

Hearing Date & Time: March 17, 2021 at 10:00 a.m. (prevailing Eastern Time)
Objection Deadline: March 10, 2021 at 4:00 p.m. (prevailing Eastern Time)

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*Counsel for Debtors and
Debtors-In-Possession*

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

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

**NOTICE OF HEARING ON DEBTORS' MOTION FOR
ORDER AUTHORIZING THEM TO (I) ENTER INTO
NEW AIRCRAFT LEASES AND LETTERS OF INTENT AND
(II) ASSUME EXISTING AIRCRAFT LEASES, AS AMENDED**

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); Nicaragüense 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); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.



PLEASE TAKE NOTICE that a hearing (the “Hearing”) will be held at **10:00 a.m. (prevailing Eastern Time) on March 17, 2021** before the Honorable Martin Glenn, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004 to consider the *Debtors’ Motion for an Order, Pursuant to Sections 105(a), 363(b) and 365(a) of the Bankruptcy Code, Authorizing Them to (I) Enter into New Aircraft Leases and Letters of Intent and (II) Assume Existing Aircraft Leases, as Amended* (the “Motion”).

PLEASE TAKE FURTHER NOTICE that, in accordance with General Order M-543 dated March 20, 2020, the Hearing will be conducted telephonically. Any parties wishing to participate must do so telephonically through CourtSolutions (www.court-solutions.com). Instructions to register for CourtSolutions are attached to General Order M-543.

PLEASE TAKE FURTHER NOTICE that, any objections or responses to the relief requested in the Motion 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 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>) by **March 10, 2021 at 4:00 p.m., prevailing Eastern Time**; and (d) be promptly served on the following parties: (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 Richard Galindo (richard.galindo@avianca.com); (iii) Milbank LLP, 55 Hudson Yards, New York, NY 10001

(Attn: Evan R. Fleck, Esq., Gregory A. Bray, Esq., and Benjamin Schak, Esq. (efleck@milbank.com, gbray@milbank.com, and bschak@milbank.com)), counsel for the Debtors; (iv) Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019 (Attn: Brett H. Miller, Esq. and Todd M. Goren, Esq. (brettmiller@mofo.com and tgoren@mofo.com)), counsel to the Official Committee of Unsecured Creditors (the “Committee”); (v) 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.); (vi) the Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549; and (vii) the Federal Aviation Administration, 800 Independence Ave. SW, Washington, DC 20591 (Attn: Office of the Chief Counsel); and (viii) Latham & Watkins LLP, 885 3rd Ave, New York, NY 10022 (Attn: Adam Goldberg, Esq. (adam.goldberg@lw.com)), counsel to GE Capital Aviation Services Ltd.

PLEASE TAKE FURTHER NOTICE that copies of the Motion 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.

PLEASE TAKE FURTHER NOTICE that *your rights may be affected*. You should read the Motion carefully and discuss it with your attorney, if you have one. If you do not have an attorney, you may wish to consult with one.

PLEASE TAKE FURTHER NOTICE that the Hearing may be continued or adjourned from time to time without further notice other than an announcement of the adjourned date or dates at the Hearing or at a later hearing.

PLEASE TAKE FURTHER NOTICE that you need not appear at the Hearing if you do not object to the relief requested in the Motion.

PLEASE TAKE FURTHER NOTICE that if you do not want the Court to grant the relief requested in the Motion, or if you want the Court to consider your view on the Motion, then you or your attorney must attend the Hearing. If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion and may enter orders granting the relief requested in the Motion with no further notice or opportunity to be heard.

Dated: February 24, 2021
New York, New York

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

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In re:	:	Chapter 11
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AVIANCA HOLDINGS S.A., <i>et al.</i> , ¹	:	Case No. 20-11133 (MG)
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Debtors.	:	(Jointly Administered)
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**DEBTORS' MOTION FOR AN ORDER, PURSUANT TO
SECTIONS 105(a), 363(b) AND 365(a) OF THE BANKRUPTCY
CODE, AUTHORIZING THEM TO (I) ENTER INTO
NEW AIRCRAFT LEASES AND LETTERS OF INTENT AND
(II) ASSUME EXISTING AIRCRAFT LEASES, AS AMENDED**

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); Nicaragüense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aéreo 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); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state as follows in support of this Motion.

Background

1. On May 10, 2020 (the “Initial Petition Date”), certain of the Debtors (the “Initial Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Initial Chapter 11 Cases”). On September 21, 2020 (together with the Initial Petition Date, as applicable to each Debtor, the “Petition Date”), each of AV Loyalty Bermuda Ltd. and Aviacorp Enterprises S.A. (collectively, the “Subsequent Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Subsequent Chapter 11 Cases” and together with the Initial Chapter 11 Cases, the “Chapter 11 Cases”).

2. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Amended Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 73] and the *Order Directing Certain Orders in Chapter 11 Cases of Avianca Holdings S.A., et al Be Made Applicable to Subsequent Debtors* [Docket No. 1030].

3. On May 22, 2020, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors (the “Committee”). *See Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 154]. No trustee or examiner has been appointed in these cases.

4. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the filing of these cases is set forth in the *Declaration of Adrian Neuhauser in Support of the Debtors’ Chapter 11 Petitions and First Day Orders* [Docket No. 20].

5. As the Debtors explained in their written *Status Report* filed on February 12, 2021 [Docket No. 1394], a critical step toward their comprehensive restructuring will be the formation of a core fleet by entering into new or amended agreements with aircraft lessors and lenders. To date, the Debtors have focused on securing a core fleet of narrow-body (such as A320) aircraft on terms consistent with the Debtors' commercial objectives. To this end, in December 2020, the Debtors launched a program that included outreach to its existing counterparties, such as GE Capital Aviation Services Limited ("GECAS" and, together with its subsidiaries, affiliates, owner trusts and assignees, the "Lessors").

6. That program has borne fruit. After substantial arm's-length negotiations, GECAS and the Debtors have agreed to enter into several new leases and to amend each of the existing leases between the Debtors and GECAS-affiliated owner trusts. Together, the proposed new and amended leases will provide the Debtors with eight A320 aircraft. These aircraft transactions represent a major step forward in the Debtors' plans to redevelop a fleet and capital structure that will meet their short-term and long-term needs.

Relief Requested

7. By this Motion, pursuant to sections 105(a), 363(b) and 365(a) of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), Rules 6004 and 6006 the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 6006-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of New York (the "Local Bankruptcy Rules"), the Debtors request entry of an order authorizing Aerovías del Continente Americano S.A. Avianca or its designated affiliate (the "Lessee") and Avianca Holdings S.A. (the "Guarantor") to (i) enter into new lease agreements with the Lessors with respect to six A320-200neo aircraft (the "New Aircraft Leases"); (ii) amend and assume, as so amended, the unexpired aircraft leases, dated August 4, 2010 and December 30, 2010, with respect to two A320-200

aircraft (as currently in effect, the “Existing Leases”; as amended, the “Amended Leases”; and, together with the New Aircraft Leases, the “Leases”); and (iii) execute letters of intent (the “LOIs”) with respect to the foregoing. The LOIs are omitted from the publicly filed version of this Motion and are attached as Exhibits B through C to the sealed, unredacted version of this Motion.

8. A proposed form of order granting the relief requested herein is annexed hereto as Exhibit A.

Jurisdiction and Venue

9. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

10. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

11. The statutory bases for the relief requested herein are sections 105(a), 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 6004 and 6006, and Local Bankruptcy Rule 6006-1.

The Leases

12. A summary of the principal terms and conditions of the LOIs is set forth below:

	Amended Leases	New Aircraft Leases
Leased Aircraft	Two A320-200 aircraft.	Six new A320-200N aircraft, each fitted with two CFM International LEAP-1A26 engines.
MSNs	4599 and 4487.	To be determined.
Term	MSN 4599: [REDACTED] MSN 4487: [REDACTED]	[REDACTED]
Power-by-the-Hour Period	[REDACTED]	[REDACTED]
Power-by-the-Hour Pricing	MSN 4487: [REDACTED] [REDACTED]	[REDACTED]

	Amended Leases	New Aircraft Leases
	<p>[REDACTED]</p> <p>MSN 4599: [REDACTED]</p>	
Monthly Rent per Aircraft	<p>Following PBH period, [REDACTED] for MSN 4487 and [REDACTED] for MSN 4599.</p>	[REDACTED]

13. The Amended Leases feature “power-by-the-hour” pricing (i.e., payments based on actual usage instead of fixed monthly rates) for a period that will extend beyond the Chapter 11 Cases. This ensures that those Leases will not burden the Debtors with fixed rents in the event of a low-demand period. The parties have also agreed that the cure amounts in connection with the assumption of the Amended Leases will be \$0.00, and the only administrative claims with respect to the Amended Leases will be for power-by-the-hour rent and other obligations that arise under the Amended Leases (and not under the Existing Leases, except those that arise out of the Second Stipulation). If a Termination Event (which includes confirmation of a chapter 11 plan under which the Lessee will not continue to operate as an airline, a section 363 sale of substantially all assets under which the Leases are not assigned to the purchaser, and dismissal or conversion of these Chapter 11 cases) occurs, the Lessee’s and Guarantor’s only obligations will be to return the applicable aircraft to the applicable Lessor and to owe an administrative claim for liquidated damages specified in the applicable Lease.

14. Any other claim will be a non-priority unsecured claim against the Lessee and the Guarantor, for which must be filed within thirty days after entry of the Approval Order. The amount of those claims will be limited to the difference between (i) the amounts due to each Lessor under the applicable Amended Lease and (ii) the amounts due to such Lessor under the corresponding Existing Lease prior to its amendment. These unsecured claims will be given treatment that is no worse than the treatment given to any other non-priority unsecured claim against a similarly situated lessee arising from aircraft, engine or other aircraft equipment lease agreements, aircraft, engine or other aircraft equipment loans, or other aircraft, engine or aircraft equipment transactions. All parties have reserved their rights with respect to determining the amounts of these unsecured claims.

Basis for Relief Requested

I. Entry into the New Aircraft Leases is Appropriate Under Section 363.

15. The Debtors believe that entering into each New Aircraft Lease is an ordinary-course transaction because the leasing of aircraft is commonplace in the airline industry, and the Debtors have frequently engaged in aircraft lease transactions in the past that are similar to the ones now proposed. Accordingly, the Debtors believe that they are authorized to enter into the New Aircraft Leases under section 363(c) of that Bankruptcy Code that authorizes them to “enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing” 11 U.S.C. § 363(c)(1). Nevertheless, out of an abundance of caution, the Debtors seek authorization to enter into the New Aircraft Leases to the extent that such authorization is required under section 363(b) of the Bankruptcy Code.

16. Section 363(b) of the Bankruptcy Code empowers the Court to allow a debtor, in the exercise of its sound business judgment and after notice and a hearing, to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” See 11 U.S.C. § 363(b)(1);

see also Official Comm. of Unsecured Creditors of LTV Aerospace & Defense Co. v. LTV Corp. (In re Chateaugay Corp.), 973 F.2d 141, 143, 145 (2d Cir. 1992) (holding that a court may approve an application under section 363(b) upon a showing of a good business reason for the disposition); Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983) (requiring “some articulated business justification” to approve the use, sale or lease of property outside the ordinary course of business). Moreover, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” In re Johns-Manville Corp., 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted).

17. The Debtors have exercised sound business judgment and good faith in entering into the LOIs with respect to the New Aircraft Leases. Specifically, the New Aircraft Leases are the result of arm’s-length negotiations between the Lessee and GECAS to lease and operate the aircraft on the terms that are fair and equitable, which the Debtors chose to enter into after considering other alternatives. The terms of the New Aircraft Leases are fair, reasonable and in the best interest of the Debtors’ estates. Those terms include rental payment on terms that are suitable for uncertain near-term market conditions, both during and immediately after the Chapter 11 cases.

18. The Debtors were able to obtain these favorable lease terms, in part, due to the historically low level of demand for aircraft in the current market. These circumstances may change, and therefore, entry into the New Aircraft Leases at this time is in the Debtors’ best interests.

II. Assumption of the Amended Leases is an Appropriate Exercise of the Debtors' Sound Business Judgment.

19. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession “subject to the court’s approval, may assume . . . any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a); see also NLRB v. Bildisco & Bildisco, 465 U.S. 513, 521 (1984); In re Lavigne, 114 F.3d 379, 386 (2d Cir. 1997). The purpose behind allowing the assumption of unexpired leases “is to permit the trustee or debtor in possession to use valuable property of the estate.” Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.), 4 F.3d 1095, 1098 (2d Cir. 1993).

20. Courts defer to a debtor’s business judgment in assuming an unexpired lease. See, e.g., In re Child World, Inc., 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under section 365(a) of the Bankruptcy Code in the exercise of its “business judgment”). See also Bildisco & Bildisco, 465 U.S. at 523; Grp. of Inst. Investors v. Chicago Milwaukee, St. Paul & Pac. R.R. Co., 318 U.S. 523, 550 (1943); In re Market Square Inn, Inc., 978 F.2d 116, 121 (3d Cir. 1992) (stating that the “resolution of [the] issue of assumption or rejection will be a matter of business judgment by the bankruptcy court”). Indeed, under the business judgment standard, a debtor’s decision to assume must be summarily affirmed unless it is the product of bad faith, whim, or caprice. In re Trans World Airlines, Inc., 261 B.R. 103, 121 (Bankr. D. Del. 2001) (quotation omitted).

21. The Debtors submit that their proposed assumption of the Amended Leases is in the best interest of their estates and constitutes a proper exercise of their sound business judgment. As described above, the Amended Leases are an important component of the Debtors’ long-term business plan. Assumption of the Amended Leases will enable the Debtors to continue to use their

critical leased aircraft on a cost-effective basis, while minimizing disruption to their day-to-day operations and forging a path for a more stable operating environment.

22. Accordingly, the Debtors respectfully request that the Court enter an order, substantially in the form of **Exhibit A** attached hereto, authorizing the Debtors to enter into the New Aircraft Leases and assume the Amended Leases as an exercise of sound business judgment and in the interest of the estate.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

23. Given the nature of the relief requested herein, the Debtors respectfully request that the Court enter an order providing that the notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude the relief requested herein from the fourteen (14) day stay period provided under Bankruptcy Rule 6004(h).

Notice

24. Notice of this Motion has been provided in accordance with the procedures set for in the *Order Implementing Certain Notice and Case Management Procedures* [Docket No. 47]. The Debtors respectfully submit that no further notice is required.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors respectfully request entry of the proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: New York, New York
February 24, 2021

/s/ Evan R. Fleck

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Counsel for Debtors and Debtors-in-Possession

Exhibit A

Proposed Order

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

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In re:	:	Chapter 11
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AVIANCA HOLDINGS S.A., <i>et al.</i> , ¹	:	Case No. 20-11133 (MG)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**ORDER PURSUANT TO SECTIONS 105(a), 363(b) AND
365(a) OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO
(I) ENTER INTO NEW AIRCRAFT LEASES AND LETTERS OF INTENT
AND (II) ASSUME EXISTING AIRCRAFT LEASES, AS AMENDED**

Upon the motion (the “Motion”)² of the Debtors, pursuant to sections 105(a), 363(b) and 365(a) of the Bankruptcy Code, authorizing the Debtors to (i) enter into the New Aircraft Leases and the LOIs; and (ii) assume the Amended Leases; and the Court having jurisdiction to decide the Motion and the grant the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and

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); Nicaragüense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aéreo 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); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors’ principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

² Capitalized terms not otherwise defined herein are shall be given the meanings ascribed to them in the Motion.

due and proper notice of the relief sought in the Motion having been provided in accordance with the Case Management Order, such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having held a hearing to consider the relief requested in the Motion (the “Hearing”); and upon the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion and granted herein is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED THAT:**

1. The Motion is granted to the extent set forth herein.
2. The Debtors may enter into and perform under the LOIs and the New Aircraft Leases in the ordinary course pursuant to section 363(c) of the Bankruptcy Code.
3. The Lessee and the Guarantor are authorized to enter into and perform their obligations under the LOIs in form substantially identical to the forms attached to the Motion. Entry into and performance under each of the LOIs is in the best interest of the Debtors and their estates.
4. The Lessee and the Guarantor are authorized to enter into and perform their obligations under the New Aircraft Leases (on the terms consistent with those set forth in the corresponding LOIs), including leasing and operating the aircraft identified therein. Entry into and performance of each of the New Aircraft Leases is in the best interest of the Debtors and their estates.

5. Pursuant to section 365 of the Bankruptcy Code, the Lessee and the Guarantor are authorized to amend the Existing Leases on the terms consistent with those set forth in the corresponding LOI and assume the Amended Leases.

6. The Debtors are authorized and directed to execute all documentation necessary to assume the Amended Aircraft Leases and to enter into the New Aircraft Leases and the LOIs.

7. The automatic stay under section 362(a) of the Bankruptcy Code is modified to the extent necessary to implement the terms and conditions set forth in the Leases. Subject to the terms and conditions in the Leases, upon the occurrence of an event of default thereunder and the expiration of any applicable grace period, the applicable Lessor may file with the Court and deliver to the Lessee and the Committee a written notice (a “Termination Notice”) effective as of five business days after its filing and delivery (the “Remedies Period”). Upon the expiration of the Remedies Period, the automatic stay shall be deemed lifted and the Lessor may undertake any enforcement actions provided for under the applicable Lease without the need for any authorization from this Court or further notice (other than as expressly provided for under the relevant Lease). During the Remedies Period, the Debtors or the Committee may seek an emergency hearing at which either may contest the fact that an event of default under the applicable Lease has occurred and is continuing. The Remedies Period shall automatically extend to the conclusion of such a hearing and the issuance of a ruling on the matters contested thereat.

8. Notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates and their creditors, their respective affiliates, successors, and assigns; and any affected third parties, including, but not limited to, the Lessors, all other persons asserting interests in the relevant aircraft.

9. The cure (as defined in section 365(b) of the Bankruptcy Code) due upon assumption of the Amended Leases will be \$0.00. The Lessors' only post-petition administrative claims with respect to the Leases shall be those claims (i) arising under the New Aircraft Leases, (ii) for "PBH Rent" (as defined in the LOI for the Amended Leases) and all other obligations under the Amended Leases and other amounts under the Amended Leases resulting from an "Event of Default" (as defined therein) and in accordance therewith, (iii) for the "Liquidated Damages Amount" (as defined in the LOI for the Amended Leases) in accordance with the Amended Leases, and (iv) that are administrative claims pursuant to the Second Stipulation. Nothing herein waives the Debtors' right to contest any claims that are subject to bona fide dispute or any available defenses.

10. Any other claim of a Lessor will be a pre-petition non-priority unsecured claim, solely against the Lessee and the Guarantor, in an amount equal to the difference between (i) the rent and maintenance payments or other obligations payable or performable by the Lessee under each Existing Lease prior to its amendment and (ii) the rent and maintenance payments or other obligations payable or performable by the Lessee under the corresponding Amended Lease. Each Lessor shall file a proof of claim for any such claim within thirty days following entry of this Approval Order. All parties' rights are reserved with respect to the amount of such claims. Any chapter 11 plan of reorganization filed by the Debtors shall afford such claims treatment that is no worse than the treatment given to the non-priority unsecured claims of any other aircraft or engine lessor whose claims run solely against the Lessee and the Guarantor.

11. Except as expressly set forth herein, in the LOIs, or in the Amended Leases, this Order is without prejudice to the rights and remedies of each party in interest under the *Second*

Stipulation and Order Between Debtors and Aircraft Counterparties Concerning Certain Aircraft
[Docket No. 406].

12. To the extent that there may be any inconsistency between the terms of the Motion and the express terms of this Order, the express terms of this Order shall govern.

13. Notice of the Motion is adequate under Bankruptcy Rule 6004(a).

14. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

16. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: _____, 2021
New York, New York

THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

LOI for Amended Leases

[Redacted from Public Filing]

Exhibit C

LOI for New Aircraft Leases

[Redacted from Public Filing]