

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

In re:

**GRUPO AEROMÉXICO, S.A.B. de C.V., *et al.*,
Debtors.¹**

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**ORDER (I) AUTHORIZING DEBTOR AEROVÍAS DE MÉXICO, S.A. DE C.V. TO
ASSUME (ON AN AMENDED BASIS) THAT CERTAIN ENGINE LEASE
AGREEMENT AND (II) APPROVING THE CLAIMS SETTLEMENT WITH
NORTH SHORE AVIATION CAPITAL, LLC**

Upon the motion (the “**Motion**”)² of the Debtors for entry of an order (this “**Order**”), (i) authorizing, but not directing, Debtor Aerovías de México, S.A. de C.V. (the “**Debtor Lessee**”) to assume the Engine Lease on an amended basis in accordance with the terms and conditions set forth in the Engine Lease Extension and Amendment Agreement attached hereto as **Exhibit 1** (the “**Amended Engine Lease**”) and (ii) approving the Unsecured Claims Settlement, each as set forth more fully in the Motion and the Landess Declaration; and the Court having jurisdiction to consider the Motion and 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 relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue of the Chapter 11 Cases and related proceedings being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having

¹ The Debtors in these cases, along with each Debtor’s registration number in the applicable jurisdiction, are as follows: Grupo Aeroméxico, S.A.B. de C.V. 286676; Aerovías de México, S.A. de C.V. 108984; Aerolitoral, S.A. de C.V. 217315; and Aerovías Empresa de Cargo, S.A. de C.V. 437094-1. The Debtors’ corporate headquarters is located at Paseo de la Reforma No. 243, piso 25 Colonia Cuauhtémoc, Mexico City, C.P. 06500.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

been provided to the notice parties identified in the Motion; 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 reviewed the Motion and an opportunity for objection to and a hearing on the Motion having been given to the parties listed therein; and upon all of the proceedings had before the Court; and after due deliberation the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having found that the relief granted herein is in the best interests of the Debtors, their creditors, and all other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. The Debtors are authorized, pursuant to and in accordance with section 365 of the Bankruptcy Code, to (a) assume the Engine Lease on an amended basis in accordance with the terms and conditions set forth in the Amended Engine Lease and (b) pay all amounts and otherwise perform all obligations under the Amended Engine Lease.
3. All obligations under the Amended Engine Lease shall be entitled to administrative expense priority pursuant to sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code.
4. The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to implement the terms and conditions set forth in the Amended Engine Lease. Upon the occurrence, and during the continuance, of any event of default under the Amended Engine Lease, the Lessor may file with the Court, and deliver to the Debtors 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 in the Chapter 11 Cases shall be deemed lifted and the Lessor may undertake any remedies and enforcement actions provided for under the Amended Engine Lease without the need for any authorization from the Court or further notice (other than as expressly provided for under the Amended Engine 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 Amended Engine 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.

5. The Debtors are authorized to execute, deliver, provide, implement, and fully perform any and all obligations, instruments, and papers provided for or contemplated in the Amended Engine Lease and to take any and all actions to implement the Amended Engine Lease.

6. The Unsecured Claims Settlement is (a) integral and necessary to the North Shore Transactions, (b) supported by reasonable consideration, (c) fair and equitable and in the best interest of the Debtors’ estates, and (d) permitted by the Bankruptcy Code, and thus, is hereby approved pursuant to Bankruptcy Rule 9019(a) and shall be binding on the Debtors and the Lessor.

7. In accordance with the Unsecured Claims Settlement, the Lessor, on behalf of itself and all of its affiliates, shall be allowed a non-priority general unsecured claim in the amount of \$20,000 against the Debtor Lessee on account of all prepetition unsecured claims arising from and relating to the Engine Lease and the Engine (the “**Allowed General Unsecured Claim**”). For the avoidance of doubt, the foregoing general unsecured claim shall constitute the only general unsecured claim of the Lessor on account of the Engine Lease Agreement and the

Engine allowed in the Chapter 11 Cases; *provided*, that the Lessor shall be entitled to administrative expense claims for any obligations arising under the Amended Engine Lease.

8. The Allowed General Unsecured Claim set forth above shall be automatically allowed upon the occurrence of the “Amendment Effective Date” under the Amended Engine Lease, and no further action shall be required of the Lessor or the Debtors to effectuate the allowance of such claim upon such occurrence. Any chapter 11 plan 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 Debtor Lessee. Further, Epiq Corporate Restructuring, LLC is authorized to update the claims register to reflect the terms of this Order, including the allowance of proof of claim number 404 in the amount of \$20,000.

9. Unless otherwise expressly provided in the Amended Engine Lease, the Allowed General Unsecured Claim, any and all payments received or applied by the Lessor in accordance with Engine Lease or the Amended Engine Lease, the proceeds of any letter of credit issued in favor of the Lessor, and payments required to be made under the Amended Engine Lease and this Order, shall not be (directly or indirectly) (y) subject to any challenge, objection, reduction, subordination, counterclaim, or offset for any reason and (z) subject to any objection, subordination, avoidance, or recovery actions under sections 502(d), 510, 542, 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code or otherwise.

10. The Debtors are authorized to take, or refrain from taking, any action necessary or appropriate to implement and effectuate the terms of, and the relief granted in, this Order without seeking further order of the Court.

11. 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 Lessor, and all other persons asserting interests in the relevant aircraft.

12. While the above referenced Chapter 11 Cases are pending, this Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation, interpretation, and enforcement of this Order and the Amended Engine Lease.

Dated: August 12, 2021
New York, New York

/S/ Shelley C. Chapman

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE