UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
AVIANCA HOLDINGS S.A., *et al.*	:	Case No. 20-11133 (MG)
Debtors.[1]	:	(Jointly Administered)

FIRST STIPULATION AND ORDER BETWEEN DEBTORS AND AIRCRAFT COUNTERPARTIES CONCERNING CERTAIN AIRCRAFT

This stipulation (the "Stipulation") is entered into as of June 15, 2020, by and between Aerovías del Continente Americano S.A. Avianca (the "Debtor" and together with the above-captioned parties, the "Debtors") and each of the parties set forth in Exhibit A hereto (the "Aircraft Counterparties") with respect to the aircraft leases (the "Leases") and related documents set forth in Exhibit A (collectively with the Leases, the "Aircraft Agreements") in respect of the aircraft listed in Exhibit A hereto, along with the airframes, engines, related equipment and/or

[1] The Debtors in these chapter 11 cases, and each Debtor's federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaraguense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aereo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

other equipment, documents, and records (including maintenance records) with respect to the Leases (collectively, the "Aircraft Equipment");

WHEREAS, on May 10, 2020 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Court");

WHEREAS, subject to paragraph B(c), (i) this Stipulation is effective from the Petition Date through July 9, 2020 (such period, along with, as applicable, the period until the Aircraft Equipment is returned to the Aircraft Counterparties under paragraph B(c)(i) herein, the "Stipulation Period") and (ii) the Stipulation Period will be automatically extended on a rolling 30 day period basis unless either the Debtors or the Aircraft Counterparties provide written notice to the other parties at least 5 days prior to the end of such Stipulation Period;

WHEREAS, the entity identified as such in Exhibit A is the lessor of the Aircraft Equipment and related items;

WHEREAS, the Aircraft Counterparties assert rights and interests (collectively, the "Aircraft Interests" and each an "Aircraft Interest") in the Aircraft Equipment; and

WHEREAS, the Debtors and the Aircraft Counterparties do hereby STIPULATE and AGREE as follows:

A. The Debtors represent and warrant that as of the date of the execution of this Stipulation and at the time the Aircraft Agreements were entered into by and between the Debtor and the Aircraft Counterparties, the Debtor did not hold an air carrier operating certificate issued pursuant to chapter 447 of title 49, United States Code and, accordingly for that reason, Section 1110 of the Bankruptcy Code is not applicable to the Aircraft Equipment.

B. During the Stipulation Period:

(a) if the Aircraft Equipment is not operated, the Debtors shall, at the Debtors' expense:

(i) maintain and store the Aircraft Equipment under a storage program approved by the applicable aviation authority;

(ii) continue to carry and maintain hull and liability insurance with respect to the Aircraft Equipment in accordance with the terms required by, and in amounts not less than the amounts required under, the Aircraft Agreements; and

(iii) provide the applicable Aircraft Counterparty with reasonable access to inspect the Aircraft Equipment at the sole expense of such Aircraft Counterparty;

(b) if the Aircraft Equipment is operated, the Debtors shall, at the Debtors' expense:

(i) operate and maintain the Aircraft Equipment pursuant to the maintenance, possession and use covenants of the Aircraft Agreements; *provided* that such maintenance obligation under this Stipulation shall not include the performance of any scheduled heavy maintenance or overhauls of the Aircraft Equipment;

(ii) continue to carry and maintain hull and liability insurance with respect to the Aircraft Equipment in accordance with the terms required by, and in amounts not less than the amounts required under, the Aircraft Agreements; and

(iii) provide the applicable Aircraft Counterparty with reasonable access to inspect the Aircraft Equipment at the sole expense of such Aircraft Counterparty; *provided* that any such inspection does not interfere with the operation or maintenance of the Aircraft Equipment or the Debtor's operations generally;

(c) the Debtors may, subject to any requirement by the Court that a further order or notice is necessary, at any time upon 15 days' notice to the Aircraft Counterparties, reject the Aircraft Agreements or abandon the Aircraft Equipment and, in either such case, the Debtors shall, at the Aircraft Counterparties' expense, (i) promptly deliver such Aircraft Equipment (expressly including the original engines listed on Exhibit A hereto, unless the parties agree otherwise) to the Aircraft Counterparties at a location permitted under the Aircraft Agreements or such other location mutually acceptable to the Debtors and the Aircraft Counterparties, (ii) as soon as reasonably practicable, deliver to the Aircraft Counterparties all technical records and documents relating to such Aircraft Equipment that are in the Debtor's possession or control, and (iii) cooperate in taking all actions (including filings) and signing all documents reasonably required by the Aircraft Counterparties with regard to the return of the Aircraft Equipment to the Aircraft Counterparties, the transfer of title, and its deregistration and export from the current state of registration or country of previous importation, in each case, to the extent applicable.

C. During the Stipulation Period the performance by the Debtors of the terms and conditions set forth in paragraph B above shall satisfy any and all rights of the Aircraft Counterparties to administrative expense status or priority in payment under any applicable provision of the Bankruptcy Code for any claims arising out of or related to the Stipulation Period based on the obligations (both monetary or performance based, or in each case lack thereof) of any Debtors in these chapter 11 cases pursuant to sections 361, 362, 363, 364, or 365 of the Bankruptcy Code and any similar provision under the Cape Town Convention on International Interests in Mobile Equipment and the Protocol thereto on Matters Specific to Aircraft Equipment, each as opened for signature on November 16, 2001, that arise out of or relate to the Aircraft Equipment; *provided* that, to the extent the Aircraft Equipment is being operated, the Aircraft Counterparties

reserve all rights to assert an unsecured or administrative expense claim, as applicable, against the Debtors as permitted under the Bankruptcy Code for payment for such usage and the Debtors reserve all rights with respect to any such claim. Without limiting the foregoing provisions and notwithstanding anything to the contrary herein, the Aircraft Counterparties shall not assert and shall not be entitled to have allowed any claim against any Debtors in these chapter 11 cases entitled to any administrative expense status or priority in payment under any applicable provision of the Bankruptcy Code, or seek adequate protection under any applicable provision of the Bankruptcy Code, in each case, for any diminution of value with respect to their Aircraft Interests. This paragraph shall survive the termination of this Stipulation.

D. If the Stipulation Period is not extended, subject to any requirement by the Court that a further order or notice is necessary, the Aircraft Agreements shall be rejected or the Aircraft Equipment shall be abandoned as of the date that the Stipulation Period terminated and the Debtors shall perform the obligations set forth in paragraph B(c). With respect to any Aircraft Equipment that is so rejected or abandoned, as the case may be, the automatic stay provided under Section 362 of the Bankruptcy Code shall be terminated and of no further effect.

E. Except as provided in this Stipulation, all rights of the parties are reserved and preserved (including rights with respect to the assumption of Aircraft Agreements). Notwithstanding anything to the contrary herein, following any material breach of this Stipulation by the Debtors, the Aircraft Counterparties may assert an unsecured or administrative expense claim, as applicable, against the Debtors as permitted under the Bankruptcy Code for the actual damages resulting from such material breach and the Debtors reserve all rights with respect to any such claim. Additionally, and for the avoidance of doubt, with respect to any claim that would be entitled to administrative expense or priority in payment but for this Stipulation, along with any

costs incurred by the Aircraft Counterparties under paragraph B(a)(iii), B(b)(iii) or B(c) above, the Aircraft Counterparties may assert such claims against the Debtors solely as a prepetition (non-administrative priority) claim. This paragraph shall survive the termination of this Stipulation.

F. All rights of the parties provided in this Stipulation shall survive the termination of the Stipulation.

G. This Stipulation shall be binding, *nunc pro tunc,* as of the Petition Date, upon (i) the Debtors and any trustee or examiner that may be appointed in the pending chapter 11 cases, and their respective successors and assigns, (ii) the Aircraft Counterparties and their respective successors and assigns and (with respect to those Aircraft Counterparties that are trusts or trustees) trust beneficiaries who so direct or authorize the trusts or trustee of the trusts to enter into this Stipulation and (iii) the trustee in the event that any of the above-captioned cases are converted to cases under chapter 7 of the Bankruptcy Code.

H. This Stipulation may be changed, modified, or otherwise altered in a writing executed by the parties to this Stipulation. Oral modifications are not permitted.

I. This Stipulation contains the entire agreement between the parties with respect to the subject matter hereof, and may only be modified in writing, signed by the parties or their duly appointed agents.

J. This Stipulation may be executed in one or more counterparts, by facsimile, electronic transmission or otherwise, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

K. This Stipulation shall be effective immediately upon approval by the Court.

The Court shall retain jurisdiction for purposes of resolving any issues relating to this Stipulation.

IT IS SO ORDERED.
Dated: June 23, 2020
New York, New York

/s/ Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

Stipulated and agreed to by:

Dated: New York, New York
June 18, 2020

AVIANCA HOLDINGS S.A., et al., debtors and debtors-in-possession

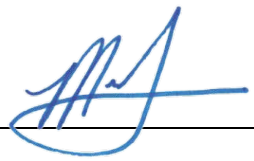
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WILMINGTON TRUST COMPANY, not in its individual capacity but solely as owner trustee for Avianca JOLCO IV Trust, as Lessee

By: 

Name: Mohammed Alam

Title: Banking Officer

MALPELO LEASING CO., LTD., as Lessor

By: /s/ Barbra R. Parlin

Barbra R. Parlin, Esq.
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ING CAPITAL LLC, as ECA Facility Agent

By: Gemma Bae

Name: Gemma Bae David Jaquet

Title: Managing Director Director

WILMINGTON TRUST SP SERVICES (DUBLIN) LIMITED, as Security Trustee

By: 

Name: Cliona O'Faolain

Title: Director

EXHIBIT A

Lessee and Sublessor

Wilmington Trust Company, as Owner Trustee of Avianca JOLCO IV Trust, as Lessee and Sublessor

Aircraft Counterparties

1. Malpelo Leasing Co., Ltd., as Lessor

2. ING Capital LLC, as ECA Facility Agent

3. Wilmington Trust SP Services (Dublin) Limited, as Security Trustee

Aircraft

One (1) Boeing model 787-8 aircraft bearing manufacturer's serial number 65315 and U.S. Registration Mark N796AV and two (2) Rolls-Royce plc model Trent 1000-D3 aircraft engines bearing manufacturer's serial numbers 11160 and 11162

Aircraft Agreements

A. All Parties Agreement dated as of September 25, 2018 (the "**65315 All Parties Agreement**"), among Aerovías del Continente Americano S.A. Avianca, as sublessee, Wilmington Trust Company, as Owner Trustee of Avianca JOLCO IV Trust, as lessee, Malpelo Leasing Co., Ltd., as borrower, Aerovías del Continente Americano S.A. Avianca, as owner participant, Wilmington Trust Company, as trust company, ,Various Financial Institutions, as original ECA lenders, ING Capital LLC, as ECA facility agent, and Wilmington Trust SP Services (Dublin) Limited, as security trustee, as amended, supplemented or otherwise modified from time to time.

B. Aircraft Lease Agreement dated as of September 25, 2018, between Malpelo Leasing Co., Ltd., as lessor and Wilmington Trust Company, as Owner Trustee of Avianca JOLCO IV Trust, as lessee, as amended, supplemented or otherwise modified from time to time.

C. Aircraft Sublease Agreement dated as of September 25, 2018, between Wilmington Trust Company, as Owner Trustee of Avianca JOLCO IV Trust, as sublessor, and Aerovías del Continente Americano S.A. Avianca, as sublessee, and each other Transaction Document (as defined in the 65315 All Parties Agreement) executed in connection with the 65315 All Parties Agreement, each as amended, supplemented or otherwise modified from time to time.