such party; provided, however, with respect to any actual or prospective purchaser or investor described in clause (iv) or clause (v), so long as such actual or prospective purchaser or investor has executed an appropriate form of confidentiality agreement agreeing to be bound by this paragraph; provided, further, with respect to any actual or prospective purchaser or investor described in clause (iv) or clause (v), the Claimant may disclose solely the amounts of the Allowed Claims and the fact that such Allowed Claims are allowed (it being understood that

CHC's claims agent may record such Allowed Claims on the claims register that such claims agent maintains in CHC's chapter 11 case).

12. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary or appropriate in conjunction with the performance of their respective obligations hereunder.

13. This Agreement is binding upon the parties hereto and their respective successors and assigns, and any other person asserting an interest in or indemnification pursuant to the Lease or the Helicopter under the Transaction Documents. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person other than the parties hereto and their respective successors and assigns.

14. This Agreement may be executed in multiple counterparts, any of which may be transmitted by facsimile or electronic (e-mail) transmission, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. The terms set forth in this Agreement are part of a comprehensive compromise and each element is an integral aspect of the agreed settlement and is non-severable. This Agreement contains the entire agreement between the parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the parties relating thereto.

16. This Agreement shall be governed by the laws of the State of New York. The Bankruptcy Court shall retain jurisdiction (and each party consents to such retention of jurisdiction) with respect to any disputes arising from or other actions to interpret, administer or enforce the terms and provisions of this Agreement.

17. Each party hereto represents and warrants to each other party hereto that (i) it is authorized to execute this Agreement, (ii) it has full power and authority to enter into this Agreement and effectuate the matters provided hereunder, (iii) this Agreement is duly executed and delivered by it and constitutes its valid, binding agreement in accordance with its terms and (iv) it has full knowledge and has consented to this Agreement.

18. This Agreement shall be effective upon (i) execution by all parties hereto and (ii) approval by the Bankruptcy Court. This Agreement shall not be modified, altered, amended or vacated without the written consent of the parties hereto affected thereby or by order of the Bankruptcy Court.

19. Immediately upon the effectiveness of this Agreement, the Debtors' claims and noticing agent is authorized and directed to amend the claims register to reflect the terms of this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

HELI ONE LEASING ULC

By:_____
Name:
Title:

CHC HELICOPTER HOLDING S.À.R.L

By: _____
Name:
Title:

ERA LEASING LLC

By: _____
Name:
Title:

EXHIBIT A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A. (n/k/a CHC Leasing S.à r.l.)	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited (n/k/a CHC Leasing (Ireland) Designated Activity Company)	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

SCHEDULE A

DELIVERY INSTRUCTIONS

Name:
Attn:
Telephone:
E-mail:
Credit To:
Reference: