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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF PRESENTMENT OF STIPULATION AND ORDER AUTHORIZING DEBTORS TO REJECT CERTAIN UNEXPIRED LEASES WITH ENGINE COUNTERPARTY AND TO ABANDON CERTAIN AIRCRAFT ENGINES

PLEASE TAKE NOTICE that upon the annexed *Stipulation and Order Authorizing Debtors to Reject Certain Unexpired Leases With Engine Counterparty and to*

[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.

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Abandon Certain Aircraft Engines, dated September 3, 2020 (the "Stipulation") among Avianca Holdings S.A. and certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 (collectively, the "Debtors") and the undersigned counterparty, the Debtors will present the Stipulation for signature to the Honorable Judge Martin Glenn, United States Bankruptcy Judge for the Southern District of New York (the "Court"), Room 501, One Bowling Green, New York, New York, 10004 at **12:00 p.m. (prevailing Eastern time) on September 10, 2020**.

PLEASE TAKE FURTHER NOTICE that any objections or responses to the Stipulation shall: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York, and the *Order Implementing Certain Notice and Case Management Procedures* [Docket No. 47] (the "Case Management Order"); (c) be filed electronically with this Court on the docket of *In re Avianca Holdings S.A.*, Case 20-11133 (MG) by registered users of this Court's electronic filing system and in accordance with the General Order M-399 (which is available on this Court's website at http://www.nysb.uscourts.gov); and (d) be served so as to be actually received by **September 8, at 4:00 p.m., prevailing Eastern Time (the "Objection Deadline")**, by: (i) the Chambers of the Honorable Martin Glenn, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004; (ii) the Debtors, c/o Avianca Holdings S.A., Avenida Calle 26 # 59 – 15 Bogotá, Colombia (Attn: Richard Galindo); (iii) Milbank LLP, 55 Hudson Yards, New York, New York 10001 (Attn: Evan R. Fleck, Esq. and Gregory A. Bray, Esq.), counsel for the Debtors; (iv) William K. Harrington, U.S. Department of Justice, Office of the U.S. Trustee, 201 Varick Street, Room 1006, New York, NY 10014 (Attn:

Brian Masumoto, Esq. and Greg Zipes, Esq.); (v) the Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549; (vi) the Federal Aviation Administration, 800 Independence Ave., S.W. Washington, DC 20591 (Attn: Office of the Chief Counsel); (vii) Holland & Knight LLP, 31 West 52nd Street, New York, NY 10019 (Attn: Arthur E. Rosenberg, Esq. and John Pritchard, Esq.), counsel for the counterparty; and (viii) Morrison Foerster, 250 West 55th Street, New York, NY 10019 (Attn: Brett Miller, Esq. and Todd Goren, Esq.), attorneys for the Official Committee of Unsecured Creditors appointed in these Chapter 11 Cases.

PLEASE TAKE FURTHER NOTICE that, if no objections are received by the Objection Deadline, the Court may approve the Stipulation without further notice.

PLEASE TAKE FURTHER NOTICE that if an objection is timely filed by the Objection Deadline, the Court will notify the Debtors and the objecting parties of the date and time of the hearing and the Debtors' obligation to notify all other parties entitled to receive notice. The Debtors and any objecting parties are required to attend the hearing in accordance with General Order M–543 (which can be found at http://www.nysb.uscourts.gov), and failure to attend may result in relief being granted or denied upon default.

PLEASE TAKE FURTHER NOTICE that copies of the Stipulation and other pleadings for subsequent hearings may be obtained free of charge by visiting the KCC website at http://www.kccllc.net/avianca. You may also obtain copies of any pleadings by visiting at http://www.nysb.uscourts.gov in accordance with the procedures and fees set forth therein.

Dated: New York, New York
September 3, 2020

MILBANK LLP

/s/ *Evan Fleck*
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

STIPULATION AND ORDER AUTHORIZING DEBTORS TO REJECT CERTAIN UNEXPIRED LEASES WITH ENGINE COUNTERPARTY AND TO ABANDON CERTAIN AIRCRAFT ENGINES

The debtors in the above-captioned cases (the "Debtors") and the undersigned party to this stipulation (the "Engine Counterparty") with respect to the engine lease transaction relating to the aircraft engine lease (the "Lease") and related documents set forth in **Exhibit A** (collectively with the Lease, the "Engine Agreements") in respect of the aircraft engine listed in **Exhibit A** hereto (the "Engine"), by and through their respective counsel, hereby enter into this stipulation, agreement and proposed order (this "Stipulation") and represent and agree as follows:

[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.

A. On May 10, 2020 (the "Petition Date"), the Debtors filed voluntary petitions under Chapter 11 of the Bankruptcy Code.

B. The Debtors and the Engine Counterparty wish to agree to the rejection of the Lease and/or abandonment of the Engine, with such rejection and/or abandonment to be effective as of May 10, 2020, and to defer all disputes (if any) concerning any claim that the Engine Counterparty may have, including the entitlement to any administrative expense claim, that arises out of or relates to the Engine Agreements or the Engine, except as specifically provided for in Paragraph 4 below.

NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT IS HEREBY STIPULATED AND AGREED, BY AND AMONG THE PARTIES, THROUGH THEIR UNDERSIGNED COUNSEL, AND UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:

1. Pursuant to section 365 of the Bankruptcy Code and subject to the terms of this Stipulation, the lease and other agreements listed on **Exhibit A** hereto are hereby rejected, effective as of May 10, 2020 (the "Rejection Date"). For the avoidance of doubt, this Stipulation is with respect to the Engine and the Lease set forth on **Exhibit A** and any other aircraft engine leases and other agreements between the parties, and such parties' rights and obligations with respect thereto, are unaffected by this Stipulation including, without limitation, any such aircraft engine subject to an engine lease incorporating the terms of any master lease agreement or general terms agreement.

2. The Debtors shall, at the Engine Counterparty's expense, (i) as soon as reasonably practicable, return to the Engine Counterparty all technical records and documents relating to the Engine that are in the Debtors' possession or control and (ii) cooperate in taking all actions and signing all documents reasonably required by the Engine Counterparty with regard to

the return of the Engine to the Engine Counterparty and lease termination, in each case, to the extent applicable. The return date of the Engine shall be deemed to have occurred on the date the Engine was made available to the Engine Counterparty at the El Salvador International Airport in San Salvador, El Salvador being July 3, 2020.

3. Notwithstanding anything to the contrary in any of the Engine Agreements, the Debtors shall have no further obligations of any kind as to the Engine as of the date of this Stipulation.

4. With respect to the rejection of the Engine Agreements pursuant to this Stipulation, the automatic stay pursuant to section 362 of the Bankruptcy Code is hereby modified to allow the Debtors and the Engine Counterparty to effectuate the provisions of this Stipulation and to, as applicable, transfer, move or dispose of the Engine, including, without limitation, authorizing the application of any security deposit and maintenance reserves held by the Engine Counterparty with respect to the Engine and the Lease in the amount of $1,622,846.86 against obligations of the Debtors pursuant to the terms of the applicable Engine Agreements; provided that the Engine Counterparty shall not be permitted to assert any claims against the Debtors in any court other than this Court (or as authorized by this Court).

5. Any claims arising out of or relating to the Engine or the Engine Agreements must be filed on or before the later of (i) the deadline for filing proofs of claim established in these chapter 11 cases, and (ii) 30 days after the entry of the order approving this Stipulation. If no proof of claim is timely filed, the Engine Counterparty shall be forever barred from asserting a claim against the Debtors or the Debtors' estates and from participating in any distributions on such a claim that may be made in connection with these chapter 11 cases.

6. Subject to paragraph 5 above, all of the Engine Counterparty's rights and any claim that the Engine Counterparty may have, including the entitlement to any administrative expense claim, that arises out of or relates to the Engine Agreements or the Engine, are fully preserved. The Debtors and any representative of the Debtors' estates reserve all defenses, rights and remedies with respect to any claim asserted by the Engine Counterparty.

7. Notwithstanding the terms of this Stipulation and any actions taken hereunder, nothing herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any party other than the parties hereto.

8. The Debtors are authorized and empowered to take all actions necessary to implement the relief requested in this Stipulation.

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

10. 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.

11. 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.

12. 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.

SO ORDERED

Dated: New York, New York
September 3, 2020

Stipulated and agreed to by:

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

By: /s/ *Gregory Bray*

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ENGINE LEASE FINANCE CORPORATION, as Lessor

By: /s/ Arthur E. Rosenberg

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EXHIBIT A

Engine Counterparty

Engine Lease Finance Corporation, as Lessor

Engine

One (1) International Aero Engines AG model V2527E-A5 aircraft engine bearing manufacturer's serial number V13143

Engine Agreements

A. Lease No 5 dated December 15, 2008 between Engine Lease Finance Corporation, as lessor, and TACA International Airlines, S.A., as lessee, incorporating the terms of the Aircraft Engine Lease General Terms Agreement dated May 18, 2001 between Engine Lease Finance Corporation, as lessor, and TACA International Airlines, S.A., as lessee, each as amended, extended, supplemented or otherwise modified from time to time.