

**Hearing Date and Time: November 9, 2021 at 10:00 a.m. (Prevailing Eastern Time)**  
**Objection Date and Time: November 5, 2021 at 12:00 p.m. (Prevailing Eastern Time)**

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

**In re:**

**GRUPO AEROMÉXICO, S.A.B. de C.V., et al.,  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 20-11563 (SCC)**

**(Jointly Administered)**

**NOTICE OF HEARING ON MOTION FOR ENTRY OF AN ORDER  
(I) AUTHORIZING CERTAIN OF THE DEBTORS TO IMPLEMENT TRANSACTIONS  
CONTEMPLATED BY LETTERS OF INTENT WITH GE CAPITAL AVIATION  
SERVICES LIMITED AND RELATED PARTIES, INCLUDING (A) ASSUMPTION (ON  
AN AMENDED BASIS) OF CERTAIN AIRCRAFT LEASES AND EXISTING ENGINE  
LEASES AND (B) ENTRY INTO SPARE ENGINE LEASE AND ENGINE SALE-  
LEASEBACK TRANSACTIONS AND (II) APPROVING THE CLAIMS SETTLEMENT**

**PLEASE TAKE NOTICE** that, on October 26, 2021, the above-captioned debtors and  
debtors in possession (collectively, the “**Debtors**”) filed the *Debtors’ Motion for Entry of an Order*

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<sup>1</sup> 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.

*(I) Authorizing certain of the Debtors To Implement Transactions Contemplated by Letters of Intent with GE Capital Aviation Services Limited and Related Parties, Including (A) Assumption (on an Amended Basis) of Certain Aircraft Leases and Existing Engine Leases and (B) Entry into Spare Engine Lease and Engine Sale-Leaseback Transactions and (II) Approving the Claims Settlement* (the “**Motion**”). A hearing on the Motion is scheduled to be held on **November 9, 2021 at 10:00 a.m. (prevailing Eastern Time)** (the “**Hearing**”) before the Honorable Judge Shelley C. Chapman, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”), or at such other time as the Court may determine.

**PLEASE TAKE FURTHER NOTICE** that, in accordance with General Order M-543, dated March 20, 2020 (Morris, C.J.) (“**General Order M-543**”),<sup>2</sup> the Hearing will be conducted telephonically. Any parties wishing to participate must do so telephonically by making arrangements through CourtSolutions, LLC ([www.court-solutions.com](http://www.court-solutions.com)). Instructions to register for CourtSolutions, LLC are attached to General Order M-543.

**PLEASE TAKE FURTHER NOTICE** that copies of the Motion may be obtained free of charge by visiting the website of Epiq Corporate Restructuring, LLC at <https://dm.epiq11.com/aeromexico>. You may also obtain copies of any pleadings by visiting the Court’s website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

**PLEASE TAKE FURTHER NOTICE** that the Hearing may be continued or adjourned

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<sup>2</sup> A copy of the General Order M-543 can be obtained by visiting <http://www.nysb.uscourts.gov/news/general-order-m-543-court-operations-under-exigent-circumstances-created-covid-19>.

from time to time by an announcement of the adjourned date or dates at the Hearing or a later hearing or by filing a notice with the Court. The Debtors will file an agenda before the Hearing, which may modify or supplement the motion(s) to be heard at the Hearing.

**PLEASE TAKE FURTHER NOTICE** that any responses or objections to the Motion shall be in writing, shall comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, shall be filed with the Court by (a) attorneys practicing in the Court, including attorneys admitted *pro hac vice*, electronically in accordance with General Order M-399 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)) and (b) all other parties in interest, in accordance with the customary practices of the Court and General Order M-399, to the extent applicable, and shall be served in accordance with General Order M-399 and the *Order Establishing Certain Notice, Case Management, and Administrative Procedures*, entered on July 8, 2020 [ECF No. 79], so as to be filed and received no later than **November 5, 2021 at 12:00 p.m. (prevailing Eastern Time)** (the “**Objection Deadline**”).

**PLEASE TAKE FURTHER NOTICE** that all objecting parties are required to telephonically attend the Hearing, and failure to appear may result in relief being granted upon default.

**PLEASE TAKE FURTHER NOTICE** that, if no responses or objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Court an order substantially in the form of the proposed order attached to the Motion, under certification of counsel or certification of no objection, which order may be entered by the Court without further notice or opportunity to be heard.

Dated: October 26, 2021  
New York, New York

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

**In re:**

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

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 20-11563 (SCC)**

**(Jointly Administered)**

**DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING CERTAIN OF  
THE DEBTORS TO IMPLEMENT TRANSACTIONS CONTEMPLATED BY LETTERS  
OF INTENT WITH GE CAPITAL AVIATION SERVICES LIMITED AND RELATED  
PARTIES, INCLUDING (A) ASSUMPTION (ON AN AMENDED BASIS) OF CERTAIN  
AIRCRAFT LEASES AND EXISTING ENGINE LEASES AND (B) ENTRY INTO  
SPARE ENGINE LEASE AND ENGINE SALE-LEASEBACK TRANSACTIONS AND  
(II) APPROVING THE CLAIMS SETTLEMENT**

Grupo Aeroméxico, S.A.B. de C.V. (“**Grupo Aeroméxico**”) and certain of its affiliates (collectively, the “**Debtors**”), each of which is a debtor and debtor in possession in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), hereby file this motion (this “**Motion**”)

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<sup>1</sup> 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.

seeking the entry of an order (i) authorizing, but not directing, Debtor Aerovías de México, S.A. de C.V. (“**Aerovías**”) and Debtor Aerolitoral, S.A. de C.V. (“**Aerolitoral**” and, together with Aerovías, the “**Debtor Lessees**”) to implement those transactions contemplated by the Letters of Intent with GE Capital Aviation Services Limited (“**GECAS**”), including (a) the assumption of the Existing Leases on an amended basis on terms substantially consistent with those set forth in the Letters of Intent and (b) the entry into the Spare Engine Lease and the Engine Sale-Leaseback Transactions and (ii) approving the Claims Settlement (each as defined herein). The Letters of Intent are attached to the Proposed Order and summaries of the material terms of the Amended Aircraft Leases, the Existing Engine Leases, the Spare Engine Lease, and the Engine Sale-Leaseback Transactions (each as defined herein) are attached hereto as **Exhibits B-D**. This Motion is supported by the *Declaration of Matthew Landess in Support of (A) Debtors’ Motion for Entry of an Order (I) Authorizing certain of the Debtors To Implement Transactions Contemplated by Letters of Intent with GE Capital Aviation Services Limited and Related Parties, Including (A) Assumption (on an Amended Basis) of Certain Aircraft Leases and Existing Engine Leases and (B) Entry into Spare Engine Lease and Engine Sale-Leaseback Transactions and (II) Approving the Claims Settlement and (B) Related Sealing Motion* (the “**Landess Declaration**”) filed contemporaneously herewith and incorporated herein by reference. In further support of this Motion, the Debtors respectfully state as follows:

### **Jurisdiction and Venue**

1. The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has jurisdiction over this Motion 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.). This is a

core proceeding pursuant to 28 U.S.C. § 157(b). In addition, the Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter a final order or judgment in connection herewith consistent with Article III of the United States Constitution.

2. Venue of the Chapter 11 Cases and related proceedings is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

### **Relief Requested**

3. By this Motion, and pursuant to sections 363, 365, 364, and 105(a) of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Bankruptcy Rules 6004, 6006, 9013, and 9019, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**” and, if entered, the “**Order**”), (a) authorizing, but not directing, the Debtors Lessees to implement those transactions contemplated by the Letters of Intent with GECAS, including (i) the assumption of the Existing Leases on an amended basis on terms substantially consistent with those set forth in the Letters of Intent and (ii) the entry into the Spare Engine Lease and the Engine Sale-Leaseback Transactions and (b) approving the Claims Settlement, each as further detailed herein and in the Proposed Order.

### **Background**

#### **A. General Background**

4. On June 30, 2020 (the “**Petition Date**”), each of the Debtors filed in this Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors have

continued to operate and manage their businesses and have continued to possess their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. The Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and the *Order Directing Joint Administration of Chapter 11 Cases* [ECF No. 30] entered by the Court on July 1, 2020 in Grupo Aeroméxico's Chapter 11 Case.<sup>2</sup>

6. On July 13, 2020, the Office of the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") appointed an Official Committee of Unsecured Creditors (the "**Committee**") pursuant to section 1102 of the Bankruptcy Code. *See Notice of Appointment of Official Committee of Unsecured Creditors* [ECF No. 92]. No trustee or examiner has been appointed in the Chapter 11 Cases.

7. Detailed information regarding the Debtors' businesses and affairs, capital structure, and the circumstances leading to the commencement of the Chapter 11 Cases can be found in the *Declaration of Ricardo Javier Sánchez Baker in Support of the Debtors' Chapter 11 Petitions and First Day Pleadings* [ECF No. 20], which is incorporated herein by reference.

#### **B. The Debtors' Fleet Optimization Process**

8. As the Court is aware, the Debtors have been engaged in a multi-step process to (a) analyze their anticipated, long-term fleet and equipment needs, (b) make corresponding

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<sup>2</sup> On July 2, 2020, the Court entered similar orders for the other Debtors on their respective case dockets. *See In re Aerovías de México, S.A. de C.V.*, No. 20-11561, ECF No. 4; *In re Aerolitoral, S.A. de C.V.*, No. 20-11565, ECF No. 4; *In re Aerovías Empresa de Cargo, S.A. de C.V.*, No. 20-11566, ECF No. 4.



adjustments to the size and composition of their current operating fleet, and (c) obtain the most favorable terms for agreements relating to aircraft equipment.

9. On July 3, 2020, the Debtors filed the *Motion for Entry of an Order (I) Authorizing Debtors to Reject Certain Aircraft Leases, Nunc Pro Tunc and (II) Approving Lease Rejection-Return Procedures* [ECF No. 52] (the “**Rejection Motion**”), pursuant to which the Debtors sought approval to reject leases relating to certain aircraft and equipment, including (a) an aircraft bearing manufacturer’s serial number 17000128 and (b) engines bearing engine serial numbers 193173, 193202, and 193906 (the “**Rejected Equipment**”) leased to the Debtors by certain subsidiaries of GECAS. The Court entered an order approving the Rejection Motion [ECF No. 177].

10. On September 15, 2020, the Debtors filed their *Motion for Approval of Stipulations and Orders Between Debtors and Counterparties Concerning Certain Aircraft and Engines* [ECF No. 373] (the “**Equipment Stipulation Motion**”), pursuant to which the Debtors sought approval of certain stipulations between certain Debtors and certain counterparties concerning leases of Equipment (as defined in the Equipment Stipulation Motion). These stipulations enabled the Debtors to continue to utilize the Equipment on their operating routes and to maintain the Equipment when not being operated. Broadly speaking, such stipulations provide, with limited variation, for payment of rent calculated based on actual usage of the Equipment (called a “power by the hour” or “PBH” arrangement), rather than a fixed monthly amount. The Court entered an order approving the Equipment Stipulation Motion [ECF No. 396] and so ordered the underlying stipulations. [ECF Nos. 399–429, 475, 491, 502].

11. On April 22, 2021, the Debtors filed their *Motion for (I) Approval of Compromises with Boeing and Other Counterparties, (II) Authorization To (A) Enter Into Amended Aircraft*

*Purchase Agreement with Boeing and (B) Enter into Agreements with Other Counterparties related to the Boeing Transaction, (III) Approval of the Assumption of Such Amended Agreements, as Applicable, and (IV) Approval To Settle Certain Prepetition Claims of Counterparties* [ECF No. 1108] (the “**Boeing Motion**”) and their *Motion for (I) Authorization To (A) Enter Into New Aircraft Lease Agreements and (B) Amend and Assume Certain Existing Aircraft Lease Agreements, and (II) Approval of Compromise Regarding Prepetition Claims with Air Lease Corporation* [ECF No. 1113] (the “**Air Lease Motion**”). The Court approved both the Boeing Motion and the Air Lease Motion at a hearing on April 30, 2021<sup>3</sup> and subsequently entered each of the orders related thereto,<sup>4</sup> including the *Order Authorizing the Debtors To Enter into Amended Engine Maintenance Agreements with GE Engine Services, LLC And CFM International, Inc. and Granting Related Relief* (the “**Engine Maintenance Order**”) [ECF No. 1142]. Pursuant to such orders, the Debtors (a) added 28 new aircraft to their fleet, (b) assumed agreements relating to 18 existing aircraft, and (c) settled the allowed amounts of unsecured claims of certain counterparties with respect to such equipment.

12. The Court has also entered additional orders authorizing the Debtors to either enter into new aircraft and equipment leases and/or assume existing leases on an amended basis. *See* ECF Nos. 984, 1100, 1544, 1572–73, 1579, 1659, 1693, 1759, 1891, 1932, 1934, 1939, 1941.

### C. The GECAS Transactions

13. Over the last several months, the Debtors have continued negotiating with existing

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<sup>3</sup> *See* Hr’g Tr. (April 30, 2021), 29:17–23 and 37:13–16.

<sup>4</sup> *See* ECF Nos. 1141–42, 1145, 1154, 1156–57, 1160–62.

lessors and potential lessors of additional aircraft and equipment to obtain the best terms available for the aircraft and equipment that will be necessary for the Debtors to pursue their long-term business plan and to optimize their anticipated fleet upon emergence from the Chapter 11 Cases.

14. As a result of arm's length and good faith negotiations, the Debtors have reached a series of integrated agreements with GECAS, on behalf of itself and certain of its subsidiaries, relating to the following transactions:

*i. The Amended Aircraft Leases*

15. The Debtor Lessees have entered into a letter of intent (the "**Aircraft Letter of Intent**") with GECAS, on behalf of itself and its subsidiaries Celestial Aviation Trading 7 Limited, Celestial Aviation Trading 14 Limited, Celestial Aviation Trading 15 Limited, and Celestial Aviation Trading 44 Limited (collectively, the "**Aircraft Lessors**"), for the assumption (on an amended basis) of the aircraft leases (individually and collectively, as amended, modified, or supplemented from time to time, the "**Aircraft Leases**") for the seven Embraer model EMB 190-LR aircraft (bearing manufacturer's serial numbers 19000135, 19000145, 19000122, 19000138, 19000110, 19000251, and 19000269) (individually and collectively, and together with the related engines, parts, equipment, and appurtenances, the "**Aircraft**").<sup>5</sup>

16. The Aircraft Letter of Intent, a copy of which is attached to the Proposed Order as Exhibit 1, sets forth the commercial terms and conditions for each amended Aircraft Lease

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<sup>5</sup> Although Aerovías is the lessee under the Aircraft Leases for the Aircraft with manufacturer's serial numbers 19000135 and 19000145, it subleased those Aircraft to Aerolitoral (the "**Aircraft Subleases**") who currently operates them as part of its existing fleet. To the extent necessary, the Debtor Lessees hereby also seek approval for the assumption of the Aircraft Subleases, each on an amended basis, on terms and conditions substantially consistent with those set forth in the Aircraft Letter of Intent. For the avoidance of doubt, the Aircraft Subleases are deemed included within the defined term "Aircraft Leases" and the amended forms thereof are deemed included within the defined term "Amended Aircraft Leases."

(individually and collectively, the “**Amended Aircraft Leases**”). Summaries of the material terms of the Amended Aircraft Leases are attached hereto as **Exhibit B** (the “**Aircraft Summaries**”). By agreeing to such terms, the Debtors have achieved certainty in maintaining seven aircraft in their fleet on terms that fit the Debtors’ short- and long-term needs and with improved and attractive economics and terms and conditions as compared to the existing Aircraft Leases. Moreover, the Aircraft Lessors and the Debtor Lessees agree that the assumption of the Aircraft Leases would not give rise to any obligations to make cash payments at the time of assumption to cure any defaults under the Aircraft Leases under section 365(b)(1)(A) of the Bankruptcy Code.

*ii. The Engine Transactions*

17. The Debtor Lessees have entered into a letter of intent (the “**Engines Letter of Intent**” and, together with the Aircraft Letter of Intent, the “**Letters of Intent**”) with GECAS, on behalf of itself and its subsidiaries or affiliates NAS Investments 76, Inc., Celestial Aviation Trading 100 Limited, NAS Investments 75, Inc., and Celestial Aviation Trading 63 Limited (collectively, the “**Engine Lessors**”), for the assumption (on an amended basis) of the engine leases (individually and collectively, as amended, modified, or supplemented from time to time, the “**Existing Engine Leases**” and, together with Aircraft Leases, the “**Existing Leases**”) for four General Electric model CF34-10E6 engines (bearing engine serial numbers 424507, 424643, 994119, and 994598) and one CFM International model CFM56-7B22 engine (bearing engine serial number 892336) (collectively, the “**Existing Engines**”).

18. The Engines Letter of Intent, a copy of which is attached to the Proposed Order as **Exhibit 2**, sets forth the commercial terms and conditions for each amended Engine Lease (individually and collectively, the “**Amended Engine Leases**” and, together with the Amended

Aircraft Leases, the “**Amended Leases**”). Summaries of the material terms of the Amended Engine Leases are attached hereto as **Exhibit C** (the “**Engine Lease Summaries**”).

19. In addition, the Engines Letter of Intent contemplates Aerolitoral entering into a lease (the “**Spare Engine Lease**”) for an additional General Electric model CF34-10E6 engine (bearing an engine serial number to be determined) (the “**Spare Engine**”) with either NAS Investments 75, Inc., Celestial Aviation Trading 100 Limited, NAS Investments 76, Inc., or Celestial Aviation Trading 63 Limited (as applicable, the “**Spare Engine Lessor**”) and, together with the Aircraft Lessors and the Engine Lessors, the “**Lessors**”) and sets forth the commercial terms and conditions therefor. A summary of the material terms of the Spare Engine Lease is included in the Engine Lease Summaries, attached hereto as **Exhibit C**.

20. Finally, in entering the Engine Maintenance Order, the Court approved the Debtors’ entry into certain amended agreements, which, among other things, obligated the Debtors to purchase five engines from CFM International, Inc. (“**CFM**”). Pursuant to the Engines Letter of Intent, Aerovías will (a) acquire up to three of these engines (the “**Sale-Leaseback Engines**”) and, together with the Existing Engines and the Spare Engine, the “**Engines**”)—CFM Leap1B28 and/or CFM Leap1B28B1 models—from CFM, (b) sell the Sale-Leaseback Engines to GECAS or its subsidiary, affiliate, associated company, owner trust (of which one of the foregoing is the owner participant) or assignee (the “**Purchaser**”), and (c) subsequently lease the Sale-Leaseback Engines from the Purchaser on terms substantially consistent with those set forth in the Engines Letter of Intent (the “**Engine Sale-Leaseback Transactions**”) and, together with the Amended Engine Leases and the Spare Engine Lease, the “**Engine Transactions**”). A summary of the material terms of the Engine Sale-Leaseback Transactions is attached hereto as **Exhibit E** (the “**Engine**

**Sale-Leaseback Summary**” and, together with the Aircraft Summaries, the Existing Engine Summaries, and the Spare Engine Summary, the “**Summaries**”).

21. By agreeing to the terms of the Engine Transactions, as set forth in the Engines Letter of Intent, the Debtors have achieved certainty in maintaining or acquiring up to eight Engines in their fleet on terms that fit the Debtors’ short- and long-term needs and will come at attractive economics and ownership costs. Moreover, the Engine Lessors and the Debtor Lessees agree that the Engine Assumptions would not give rise to any obligations to make cash payments at the time of assumption to cure any defaults under the Engine Leases under section 365(b)(1)(A) of the Bankruptcy Code.

*iii. Reaffirmation of the Guaranties*

22. Furthermore, the Debtors have also reached an agreement with GECAS to reaffirm those guaranties related to certain equipment (the “**Guaranties**”). Specifically, Debtor Aerovías will reaffirm its guaranties related to the Amended Aircraft Leases, the Spare Engine, and the Existing Engines that are General Electric CF34-10E6 models (such Engines and the Aircraft collectively, the “**Guarantied Equipment**”).

*iv. The Claims Settlement*

23. In conjunction with entering into the transactions contemplated by the Letters of Intent, the Debtors seek to resolve any and all pre-assumption claims against the Debtors relating to the Aircraft, the Engines, the Existing Leases, or the Rejected Equipment belonging to GECAS,

the Lessors, their respective affiliates, and certain other parties (collectively, the “**Claimants**”<sup>6</sup>) in the Chapter 11 Cases (the “**Claims Settlement**”<sup>7</sup> and, together with the Amended Aircraft Leases, the Engine Transactions, and the Guaranties, the “**GECAS Transactions**”). To this end, the parties have agreed that GECAS will have allowed non-priority general unsecured prepetition claims in the final amounts set forth below against the bankruptcy estates of the Debtors on account of all pre-assumption claims relating to the Aircraft, the Engines, the Existing Leases, or the Rejected Equipment belonging to the Claimants in the Chapter 11 Cases allocated as follows:

Claimant	Debtor	Treatment	Allowed Claim Amount
GE Capital Aviation Services Limited	Aerovías de México, S.A. de C.V.	Allowed	\$7,783,004
GE Capital Aviation Services Limited	Aerolitoral, S.A. de C.V.	Allowed	\$40,386,755
GE Capital Aviation Services Limited	Aerovías de México, S.A. de C.V.	Allowed	\$40,386,755
GE Capital Aviation Services Limited	Aerolitoral, S.A. de C.V.	Allowed	\$903,154

24. The amounts of the Claims Settlement shall constitute the only pre-assumption claims relating to the Aircraft, the Engines, the Existing Leases, or the Rejected Equipment belonging to the Claimants allowed in the Chapter 11 Cases.

25. In determining to enter into the GECAS Transactions, the Debtors consulted with the respective advisors to Apollo Management Holdings, L.P. (on behalf of one or more affiliates

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<sup>6</sup> For the avoidance of doubt, “Claimants” includes, without limitation, the claimants of claims numbered 397-403, 405-420, 14678, 14680, 14768, 561022810, 565011090, 565011130, 565011170, 565011220, 565011230, 565011330, 565015130, 565020400, and 565020410.

<sup>7</sup> It is the intent of the parties that the claims allowed against Aerovías and Aerolitoral pursuant to this Claims Settlement would be classified in and afforded treatment under Class 3(c) and Class 3(d), respectively, of the *Debtors’ Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* [ECF No. 1896] filed on October 15, 2021.

and/or funds or separate accounts managed by it and its affiliates (such lenders collectively, the “**DIP Lenders**”)), the Committee, the Ad Hoc Group of Senior Noteholders,<sup>8</sup> and the Ad Hoc Group of Unsecured Claimholders,<sup>9</sup> none of which expressed opposition to the relief requested herein.

### **Basis for Relief**

#### **A. The Court Should Authorize the Assumption of the Aircraft Leases and the Existing Engine Leases (Each on an Amended Basis) Under Sections 365(a), 364, and 105(a) of the Bankruptcy Code**

26. Section 365 of the Bankruptcy Code allows a debtor in possession (with bankruptcy court approval) to maximize the value of its estates by, among other things, assuming executory contracts and unexpired leases. 11 U.S.C. § 365(a); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993). An executory contract is a “contract under which the obligation of both the bankrupt and the other party to the contract are so far unperformed that the failure of either to complete performance would constitute a material breach excusing performance of the other.” *Sharon Steel Corp. v. Nat’l Fuel Gas Distribution Corp.*, 872 F.2d 36, 39 (3d Cir. 1989) (internal citations omitted); *see also In re Keren Ltd. P’ship*, 225 B.R. 303, 307 (S.D.N.Y. 1997), *aff’d*, 189 F.3d 86 (2d Cir. 1999) (same).

27. In determining whether to permit a debtor to assume or reject a contract or lease,

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<sup>8</sup> As used in this Motion, “Ad Hoc Group of Senior Noteholders” refers to the group identified in the *Third Amended Verified Statement of the Ad Hoc Group of Senior Noteholders Pursuant to Bankruptcy Rule 2019* [ECF No. 1731].

<sup>9</sup> As used in this Motion, “Ad Hoc Group of Unsecured Claimholders” refers to the group identified in the *First Amended Verified Statement of the Ad Hoc Group of Unsecured Claimholders Pursuant to Bankruptcy Rule 2019* [ECF No. 1733].



“the debtor’s interests are paramount.” *COR Route 5 Co. v. Penn Traffic Co. (In re Penn Traffic Co.)*, 524 F.3d. 373, 383 (2d Cir. 2008). Accordingly, the decision to assume or reject an executory contract or unexpired lease is governed by the business judgment rule, which requires that a debtor determine that the requested assumption would be beneficial to its estates. *See Grp. of Institutional Invs. v. Chicago, M., St. P. & P. R. Co.*, 318 U.S. 523, 550 (1943) (finding that the question of assumption “is one of business judgment”); *In re Penn Traffic*, 524 F.3d at 383; *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009); *In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 2006); *In re MF Global Inc.*, No. 11-2790, 2011 WL 6792758, at \*2 (Bankr. S.D.N.Y. Dec. 20, 2011) (“The assumption or rejection of an executory contract may be approved if such action would benefit the debtor’s estate and is an exercise of sound business judgment.”); *Sharon Steel*, 872 F.2d at 40.

28. In considering a motion to assume or reject an executory contract or unexpired lease, a debtor “should examine a contract and the surrounding circumstances and apply its best ‘business judgment’ to determine if [assumption] would be beneficial or burdensome to the estate.” *In re Orion Pictures Corp.*, 4 F.3d at 1099; *see also In re Klein Sleep Prods., Inc.*, 78 F.3d 18, 25 (2d Cir. 1996); *In re Gucci*, 193 B.R. 411, 415 (S.D.N.Y. 1996). A debtor’s decision to assume an executory contract or unexpired lease based on its business judgment will generally not be disturbed absent a showing of “bad faith or abuse of business discretion.” *In re Old Carco*, 406 B.R. at 188 (quoting *In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994), *aff’d sub nom. John Forsyth Co., Inc. v. G Licensing, Ltd.*, 187 B.R. 111 (S.D.N.Y. 1995)); *see also In re MF Global Inc.*, No. 11-2790 (MG), 2011 WL 6792758, at \*2 (Bankr. S.D.N.Y. Dec. 20, 2011) (“The assumption or rejection of an executory contract may be approved if such action would

benefit the debtor's estate and is an exercise of sound business judgment.”); *In re Chipwich, Inc.*, 54 B.R. 427, 430–31 (Bankr. S.D.N.Y. 1985). The party opposing a debtor's exercise of its business judgment has the burden of rebutting the presumption of validity. *See Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993).

29. Upon finding that the debtor has exercised its sound business judgment in determining that the assumption of a contract or lease is in the best interests of the debtor, its creditors, and all parties in interest, the court should approve the assumption under section 365(a) of the Bankruptcy Code. *See, e.g., In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992); *In re Gucci*, 193 B.R. at 417.

30. Moreover, to the extent that any of the assumptions of the Existing Leases relating to the Guarantied Equipment implicate section 364 of the Bankruptcy Code given the reaffirmation of the Guaranties, the Debtors have established that the assumption of the Existing Leases relating to the Guarantied Equipment is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, which is sufficient to satisfy the standard for relief under section 364 of the Bankruptcy Code. Provided that an agreement to obtain post-petition credit is consistent with the provisions of, and policies underlying, the Bankruptcy Code, courts grant a debtor considerable deference in exercising its sound business judgment in obtaining such credit. *See, e.g., In re Latam Airlines Grp. S.A.*, 620 B.R. 722, 768 (Bankr. S.D.N.Y. 2020) (“Generally, in evaluating the merits of proposed post-petition financing, courts will defer to a debtor's business judgment provided that the financing does not unduly benefit a party in interest at the expense of the estate.”) (citations omitted); *In re Barbara K. Enters., Inc.*, No. 08-11474 (MG), 2008 WL 2439649, at \*14 (Bankr.

S.D.N.Y. June 16, 2008) (“The Court is aware that its normal function in reviewing requests for post-petition financing is to defer to a debtor’s own business judgment so long as a request for financing does not ‘leverage the bankruptcy process’ and unfairly cede control of the reorganization to one party in interest.”) (citing *In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990)).

31. Lastly, section 105(a) of the Bankruptcy Code confers the Court with broad equitable powers to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

32. The Debtors respectfully submit that the relief requested herein is fair, equitable, reasonable, and in the best interests of the Debtors’ estates and is, thus, justified under sections 365(a), 364, and 105(a) of the Bankruptcy Code. As described above and in the Landess Declaration, the Debtors are seeking to reset their fleet and attendant costs to a market level. As part of this process, the Debtors are evaluating their fleet of aircraft and equipment, reviewing the relevant underlying leases and agreements, and, to the extent prudent, negotiating amendments to such leases and agreements for aircraft and equipment that the Debtors desire to maintain. In doing so, the Debtors compared the Existing Leases, the Aircraft, and the Existing Engines to available alternatives and ultimately negotiated (at arm’s length, in good faith, and in consultation with their key stakeholders) economically favorable terms, as memorialized in the Letters of Intent, that are in line with the Debtors’ long-term business plan. In addition to the improved costs and better terms and conditions as compared to the Existing Leases, the Amended Leases also will create operational flexibility for the Debtors, as they will allow the Debtors to retain and operate seven existing aircraft and five existing engines in their fleet and will position the Debtors to potentially

reject other aircraft or equipment that are not as attractive for the long-term fleet structure. Finally, the Debtors have determined (based on the exercise of their sound business judgment) that the terms of the Amended Leases represent the best available transactions under the circumstances (*i.e.*, the Chapter 11 Cases), but also would be commercially beneficial transactions irrespective of such circumstances (and are superior to at least some of their prepetition aircraft and engine leases).

33. In light of the foregoing, the Debtors respectfully submit that the assumption of the Existing Leases, each on an amended basis on terms substantially consistent with those set forth in the Letters of Intent, (a) would be the result of the Debtors exercising their sound business judgment in accordance with their fiduciary duties, (b) would be in the best interests of their estates and economic stakeholders, and (c) would further serve to maximize value for the benefit of all creditors. Accordingly, the Debtors respectfully request that the Court authorize, but not direct, the Debtors to assume the Existing Leases, each on an amended basis on terms substantially consistent with those set forth in the Letters of Intent, and to perform all the obligations under the Letters of Intent and the Amended Leases.

**B. The Court Should Authorize Entry into the Spare Engine Lease and the Engine Sale-Leaseback Transactions Under Section 363(b) of the Bankruptcy Code**

34. By this Motion, the Debtors also seek authorization to enter into the Spare Engine Lease and Engine Sale-Leaseback Transactions. The Debtors believe that these transactions constitute ordinary course transactions because (a) they are commonplace in the airline industry and (b) the Debtors have frequently engaged in similar transactions in the past. As a result, the Debtors believe that entry into the Spare Engine Lease and Engine Sale-Leaseback Transactions, as contemplated by the Engines Letter of Intent, would be permitted under section 363(c) of the

Bankruptcy Code, which authorizes a debtor 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). In particular, the Debtors submit that the Engine Sale-Leaseback Transactions merely implement the transactions previously approved by the Court in the Engine Maintenance Order. Nevertheless, out of an abundance of caution (and to the extent that such authorization is required under section 363(b) of the Bankruptcy Code), the Debtors seek entry of an order authorizing the Debtors to enter into the Spare Engine Lease and Engine Sale-Leaseback Transactions.

35. Section 363(b)(1) of the Bankruptcy Code empowers a court to allow a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). A debtor’s decision to use, sell, or lease assets outside the ordinary course of business must be based upon the sound business judgment of the debtor. *See Official Comm. of Unsecured Creditors of LTV Aerospace and Defense Co. v. LTV Corp. (In re Chateaugay Corp.)*, 973 F.2d 141, 143 (2d Cir. 1992) (holding that “a judge determining a § 363(b) application [must] expressly find from the evidence presented before him . . . a good business reason to grant such an application”); *see also Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983) (same); *In re Glob. Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 674 (Bankr. S.D.N.Y. 1989) (noting that the standard for determining a motion under section 363(b) of the Bankruptcy Code is “good business reason”).

36. The business judgment rule is satisfied “when the following elements are present: (1) a business decision, (2) disinterestedness, (3) due care, (4) good faith, and (5) according to

some courts and commentators, no abuse of discretion or waste of corporate assets.” *In re Integrated Res., Inc.*, 147 B.R. at 656 (internal quotations omitted). In fact, “[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.” *Comm. of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986); *see also In re Integrated Res., Inc.*, 147 B.R. at 656 (holding that a party opposing a debtor’s exercise of its business judgment has the burden of rebutting the presumption of validity). Indeed, courts in this district have consistently and appropriately been loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence and will uphold a board’s decisions as long as they are attributable to any “rational business purpose.” *Id.*

37. The Debtors respectfully submit that the relief requested herein is fair, equitable, reasonable, the product of the Debtors exercising their sound business judgment, and in the best interests of the Debtors’ estates and, thus, is justified under sections 363(b) and 105(a) of the Bankruptcy Code. As described above and in the Landess Declaration, the Debtors are seeking to reset their fleet and attendant costs to a market level. As part of this process, the Debtors are evaluating their fleet of aircraft and equipment and negotiating acquisitions of additional new or used aircraft and equipment. In doing so, the Debtors compared the Spare Engine Lease, the economics of the Engine Sale-Leaseback Transactions, and the Engines subject thereof to available alternatives and ultimately negotiated (at arm’s length, in good faith, and in consultation with their key stakeholders) economically favorable terms for the Spare Engine Lease and the Engine Sale-Leaseback Transactions, as memorialized in the Engines Letter of Intent, that are in line with their

operating fleet plan. The Spare Engine Lease and Engine Sale-Leaseback Transactions also will create operational flexibility for the Debtors, as they will allow the Debtors to effectively enter into attractive lease financing for up to four engines. Finally, the Debtors have determined (based on the exercise of their sound business judgment) that the terms of the Spare Engine Lease and Engine Sale-Leaseback Transactions, including the payment and delivery schedules thereunder, represent the best available transactions under the circumstances (*i.e.*, the Chapter 11 Cases), but also would be commercially beneficial transactions irrespective of such circumstances. The terms of the Spare Engine Lease and Engine Sale-Leaseback Transactions are even superior to some of the Debtors' existing engine leases.

38. In light of the foregoing, the Debtors respectfully submit that the entry into the Spare Engine Lease and Engine Sale-Leaseback Transactions, on terms substantially consistent with those set forth in the Engines Letter of Intent, (a) would be the result of the Debtors exercising their sound business judgment in accordance with their fiduciary duties, (b) would be in the best interests of their estates and economic stakeholders, and (c) would further serve to maximize value for the benefit of all creditors. Accordingly, the Debtors respectfully request that the Court authorize, but not direct, the Debtors to enter into the Spare Engine Lease and Engine Sale-Leaseback Transactions on terms substantially consistent with those set forth in the Engines Letter of Intent.

**C. The Court Should Approve the Claims Settlement Under Bankruptcy Rule 9019**

39. By this Motion, the Debtors also seek approval of the Claims Settlement with the Claimants resolving any and all pre-assumption claims against the Debtors relating to the Aircraft, the Engines, the Existing Leases, or the Rejected Equipment in the Chapter 11 Cases.

40. A court should exercise its discretion to approve settlements “in light of the general public policy favoring settlements.” *In re Hibbard Brown & Co.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998). Indeed, courts in this district have made clear that “[a]s a general matter, ‘settlements and compromises are favored in bankruptcy as they minimize costly litigation and further parties’ interests in expediting the administration of the bankruptcy estate.’” *In re Republic Airways Holdings, Inc.*, No. 16-10429 (SHL), 2016 WL 2616717, at \*3 (Bankr. S.D.N.Y. May 4, 2016) (citing *In re Dewey & LeBouef LLP*, 478 B.R. 626, 640 (Bankr. S.D.N.Y. 2012)); *see also Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC)*, 478 F.3d 452, 455 (2d Cir. 2007).

41. Under Bankruptcy Rule 9019 and governing case law, a court should approve a compromise or settlement where it makes an independent determination that the compromise or settlement is fair and equitable, reasonable, and in the best interests of the debtor’s estate. *See, e.g., In re Republic Airways*, 2016 WL 2616717 at \*3; *Air Line Pilots Ass’n, Int’l v. Am. Nat’l Bank & Trust Co. of Chi. (In re Ionosphere Clubs, Inc.)*, 156 B.R. 414, 426 (S.D.N.Y. 1993); *Nellis v. Shugrue*, 165 B.R. 115, 122–23 (S.D.N.Y. 1994). In so doing, a court may consider the opinions of the trustee or debtor in possession that the settlement is fair and equitable. *See Nellis*, 165 B.R. at 122; *In re Purofied Down Prods. Corp.*, 150 B.R. 519, 522 (S.D.N.Y. 1993).

42. Furthermore, when assessing whether or not to approve a settlement, “the court need not conduct a ‘mini-trial’ to determine the merits of the underlying litigation” nor decide the issues of law or fact raised by the settlement. *See In re Purofied Down Prods.*, 150 B.R. at 522. Instead, a court should “canvass the issues and see whether the settlement fall[s] below the lowest point in the range of reasonableness.” *Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599,



608 (2d Cir. 1983) (alteration in original) (citations omitted). In this regard, courts have found that “[t]he ‘reasonableness’ of [a] settlement depends upon all factors, including probability of success, the length and cost of the litigation, and the extent to which the settlement is truly the product of ‘arms-length’ bargaining, and not fraud or collusion.” *In re Ionosphere Clubs, Inc.*, 156 B.R. at 428.

43. The Debtors respectfully submit that the Claims Settlement satisfies the range of reasonableness test described above. Rather than engage in costly and value-destructive litigation over the Debtors’ obligations to the applicable Claimants, the amounts of the Claimants’ claims, and any amounts mitigating the quantum of those claims, the parties negotiated a consensual resolution settling on \$49,072,913 as the agreed aggregate amount for the Claims Settlement. Notably, pursuant to the Claims Settlement, claims in the aggregate amount of at least \$52,091,364.96, portions of which are unliquidated and secured, will be withdrawn. Any efforts by the Debtors, through litigation or otherwise, to resolve such disputes would be time-consuming and expensive, and would delay any distribution to the creditor beneficiaries of the Debtors’ estates. A failure to resolve the matters at issue at this time could negatively impact the Debtors and their estates. The Claims Settlement is the product of arm’s length and good faith bargaining among the separate and independent advisors of the Debtors and GECAS that will (a) eliminate the need for a costly claims dispute and (b) unlock distributable value for the Debtors’ unsecured creditors by liquidating the Claimants’ pre-assumption claims against the Debtors. Lastly, a number of the Debtors’ key stakeholders, including the respective advisors to the Committee, the Ad Hoc Group of Senior Noteholders, and the Ad Hoc Group of Unsecured Claimholders, have no objection to the relief requested herein. Accordingly, the Debtors respectfully submit that the

proposed Claims Settlement is fair and equitable, would be in the best interests of the Debtors' estates, creditors, and other stakeholders, and should be approved.

**Notice**

44. Notice of this Motion will be provided to the following parties: (a) the entities on the Master Service List (as defined in the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [ECF No. 79], which is available on the Debtors' case website at <https://dm.epiq11.com/case/aeromexico/info>); (b) the U.S. Trustee; (c) counsel to the Committee; (d) counsel to the DIP Lenders; (e) counsel to the Ad Hoc Group of Senior Noteholders; and (f) any person or entity with a particularized interest in the subject matter of this Motion. The Debtors respectfully submit that no other or further notice is required.

**No Prior Request**

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

*[Remainder of page intentionally left blank]*

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: October 26, 2021  
New York, New York

DAVIS POLK & WARDWELL LLP

By: /s/ Timothy Graulich

450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
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Marshall S. Huebner  
Timothy Graulich  
Steven Z. Szanzer  
Thomas S. Green

*Counsel to the Debtors  
and Debtors in Possession*

**Exhibit A**

**Proposed Order**

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

**In re:**

**GRUPO AEROMÉXICO, S.A.B. de C.V., et  
al.,  
  
Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 20-11563 (SCC)**

**(Jointly Administered)**

**ORDER (I) AUTHORIZING CERTAIN OF THE DEBTORS TO IMPLEMENT  
TRANSACTIONS CONTEMPLATED BY LETTERS OF INTENT WITH GE  
CAPITAL AVIATION SERVICES LIMITED AND RELATED PARTIES,  
INCLUDING (A) ASSUMPTION (ON AN AMENDED BASIS) OF CERTAIN  
AIRCRAFT LEASES AND EXISTING ENGINE LEASES AND (B) ENTRY INTO  
SPARE ENGINE LEASE AND ENGINE SALE-LEASEBACK TRANSACTIONS  
AND (II) APPROVING THE CLAIMS SETTLEMENT**

Upon the motion (the “**Motion**”)<sup>2</sup> of the Debtors for entry of an order (this “**Order**”), (a) authorizing, but not directing, Debtor Aerovías de México, S.A. de C.V. (“**Aerovías**”) and Debtor Aerolitoral, S.A. de C.V. (“**Aerolitoral**” and, together with Aerovías, the “**Debtor Lessees**”) to implement those transactions contemplated by the Letters of Intent (attached hereto as **Exhibits 1** and **2**) with GECAS, including (i) the assumption of the Existing Leases on an amended basis on terms substantially consistent with those set forth in the Letters of Intent and (ii) the entry into the Spare Engine Lease and the Engine Sale-Leaseback Transactions, each on terms and conditions substantially

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<sup>1</sup> 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.

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

consistent with those set forth in the Letters of Intent and the Summaries, and (b) approving the 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 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 held a hearing to consider the relief requested in the Motion on November 9, 2021 (the “**Hearing**”)]; and upon [the record of the Hearing, 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 to the extent set forth herein.
2. Pursuant to sections 365, 364, and 105 of the Bankruptcy Code, the Debtor Lessees are authorized (but not directed) to (a) assume the Existing Leases, each on an amended basis, on terms and conditions substantially consistent with those set forth in the Letters of Intent and the Summaries, (b) pay all amounts and otherwise perform all

obligations under the Amended Leases, and (c) reaffirm the Guaranties for the Guaranteed Equipment. Each Existing Lease, as amended, shall be deemed assumed by the applicable Debtor Lessee upon the effectiveness of the corresponding Amended Lease in accordance with its terms and, upon such effectiveness, the applicable Amended Lease shall be in full force and effect and the applicable Debtor Lessee shall be obligated to perform all of its obligations thereunder without the need for further notice or action by the Debtors, the Lessor, or GECAS or a further order of the Court.

3. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized (but not directed) to enter into and perform all of their obligations under the Spare Engine Lease and the transaction documents relating to the Engine Sale-Leaseback Transactions, which will contain terms substantially consistent with those set forth in the Engines Letter of Intent.

4. The Debtors are authorized (but not directed) to enter into, and perform their obligations under, all exhibits, addenda, and other agreements contemplated by the Letters of Intent and the GECAS Transactions without further approval of the Court.

5. The Debtors are authorized (but not directed) to execute, deliver, provide, implement, and fully perform any and all obligations, instruments, and papers provided for or contemplated in the Letters of Intent and the GECAS Transactions and to take any and all actions to implement the Letters of Intent and the GECAS Transactions.

6. From and after the effective date of each Amended Lease, the Spare Engine Lease, the transaction documents relating to the Engine Sale-Leaseback Transactions, and the Guaranties, the obligations thereunder shall constitute administrative expenses of the applicable Debtor Lessee's estate pursuant to sections 503(b)(1) and 507(a)(2) of the

Bankruptcy Code.

7. The Debtors shall have no payment obligations to GECAS to satisfy its obligation to cure any pre-assumption monetary defaults under the Amended Leases in accordance with section 365(b)(1)(A) of the Bankruptcy Code.

8. The Claims Settlement is (a) integral and necessary to the GECAS 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, GECAS, the Claimants, and their affiliates.

9. In accordance with the Claims Settlement, the following non-priority general unsecured claims shall be allowed against the Debtor Lessees listed below in the Chapter 11 Cases (or any subsequent chapter 7 case in the event of conversion) in the amounts listed below (the "**Non-Guarantied Lease Claims**") and freely transferable by GECAS:

Claimant	Debtor	Treatment	Allowed Claim Amount
GE Capital Aviation Services Limited	Aerovías de México, S.A. de C.V.	Allowed	\$7,783,004
GE Capital Aviation Services Limited	Aerolitoral, S.A. de C.V.	Allowed	\$903,154

10. In further accordance with the Claims Settlement, the following additional non-priority general unsecured claims shall be allowed against the Debtor Lessees listed below in the Chapter 11 Cases (or any subsequent chapter 7 case in the event of conversion) in the amounts listed below (collectively, the "**Guarantied Claims**" and, together with the Non-Guarantied Lease Claims, the "**Allowed Claims**") and freely transferable by GECAS:



Claimant	Debtor	Treatment	Allowed Claim Amount
GE Capital Aviation Services Limited	Aerolitoral, S.A. de C.V.	Allowed	\$40,386,755
GE Capital Aviation Services Limited	Aerovías de México, S.A. de C.V.	Allowed	\$40,386,755

For the avoidance of doubt, the amount of the Claims Settlement shall constitute the only pre-assumption claims belonging to the Claimants relating to the Aircraft, the Engines, the Existing Leases, or the Rejected Equipment allowed in the Chapter 11 Cases; *provided, however*, that, with respect to the Guaranteed Claims, GECAS may recover from Aerolitoral and Aerovías until it has received payment in full on account of such Guaranteed Claims, but, for the avoidance of doubt, GECAS (a) shall only be entitled to recover up to the aggregate amount of \$40,386,755 on account of the Guaranteed Claims, (b) shall not be entitled to receive distributions from multiple Debtors on account of the Guaranteed Claims aggregating to more than \$40,386,755, and (c) shall promptly return any such excess distributions, if any, to the applicable Debtor if received.

11. Pursuant to the Claims Settlement, the Allowed Claims are net of all applications of proceeds received, or expected to be received, by the Aircraft Lessors in respect of letters of credit and other security.

12. In accordance with the Claims Settlement, the below proofs of claim against the Debtors relating to the Aircraft, the Engines, the Existing Leases, or the Rejected Equipment belonging to any of the Claimants in the Chapter 11 Cases are hereby deemed withdrawn (collectively, the “**Withdrawn Claims**”):

Claims Number(s)	Claimant	Debtor	Treatment
397	NAC Investments 75, Inc.	Aerovías de México, S.A. de C.V.	Withdrawn
399, 565020410	NAC Investments 75, Inc.	Aerolitoral, S.A. de C.V.	Withdrawn
400	AFS Investments 75 LLC	Aerolitoral, S.A. de C.V.	Withdrawn
401, 565020400	NAC Investments 76, Inc.	Aerolitoral, S.A. de C.V.	Withdrawn
402	NAC Investments 76, Inc.	Aerovías de México, S.A. de C.V.	Withdrawn
405, 561022810	Celestial Aviation Trading 100 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
406, 565011090	Celestial Aviation Trading 100 Limited	Aerolitoral, S.A. de C.V.	Withdrawn
407	Celestial Aviation Trading 100 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
408	Celestial Aviation Trading 15 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
409	Celestial Aviation Trading 7 Limited	Aerolitoral, S.A. de C.V.	Withdrawn
410	Celestial Aviation Trading 14 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
411	Celestial Aviation Trading 14 Limited	Aerolitoral, S.A. de C.V.	Withdrawn
412	Celestial Aviation Trading 71 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
413, 565011330	Celestial Aviation Trading 71 Limited	Aerolitoral, S.A. de C.V.	Withdrawn
414, 565011220	Celestial Aviation Trading 50 Limited	Aerolitoral, S.A. de C.V.	Withdrawn
415	Celestial Aviation Trading 50 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
416	Celestial Aviation Trading 44 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
417, 565011170	Celestial Aviation Trading 44 Limited	Aerolitoral, S.A. de C.V.	Withdrawn
418	Celestial Aviation Trading 63 Limited	Aerovías de México, S.A. de C.V.	Withdrawn
419, 565011230	Celestial Aviation Trading 63 Limited	Aerolitoral, S.A. de C.V.	Withdrawn
420	Celestial Aviation Trading 7 Limited	Aerovías de México, S.A. de C.V.	Withdrawn

14680	AFS Investments 75 LLC	Aerolitoral, S.A. de C.V.	Withdrawn
14768	AFS Investments 75 LLC	Aerovías de México, S.A. de C.V.	Withdrawn
565011130	Celestial Aviation Trading 15 Limited	Aerolitoral, S.A. de C.V.	Withdrawn

The Allowed Claims shall be automatically allowed pursuant to section 502 of the Bankruptcy Code, and the Withdrawn Claims shall be automatically withdrawn, upon the effectiveness of the Amended Leases and no further notice or action shall be required of GECAS, any other Claimant, or the Debtors to effectuate the allowance or withdrawal, as applicable, of such claims upon such occurrence. None of the Allowed Claims shall be (either directly or indirectly) subject to any challenge, objection, counterclaim, or offset for any reason, or subject to any objection or avoidance or recovery action under section 502(d), 542, 544, 547, 548, 549, 550, 551, or 553 of the Bankruptcy Code. The Allowed Claims are freely transferrable and GECAS may take commercially reasonable actions in furtherance of any potential transfer of such Allowed Claims without further order of this Court. Any chapter 11 plan filed by the Debtors shall afford the Allowed Claims treatment that is no worse than the treatment given to the non-priority general unsecured claims of any other aircraft or engine lessor whose claims run solely against the applicable Debtor Lessee.

13. From and after the effective date of the Amended Leases, Epiq Corporate Restructuring, LLC is authorized to update the claims register to reflect the terms of this Order, including, among other things, reflecting the allowance of the Allowed Claims and the withdrawal of the Withdrawn Claims as set forth in this Order.

14. To the extent necessary, relief from the automatic stay is granted to

effectuate the terms in the Amended Leases or any of the other transactions documents, including with respect to any letter of credit (or the application of the proceeds thereof) and the application and/or offset of any of security deposit. Upon the occurrence of any event of default under any of the Amended Leases, Engine Sale-Leaseback Transactions, or Spare Engine Lease, GECAS 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 GECAS may exercise any remedies or enforcement actions provided for under the applicable GECAS Transaction without the need for further notice (other than as expressly provided therein) or authorization from the Court. 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 Leases, Engine Sale-Leaseback Transactions, or Spare 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.

15. Claimants holding Allowed Claims (or any portion thereof) shall support a Complying Plan<sup>3</sup> proposed by the Debtors, including, without limitation, by voting in favor of a Complying Plan. The obligations under this Order, including, without limitation, the

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<sup>3</sup> A chapter 11 plan shall be deemed a “Complying Plan” if it treats the Allowed Claims (a) as allowed general unsecured non-priority claims not subject to reconsideration under section 502 of the Bankruptcy Code and (b) no worse than the non-priority unsecured claims of any other aircraft or engine lessor whose claims run solely against the applicable Debtor (other than de minimis “convenience class” claims).

obligation to vote their Allowed Claims in favor of a Complying Plan, shall be binding on the Debtors, GECAS, the Claimants, any successor or assignee, or the transferee of the Allowed Claims (or any portion thereof).

16. 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. To the necessary, relief from the automatic stay is granted to effectuate the terms in the Amended Leases or the other transactions documents, including with respect to any letter of credit (or the application of the proceeds thereof) and the application of security deposit.

17. 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, their creditors, their respective affiliates, successors, and assigns, and any affected third parties, including, but not limited to, the Lessors and all other persons asserting interests in the Aircraft or Engines.

18. 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 GECAS Transactions.

Dated: \_\_\_\_\_, 2021  
New York, New York

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THE HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Aircraft Letter of Intent**



GE Capital  
Aviation Services

Aviation House  
Shannon  
County Clare  
Ireland

Our Ref.: 20200482-3

23 September 2021

T: +353 61 706500  
F: +353 61 360888  
www.gecas.com

Aerovías de México, S.A. de C.V.  
Aerolitoral, S.A. de C.V.,  
Paseo de la Reforma 243, Piso 25,  
Col. Cuauhtémoc,  
Mexico City,  
Mexico

Attention: Ricardo Javier Sanchez Baker, CFO  
Max Eduardo Alvarez Matar, SVP Fleet & Business Development

Copy to: Geoffrey Munger, Senior Vice President, SkyWorks Capital LLC (GMunger@skyworks.aero)

Dear Sirs,

**Re: Restructuring LOI for Seven (7) EMB 190-LR Aircraft**

This letter of intent (this “**Letter of Intent**”) will record the understanding reached between GE Capital Aviation Services Limited (together with its relevant affiliates acting as lessor parties, “**GECAS**”) and Aerovías de México, S.A. de C.V. and Aerolitoral, S.A. de C.V. (individually or collectively, as the context may require, the “**Lessee**”) in respect of the proposed restructuring of the existing aircraft lease agreements for seven (7) Embraer model EMB 190-LR aircraft MSNs 19000135, 19000145, 19000122, 19000138, 19000110, 19000251 and 19000269 on the terms and conditions set out in the Indicative Summary of Principal Terms and Conditions attached as Schedule 1.

Upon execution of this Letter of Intent, GECAS and Lessee will seek their respective internal approvals for the proposed transaction. This Letter of Intent (and/or any subsequent discussions, correspondence, document drafts, negotiations, other communications or acceptance of payments):

- (a) creates no legal obligations (except for the confidentiality and costs and expenses provisions, which are binding) and no defaults are waived as it remains expressly conditional upon (i) the parties’ receipt of all necessary and requisite corporate approvals as well as all necessary third party consents; (ii) the entry of an order in a form acceptable to the parties (x) authorizing and approving, among other things, the entry into of amended Leases and other transaction documents as contemplated by the terms herein, in each case, in form and substance satisfactory to the parties, and (y) allowing, pursuant to section 502 of the Bankruptcy Code, general unsecured claims (in amounts to be agreed between the parties) of GECAS, subject to approval and allowance by the United States Bankruptcy Court for the Southern District of New York (“**Bankruptcy Court**”) in the chapter 11 cases of *Grupo Aeromexico, S.A.B. de C.V. et al* (the “**Debtors**”), Case No. 20-11563 (SCC) and (iii) the negotiation and due execution of satisfactory lease amendment/restructuring agreements by all parties which incorporate all of the terms of this Letter of Intent, which the parties intend to execute no later than 31 October 2021; and
- (b) is without prejudice to (i) any of the parties’ respective rights and remedies under the Leases, the Stipulations and Orders between Certain Debtors and Counterparties Concerning Certain

Directors:  
John Ludden, Chairman  
Alan Buckley  
David Campbell  
Gregory Conlon (US)  
Seamus Fitzgerald

Virginia Fox  
Diarmuid Hogan  
Sara Mulcahy  
Deirdre Norris  
Paulette Roche

Equipment dated September 14, 2020, the PBH Agreements dated September 21, 2020, the Bankruptcy Code and/or under other applicable law, all of which rights and remedies are specifically reserved; and (ii) the continuing obligations of the parties thereunder in accordance with their respective terms.

The parties agree and acknowledge that:

- (a) this Letter of Intent contains information that is commercially sensitive and proprietary to the parties. Each party agrees to maintain this information strictly confidential and not to disclose it to any person other than its shareholders, directors, officers, employees and professional advisers advising it in connection with the subject matter of this Letter of Intent (the "**Related Persons**"); provided that such Related Persons shall have been advised of the confidential nature of this information and of the requirement that it may not be disclosed except in accordance with the terms of this paragraph; provided further that the Lessee may disclose this information (i) as may be required to obtain the Bankruptcy Court's approval of the amended Leases and other transaction documents as contemplated by the terms herein and/or (ii) to the U.S. Trustee, the Unsecured Creditors Committee or the entities providing the debtor-in-possession financing to the Debtors and any of their respective Related Persons;
- (b) either party may terminate discussions at any time and for any reason (or for no reason) and upon such termination each party's respective obligations to the other shall be unaltered by the fact that discussions have taken place; and
- (c) neither party will claim that (nor rely on) the willingness of the other party to discuss and/or refrain from exercising remedies, constitutes any waiver or creates any duty to negotiate, grant or continue forbearance, nor claim that it has incurred any expense nor taken or omitted to take any action in reliance upon the conduct of the other party in such discussions and/or in this regard.

This Letter of Intent shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflicts of law principles, except Sections 5-1401 and 5-1402 of the New York General Obligations Law.

Yours sincerely,

---

GE Capital Aviation Services Limited



To indicate our agreement to the terms and conditions of this Letter of Intent, we have signed below:

On behalf of AEROVÍAS DE MÉXICO, S.A. DE C.V.

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Place: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Place: \_\_\_\_\_

On behalf of AEROLITORAL, S.A. DE C.V.

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Place: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Place: \_\_\_\_\_

On behalf of GECAS

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Place: \_\_\_\_\_

## SCHEDULE 1

### INDICATIVE SUMMARY OF PRINCIPAL TERMS AND CONDITIONS (this "Summary of Terms")

<b>Transaction Overview</b>	Lessor and Lessee will enter into amendments to the existing aircraft lease agreements set out in Appendix 4 hereto (each, a " <b>Lease</b> " and together, the " <b>Leases</b> ") for the aircraft described in Appendix 1 hereto (each, an " <b>Aircraft</b> " and together, the " <b>Aircraft</b> ") and to the related existing CTAs (as defined below). Upon the signing of the Letter of Intent to which this Summary of Terms is attached, the parties will negotiate in good faith to finalize and execute definitive documentation (the " <b>Documentation</b> ") that reflects the terms and conditions specified in this Summary of Terms and sets forth other specific terms of Lessee's agreement to lease such Aircraft from Lessor and Lessor's agreement to lease such Aircraft to Lessee. Documentation will be based on the existing Leases and the related existing CTAs with such adjustments as may be needed to reflect the terms of this Summary of Terms, including the amendments set forth in Schedule 2 hereof. Unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the relevant Lease.
<b>Lessor</b>	As set out on Appendix 1 hereto.
<b>Lease Manager</b>	GE Capital Aviation Services Limited
<b>Lessee</b>	Aerovías de México, S.A. de C.V. and Aerolitoral, S.A. de C.V. (individually or collectively, as the context may require, the " <b>Lessee</b> ").
<b>Guarantor</b>	With respect to the Leases of MSNs 19000110, 19000122, 19000138, 190000251 and 190000269: Aerovías de México, S.A. de C.V.
<b>Common Terms Agreement ("CTA")</b>	Common Terms Agreement (" <b>CTA</b> ") means either, as the context may require, (a) the Aircraft Lease Common Terms Agreement dated 28 September 2012, between the Lease Manager and Aerolitoral, S.A. de C.V. or (b) the Aircraft Lease Common Terms Agreement dated 8 December 2006, between the Lease Manager and Aerovías de México, S.A. de C.V. in each case as supplemented, assigned, novated, extended, modified and amended from time to time.
<b>Aircraft</b>	Details of the Aircraft are described in Appendix 1 hereto.
<b>Rent</b>	Rent for the Aircraft shall be either the PBH Rent or the Fixed Rent, as described below.

**PBH Rent:** for the period beginning on the day of effectiveness of the Documentation and ending on the earlier of [REDACTED] and (ii) the last day of the relevant calendar month during which the fleetwide average utilization for the same aircraft type as the Aircraft reaches [REDACTED] for each of the [REDACTED] [REDACTED] corresponding to the same months from [REDACTED] through [REDACTED], as set forth in Appendix 3 (the "**PBH Period**"), Lessee shall pay Rent equal to the PBH Rent which will be based on the individual utilization of the airframe and each engine (each, a "**PBH Component**") comprising the relevant Aircraft and will be calculated in accordance with the following formula:

$$W = (A_{\text{airframe}} * B_{\text{airframe}}) + (A_{\text{engine 1}} * B_{\text{engine 1}}) + (A_{\text{engine 2}} * B_{\text{engine 2}})$$

where:

W: PBH Rent (capped at Fixed Rent (as defined below) for a full calendar month of utilization for the entire Aircraft)

A<sub>(airframe)</sub>, A<sub>(engine 1)</sub> and A<sub>(engine 2)</sub>: The utilization of the airframe and each of the engines in a given calendar month, expressed in flight hours

B<sub>(airframe)</sub>, B<sub>(engine 1)</sub> and B<sub>(engine 2)</sub>: The hourly rate for the airframe and each of the engines set forth in Appendix 1 hereto under the heading "PBH Hourly Rates".

In respect of each calendar month during the PBH Period, Lessee will provide a utilization report to Lessor by the 15th day of the immediately succeeding calendar month and make a payment of the PBH Rent by the later of (x) the [REDACTED] [REDACTED] and (y) [REDACTED] after receiving Lessor's invoice in respect of the PBH Rent.

Fixed Rent: Following the last day of the PBH Period and during the remainder of the Lease Term, Lessee shall pay Rent in advance on the sixteenth day of each calendar month in a fixed amount per month equal to the "Fixed Rent" described in Appendix 1 hereto ("**Fixed Rent**"); provided that the Fixed Rent amount shall be prorated for any period shorter than a full calendar month.

#### Lease Term

The last day of the Lease Term shall be the "**Scheduled Expiry Date**" as set out on Appendix 1 hereto, provided that Lessee may, in its sole discretion and with no less [REDACTED] prior written notice, extend the Expiry Date by up to [REDACTED] for operational reasons (the "**Operational Extension**"). Such Operational Extension shall include the same terms and economics included herein. Lessee may also extend the Lease Term by opting to exercise a Lease Extension Option (as described below).

#### Lease Extension Option

Provided that Lessee has not already exercised the Operational Extension, Lessee shall have the option, upon prior written notice to Lessor delivered no less than [REDACTED] [REDACTED] and no more than [REDACTED] prior to the then Scheduled Expiry Date (including as may be extended by another Lease Extension Option) and which notice shall be irrevocable once given (the "**Lease Extension Notice**"), two options to extend the Lease Term to the Extended Expiry Date (as defined below) (each, a "**Lease Extension Option**"). Promptly after such Lease Extension Notice, Lessee and Lessor shall enter into a lease amendment evidencing the extension, and Lessee shall provide Lessor with a Mexican in-house legal opinion and an officer's certificate of Lessee confirming, *inter alia*, the due authorization of such lease amendment by the Lessee and such other customary matters as Lessor may reasonably request. Lessee shall have no right to issue the Lease Extension Notice if an Event of Default shall have occurred and be continuing on the date such notice is given by Lessee. If the Lease Term is so extended, the Scheduled Expiry Date shall be the relevant Extended Expiry Date (as defined below) and all other provisions of the Lease shall remain in full force and effect.

If Lessee exercises the Lease Extension Option, Rent for the corresponding period by which the Lease Term is so extended (the "**Extension Period**") shall be negotiated in good faith and mutually agreed in writing between Lessor and Lessee within [REDACTED] [REDACTED] from the date of receipt by Lessor of the Lease Extension Notice, and, unless otherwise expressly agreed in writing between the parties, all other provisions of the Lease shall remain in full force and effect during such Extension Period. If the parties fail to reach an agreement on Rent for the Extension Period within [REDACTED], the Rent in respect of each Rental Period during the

Extension Period shall be an amount in Dollars equal to [REDACTED] of the applicable current fixed Rent amount.

**Extended Expiry Date** shall be confirmed by Lessee in the Lessee Extension Notice and shall be either (i) a period ending [REDACTED] after the then Scheduled Expiry Date; (ii) a period ending [REDACTED] after the then Scheduled Expiry Date; or (iii) [REDACTED] months after the then Scheduled Expiry Date.

**Deposit**

Lessor will hold all current Deposit amounts until [REDACTED] and, provided that no Event of Default is continuing at such time under the relevant Lease, Lessor will, within [REDACTED], reduce the Deposit under such Lease to an amount equal to one (1) month's Fixed Rent for the corresponding Aircraft and refund the difference to the Lessee.

**AD Cost Sharing**

If Lessee complies on a terminating action basis (or to the highest level of compliance available) with an airworthiness directive applicable to the Aircraft that is required to be performed by Lessee pursuant to Section 8.10(a)(iii) of the relevant CTA and the cost of performing such airworthiness directive on the Aircraft exceeds the ADT (as defined below), promptly following receipt of an invoice or other documentation supporting the cost of performing such airworthiness directive on the Aircraft and provided no Event of Default has occurred and is continuing, Lessor will pay to Lessee an amount calculated in accordance with the following formula:

$$A = ((T - R) \div T) \times (C - ADT)$$

where:

A = the amount payable by Lessor;

T = the number of months or partial months (in decimals) in the then current Lease Term ending on the Scheduled Expiry Date;

R = the number of months or partial months (in decimals) between the date the airworthiness directive is incorporated and the end of the then current Lease Term ending on the Scheduled Expiry Date;

C = the total cost to Lessee of incorporation of the airworthiness directive on the Aircraft; and

ADT = [REDACTED]

If, prior to Lessee's exercise of any extension option in accordance with the "Lease Extension Option" section above, Lessor has made an AD contribution in accordance with the terms hereof, then upon exercise of such extension option, Lessee shall, upon Lessor's request, refund to Lessor any amount that is in excess of the amount that Lessor would have been required to contribute had the extended Lease Term been in effect at the time of such AD contribution.

For the avoidance of doubt, Lessor's AD contribution obligation shall remain in full force and effect for any ADs completed in accordance with Section A of Appendix 2 of this Summary of Terms.

**Inspection Rights**

Lessor will have the right to inspect each Aircraft and related records annually, subject to certain conditions to be agreed in the Lease. Notwithstanding anything in the existing Lease or the existing CTA to the contrary, (i) Lessor shall bear all costs and expenses of any inspection, provided that, if an inspection reveals that an Event of

Default exists under the Lease, Lessee will solely bear the cost of any follow up inspection required to verify that remedial work has been completed and (ii) any such inspection shall not unreasonably interfere with Lessee's operations and shall be limited to a visual, walk-around inspection which may include going on board the Aircraft, but shall not include the opening of any panels or bays (other than the opening of the electronic bay door, cargo bay doors, hydraulic bay, engine cowlings and APU access door) or disassembly of any components.

**Qualifying  
Maintenance  
Events**

For the purposes of this Summary of Terms, a "**Qualifying Maintenance Event**" for each component of the Aircraft listed in the table below (a "**Component**") shall mean the maintenance event specified opposite such Component below:

<u><b>Component</b></u>	<u><b>Qualifying Maintenance Event</b></u>
Airframe	Airframe Structural Check
Each Engine	Engine Refurbishment
Each Engine LLP	Replacement of any Engine LLP
Landing Gear	Overhaul of the Landing Gear set per manufacturer's requirements for removal and disassembly.
APU	APU medium repair

**Redelivery  
Maintenance  
Payments**

On the Return Occasion with respect to an Aircraft (which, for the avoidance of doubt, excludes an Event of Loss with respect to an Aircraft), and independently of the redelivery condition required by Appendix 2 hereto, a reconciliation will be carried out to determine any amounts using the formula set forth below (the "**Redelivery Maintenance Payments**") that may be payable by Lessee on such Return Occasion.

The Redelivery Maintenance Payment for each Component of the Aircraft being returned shall be calculated as follows:

- (i) Other than where an Engine Exchange occurs as described herein:

$$X = (Y-Z)*W$$

Where

**X:** the Redelivery Maintenance Payment amount for a Component (which may be positive or negative);

**Y:** number of Flight Hours, Flight Cycles or APU Hours (as applicable) as of [REDACTED] incurred since the last Qualifying Maintenance Event (or, if none, since new);

**Z:** number of Flight Hours, Flight Cycles or APU Hours (as applicable) as of [REDACTED] incurred since the last Qualifying Maintenance Event (or, if none, since new); and

**W:** Applicable rate as described in the table below.

Where a Lessor Contribution as listed in the table below is made toward a Qualifying Maintenance Event for a Component, then the value of [REDACTED] for such Component shall be equal [REDACTED].

- (ii) Where an Engine Exchange occurs as described herein, the formula in (i) will not apply for such Engine and the corresponding Engine LLPs, and instead the Redelivery Maintenance Payment for such Engine and the corresponding Engine LLPs will be determined as follows:

$$X = [U_1 + U_2] * W$$

Where

**X:** the Redelivery Maintenance Payment amount for such Engine or any one of the corresponding Engine LLPs (which may be positive or negative);

**U<sub>1</sub>:** number of Flight Hours or Flight Cycles (as applicable) consumed by the Replaced Engine (as defined below) between the Petition Date and the Exchange Date (as defined below);

**U<sub>2</sub>:** number of Flight Hours or Flight Cycles (as applicable) consumed by the Exchange Engine (as defined below) between the Exchange Date (as defined below) and the Return Occasion;

**W:** Applicable rate for such Engine or the Engine LLP as described in the table below.

Such Redelivery Maintenance Payment amounts for all Components comprising an Aircraft will be aggregated and if the result of such netting is a positive figure, the Lessee will pay such positive amount to Lessor. For the avoidance of doubt, no Redelivery Maintenance Payment shall be made by either party to the other on the Return Occasion if the result of such netting is a negative figure.

The rate used to calculate the Redelivery Maintenance Payment amount attributable to each Component shall be the rate set forth opposite such Component in the table below (subject to escalation as described below) and is based on the assumption that the Aircraft will operate on the Assumed Ratio (as set forth in the chart below) and for the Assumed Utilization (as set forth in the chart below) as an average for the period from the Petition Date until the Scheduled Expiry Date. Should the actual ratio and/or utilization as calculated at the Return Occasion differ from the Assumed Ratio and Assumed Utilization, then the rates will be adjusted (upwards or downwards) in accordance with an adjustment mechanism that will be mutually agreed in the Documentation to take account of the changed circumstances. For the avoidance of doubt, Redelivery Maintenance Payments made by Lessee prior to the Petition Date shall be retained by Lessor.

Assumed Utilization	[REDACTED] Flight Hours per [REDACTED] month period
Assumed Ratio	[REDACTED] Flight Hours to [REDACTED] Cycle
Airframe Rate (per FH)	[REDACTED] split as follows: BAS 2 - [REDACTED] BAS3 - [REDACTED] BAS4 - [REDACTED]

	72M CPCP – [REDACTED] 96M CPCP - [REDACTED] 120M CPCP - [REDACTED] 20k Structural - [REDACTED]
Engine Rate (per FH)	<p>The rate per Flight Hour determined as follows:</p> <p>(a) the average market cost of the next Engine Refurbishment based on three quotes from accredited FAA/EASA shops: one selected by Lessee, one selected by Lessor, and the third agreed by Lessee and Lessor acting reasonably,</p> <p><i>divided by</i></p> <p>(b) the Mean Time Between Removal (MTBR) to the next Engine Refurbishment specified by the engine manufacturer, taking into account the operating environment, thrust rating and similar utilization and hour-to-cycle ratio that matches Lessee's actual utilization and hour-to-cycle ratio over the preceding [REDACTED] or, if the engine manufacturer is unable to provide such MTBR, the Lessee's historic MTBR to the next Engine Refurbishment for engines of similar age, repair history, thrust rating, utilization and operating environment.</p> <p>(c) The Lessee and Lessor shall initiate good faith negotiations to determine the Engine Rate no later than [REDACTED] prior to the Scheduled Expiry Date.</p>
Engine LLP Rate (per FC)	<p>The rate per Flight Cycle determined as follows:</p> <p>(a) the then current OEM catalogue list price for the Engine LLPs; provided if Lessor has access to a discounted price, then such discounted price shall be used instead,</p> <p><i>divided by</i></p> <p>(b) the Chapter 05 limits specified in the then current OEM engine shop manual; provided that if Lessor has access to the warranted ultimate life limit of such Engine LLP, then such ultimate life limit shall be used instead.</p> <p>The above calculation will apply on a per Engine LLP basis.</p>
Landing Gear Rate (per FH)	[REDACTED] for each Flight Hour
APU Rate (per APUH)	[REDACTED] per APU Hour

The rates for the airframe, landing gear, and the APU set forth above will escalate and compound annually by [REDACTED] on January 1 of each year commencing on [REDACTED] as an agreed inflation adjustment.

**Lessor  
Contribution**

Lessor shall not be obligated to make any Maintenance Contributions as contemplated by Clause 7.2 of each CTA.

For any Qualifying Maintenance Event set forth in the table below for the relevant Component and falling due during the [REDACTED] from [REDACTED] through [REDACTED] (the "**Lessor Contribution Period**"), Lessor agrees to make a Lessor contribution (each, a "**Lessor Contribution**") on the terms and conditions set out in the table below to the net cost of maintenance of the relevant Aircraft (after deduction for all rebates, discounts, allowances, incentives, credits or any other reduction in cost). Lessor shall not be obligated to make a contribution toward the cost of certain excluded items or tasks specified in the provisos contained in subparagraphs (i) and (ii) of Clause 7.2 of each CTA; provided, however, that the Lessor Contribution obligation will still apply to the remaining cost of a Qualifying Maintenance Event.

<u><b>Qualifying Maintenance Event</b></u>	<u><b>Lessor Contribution</b></u>
<b>MSNs 19000110, 19000122, 19000138, and 19000145,</b>	Lessor agrees to make a direct payment to the Maintenance Performer for Airframe Structural Checks (as defined in the current applicable CTA) on MSNs 19000110, 19000122, 19000138 and 19000145 during the Lessor Contribution Period, such payment shall be in the amount of the actual invoice received from the Maintenance Performer in respect of such Airframe Structural Check, provided that Lessor's contribution shall not exceed a maximum aggregate amount of USD [REDACTED] in respect of the Qualifying Maintenance Events for MSNs 19000110, 19000122, 19000138 and 19000145. If such Airframe Structural Check is performed by Lessee in-house, Lessor agrees that it shall make the payment referenced above to Lessee upon receipt of the relevant technical documentation and the relevant summary of charges which shall include the aggregate cost of labor and the list of materials for such Airframe Structural Check.
<b>ESNs 994367 and 994402</b>	With respect to the Engines bearing ESNs 994367 and 994402, Lessor shall either, at its option:  (A) provide to Lessee an engine that satisfies the Relevant Engine Requirements (as defined below) to replace ESNs 994367 and/or 994402; provided that, if Lessor opts to exchange one or both of the Engines, then Lessee shall be required to redeliver ESNs 994367 and/or ESN 994402 to Lessor; provided, further, that in order to facilitate such redelivery, Lessor agrees to make a direct payment to the Maintenance Performer for any Engine Refurbishment which qualifies as a Qualifying Maintenance Event on the Engine bearing ESN 994367 and/or ESN 994402 (as applicable); or  (B) agree to make a direct payment to the Maintenance Performer for Engine Refurbishment which qualifies as a Qualifying Maintenance Event on Engine bearing ESN 994402 and/or ESN 994367 (as applicable).



	In each case set forth in paragraphs (A) or (B), any direct payment to the Maintenance Performer shall be in the amount of the actual invoice received from the Maintenance Performer in respect of such Qualifying Maintenance Event, provided that Lessor's contribution shall not exceed a maximum aggregate amount of USD [REDACTED] in respect of the Qualifying Maintenance Events for ESN 994402 and ESN 994367.
<b>MSN 19000269</b>	Lessor agrees to make a direct payment to the Maintenance Performer for a Landing Gear Overhaul which qualifies as a Qualifying Maintenance Event on MSN 19000269 during the Lessor Contribution Period, such payment shall be in the amount of the actual invoice received from the Maintenance Performer in respect of such Qualifying Maintenance Event up to a maximum of USD [REDACTED] ) only towards the Landing Gear originally delivered with MSN 19000269.
<b>MSNs 19000122, 19000110 and 19000251</b>	Lessor agrees to contribute to Lessee for maintenance work which qualifies as a Qualifying Maintenance Event for an APU in respect of each of the APUs on MSNs 19000122, 19000110 and 19000251 in an amount of USD [REDACTED] per APU.

In the case of any direct payment by Lessor to the Maintenance Performer:

- (a) Lessee shall continue to bear the risk of the Maintenance Performer becoming insolvent and not completing or carrying out the work properly;
- (b) as a condition to such direct payment Lessor will need to receive a copy of the relevant invoice from the Maintenance Performer, except in respect of a Lessor Contribution for an APU, in which case no invoice is required, together with:
  - (i) a written confirmation from the Maintenance Performer addressed to Lessor confirming that it will apply any payment by Lessor towards the relevant maintenance work and shall not exercise any lien over the relevant aircraft, engine or APU (as applicable); and
  - (ii) an instruction from Lessee to Lessor to make a direct payment to the Maintenance Performer; and
- (c) The Lessee and Lessor shall endeavour to enter into a tripartite agreement with the Maintenance Performer to document the relevant arrangement; provided that:
  - (i) if the parties fail to enter such tripartite agreement in respect of any Qualifying Maintenance Event, then Lessor will still make a Lessor Contribution by means of a reimbursement to the Lessee upon completion of such Qualifying Maintenance Event, but will not be required to make any direct payments to the Maintenance Performer in respect thereof; or

- (ii) if the Lessee pays the Maintenance Performer for any of the Qualifying Maintenance Events set out above during the Lessor Contribution Period (regardless of whether a tripartite agreement was entered into), then Lessor will pay to Lessee an amount equal to the applicable Lessor Contribution that would otherwise have been payable to the Maintenance Performer pursuant to, and subject to the relevant terms of, this provision.

**Lessor Engine  
Exchange  
Option**

For any Engine that is already grounded due to a required Engine Refurbishment (being ESNs 994362 994383 and 994384), Lessor shall provide a replacement engine as soon as commercially reasonable and practicable after execution of the applicable restructuring agreement (an "**Exchange Engine**") that complies with the following requirements (the "**Relevant Engine Requirements**"):

- (i) the Exchange Engine will be subject to technical acceptance by the Lessee; and
- (ii) at time of installation, the Exchange Engine will have a projected next scheduled removal date for Engine Refurbishment which is at or beyond six months after the Scheduled Expiry Date (being the Scheduled Expiry Date prior to any Lessee Extension Notice) (the "**Scheduled Removal Date**") and the return conditions for any Exchange Engine will be adjusted as necessary to avoid a future shop visit to specifically meet return conditions. If following installation an Exchange Engine fails to, or is reasonably anticipated to fail to, reach the Scheduled Removal Date, then Lessor shall, subject to paragraph (iv) of the Maintenance Event Alternatives section, replace the Exchange Engine with one that complies with the required remaining time on wing.

For any Engine scheduled for Engine Refurbishment shop visits during the Lessor Contribution Period (being ESNs 994416, 994424 and 994649) and one of the Engines that is already grounded (being ESN 994438), Lessee shall replace the engine with either an Exchange Engine or one of the spare engines bearing ESNs 994119, 424507, 424643 and 994598 (each a "**Spare Exchange Engine**"), currently leased by Lessee from Lessor pursuant to spare engine lease agreements.

The Exchange Engine or Spare Exchange Engine shall become a permanent replacement and the replaced Engine (the "**Replaced Engine**") will cease to be an "Engine" in accordance with the terms of the applicable CTA, which shall be documented as an amendment or a supplement to the relevant Lease in form and substance satisfactory to Lessor and Lessee (the date of such permanent replacement, the "**Exchange Date**").

Where Lessor provides an Exchange Engine or Spare Exchange Engine, the Replaced Engine shall not be subject to any return conditions except the following (the "**Replaced Engine Return Conditions**"):

- The Lessee shall provide a full inventory of the Replaced Engine, including QEC to confirm the Replaced Engine inventory is the same as the Exchange Engine inventory at Exchange Date. This Replaced Engine inventory shall be in the same format as the inventory received with the Exchange Engine.

- The Replaced Engine shall be preserved in accordance with the Aircraft Maintenance Manual (AMM) 365 day preservation procedure.
- The Replaced Engine shall be covered with an approved method of cover, have all ports covered and shall be shipped to a location acceptable to Lessor on the transportation stand in which the Exchange Engine was received.
- Lessee shall provide a complete video BSI of the Replaced Engine in accordance with the AMM and shall provide all Engine Records and statements required in accordance with the relevant Lease.

Lessor shall not be required to provide an Exchange Engine for maintenance/repair work arising as a result of foreign object damage or due to accidents or operational or maintenance mishandling; provided, however, that to the extent such foreign object damage or accident or operational or maintenance mishandling results in such Replaced Engine having an engine performance restoration within six (6) months of its scheduled engine performance restoration, Lessor shall still be required to provide an Exchange Engine for such Replaced Engine on the terms specified herein. Notwithstanding Lessor's obligations in the preceding sentence, Lessee will be responsible for the costs directly related to such foreign object damage or accident or operational or maintenance mishandling to the extent set forth in the Lease.

The Documentation shall set forth the terms pursuant to which each Spare Exchange Engine shall become an Engine, including the amendment or termination, as appropriate, of the existing lease for such Spare Exchange Engine.

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**Maintenance  
Event  
Alternatives:**

Lessor shall not be required to make any contribution towards the maintenance or condition of an Aircraft other than (x) pursuant to a Lessor Contribution; (y) in connection with AD Cost Sharing; or (z) pursuant to a Lessor Engine Exchange Option, in each case as set out above (each such event, a "**Lessor Obligation**").

Notwithstanding the above:

(i) if during the Lease Term an Airframe Structural Check, APU shop visit or Landing Gear overhaul (each a "**Maintenance Event**") that does not constitute a Lessor Obligation will be scheduled in order to meet a return condition, then (a) Lessee shall give Lessor [REDACTED] advance written notice of such Maintenance Event (or such lesser period of advance written notice of such Maintenance Event as shall be possible under the circumstances) and (b) Lessor shall give Lessee within [REDACTED] of receipt of any such notice from Lessee advance notice of its decision to waive, in its sole discretion, the requirement for Lessee to carry out the relevant Maintenance Event, provided that any such waiver shall not cause non-compliance with the approved maintenance program. If any Maintenance Event is waived by Lessor, then Lessor and Lessee will mutually agree to an appropriate minimum alternative return condition for the relevant equipment.

(ii) in the event of an unscheduled Engine Refurbishment, unscheduled LLP replacement or other unscheduled Engine shop visit (in each case relating to an existing Engine or any Exchange Engine), none of which constitutes a Lessor Obligation (each an "**Unscheduled Engine Event**"), in lieu of Lessee performing such Unscheduled Engine Event, at Lessor's option, Lessor may elect to provide

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Lessee with a suitable replacement engine satisfying the Relevant Engine Requirements. Lessor will inform Lessee of any election and the estimated timing for implementation thereof within [REDACTED] of Lessor's receipt of notice from Lessee of such Unscheduled Engine Event. To the extent that at substitution such replacement engine is not expected to meet a redelivery condition, then Lessor shall waive the specific condition(s) at the time of substitution. Such replacement engine will become a permanent replacement and the replaced Engine will cease to be an "Engine" in accordance with the terms of the applicable CTA, which shall be documented as an amendment or a supplement to the relevant Lease in form and substance satisfactory to Lessor and Lessee.

(iii) in the event of a scheduled Engine Refurbishment, scheduled LLP replacement or other scheduled Engine shop visit (in each case relating to an existing Engine or any Exchange Engine) (each a "**Scheduled Engine Event**") that does not constitute a Lessor Obligation, Lessee shall give Lessor not less than [REDACTED] advance written notice of such Scheduled Engine Event (or such lesser period of advance written notice of such Scheduled Engine Event as shall be possible under the circumstances) and Lessor shall, within [REDACTED] of receipt of any such notice from Lessee, inform Lessee of Lessor's election, and the estimated timing for implementation thereof (which, if implemented, shall be in lieu of Lessee performing such Scheduled Engine Event), to provide Lessee with a suitable replacement engine satisfying the Relevant Engine Requirements. To the extent that at substitution the replacement engine is not expected to meet a redelivery condition, then Lessor shall waive the specific condition(s) at the time of substitution. Such replacement engine will become a permanent replacement and the replaced Engine will cease to be an "Engine" in accordance with the terms of the applicable CTA, which shall be documented as an amendment or a supplement to the relevant Lease in form and substance satisfactory to Lessor and Lessee.

(iv) if Lessor notifies Lessee in writing that it is unable to provide a replacement engine pursuant to either clause (ii) or (iii) above as a result of an unscheduled or scheduled Engine Refurbishment (the "**Lessor Replacement Engine Notice**"), the parties shall consult in good faith regarding alternative solutions for the continuance of the Lease. Such alternative solution may include but not be limited to:

(1) Lessee leasing an engine from a third party, in which case Rent for the relevant Aircraft will be reduced by an amount equal to the lesser of (x) fair market rental value of such lease-in engine at the time of the exchange; (y) the actual lease rent (fixed) charged by the lessor of the lease-in engine leased to Lessee; or (z) [REDACTED]; and

(2) performance of the Engine Refurbishment at Lessee's own cost and expense.

If the parties have not reached agreement in writing regarding any such amendment to the Lease within [REDACTED] of the Lessor Replacement Engine Notice (or such later date as the parties may agree in writing), Lessee may by notice in writing to Lessor terminate the leasing of the Aircraft under the Lease, and such termination shall take effect on the date on which Lessee redelivers the Aircraft to Lessor in accordance with the Lease.

(v) If an Engine is replaced as contemplated by either (i), (ii), (iii) or (iv) above, then the Replaced Engine shall comply with the Replaced Engine Return Conditions.

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(vi) Any agreements in respect of financial reimbursement for Lessor's waiver of a Maintenance Event and/or Unscheduled Engine Event and/or Scheduled Engine Event, associated changes to the Redelivery Conditions, Redelivery Maintenance Payment and/or any Engine substitution engine shall be documented as an amendment to the Lease; provided that no Redelivery Maintenance Payment for the Replaced Engine will be due until the Return Occasion and shall only be due and payable upon redelivery of the Aircraft.

**Utilization  
Payments**

Lessee will not be required to pay Utilization Payments, except as expressly set out in the "Redelivery Utilization Payments" section above. Utilization Payments made by the Lessee prior to the Petition Date shall be retained by Lessor.

**Redelivery  
Procedure**

At return, the Aircraft shall comply with the return conditions specified in Appendix 2 hereto, which shall replace the return conditions in the existing Leases and CTAs (including Schedule 6 of the existing CTAs).

**Holdover Rent**

Clause 12.2(c) of each CTA shall be deleted and replaced with the following:

"Lessee shall pay Rent to Lessor at a rate per month equal to the amount of Rent payable in respect of the last scheduled Rental Period without any uplift for the first [REDACTED] of the extension period and thereafter Rent [REDACTED] thereof, calculated on a per diem basis."

**Access to  
Electronic  
Technical Data  
/ Records**

Lessee shall ensure that the OEM of any electronic record management system and any maintenance/engineering system provider (each a "**Maintenance System Provider**") for the Aircraft provide Lessor and/or its representative with remote access to such system(s) for the purposes of gathering technical information on the Aircraft. Such information will be in accordance with the IATA Record checklist [and/or Spec 2500] in respect of aircraft data, and will be used to update Lessor's database with respect to the Aircraft Documents and Records. Lessee shall not be required to provide Lessor with access to any information on the Aircraft which exceeds the requirements of the Lease. If required by the relevant Maintenance System Provider, either party may provide of copy of this provision to that Maintenance System Provider.

**Replacement of  
Parts**

Lessee shall be entitled to remove and replace any APU, Landing Gear or other Part by a replacement part with the same value and utility as the Part it is replacing and otherwise in accordance with the provisions of the Lease.

**Registration**

The Aircraft will remain registered in the existing State of Registration.

**Insurance**

As per current Leases.

**Subleasing**

As per current Leases provided that no Lessor consent shall be required if the sublease is to a member of Grupo Aeromexico (as defined below) or to Delta Air Lines, Inc. "*Grupo Aeromexico*" means Grupo Aeroméxico S.A.B. de C.V., Aerovías de México, S.A. de C.V. and Aerolitoral, S.A. de C.V. For the avoidance of doubt, each permitted sub-lessee (including any based in the US) that operates the Aircraft will be required to meet the Usage Covenant set out in the Subpart F Indemnity in the applicable Lease.

Lessor acknowledges that Lessee may wish other affiliates of Grupo Aeromexico to become permitted sublessees during the Term. In order to facilitate this process,

Lessee shall send Lessor a written request to pre-approve a list of any such proposed sublessees together with sufficient information to allow Lessor to assess the financial and commercial condition of any such proposed sublessees ( "Permitted Sublessee Request") and :

- (a) within [REDACTED] of Lessor's receipt of the Permitted Sublessee Request, Lessor shall respond to Lessee regarding its request to pre-approve any proposed sublessees in jurisdictions in which Lessor currently leases aircraft to other operators; and
- (b) within [REDACTED] of Lessor's receipt of the Permitted Sublessee Request, Lessor shall respond to Lessee regarding its request to pre-approve any proposed sublessees in jurisdictions in which Lessor does not currently lease aircraft to other operators.

#### **Transfers**

Clause 14.3(e) of each CTA shall be deleted and replaced with the following:

**Credit:** The transferee shall have, or have its obligations under the Lease guaranteed by another entity that has, in each case, exclusive of the aggregate equity it is committing to invest in the Aircraft, net assets of no less than [REDACTED] at the time of the Transfer. Such net worth to be evidenced by audited financial statements of such transferee or guarantor, as applicable;

Clause 14.3(f) of the CTA shall be deleted and replaced with the following:

**Not a competitor of Lessee:** Neither the transferee nor any of the Financing Parties are an airline, other commercial aircraft operator, freight forwarder, a Person engaged in the business of parcel transport by air, or an affiliate of an airline unless (A) such transferee is an internationally recognized lessor; (B) such transferee is not directly controlled by such airline affiliate; (C) such airline affiliate will not have access to any information in the Lease or in regard to Lessee's operations; and (D) such airline affiliate is not a Mexican certificated air carrier. Moreover, such transferee or Financing Party shall (i) not directly or indirectly be controlled by an affiliated Direct Competitor and (ii) be either reasonably experienced in aircraft trading or leasing or will, for the duration of the Term, employ personnel or hire advisers that are reasonably experienced in aircraft trading or leasing.

#### **Financial Information**

Lessee shall provide Lessor with its most current Business Plan, any draft Plan of Reorganization, on-going liquidity updates and/or DIP Budget variance reports to the extent that the same are provided to other general unsecured lessor creditors (other than those that are members of the Unsecured Creditors Committee) in connection with the chapter 11 cases of the Debtors.

#### **Governing Law**

As per current Leases.

#### **Costs and Expenses**

Lessee and Lessor will bear their own costs and expenses incurred in the negotiation and completion of the Documentation. The cost of registering the Lease with the AFAC in Mexico will be borne by Lessee; *provided* that Lessee's costs and expenses regarding registration shall be limited to the costs related to the translations to Spanish and the registration fees required by AFAC (but in no case shall Lessee be responsible for Lessor's other costs associated with the registration of the Aircraft in Mexico, including, but not limited to, notarization, apostilling, or couriering Lessor's signature pages). Lessee will also issue, at no cost to Lessor, a customary in-house

legal opinion as to Mexican law matters relating to Lessee. If Lessor requires an external Mexican legal opinion, Lessor will bear all costs related thereto.

**Lessee  
Guarantee**

The existing Guarantor (where applicable) shall acknowledge and confirm that its obligations under the existing guarantee extend to the Lessee's obligations under the amended Leases, incorporating the terms of this proposal and shall constitute obligations for the purposes of the Guarantee.

**SCHEDULE 2**

**COMMON TERMS AGREEMENT AND LEASE AMENDMENTS**

1. **Amendment of Clause 8.7 of CTAs.** A new clause 8.7(g)(iv) shall be added as follows:  
[REDACTED]
2. **Amendment of Schedule 1.** The definition of Other Agreement shall be deleted in its entirety and replaced with the following:  
[REDACTED]
3. **Amendment of Schedule 9 of CTAs, paragraphs (e)(i).** References to [REDACTED] in paragraph (e)(i) shall be deleted in its entirety and replaced with [REDACTED].
4. **Amendment of Schedule 9 of CTAs, clause (j).** Clause (j) shall be deleted in its entirety and replaced with the following:  
“[Reserved]”.



**APPENDIX 1**

**CERTAIN TERMS**

**MSN 19000135**

Lessor: Celestial Aviation Trading 15 Limited

Aircraft: One (1) Embraer model EMB 190-LR airframe bearing manufacturer's serial number 19000135 and Mexican registration mark XA-CAC, together with two (2) General Electric model CF34-10E6 engines respectively bearing manufacturer's serial numbers 994404 and 994402.

PBH Hourly Rates: Airframe – [REDACTED]  
Engine 1 – [REDACTED]  
Engine 2 – [REDACTED]

Fixed Rent: [REDACTED]

Scheduled Expiry Date: [REDACTED]

**MSN 19000145**

Lessor: Celestial Aviation Trading 15 Limited

Aircraft: One (1) Embraer model EMB 190-LR airframe bearing manufacturer's serial number 19000145 and Mexican registration mark XA-EAC, together with two (2) General Electric model CF34-10E6 engines respectively bearing manufacturer's serial numbers 994450 and 994424.

PBH Hourly Rates: Airframe – [REDACTED]  
Engine 1 – [REDACTED]  
Engine 2 – [REDACTED]

Fixed Rent: [REDACTED]

Scheduled Expiry Date: [REDACTED]

**MSN 19000122**

Lessor: Celestial Aviation Trading 7 Limited

Aircraft: One (1) Embraer model EMB 190-LR airframe bearing manufacturer's serial number 19000122 and Mexican registration mark XA-ALL, together with two (2) General Electric model CF34-10E6 engines respectively bearing manufacturer's serial numbers 994383 and 994384.

PBH Hourly Rates: Airframe – [REDACTED]  
Engine 1 – [REDACTED]  
Engine 2 – [REDACTED]

Fixed Rent: [REDACTED]

Scheduled Expiry Date: [REDACTED]

**MSN 19000138**

Lessor: Celestial Aviation Trading 14 Limited

Aircraft: One (1) Embraer model EMB 190-100LR airframe bearing manufacturer's serial number 19000138 and Mexican registration mark XA-ALP, together with two (2) General Electric model CF34-10E6G07 engines respectively bearing manufacturer's serial numbers 994367 and 994416.

PBH Hourly Rates: Airframe – [REDACTED]  
Engine 1 – [REDACTED]  
Engine 2 – [REDACTED]

Fixed Rent: [REDACTED]

Scheduled Expiry Date: [REDACTED]

**MSN 19000110**

Lessor: Celestial Aviation Trading 7 Limited

Aircraft: One (1) Embraer model EMB 190-LR airframe bearing manufacturer's serial number 19000110 and Mexican registration mark XA-AEM, together with two (2) General Electric model CF34-10E6 engines respectively bearing manufacturer's serial numbers 994362 and 994438.

PBH Hourly Rates: Airframe – [REDACTED]  
Engine 1 – [REDACTED]  
Engine 2 – [REDACTED]

Fixed Rent: [REDACTED]

Scheduled Expiry Date: [REDACTED]

**MSN 19000251**

Lessor: Celestial Aviation Trading 44 Limited

Aircraft: One (1) Embraer model EMB 190-LR airframe bearing manufacturer's serial number 19000251 and Mexican registration mark XA-AEO, together with two (2) General Electric model CF34-10E6 engines respectively bearing manufacturer's serial numbers 994688 and 994649.

PBH Hourly Rates: Airframe – [REDACTED]  
Engine 1 – [REDACTED]  
Engine 2 – [REDACTED]

Fixed Rent: [REDACTED]

Scheduled Expiry Date: [REDACTED]

**MSN 19000269**

Lessor: Celestial Aviation Trading 44 Limited

Aircraft: One (1) Embraer model EMB 190-LR airframe bearing manufacturer's serial number 19000269 and Mexican registration mark XA-AEP, together with two (2) General Electric model CF34-10E6 engines respectively bearing manufacturer's serial numbers 994648 and 994689.

PBH Hourly Rates: Airframe – [REDACTED]  
Engine 1 – [REDACTED]  
Engine 2 – [REDACTED]

Fixed Rent: [REDACTED]

Scheduled Expiry Date: [REDACTED]

The parties agree that during the documentation phase, the parties shall discuss the proposed extension periods for each lease with the understanding that the average extension lease term across all the Aircraft shall be twenty-four (24) months from the original expiry date.

## APPENDIX 2

### REDELIVERY CONDITIONS

Lessee shall tender the Aircraft to Lessor for technical acceptance ("**Technical Acceptance**") by delivering the Aircraft to a maintenance or storage facility in Mexico as selected by Lessee (the date of such delivery, the "**Return Occasion**"), or any other location as agreed between Lessee and Lessor (the "**Technical Acceptance Location**"), in compliance with the conditions specified below, and Lessor shall, provided Lessee has complied with this Appendix 2, execute and deliver to Lessee a certificate of technical acceptance confirming technical acceptance of the Aircraft by Lessor ("**Technical Acceptance Certificate**"); provided, however, that if the Technical Acceptance Location is at a FAR licensed base maintenance facility in Mexico, the Lease shall continue and redelivery shall not be completed until Lessee has completed a ferry flight of the Aircraft (the "**Return Ferry Flight**") (at Lessor's sole cost) to a location specified by Lessor in the contiguous United States of America (the "**Redelivery Location**") following Technical Acceptance of the Aircraft by Lessor; provided, further, that Rent shall not be payable by Lessee for any days after Technical Acceptance during which Lessee is unable to complete the Return Ferry Flight solely due to events outside of Lessee's control, including but not limited to inclement weather and/or any other force majeure event.

Upon arrival of the aircraft at the Redelivery Location, Lessor shall perform a walk-around for obvious damage and if none, immediately accept the Aircraft and deliver to Lessee an executed certificate of final acceptance (the "**Redelivery Acceptance Certificate**"). For the avoidance of doubt, Lessee shall not have any responsibility for the Aircraft after completion of the Return Ferry Flight if, for whatever reason, Lessor is not present or able to take possession of the Aircraft at the Redelivery Location.

Lessee shall not have any liability associated with any defect, failure, loss or damage to the Aircraft incurred after execution of the Technical Acceptance Certificate other than for insurable events or if such defect, failure, loss or damage is a result of Lessee's gross negligence or willful misconduct. At Lessor's cost and expense, Lessee shall cooperate with, facilitate and/or make any insurance claim under the insurance carried under the Lease with respect to any defect, failure, loss or damage resulting from the Return Ferry Flight. If Lessor does not inform Lessee within [REDACTED] after Lessee completes the Return Ferry Flight of any such insurable loss or damage, any claim against Lessee and its insurers shall be deemed waived by Lessor effective as of the end of the fifth Business Day after arrival of the Aircraft at the Redelivery Location.

With respect to any condition discovered by Lessor after arrival at Redelivery Location and before final Acceptance that is a mechanical or operational defect in, failure of, or any loss or damage to, the Aircraft, Lessee's liability and responsibility with respect thereto shall be limited to amounts actually recovered under Lessee's insurance as set forth above, and Lessor shall bear the cost, expense and risk of any deductible amount applicable to any claim for such damage to or loss of or to the Aircraft and any amounts for any repair of the Aircraft above such insurance proceeds; provided, however, that Lessee's liability shall not be limited to the amounts actually recovered under Lessee's insurance to the extent that such loss or damage is determined to have been caused by the gross negligence or willful misconduct of Lessee.

For the avoidance of doubt, there shall be no requirements for Redelivery Technical Acceptance other than those specified in this Appendix 2.

During the period commencing [REDACTED] and ending no less than [REDACTED] prior to the Expiry Date, Lessee and Lessor will agree to conduct a pre-redelivery meeting for the purpose of reviewing and agreeing upon the workscope for the Redelivery Check and, if applicable, any Engine, APU, or Landing Gear shop visit. Lessor and Lessee shall each commit sufficient resources to the process to achieve Redelivery by the Expiry Date.

With respect to any discrepancies in the Redelivery Conditions described herein (other than discrepancies with respect to the Landing Gear Hard Time Minimum specified in Section D, the Engine LLP Hard Life Cycle Minimum specified in Section E, the Engine Performance Restoration Hard Time Minimum specified

in Section F and the APU Hard Life Cycle Minimum specified in Section H, which such discrepancies shall be corrected by Lessee at its expense), Lessee and Lessor agree, subject to the provisions outlined in Section I – Maintenance Carry-Overs, that Lessee and Lessor shall discuss in good faith the option of either correcting such discrepancy at its own expense or providing compensation in lieu of such correction in an amount to be mutually agreed upon by Lessee and Lessor.

**A. Registration & Certification, Maintenance Program & Airworthiness Directives**

The Aircraft shall be registered with the AFAC of Mexico (the “**Aviation Authority**”) in the name of Lessor unless such registration cannot be maintained because of the failure of the Lessor to comply with the citizenship or other eligibility requirements for registration of the Aircraft. Lessee shall take such commercially reasonable steps as may be within its control to deregister the Aircraft from the Aviation Authority. Upon redelivery, the Aircraft shall be FAA compliant according to Part 129 and will be eligible for an FAA certificate of airworthiness in accordance with Part 121 to the extent it complied at delivery. Lessee will provide an Export Certificate of Airworthiness following Technical Acceptance of the Aircraft by Lessor.

The Aircraft shall be in compliance with the Lessee’s maintenance program (the “**Maintenance Program**”), which shall be based on the latest revision of Manufacturer’s Maintenance Planning Document as of the date that is [REDACTED] before the Aircraft redelivery and approved by the Aviation Authority.

Lessee will comply (by terminating action or inspection, as required) with any ADs that require compliance within 90 days following the last day of the Lease Term. However, compliance with such ADs due after the last day of the Term shall not be required (i) should the Lessee be unable to acquire, after using its best efforts to do so, the items, material, parts or components necessary to accomplish such compliance before the Expiry Date; (ii) should such compliance be waived in writing by the Lessor; (iii) where such AD has not been issued by the date that is [REDACTED] prior to the Expiry Date, or (iv) if performance of such AD does not affect the airworthiness of the Aircraft, Lessee shall reimburse Lessor of the cost of such AD in time and material basis. In no event shall there be any extensions, waivers, deviations or alternative means of compliance with any other AD or other regulations.

**B. General Condition**

The Aircraft shall be (a) airworthy in compliance with manufacturer’s original specification, except as modified during the Lease Term in accordance with Manufacturer’s service bulletins or letters, AD’s, or State of Design approved data, or otherwise permitted by the Lease and in good operating condition, normal wear and tear excepted, (b) clean by international commercial airline standards, (c) in a passenger configuration, (d) with all equipment, components and systems installed, fully functional and operating within limits under the Maintenance Program and the Aircraft Maintenance Manual, (e) equipped with two Engines duly installed thereon and (f) will have no leaks exceeding the limits specified in the Manufacturer’s maintenance manual.

The Aircraft shall be in compliance with Lessee’s corrosion prevention and control program, based on current Manufacturer’s corrosion prevention and control program and will be adequately treated in accordance with Lessee’s corrosion prevention program and the Manufacturer’s Maintenance Planning Document.

**C. Redelivery Check**

The Airframe shall have completed, within 30 days prior to the Redelivery Date, the Redelivery Check (as defined below), and following such Redelivery Check the Aircraft shall not be used in commercial passenger operations.

“**Redelivery Check**” means Lessee’s next due “base” check (the “**BAS check**”) in accordance with the Maintenance Program during the Lease Term and the revision of the MPD in effect six months prior to the

Expiry Date, and includes all inspections, checks and work up to and including those required every BAS check (currently at [REDACTED] and [REDACTED] of operation).

**D. Landing Gear Minimum**

Each of the nose and main landing gear assemblies (the "**Landing Gear**") shall have no fewer than 18 months remaining (the "**Landing Gear Hard Time Minimum**") until the next scheduled performance restoration visit under the Maintenance Program (any such visit, a "**Landing Gear Performance Restoration Visit**") as measured by hour, cycle or calendar day, whichever is applicable and most limiting. Each tire shall have at least [REDACTED] remaining. The Landing Gear brakes will each have an average of at least 50% life remaining before their removal with no individual brake having less than [REDACTED] [REDACTED] service life remaining.

**E. Engine LLP Minimum**

No Engine LLP shall have fewer than [REDACTED] cycles remaining to reaching the then manufacturer's published Chapter 5 life limit (the "**Engine LLP Hard Life Cycle Minimum**").

**F. Engine Performance Restoration Hard Time Minimum**

Each Engine shall have no fewer than [REDACTED] flight hours remaining (the "**Engine Performance Restoration Hard Time Minimum**") until the next sequential performance restoration visit of such Engine under the Maintenance Program and based on manufacturer recommendations (any such visit, an "**Engine Performance Restoration Visit**"), as measured by Lessee's expected time on wing to such next sequential Engine Performance Restoration Visit ("**Expected Time on Wing**") for engines in Lessee's fleet of the same make and model. All of the parts in the gas path of each Engine shall be parts that have been produced by or on behalf of an OEM, or that have been approved for use by the OEM and manufactured by another party ("**OEM Parts**"). Repaired parts in the gas path of the engine shall be OEM approved repairs, except for any DER repair that was previously approved by Lessor.

**G. Components**

Each Hard Time Component (as listed in the MPD but excluding any Engine LLP, the APU and Landing Gear) will have no less than [REDACTED] (with respect to MPD specified calendar limit) or the equivalent flight hours or cycles, whichever is applicable, based on Lessee's average utilization, remaining to next scheduled removal, shop inspection or overhaul. Any such time controlled component having an MPD interval of less than [REDACTED] or the equivalent flight hours or cycles, whichever is applicable, based on Lessee's average utilization, shall have a full replacement interval remaining until its next shop inspection, removal or overhaul.

All Hard Time components and On Condition and Condition Monitoring components installed [REDACTED] prior to lease expiry date shall be supported by documentation certifying date of installation, TSO and CSO (if applicable and if required by the Aviation Authority) with a EASA Form 1, FAA Form 8130-3 or ANAC Form SEG VOO 003 only in the case of a brand new component and as long as the ANAC Form SEG VOO 003 is issued by Embraer, or equivalent; in this Clause "Hard Time Component" means any component which has a limited on-wing life in accordance with Lessee's Maintenance Programme and which can have life fully restored through appropriate maintenance.

**H. Auxiliary Power Unit Minimum**

The auxiliary power unit ("**APU**") shall be in serviceable condition, as evidenced by an APU condition test performed in accordance with the Manufacturer's AMM.

**I. Maintenance Carry-Overs**

If the Aircraft is scheduled to be redelivered fresh from a BAS-Check, any deferred, continued, carry-over, or open log book maintenance items against the Aircraft (each, an "MCO") which can be deferred until the next Structural Check (BAS 2, BAS 3 or BAS4 checks, specifically) need not be corrected or performed by Lessee except to the extent that the aggregate cost of rectifying all such MCOs exceeds [REDACTED] (the "MCO Threshold"), in which case Lessee, at its own expense, shall correct or perform sufficient MCOs selected by Lessee such that the aggregate cost of rectifying the remaining uncorrected and unperformed MCOs shall be equal to or less than the MCO Threshold. Lessee and Lessor shall agree, acting reasonably, on the reasonable cost to complete any such MCO items during the next Structural Check. Any MCOs which cannot be deferred until the next Structural Check will be corrected or performed by Lessee at its expense prior to the Redelivery Date.

If the Aircraft is scheduled to be redelivered fresh from a Structural Check, any MCOs shall be cleared on a terminating action basis.

#### **J. Paint and Special Markings**

The Aircraft paint will be in the condition as removed from airline service, with Lessee's identification marks removed or painted over. Lessee shall at Redelivery pay Lessor an amount equal to Lessee's average cost to complete the painting of its livery on aircraft of the same type as the Aircraft, based on the average of two (2) recent invoices or quotations for the same.

#### **K. Records**

No less than [REDACTED] prior to the targeted Redelivery Check induction date, Lessee will provide for the review of Lessor all Aircraft Documents and Records and, provided that all such Aircraft Documents and Records are made available to Lessor at the commencement of the six month period, Lessor will provide to Lessee its response and findings on such Aircraft Documents and Records at least [REDACTED] prior to the targeted Redelivery Check date. All Aircraft Documents and Records shall be delivered in English to Lessor (except for the cabin rectification log book which may be maintained and returned in Spanish) in Lessee's format and at Lessee's expense on the Redelivery Date, except to the extent any Aircraft Documents and Records require updating following compliance with these Redelivery Conditions, in which case such Aircraft Documents and Records will be delivered within [REDACTED] after the Redelivery Date but not after Aircraft deregistration. All Aircraft Maintenance Status Summaries must be certified by Lessee.

The Aircraft Documents and Records should be collated, ordered and presented for Lessor's review and acceptance as follows:

<b>A. Aircraft Description</b>
Including general description of the Aircraft including manufacturer, type and model, serial number, registration markings, certification basis, installed engine(s) (model & serial number), and APU (model & serial number) with: (1) Description of Aircraft's current operational configuration (seat configuration and emergency equipment) (2) Details of specific operational capability approvals for which aircraft is equipped or certified (e.g. RVSM, EDTO, IR-OPS, FAR 121 etc.)
<b>B. Certificates</b>
Including: (1) Certificate of Airworthiness (with Airworthiness Review Certificate (ARC) if applicable) (2) Copy Air Operator Certificate (3) Current Certificate of Aircraft Registration (4) Certificate of Noise Limitation (or equivalent, AFM page)

<ul style="list-style-type: none"> <li>(5) Radio station license</li> <li>(6) Current maintenance release certificate</li> <li>(7) Export certificate of airworthiness, or equivalent (if applicable)</li> <li>(8) Certificate of sanitary construction (if applicable)</li> <li>(9) Aircraft Deregistration confirmation (if applicable)</li> <li>(10) Burn Certificates: confirming compliance with EASA or FAA fire blocking requirements, to include all seats, backrests, cushions, covers, curtains, floor coverings, carpets, interior surfaces, side walls and overhead bins, with in combination certification as applicable.</li> </ul>
<b>C. Log Books</b>
<ul style="list-style-type: none"> <li>(1) Aircraft logbooks</li> <li>(2) Engine logbook(s) (if applicable)</li> <li>(3) APU logbook (if applicable)</li> </ul>
<b>D. Aircraft Maintenance Status Summaries</b>
<ul style="list-style-type: none"> <li>(1) Certified current Time in Service (Hours &amp; Cycles) &amp; Maintenance Status</li> <li>(2) Certified status of Airworthiness Directives (including method of compliance)</li> <li>(3) Certified status of Manufacturer Service Bulletins incorporated</li> <li>(4) Certified status of all Airframe non-Manufacturer modifications incorporated (including STC's)</li> <li>(5) Certified status of supplemental structural inspections (SSI's) (if applicable)</li> <li>(6) Certified status of CPCP/ISIP Tasks (if applicable)</li> <li>(7) Certified status of installed Hard Time components (including time, hours and cycles remaining)</li> <li>(8) Certified status of on condition / condition monitored components</li> <li>(9) Certified status of Airframe Check/Inspection history</li> <li>(10) Certified list of deferred maintenance Items (if applicable)</li> <li>(11) Certified status of the maintenance task compliance listing ('Last Done\Next Due') including 'Out of Phase' Inspections. Must demonstrate (at a minimum) compliance with the current Manufacturer's Maintenance Planning Document (MPD). Tasks to be clearly cross referenced (as applicable) for presentation according to the MPD.</li> <li>(12) Certified Incident / Accident Clearance Statement for the period since the Delivery Date, covering Airframe, Engines, Landing Gear &amp; APU.</li> <li>(13) Certified map of structural repairs &amp; allowable damage, including reference to applicable approved data &amp; time limited items</li> <li>(14) Certified status of Certification Maintenance Requirements (CMR)</li> <li>(15) Statement of the Aircraft eligible Type Certification</li> <li>(16) Life Limited Parts Status, Airframe Parts</li> <li>(17) Certified statement of oil and fluid types used in Aircraft, Engines and APU</li> <li>(18) Certified installed software listing including part number and revision date</li> <li>(19) Certified statement of aircraft operational capability including RVSM, RNP, ETOPS, Landing Category, MNPS, FANS, FM Immunity, 8.33 Spacing, ADS-B</li> <li>(20) Certified Flight Data Recorder Report verifying that required parameters are within approved limits</li> <li>(21) Operator Maintenance Program Summary</li> <li>(22) Aircraft Flight Time Report / Aircraft Log Book</li> <li>(23) Certified status of Airworthiness Limitation Items (ALIs)</li> <li>(24) Electrical load analysis updated for post production modifications affecting Aircraft's electrics.</li> </ul>
<b>E. Aircraft Maintenance Records</b>
<ul style="list-style-type: none"> <li>(1) Aircraft Technical Logs (minimum of last 3 years)</li> <li>(2) A Checks - last complete cycle of A Checks (or equivalent)</li> <li>(3) C Checks - last complete cycle of C Checks (or equivalent)</li> </ul>



<ul style="list-style-type: none"> <li>(4) All major airframe structural check packages</li> <li>(5) CPCP/ISIP certified maintenance task cards (including level of corrosion found and rectification)</li> <li>(6) File for each applicable AD including AD copy, accomplishment instructions (SB) and certified maintenance task cards</li> <li>(7) File for each non mandatory Manufacturer Service Bulletin incorporated including SB copy and certified maintenance task cards</li> <li>(8) File for each non-OEM modification incorporated including modification data, substantiation data (including material burn test reports if applicable), regulatory approval and certified maintenance task cards</li> <li>(9) Structural repairs, internal and external and allowable damage certified maintenance task cards including repair data and regulatory approval if not within SRM and any instructions for continuing airworthiness.</li> <li>(10) Repair map to identify repairs and allowable damage visible from the exterior of the Aircraft and reference to the applicable approved data.</li> <li>(11) File for each operational capability compliance inspection including certified maintenance task card if applicable</li> <li>(12) Certification Maintenance Requirements (CMR's) certified maintenance task cards</li> <li>(13) Certified aircraft weighing report</li> <li>(14) Flight control balance status - original manufacturer data or certified maintenance task card (if applicable)</li> <li>(15) Last demonstration flight report and relevant technical log</li> <li>(16) Supplemental Structural Inspection (SSI) certified maintenance task cards (if applicable)</li> <li>(17) Compass Deviation Report including certified task card (if applicable)</li> <li>(18) Certified Current Records Inventory (including full inventory of boxes delivered)</li> <li>(19) Airworthiness Limitation Items (ALIs) certified maintenance task cards</li> </ul>
<b>F. Configuration Status</b>
<ul style="list-style-type: none"> <li>(1) Layout of Passenger Accommodation (LOPA) drawing, including seat part numbers</li> <li>(2) Seats, closets, class dividers, overhead bins, PSU's, cabin crew seating</li> <li>(3) Galley drawings &amp; overhaul manuals</li> <li>(4) Emergency Equipment Drawing, with item description and part number</li> <li>(5) Loose and galley equipment inventories</li> <li>(6) Inventory listing avionic units installed</li> <li>(7) Software Status (cockpit folder)</li> </ul>
<b>G. Aircraft Historical Records</b>
<ul style="list-style-type: none"> <li>(1) C of A (Export) from state of manufacture</li> <li>(2) Manufacturer report of Airworthiness Directives incorporated at manufacture</li> <li>(3) Manufacturer's inspection report, initial equipment list/ aircraft readiness log (or equivalent)</li> <li>(4) Manufacturer's repair/alteration report / SRL</li> <li>(5) Manufacturer report of service bulletins and optional modifications incorporated at manufacture</li> <li>(6) Service difficulty reports (if any)</li> <li>(7) Manufacturer Report of Landing Gear Life Limited Parts installed at manufacture, including part number and serial number</li> <li>(8) Aircraft Historical / Miscellaneous Log (or equivalent)</li> <li>(9) Last Flight Data recorder read out &amp; corrections</li> </ul>
<b>H. Engine Records</b>
<p>Separate hard copy and PDF folders for each Engine, including:</p> <ul style="list-style-type: none"> <li>(1) Certified statement of total time in Service (Hours &amp; Cycles)</li> <li>(2) Certified status of Engine Airworthiness Directives including method of compliance</li> <li>(3) Certified status of Engine Manufacture Service Bulletins incorporated</li> <li>(4) Certified status of Engine non-manufacturer modifications including STC's with applicable</li> </ul>

<p>regulatory approval</p> <ol style="list-style-type: none"> <li>(5) Certified Life Limited Parts Listing indicating cycles remaining</li> <li>(6) Manufacturer Delivery Documents (EDS, Test Data/Performance Summary, Configuration Listing and SB Status at Manufacture)</li> <li>(7) All historical engine/module shop visit reports</li> <li>(8) Individual total cycle substantiation data for each life limited part since manufacture and confirmation that each LLP is not incident related</li> <li>(9) Condition Monitoring Report (Current Trend Data)</li> <li>(10) Engine Log Book/Master Records of Installation &amp; Removals</li> <li>(11) Last borescope report (including video / DVD if available)</li> <li>(12) Last Engine Test Cell Report</li> <li>(13) Last On-wing Maximum Power Assurance Ground Run</li> <li>(14) Certified Engine Incident &amp; Accident Clearance Statement</li> <li>(15) ETOPS compliance report and certified maintenance task cards (if applicable)</li> <li>(16) Type of engine oil used</li> <li>(17) Operator certified statement of engine non-exceedance during period of operation</li> <li>(18) Power Rating Operation Statement (Cycles of operation e.g. at B1, B2, C1, etc.)</li> <li>(19) Certified maintenance task cards - Engine Field Repairs since last shop visit (if applicable)</li> <li>(20) Certified maintenance task cards - Long Term Preservation - (if applicable)</li> <li>(21) Certified maintenance task cards - Fan Blade Distribution Sheet</li> <li>(22) Certified maintenance task cards - Last fan blade lubrication (if applicable)</li> <li>(23) Certified maintenance task cards - Engine Mount NDT Inspection (if applicable)</li> <li>(24) Certified engine component configuration listing including line replaceable units</li> <li>(25) Certified high pressure turbine blade listing to include TSN/CSN/TSO/CSO</li> <li>(26) Certified Maintenance task cards for last 'C' Check compliance</li> </ol>
<p><b>I. APU</b></p>
<ol style="list-style-type: none"> <li>(1) Certified total time in service (Hours &amp; Cycles) including statement of ratio from Aircraft hours to APU hours)</li> <li>(2) Certified status of APU Airworthiness Directives including method of compliance</li> <li>(3) Certified status of APU Manufacturer Service Bulletins incorporated</li> <li>(4) APU Log / Master Record of installation &amp; removals</li> <li>(5) All historical APU shop visit reports</li> <li>(6) Certified Maintenance Status of the APU to include time since last heavy shop visit</li> <li>(7) LLP status and certified history of life consumed to date (if applicable)</li> <li>(8) Operational performance test certified maintenance task card</li> <li>(9) Last Test Cell Report</li> <li>(10) ETOPS Compliance Report and certified maintenance task cards (if applicable)</li> <li>(11) Last borescope report (including video / DVD if available)</li> </ol>
<p><b>J. Components</b></p>
<p>EASA Form 1 (or equivalent under EASA Part M) or FAA Form 8130-3 or equivalent for:</p> <ol style="list-style-type: none"> <li>(1) Approved release to service for each Hard Time Component (including last overhaul and any subsequent shop maintenance)</li> <li>(2) Approved release to service for each on condition and condition monitored component installed within the previous 12 months, or less if accepted by the Aircraft's next state of registry.</li> </ol>
<p><b>K. Landing Gears</b></p>
<ol style="list-style-type: none"> <li>(1) EASA Form 1 (or equivalent under EASA Part M) or FAA Form 8130-3 for approved release to service from last overhaul (and any subsequent maintenance) for each major landing gear assembly</li> <li>(2) Certified status of life limited parts (LLP's) for each gear showing Cycles consumed since new and allowable Cycles remaining</li> <li>(3) Maintenance shop reports from last overhaul and any subsequent shop maintenance</li> </ol>

- |     |  |
|-----|--|
| (4) | Certified log card or equivalent for each life limited landing gear part showing details of life consumed and removal/installation history (if applicable) i.e. Back to Birth Traceability |
| (5) | Work Order / Certified Release to Service (Evidence of gear installation on Airframe)  |

#### **L. Manuals**

All manuals delivered with the Aircraft under the Lease must be updated to the latest revision standard applicable as at the Return Occasion. Wiring Diagram Manual, Illustrated Parts Catalogue, Aircraft Maintenance Manual, Aircraft Schematics manual and Wire List & Hook up Charts to be available online line from the Manufacturer or if not, to be on DVD/CD or other media as customary.

#### **L. Borescope Inspections; Power Assurance Runs**

Provided that (a) the Aircraft is ferried by Lessee to the Redelivery Location; and (ii) the applicable Engine is redelivered at the Redelivery Location in a serviceable condition in accordance with Lessee's Maintenance Program, then the borescope and Power Assurance Runs will be waived.

#### **M. Demonstration Flight**

At Lessor's request, Lessee will perform, at its expense, and in accordance with a mutually agreed acceptance flight procedure, a demonstration flight lasting no more than two hours for the purpose of demonstrating the satisfactory operation of the Aircraft with no more than two representatives of Lessor, or of the next operator, on board during such flight, subject to consent of the Aviation Authority. If the demonstration flight reveals any discrepancies from the Redelivery Conditions, Lessee will correct them or pay compensation to Lessor, at Lessor's discretion.

#### **N. Liens**

The Aircraft shall be free and clear of liens (other than any Lessor's Liens).

#### **O. Structural Repairs**

All damage outside of SRM limits (not described as allowable damage) shall have been permanently repaired (with a CAT A or CAT B repair) in accordance with the requirements of the relevant manufacturer and FAA.

#### **P. Fuel**

Lessee shall have no obligation to provide any fuel or oil with respect to the Aircraft at redelivery, provided that any fuel or oil remaining on board the Aircraft on the Redelivery Date shall be the property of Lessor without charge.

#### **Q. Inspection**

The Aircraft inspection shall occur during the Redelivery Check. During the Redelivery Check, Lessor and/or its representatives will, to the extent permitted by the MRO performing the Redelivery Check, have access as observers only and will have an opportunity to observe functional and operational system checks, in accordance with Lessee's procedures, as they are performed, and to perform a visual inspection of the Aircraft only in those areas that are visible during the Redelivery Check and concurrently as the inspection tasks are being performed by Lessee. After check completion, Lessor's representative (s) will have the right to perform a final walk around to check final condition of the Aircraft.

**APPENDIX 3**

**2019 AVERAGE MONTHLY UTILIZATION**

[REDACTED]

**APPENDIX 4**

**LEASE AGREEMENTS**

The following lease agreements apply to the aircraft (the "**Leases**" and each, a "**Lease**");

a. **MSN 19000135:**

- a. Aircraft Lease Agreement dated 21 July 2009, between Celestial Aviation Trading 15 Limited, as lessor, and Aerovías de México, S.A. de C.V., as lessee, incorporating the provisions of the Aircraft Lease Common Terms Agreement dated 8 December 2006, between GE Capital Aviation Services Limited (formerly known as GE Commercial Aviation Services Limited) and Aerovías de México, S.A. de C.V., as supplemented, assigned, novated, extended, modified and amended from time to time; and
- b. Aircraft Sub-lease Agreement dated 21 July 2009, between Aerovías de México, S.A. de C.V., as sub-lessor, and Aerolitoral, S.A. de C.V., as sub-lessee, incorporating the provisions of the Aircraft Sub-lease Common Terms Agreement dated 1 August 2007, between Aerovías de México, S.A. de C.V., as sub-lessor, and Aerolitoral, S.A. de C.V., as sub-lessee;

b. **MSN 19000145:**

- a. Aircraft Lease Agreement dated 24 July 2009 between Celestial Aviation Trading 15 Limited, as lessor, and Aerovías de México, S.A. de C.V., as lessee, incorporating the provisions of the Aircraft Lease Common Terms Agreement dated 8 December 2006, between GE Capital Aviation Services (formerly known as GE Commercial Aviation Services Limited) and Aerovías de México, S.A. de C.V., as supplemented, assigned, novated, extended, modified and amended from time to time; and
- b. Aircraft Sub-Lease Agreement dated 24 July 2009, between Aerovías de México, S.A. de C.V., as sub-lessor, and Aerolitoral, S.A. de C.V., as sub-lessee, incorporating the provisions of the Aircraft Sub-lease Common Terms Agreement dated 1 August 2007, between Aerovías de México, S.A. de C.V., as sub-lessor, and Aerolitoral, S.A. de C.V., as sub-lessee;

c. **MSN 19000122:** Aircraft Lease Agreement dated 24 December 2015, between Celestial Aviation Trading 7 Limited, as lessor, and Aerolitoral, S.A. de C.V., as lessee, incorporating the provisions of the Aircraft Lease Common Terms Agreement dated 28 September 2012, between GE Capital Aviation Services Limited and Aerolitoral, S.A. de C.V., as supplemented, assigned, novated, extended, modified and amended from time to time;

d. **MSN 19000138:** Aircraft Lease Agreement dated 24 December 2015, between Celestial Aviation Trading 14 Limited, as lessor, and Aerolitoral, S.A. de C.V., as lessee, incorporating the provisions of the Aircraft Lease Common Terms Agreement dated 28 September 2012, between GE Capital Aviation Services Limited and Aerolitoral, S.A. de C.V., as supplemented, assigned, novated, extended, modified and amended from time to time;

e. **MSN 19000110:** Aircraft Lease Agreement dated 16 May 2017, between Celestial Aviation Trading 7 Limited, as lessor, and Aerolitoral, S.A. de C.V., as lessee, incorporating the provisions of the Aircraft Lease Common Terms Agreement dated 28 September 2012, between GE Capital Aviation Services Limited and Aerolitoral, S.A. de C.V., as supplemented, assigned, novated, extended, modified and amended from time to time;

f. **MSN 19000251:** Aircraft Lease Agreement dated 16 May 2017, between Celestial Aviation Trading 44 Limited, as lessor, and Aerolitoral, S.A. de C.V., as lessee, incorporating the

provisions of the Aircraft Lease Common Terms Agreement dated 28 September 2012, between GE Capital Aviation Services Limited and Aerolitoral, S.A. de C.V., as supplemented, assigned, novated, extended, modified and amended from time to time; and

- g. **MSN 19000269:** Aircraft Lease Agreement dated 16 May 2017, between Celestial Aviation Trading 44 Limited, as lessor, and Aerolitoral, S.A. de C.V., as lessee, incorporating the provisions of the Aircraft Lease Common Terms Agreement dated 28 September 2012, between GE Capital Aviation Services Limited and Aerolitoral, S.A. de C.V., as supplemented, assigned, novated, extended, modified and amended from time to time.

**Exhibit 2**

**Engines Letter of Intent**



GE Capital  
Aviation Services

Aviation House  
Shannon  
County Clare  
Ireland

T: +353 61 706500  
F: +353 61 360888  
www.gecas.com

Letter of Intent  
Spare Engine Lease Restructuring

23 September 2021

Aerovías de México, S.A. de C.V.  
Paseo de la Reforma 443, 27 Piso,  
Col. Cuauhtemoc,  
Mexico, D.F., Mexico

Attention: Max Alvarez  
Mario Bravo

Dear Sir,

**Re: Request for Spare Engine Lease Restructuring**

This letter of intent (this "**Letter of Intent**") will record the understanding reached between GE Capital Aviation Services Limited ("**GECAS**" or "**Servicer**"), acting on behalf of each lessor noted in Schedule 1 and Schedule 2 (each a "**Lessor**" collectively the "**Lessors**") and AEROVÍAS DE MÉXICO S.A. DE C.V. ("**Aeromexico**"), and each lessee noted in Schedule 1 and Schedule 2 (each a "**Lessee**" and collectively the "**Lessees**") in respect of:

- (a) the proposed restructuring of the engine lease agreements for the Engines (each as more particularly described on Schedule 1, each a "**Lease**" collectively the "**Leases**") subject to the General Terms and Conditions set forth in **Schedule 1**; and
- (b) the proposed sale lease-back of two LEAP spare engines, with an option for a third, delivering in 2021, subject to the terms and conditions set forth in Part A and Part B of Schedule 2 (the "**SLB Transaction**").

The Lessors and the Lessees will seek internal approvals for the proposed transaction after this Letter of Intent is signed by the parties hereto.

This Letter of Intent (and/or any subsequent discussions, correspondence, document drafts, negotiations, other communications or acceptance of payments):

- (a) creates no legal obligations (except for the confidentiality and costs and expenses provisions, which are binding) and no defaults are waived;
- (b) remains expressly conditional upon (i) the parties' receipt of all necessary and requisite corporate approvals as well as all necessary third party consents; (ii) the entry of an order by the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") in the chapter 11 cases of Grupo Aeroméxico, S.A.B. de C.V. et al, Case No. 20-11563 (SCC) (the "**Bankruptcy Cases**"), in a form acceptable to the parties (x) authorizing and approving the assumption of each Lease, as amended in form and substance satisfactory to the Lessor and the Lessee and consistent with the terms of this Letter of Intent (for each Lease, a "**Lease Amendment Agreement**") and other transaction documents as contemplated by the terms herein, (y) authorizing the Lessee to pay cure

GE Capital Aviation  
Services Limited  
Registered Office:  
Aviation House  
Shannon, Co Clare  
Ireland  
V14 AN29  
Registered in Ireland No.  
205625

**Directors:**  
John Ludden, Chairman  
Alan Buckley  
David Campbell  
Gregory Conlon (US)  
Seamus Fitzgerald

Virginia Fox  
Diamuid Hogan  
Sara Mulcahy  
Deirdre Norris  
Paulette Roche



amounts and otherwise perform all obligations under the Lease Amendment Agreement and allowing, pursuant to section 502 of the Bankruptcy Code, general unsecured claims for unpaid amounts due to each Lessor under each Lease (in amounts to be agreed between the parties), subject to approval and allowance by the Bankruptcy Court, and (z) granting relief from the automatic stay for the Lessor to exercise any of the Lessor's rights and remedies under the Lease upon the occurrence of any material event of default and upon giving a minimum of 5 business days' written notice to the court and the Debtors and an opportunity for the Debtors and the Unsecured Creditors Committee to seek an emergency hearing to contest the occurrence of such material event of default (the "**Assumption Order**"); and (iii) submission by the Lessee of such information as may be reasonably requested by the Lessor to allow the Lessor to complete its customer due diligence processes, and the Lessor being satisfied in its sole discretion with the results of such processes;

- (c) remains expressly conditional upon, entering into binding transaction agreements for the purchase and lease-back of the LEAP spare engines (which shall include Purchase Agreement(s) and an Engine Lease Agreement(s) incorporating an Engine Lease Common Terms Agreement) on and subject to the terms and conditions set out in Part A and Part B of Schedule 2 hereto ("**Leap Transaction Agreements**");
- (d) is entered into on the basis that neither GECAS nor Aeromexico shall engage the services of a broker or similar representative agent for purposes of this transaction. Each party shall represent to the other the absence of such brokers and indemnify the other with respect to any breach of such representation; and
- (e) is without prejudice to (i) any of the Lessor's rights and remedies under each Lease, the Bankruptcy Code and/or under other applicable law, all of which rights and remedies are specifically reserved; and (ii) the continuing obligations of Lessee under the Lease in accordance with its terms.

Each party agrees and acknowledges that:

- (a) this Letter of Intent contains information that is commercially sensitive and proprietary to the parties. Each party agrees to maintain this information strictly confidential and not to disclose it to any person other than its shareholders, directors, officers, employees and professional advisers advising it in connection with the subject matter of this Letter of Intent (the "**Related Persons**"); provided that such Related Persons shall have been advised of the confidential nature of this information and of the requirement that it may not be disclosed except in accordance with the terms of this paragraph; provided further that the Lessee may disclose this information (i) in any motion filed by the Lessee (subject to appropriate redactions agreed to by the Lessor and the Lessee) seeking entry of the Assumption Order and/or (ii) to the U.S. Trustee, the advisors to the Unsecured Creditors Committee and the Ad Hoc Bondholders Group on a professional eyes only basis or, on a confidential basis, to the entities providing the debtor-in-possession financing to the Debtors and any of their respective Related Persons;
- (b) either party may terminate discussions at any time and for any reason, including, if this LOI is not signed on or before 23 September 2021 and if the Lease Amendment Agreement and all LEAP Transaction Agreements are not signed within 30 days of the LOI signing or if the Assumption Order is not entered by the Bankruptcy Court within a reasonable timeframe (or for no reason) and upon such termination each party's respective obligations to the other shall be unaltered by the fact that discussions have taken place; and
- (c) it will not claim that (nor rely on) the willingness of the other party to discuss and/or refrain from exercising remedies, constitutes any waiver or creates any duty to negotiate, grant or continue forbearance, nor claim that it has incurred any expense nor taken or omitted to take any action in reliance upon the conduct of the other party in such discussions and/or in this regard.

This Letter of Intent shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflicts of law principles, except Sections 5-1401 and 5-1402 of the New York General Obligations Law.

To indicate our agreement to the terms and conditions of this Letter of Intent, we have signed below:

On behalf of **AEROVÍAS DE MÉXICO, S.A. DE C.V.**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Place: \_\_\_\_\_

On behalf of **GE Capital Aviation Services Limited**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Place: \_\_\_\_\_

**Schedule 1**  
**Spare Engine Restructure - General Terms and Conditions**

1. **Lessee:** AEROVÍAS DE MÉXICO S.A. DE C.V. (with respect to Lease of ESN 892336) and Aerolitoral, S.A. De C.V. (with respect to Leases of ESNs 424507, 424643, 994119, and 994598) (the “**Lessees**” and each, a “**Lessee**”).
2. **Lessor:** NAS Investments 76, Inc., Celestial Aviation Trading 100 Limited, NAS Investments 75, Inc., Celestial Aviation Trading 63 Limited (the “**Lessors**” and each a “**Lessor**”).
3. **Engine:** Four (4) General Electric model CF34-10E6 bearing engine serial number ESN 424507, 424643, 994119 and 994598; and one (1) CFM International model CFM56-7B22 bearing engine serial number ESN 892336 (each an “**Engine**” and collectively the “**Engines**”).
4. **Additional Spare Engine Lease:** One (1) additional General Electric model CF34-10E6 bearing engine serial number ESN TBA.
5. **Guarantor:** AEROVÍAS DE MÉXICO S.A. DE C.V., with respect to the Leases of ESN 424507, 424643, 994119, 994598) (the “**Guarantor**”).
6. **Lease:** Other than as contemplated by this Letter of Intent, the existing terms and conditions in the existing lease agreement for each Engine between the applicable Lessee and Lessor (the “**Leases**” and each, a “**Lease**”) shall remain in full and unvaried force and effect.

The terms and conditions as set forth in Schedule 2 of another Letter of Intent, dated the same date as this Letter of intent, made between GECAS and Lessees with respect to the restructuring of lease agreements for seven E190 aircraft shall be deemed incorporated in full into this Letter of Intent and shall apply to the Leases for the Engines.

Other than as contemplated by this Letter of Intent, the terms and conditions in the existing Lease shall remain in full and unvaried force and effect. The Lease Amendment Agreement, for each Lease, shall become effective on the date when (i) the Bankruptcy Court has entered the Assumption Order, (ii) the Lease Amendment Agreement for each Lease, has been executed by the Lessor and the Lessee and (iii) any conditions to the effectiveness of the Lease Amendment Agreement that may be specified therein shall have been satisfied (the “**Amendment Effective Date**”).

7. **Lease Extension:** The term of the Lease for each Engine shall be extended as set forth below:

Model	ESN	New Expiry Date
CF34-10E	Each of 994119 424507 994598 424643	Up to the date that is the earlier of: (i) [REDACTED] from the date of this Letter of Intent or (ii) the date the Lessor exercises a notice to terminate the Lease for the Engine in order to comply with a separate obligation to provide the Engine as a replacement / substitute Engine pursuant to the terms and conditions of any aircraft lease agreement for any E190 aircraft leased by Lessor (or an affiliate of Lessor) to Lessee (or an affiliate of Lessee).  For clarity, and <u>only</u> if point (ii) applies then, provided the Lessee as confirmed in writing to the Lessor it's acceptance of the technical condition of the Engine for the purposes of accepting delivery of the Engine on-lease under the applicable E190 aircraft lease then, the Lessee shall not be obliged to comply with the redelivery conditions in the Lease for the Engine.
CFM56	892336	From [REDACTED] till [REDACTED]

8. **Rent:**

- (a) Within three (3) Business Days after the later of (x) the Amendment Effective Date and (y) the date on which the Lessee receives the Lessor's invoice(s) therefor, Lessee shall pay in cash to Lessor an amount equal to the product of \$[REDACTED] (for each of the four CF34 model Engines) or \$[REDACTED] (for the CFM56 model Engine) and a fraction whose numerator is equal to the number of days between (i) the date of this Letter of Intent and (ii) the first Rent Date after the Amendment Effective Date, and whose denominator is equal to [REDACTED] (the "Initial Payment"). Effective as of the Amendment Effective Date, the Lessee shall not be required to pay PBH Rent (as defined in the PBH Agreement dated [REDACTED] between Lessor and Lessee (the "PBH Agreement")) attributable to any PBH Period (as defined in the PBH Agreement) falling after the date of this Letter of Intent. If prior to the Amendment Effective Date, Lessee pays PBH Rent in respect of any days falling after the date of this Letter of Intent, a portion of such PBH Rent payment attributable to those days will be deducted from the Initial Payment.
- (b) From and after the Amendment Effective Date and throughout the rest of the Term, Rent for the Engine shall be due and payable monthly in advance on each Rent Date in the following amounts: (i) \$[REDACTED] (for each of the four CF34 model Engines) or \$[REDACTED] (for the CFM56 model Engine). Rent for the period from the Amendment Effective Date to the immediately succeeding Rent Date shall be prorated for the actual number of days elapsed in such period and shall be due within [REDACTED] after the later of (x) the Amendment Effective Date and (y) the date on which the Lessee receives the Lessor's invoice therefor.
- (c) Additional Spare engine ESN TBA, available from September 2021. Lease starts after 2<sup>nd</sup> spare is installed into the Lessor aircraft. Lease Term [REDACTED] months. Rent of [REDACTED]/ month following the same terms and conditions of the spares referred on this amendment.
- (d) [REDACTED].
- (e) [REDACTED]:
  - 1. [REDACTED].
  - 2. To the extent that, during the lease term, such Engine requires a schedule or unscheduled performance restoration (other than as a result of Lessee's mishandling of such Engine or foreign object damage), Lessee and Lessor hereby agree that Lessee is not required to complete such performance restoration and the redelivery conditions for such Engine shall be adjusted so that Lessee shall only be obligated to return the Engine in an "as-is" serviceable condition together with full supporting Engine Documents and Records. It is acknowledged that in some scenarios, the Engine may be unserviceable due to normal wear and tear (other than as a result of Lessee's mishandling of or foreign object damage) and will be accepted by Lessor in such condition subject to satisfaction of all other redelivery terms and conditions in the Lease.
  - 3. [REDACTED].

9. **Expenses:** Lessor and Lessee will bear their own costs and expenses incurred in the negotiation and completion of the Lease Amendment Agreement. The cost of registering the Lease Amendment Agreement with the AFAC in Mexico will be borne by the Lessee. The Lessee will also issue, at no cost to the Lessor, a customary in-house legal opinion addressed to the Lessor as to Mexican law matters relating to Lessee. If the Lessor requires an external Mexican legal opinion, the Lessor will bear all costs related thereto. Notwithstanding the foregoing, Lessor shall have a valid, undisputed pre-petition unsecured claim against Lessee for any fees, costs and expenses (including legal fees) incurred by Lessor in the negotiation and completion of the documentation.

10. **Non-Compliance:** Clause 12.2(c) of the Engine CTA shall be deleted and replaced with the following:

“Lessee shall pay Rent to Lessor at a rate per month equal to the amount of Rent payable in respect of the last scheduled Rental Period without any uplift for the first [REDACTED] days of the extension period and thereafter Rent plus [REDACTED] thereof, calculated on a per diem basis.”

11. **Court Filing:** Within five Business Days after finalizing the Lease Amendment Agreement for each Lease, Lessee shall (i) file a motion (in form and substance reasonably acceptable to Lessor) with the Bankruptcy Court seeking the entry of the Assumption Order and (ii) seek to have the motion scheduled by the Bankruptcy Court as soon as reasonably practicable under the applicable Bankruptcy Rules and case management order.
12. **ESN 892336 thrust adjustment:** Notwithstanding the previously agreed Lease agreement dated Dec 10th, 2009, with respect to ESN 892336, the Lessee’s request for a thrust increase from current CFM56-1B22 to CFM56-1B27, Lessor will obtain permission for this thrust increase from the OEM.

Following the completion of the thrust increase by the Lessee after the required permission from the OEM has been obtained by the Lessor, the Assumed Ratio Adjustment Table will be revised to reflect this change of thrust as set forth below:

**Assumed Utilization:**

Engine Flight Hours per [REDACTED]-month period

**Assumed Ratio:**

Engine Flight Hours to Cycle ratio [REDACTED]

Hour Cycle Ratio:	1.5:1	2:1	2.5:1	3:1	3.5:1	4:1	4.5:1	5:1	5.5:1
[REDACTED] assumi ng [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

**[REDACTED]**

\$ [REDACTED] for each Engine Flight Hour (or fraction thereof)

**[REDACTED]:**

\$ [REDACTED] for each Engine Cycle

[REDACTED] will be the sum of cost per cycle for each individual LLP (“CPC”). CPC for each LLP will be determined as the quotient derived from dividing the then relevant OEM Catalogue List Price for each LLP by the then relevant Engine Manual revision LLP cyclic limit for such LLP.

**Annual [REDACTED] Adjustment:**

[REDACTED]

In accordance with the following formula:  $(M \times [\text{REDACTED}]) + (L \times [\text{REDACTED}])$

Where:

M = The Manufacturer’s percentage catalogue price increase for non life-limited Parts in the Engine.

L = [REDACTED]

Note [REDACTED] shall be based on the average of the annual escalation of specific high pressure compressor, and high pressure turbine, parts in the Engine, to be agreed in the lease.

[REDACTED]Not applicable as the Engine LLP Redelivery Rent Rate is always calculated with reference to then the latest CLP at the time.

- Timing of the Adjustment:

The above stated [REDACTED] are based on [REDACTED] rates. The annual adjustment shall be applied on the anniversary of the first calendar day in the month following the Delivery Date, and thereafter annually on the same date.

### 13. Maintenance Events Alternatives

Notwithstanding any contrary provision in the Lease, if during the Term Engine Refurbishment and/or LLP replacement (each a "**Maintenance Event**") has been scheduled prior to the Return Occasion or will be scheduled in order to meet a return condition, then (a) Lessee shall give Lessor not less than [REDACTED] written notice of such Maintenance Event (or such lesser period of time in the case of an unscheduled Maintenance Event) and (b) Lessor shall give Lessee no less than [REDACTED] advance notice (or such lesser period in the event of an unscheduled Maintenance Event) of its decision to waive, in its sole discretion, the requirement for Lessee to carry out the relevant Maintenance Event, provided that any such waiver shall not cause non-compliance with the approved maintenance program. If any Maintenance Event is waived by Lessor, the parties will consult in good faith to agree appropriate and reasonable financial reimbursement, based upon the then prevailing costs of such maintenance, in lieu of performing the relevant Maintenance Event, and to agree appropriate minimum alternative return conditions for the Engine.

It is acknowledged that in some scenarios, the Engine may be unserviceable due to normal wear and tear (other than as a result of Lessee's mishandling of or foreign object damage) and will be accepted by Lessor in such condition subject to satisfaction of all other redelivery terms and conditions in the Lease.

If the replacement of the Engine as stated in the following paragraph is not an option and the Lessor notifies Lessee that Lessee should not perform the performance restoration shop visit, then the Lease shall terminate without a penalty for either party.

Furthermore, in the event of an Engine Refurbishment, LLP replacement or other Engine shop visit (whether scheduled or unscheduled (other than any voluntary premature removal of an Engine), each an "Engine Event"), at Lessor's option, Lessor may elect to provide Lessee with either (a) a suitable replacement engine or (b) a separate leased in temporary engine with associated terms in lieu of performing the relevant Engine Event. Such engine will be a permanent replacement, and whether or not it complies with the definition thereof shall be deemed to be a Replacement Engine under the terms of the Lease. Where Lessor wishes to replace an Engine, subject to technical acceptance by Lessee, Lessor shall demonstrate that the Replacement Engine is serviceable and can be put into immediate commercial use by Lessee and that it can reasonably be expected to have, at the time of substitution, a projected next scheduled removal date for engine refurbishment beyond at least six (6) months after the Term. To the extent that at substitution the Replacement Engine is not expected to meet a redelivery condition, then Lessor shall waive the specific condition(s) at the time of substitution. The parties shall also agree whether the provision of a Replacement Engine will discharge Lessor's obligations to contribute towards the cost of an Engine Refurbishment of the replaced Engine.

Any agreements in respect of financial reimbursement for Lessor's waiver of a Maintenance Event and/or Engine Event, associated changes to the Redelivery Conditions and/or any Engine substitution and/or any temporary leased in engine shall be documented as an amendment to the Lease.

For the avoidance of doubt, this paragraph 14 does not apply to ESN 892336.

14. **Extension Option:** For each Lease, Lessee shall have the option to extend the Term of the Lease to the Extended Expiry Date by providing written notice to Lessor no later than [REDACTED] and no earlier than [REDACTED] prior to the initial Scheduled Expiry Date, with each Extension Term having a term between [REDACTED] and [REDACTED] as selected by Lessee. Such extension shall include the same terms included herein, except that Rent during each such Extension Term shall be equal to the prevailing fair market rental value at the time of such election as mutually agreed between Lessor and Lessee upon receipt of Lessee's notice of intent to exercise each extension option. If Lessor and

Lessee, each acting in good faith and reasonably, are unable to agree to the rent amount for any Extension Term within [REDACTED] of Lessee's notice, the extension option set forth herein, shall lapse.

**Schedule 2**  
**Part A**  
**LEAP Purchase Agreement Terms and Conditions**

**1. Purchaser:** GE Capital Aviation Services Limited or its subsidiary, affiliate, associated company, owner trust (of which one of the foregoing is the owner participant) or assignee.

**2. Seller:** Aerovías de México, S.A. de C.V.

**3. Engine:** 2 engines consisting of any two of 2x CFM Leap1B28 and 1x CFM Leap1B28B1 bare engines bearing Engine Serial Number(s) TBA and as more particularly described herein. The Seller and Lessee shall have the option, exercisable by notice to the Purchaser and Lessor at any time up to the execution of binding contacts, to add a third engine, either a CFM Leap1B28 or a CFM Leap1B28B1, on and subject to the same terms and conditions as set forth in Schedule 2 Part A and Part B of this Letter of Intent.

**4. Closing Date:** The closing of the purchase of the Engine shall be the Delivery Date under the Lease.

**5. Purchase Price:** Purchase price in respect of each Engine as per table below, which shall be payable on the closing Delivery Date / as follows:

Option 1

Engine	Leap1B28	Leap1B28	Leap1B28B1
Delivery date	Oct '21	Oct '21	Oct '21
Total estimate delivery price	[REDACTED]	[REDACTED]	[REDACTED]

Option 2

Engine	Leap1B28	Leap1B28	Leap1B28B1
Delivery date	Oct '21	Oct '21	Oct '21
Total estimate delivery price	[REDACTED]	[REDACTED]	[REDACTED]

Option 3

Engine	Leap1B28	Leap1B28	Leap1B28B1
Delivery date	Oct '21	Oct '21	Oct '21
Total estimate delivery price	[REDACTED]	[REDACTED]	[REDACTED]

Option 4

Engine	Leap1B28	Leap1B28	Leap1B28B1
Delivery date	Oct '21	Oct '21	Oct '21
Total estimate delivery price	\$(REDACTED)	\$(REDACTED)	\$(REDACTED)

\*Covers and Stands included.

**6. Inspection/Delivery Condition:** Purchase of the Engine shall be subject to Purchaser's satisfactory review and inspection of the Engine and its documents and technical records. The Engine shall include all relevant records and other documents, and all items necessary or customarily installed.

**7. Title:** Seller will transfer to Purchaser good and marketable title to the Engine with full title guarantee, free and clear of all security interests and liens.

**8. Governing Law:** The Purchase Agreement and associated documents shall be governed by New York law.



**9. No Brokers:** Neither Seller nor Purchaser has engaged the services of a broker or similar representative agent for purposes of this transaction. Each party shall represent to the other the absence of such brokers and indemnify the other with respect to any breach of such representation.

**10. Taxes:** Seller will indemnify and hold Purchaser harmless from any and all taxes, including withholding tax, sales, use, excise taxes, VAT, income taxes, duties, charges and customs dues (and any associated expense) that result from, are incidental to, or arise in connection with the sale and/or purchase of the Engine or any associated documents

**11. Warranties:** Any Manufacturer's warranties and product support will be assigned to the Purchaser which the Purchaser shall make available to the Lessee during the term of the Lease.

**12. Delivery Location:** CFM delivery center in the US or outside Mexico.

**Schedule 2**  
**Part B**  
**LEAP Operating Lease Terms and Conditions**

**General**

1. **Lessee:** Aerovías de México, S.A. de C.V.
2. **Lessor:**  
GE Capital Aviation Services or its subsidiary, affiliate, associated company, assignee or an owner trust of which one of the foregoing is the owner participant, subject to change from time to time by way of transfer certificate, assignment, lease novation etc.  
  
Lessor Tax Residency Certificate: In lieu of the certificate to be provided pursuant to Section 5.10A(i) and (ii) of the Common Terms Agreement, Lessor shall deliver to Lessee a certificate of tax residency relating to Lessor's tax residency in the Lessor State of Incorporation, within [REDACTED] [REDACTED] of the Delivery Date and annually thereafter, within [REDACTED] [REDACTED] after such certificate is available to Lessor. For the avoidance of doubt, paragraph 4 of Schedule 3 (Conditions Precedent to be satisfied by Lessor) of the CTA shall not apply.
3. **Owner:**  
GE Capital Aviation Services or its subsidiary, affiliate, associated company, assignee or an owner trust of which one of the foregoing is the owner participant, subject to change from time to time by way of transfer certificate, assignment, lease novation etc.
4. **Engine:**  
Two engines consisting of any two of 2x CFM Leap-1B28 and 1x CFM Leap-1B28B1 complete with shipping stand (identified by its serial number in the Certificate of Acceptance) and engine cover, bearing Engine Serial Number TBA and as more particularly described in Part 1 of Schedule A. The option for a third engine, in Part A of this Schedule 2, is acknowledged.
5. **Manufacturer:**  
CFMI
6. **Related Airframe Type:**  
737Max on which the Engine may be installed.
7. **Common Terms Agreement:**  
The Engine Lease Common Terms Agreement dated October 31, 2013 between GE Capital Aviation Services Limited and Lessee, as in effect on the date hereof without giving effect to any subsequent amendment, supplement, waiver or other modification thereto, unless Lessor and Lessee otherwise expressly agree. For the purposes of this Engine Lease Agreement, all references to "Utilization Payments" in the CTA shall be revised to read "Maintenance Payments".  
  
The terms and conditions as set forth in Schedule 2 of another Letter of Intent, dated the same date as this Letter of intent, made between GECAS and Lessees with respect to the restructuring of lease agreements for seven E190 aircraft shall be deemed incorporated in full into this Letter of Intent and shall apply.
8. **Duration of Term:**  
[REDACTED]
9. **Extension Option:**  
Lessor hereby grants to Lessee the option to extend the Term of the Lease to the Extended Expiry Date by providing written notice (the "Lessee Extension Notice") to Lessor no later than [REDACTED] and no earlier than [REDACTED] prior to the initial Scheduled Expiry Date of its exercise of such option, which notice and exercise once given shall be irrevocable. Promptly after such notice, Lessee shall deliver to Lessor and shall enter into a lease amendment evidencing the extension, legal opinions and other documents related to such extension, as Lessor may reasonably request. Lessee shall have no right to exercise this option if a Default shall have occurred and be continuing on the date the notice of exercise is given by Lessee or on the initial Scheduled Expiry Date. If the Term is

so extended, the Scheduled Expiry Date shall be the Extended Expiry Date and all other provisions of the Lease shall remain in full force and effect.

If the Extension Option is exercised, the Rent for the Extension Period shall, in good faith, be negotiated and mutually agreed in writing between parties within one month from the date of receipt by Lessor of the Lessee Extension Notice and, unless otherwise expressly agreed in writing between the parties, all other provisions of the Lease shall remain in full force and effect. In any event, it is acknowledged that the Rent for the Extension Period shall be no higher than the Rent payable under the Lease prior to the Extension Period. In the absence of such written agreement of the Rent for the Extension Period, the option to extend the Term shall lapse without any further force or effect.

If prior to Lessee's exercise of its Extension Option in respect of the Extension Period, Lessor has made a payment pursuant to Clause 8.10(b) of the Common Terms Agreement, then upon exercise of such Extension Option, and as an additional condition precedent to the exercise of the Extension Option, Lessee shall pay to Lessor any amount that is in excess of the amount that would have been payable had "D" in the formula set forth in Clause 8.10(b) of the Common Terms Agreement been calculated using the Extended Expiry Date.

"Extended Expiry Date" means the date that corresponds to the Scheduled Expiry Date 24 months after the Scheduled Expiry Date, in each case determined with reference to the initial extended Scheduled Expiry Date in effect prior to the effectiveness of Lessee's exercise of the Extension Option.

#### **Payments**

##### **10. Deposit:**

Lessee shall pay a Deposit in cash in the amount of 1 month rent per engine at the following times and in the following amounts:

<b>Timing</b>	<b>Amount</b>
no later than [REDACTED] following execution of this Letter of Intent and receipt of request for the same from GECAS	[REDACTED]
<b>Total Deposit:</b>	[REDACTED]

Lessee shall have the option to replace all or part of the Deposit with a Letter of Credit, in which case Lessee will provide Lessor with an irrevocable Letter of Credit. Promptly after acceptance by Lessor of such Letter of Credit, Lessor shall refund the amount of the Deposit equal to the value of the Letter of Credit.

##### **11. Rent:**

#### **US\$ Swap Based Fixed Rent:**

The Rent payable, per month, in respect of each Rental Period during the Term will be calculated as follows:

$A + ([T - X] \times N)$  where:

<b>Option 1 Engine Type</b>	<b>Delivery</b>	<b>A</b>	<b>N</b>
Leap 1B28	Oct/Nov '21	[REDACTED]	[REDACTED]
Leap 1B28	Oct/Nov '21	[REDACTED]	[REDACTED]
Leap 1B28B1	Oct/Nov '21	[REDACTED]	[REDACTED]

<b>Option2 Engine Type</b>	<b>Delivery</b>	<b>A</b>	<b>N</b>
Leap 1B28	Oct/Nov '21	[REDACTED]	[REDACTED]
Leap 1B28	Oct/Nov '21	[REDACTED]	[REDACTED]
Leap 1B28B1	Oct/Nov '21	[REDACTED]	[REDACTED]

<b>Option 3 Engine Type</b>	<b>Delivery</b>	<b>A</b>	<b>N</b>
Leap 1B28	Oct/Nov '21	[REDACTED]	[REDACTED]
Leap 1B28	Oct/Nov '21	[REDACTED]	[REDACTED]
Leap 1B28B1	Oct/Nov '21	[REDACTED]	[REDACTED]

<b>Option 4 Engine Type</b>	<b>Delivery</b>	<b>A</b>	<b>N</b>
Leap 1B28	Oct/Nov '21	[REDACTED]	[REDACTED]
Leap 1B28	Oct/Nov '21	[REDACTED]	[REDACTED]
Leap 1B28B1	Oct/Nov '21	[REDACTED]	[REDACTED]

A as per table above

X is [REDACTED];

T means the interest rate (expressed as a number rather than a percentage) in respect of a [REDACTED] U.S. dollar fixed interest rate swap as quoted on Bloomberg Page IRSB (on the ask side of the page) and obtained by Lessor on the Quotation Date; provided that if no rate is quoted on such Bloomberg page for the relevant swap then such rate shall be obtained by linear interpolation of the rates (to two decimal places) of the two swap rates having a maturity closest (one longer, one shorter) to [REDACTED] on that Bloomberg screen;

N as per table above

Quotation Date means the date two Business Days prior to the delivery date of the Engine.

Rent will also be adjusted, using the N factor as set out above, divided by 100 and multiplied by the increase, if any, in the [REDACTED] with a tenor equal to [REDACTED], from [REDACTED] until two Business Days prior to the Delivery Date (using the historical 90 day trading averages as of such dates). If no such rate is quoted on the Bloomberg ticker [REDACTED] page for a [REDACTED] tenor, then the rate shall be obtained by linear interpolation of the rates (to two decimal places) having a maturity closest (one longer, one shorter) to [REDACTED] on the Bloomberg ticker [REDACTED] page. Lessor shall obtain the Bloomberg ticker JULIBBB rate two Business Days prior to the Delivery Date. Such rate shall be the most recent published Bloomberg ticker [REDACTED] rate which is available to Lessor and based upon a historical 90 day trading average. Lessor shall notify Lessee of the amount of any such cost of funds increase and the resulting Rent increase two Business Days prior to the Delivery Date.

[REDACTED] means the [REDACTED] available on Bloomberg (Bloomberg tickers: [REDACTED]), which correspond to spreads for [REDACTED]).

12. [REDACTED].

[REDACTED].

13. **Assumed Utilization:**  
Engine Flight Hours per [REDACTED] period

14. **Assumed Ratio:**  
Engine Flight Hours to Cycle ratio [REDACTED]

**15. Assumed Ratio Adjustment Table:**

Hour Cycle Ratio:	1.5:1	2:1	2.5:1	3:1	3.5:1	4:1	4.5:1	5:1	5.5:1
[REDACTED] Rate assumi ng [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

**16. Engine Maintenance Payment Rate:**

\$ [REDACTED] [REDACTED]

[REDACTED]

**17. [REDACTED]**

**18. [REDACTED]**

Where:

[REDACTED] = [REDACTED]

[REDACTED] = [REDACTED]

[REDACTED]

**Delivery**

**19. Scheduled Delivery Month (Month Year):** [REDACTED].

**20. Final Delivery Date:** [REDACTED].

**21. Delivery Location:** CFM center in the US or outside Mexico

**22. Special Conditions Precedent:**

This Sale and Purchase Agreement and Engine Lease Agreement shall be subject to (a) Lessee's filing of a motion in form and substance acceptable to Lessor with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on or before [REDACTED] (or such later date as the parties may agree, acting reasonably, it being acknowledged that prior receipt of the Approval Order is a condition precedent to GECAS' obligation to purchase and or lease an Engine) to be heard on or before [REDACTED] or, if later, on the [REDACTED] following such filing, or, if no such hearing is set on that date, on the immediately following omnibus hearing date following that date in the existing Chapter 11 cases related to Lessee, and (b) the Bankruptcy Court's entry of an order (the "Approval Order"), in a form acceptable to Lessee and Lessor in their respective sole discretion, (i) authorizing and approving each Engine Lease Agreement, under the terms set forth herein, (ii) granting administrative expense priority to any claims for Rent and all other obligations under the Lease and any other amounts under the Engine Lease Agreement resulting from an Event of Default thereunder, and (iii) granting relief from the automatic stay for the Lessor to exercise remedies as a result of an Event of Default under each Engine Lease Agreement, by the debtors (subject to a 5-business-day notice period and opportunity for an expedited hearing as to the existence of an Event of Default); and such approval and such Approval Order shall not have been stayed, modified, or vacated on appeal.

**23. Delivery Conditions:**  
As set forth in Annex A.

**24. New Order Delivery Conditions:**

It is intended that Lessor shall acquire the Engine from the Manufacturer or from the Lessee for the purpose of leasing it to Lessee hereunder. Notwithstanding the terms of Clause 4.1 of the Common Terms Agreement:

(a) Lessor shall not be required to give notice of the Scheduled Delivery Month to Lessee; the Scheduled Delivery Date shall be the date notified by the Manufacturer as the date for delivery of the Engine under the engine purchase agreement;

(b) the Pre-Delivery Procedure referenced in Clause 4.2 of the Common Terms Agreement shall be carried out immediately prior to such acquisition of the Engine; and

(c) Lessor will offer to deliver the Engine to Lessee at the Delivery Location immediately subsequent to the signature of the documentation and once the engines are located out of México and provided all conditions precedent to such documentation are satisfied at that time.

#### **Technical**

**25. Engine Refurbishment:**

Engine Refurbishment means, in accordance with the LEAP Maintenance Guide, the services performed during a shop visit to insure optimum Exhaust Gas Temperature Margin ("EGTM") levels where as a minimum the following modules are exposed, disassembled and subsequently worked as follows: (i) high-pressure turbine and combustor chamber, performance restoration work-scope as a minimum; (ii) stage one low pressure turbine nozzle and the high-pressure compressor are workscoped on-condition, which may result in either a partial module workscope for cause, performance or overhaul as required, in order to achieve a full performance run time on-wing; (iii) fan, low pressure compressor and low pressure turbine module evaluation and cleaning; and (iv) designed to release the Engine for no less than [REDACTED] Flight Cycles operation before the next anticipated removal for Engine Refurbishment.

**26. (intentionally omitted)**

**27. AD Compliance Period:** To be agreed in the Engine Lease Agreement

**28. AD Cost Sharing:**

If any Airworthiness Directive is issued by the FAA, or to the extent that the same have legal effect, EASA, for which terminating action is required to be performed by Lessee pursuant to the Lease and if the actual cost incurred by Lessee (as documented in the same manner and paid within the same time as required under Clause 7.2 of the Engine Lease Common Terms Agreement for a Maintenance Contribution payment by Lessor) in performing or causing to be performed such Airworthiness Directive exceeds the AD Threshold, Lessor shall, following receipt of the invoice in such amount and provided no Default has occurred and is continuing, reimburse to Lessee an amount calculated in accordance with the formula  $(A-B) * (C-D)/C$  where:

A = Total actually invoiced cost of the Airworthiness Directive work;

B = AD Threshold (as increased by [REDACTED] per annum on each anniversary of the Rent Commencement Date [REDACTED]);

C = AD Factor; and

D = Months remaining to the Original Scheduled Expiry Date after the completion of the performance work

The only Airworthiness Directives which require a Lessor cost contribution are those that are required to be accomplished by either (i) the FAA or EASA (as applicable) and/or (ii) the State of Design; other requirements or recommendations (for example those issued in or by the State of Registry or Habitual Base) do not require Lessor cost contribution.

In connection with the provision, the following terms shall have the meanings set out below:

“AD Threshold”: [REDACTED]

“AD Factor”: [REDACTED]

### **Redelivery**

#### **29. Redelivery Definitions:**

Definition	[REDACTED]
Engine Thrust Setting	[REDACTED]
Minimum Engine Cycles	[REDACTED]
Minimum Engine LLP Cycles	[REDACTED]
Minimum Engine Flight Hours remaining until next Engine Refurbishment	[REDACTED] Engine shall not exhibit any abnormal performance or deterioration that may result in the minimum hours to not be achieved until the next performance restoration. The engine shall not be on watch for any reason or carrying any out-of-sequence repeat inspections
Required EGT Margin	Sufficient EGT Margin to ensure the Engine will remain on wing (without restriction) to meet the minimum Engine Flight Hours remaining until next expected removal for Engine Refurbishment.

In addition, the redelivery conditions in Annex B shall apply.

#### **30. Redelivery Location:**

A location in the continental USA to be agreed by Lessor and Lessee

#### **31. Maintenance Adjustment Payments on Redelivery:**

Lessee and Lessor shall calculate a Maintenance Adjustment in accordance with the provisions set out below. In respect of each calendar month (or part thereof) during the Term, if the Engine Flight Hours or Engine Cycles upon the Return Occasion are greater than at the Delivery Date, then Lessee will pay to Lessor on the Return Occasion in accordance with the Lease the following Maintenance Adjustments for the Engine (the Engine Refurbishment Maintenance Adjustment and the Engine LLP Maintenance Adjustment together being defined as the “Maintenance Adjustments” and each a “**Maintenance Adjustment**”) for the Engine:

- (a) Engine Refurbishment Maintenance Adjustment: in respect of the Engine, upon the Return Occasion, (but not after the occurrence of an Event of Loss with respect to the Engine), for any life used since new or since the latest Engine module Refurbishment, whichever is later, to the date of the Return Occasion, Lessee shall pay to Lessor, an amount equal to (i) for each Engine Flight Hour (or fraction thereof) operated by that Engine module in the aggregate during each calendar month from the Delivery Date and otherwise during the Term since new or since the last Engine module Refurbishment, whichever is later, multiplied by (ii) the Engine module Refurbishment Maintenance Adjustment Rate (the “**Engine Module Refurbishment Maintenance Adjustment**”). If such number of Engine module Flight Hours upon the Return Occasion exceeds the number of Engine Flight Hours as at the Delivery Date, then Lessee shall pay to Lessor such amount. For the avoidance of doubt, time since last Engine module Refurbishment shall be measured from the time since a performance restoration or equivalent on each of the engine modules has been accomplished pursuant to the performance restoration or full overhaul sections of the Manufacturer’s workscope planning guide or as otherwise deemed necessary in Lessee’s reasonable discretion consistent with Lessee’s Maintenance Program.

Engines shall be considered at a modular level. In respect of the Engine Module Refurbishment Maintenance Adjustment, the following modules shall be considered:

Defined Module – LEAP \_\_\_\_\_%

Fan & Booster	[REDACTED]
High Pressure Compressor	[REDACTED]
High Pressure Turbine & Combustor	[REDACTED]
Low Pressure Turbine	[REDACTED]

It is acknowledged that the modular percentage breakdown, as set forth above, may be subject to change at the end of the Term subject to the outcome of the review of the rates contemplated by clause 16, in Part B, of this Letter of Intent.

- (b) Engine LLP Maintenance Adjustment: with respect to Engine Life-Limited Parts ("**Engine LLPs**"), upon the Return Occasion (but not after the occurrence of an Event of Loss with respect to the Engine), Lessee shall pay to Lessor an amount calculated since new and in accordance with the following formula  $[(A/D) \times (B-S)] \times 1$  (the "**Engine LLP Maintenance Adjustment**")

Where:

A = the then current OEM catalogue price for such part as at [REDACTED];

B = the number [REDACTED] of such part as at [REDACTED];

D = the OEM ultimate life limit of such part; and

S = the number [REDACTED] of such part on the Delivery Date;

If the number of Engine Cycles upon the Return Occasion exceeds the number of Engine Cycles as at the Delivery Date, since new, then Lessee shall pay such amount to Lessor.

Engine LLP Maintenance Adjustment Rate shall be calculated in accordance with the Engine LLP Maintenance Payment Rate.

Engine Refurbishment Maintenance Adjustment Rate means in respect of Engine Refurbishment for the Engine, an amount calculated in accordance with the Engine Maintenance Payment Rate based in the then market information agreed between the parties at a modular level.

- (c) The aggregate amount determined for the Maintenance Adjustment Payment for engine modules and LLPs shall be set-off against the total amount then held in reserves by Lessor. If the resulting amount is positive, then the Lessee shall pay such amount to the Lessor; if the resulting amount is negative, then the Lessor shall pay the resulting amount to the Lessee at Lease expiry. If the Lessor has a letter of credit instead of cash, the Letter of credit shall be returned upon payment of such Maintenance Adjustment Payment.

## **Tax**

### **32. Lessor/Owner Tax Jurisdiction: Ireland**

Taxes: All payments by Lessee shall be made free and clear of all taxes and duties, including but not limited to withholding tax, sales, use, and excise taxes, VAT and income taxes. All taxes, other than taxes on the income of Owner in the Lessor/Owner Tax jurisdiction shall be the responsibility of Lessee.

**Tax Indemnitees** means Owner, Lessor, GECAS, each Financing Party, General Electric Company and each member of the consolidated group of which General Electric Company is a member for US Federal Income Tax Purposes.

### **33. Subpart F Indemnity:**

Lessor has assumed that the income from the Lease will not be subject to United States income tax under Subpart F of the United States Internal Revenue Code of 1986, as amended (the "Code"), nor will the Engine be treated as "United States property" for purposes of Subpart F of the Code ("Subpart F Assumption").



#### *Usage Covenants*

To support Lessor's Subpart F Assumption, Lessee covenants that in each consecutive [REDACTED] period during the Term the Engine will be:

- a) used for the transportation of passengers or property between two airports at least one of which is located outside of the United States; and
- b) used predominantly outside the United States.

For the purpose of paragraph (b), the Engine will be used predominantly outside the United States if either:

- i. the Engine is located outside the United States more than [REDACTED] of the time; or
- ii. more than [REDACTED] of the miles traversed in the use of the Engine is traversed outside the United States

For the purposes of the above Usage Covenants, references to the "United States" include the Commonwealth of Puerto Rico and the possessions of the United States (American Samoa, The Commonwealth of the Northern Mariana Islands, Guam, and The U.S. Virgin Islands).

Within [REDACTED] of Lessee's receipt of a written request from Lessor, Lessee will make available to Lessor any records relating to the use and location of the Engine that Lessor may reasonably request to fulfill any tax reporting, filing, audit or litigation requirements with respect to the Subpart F Assumption, and Lessee will otherwise reasonably co-operate with any requests of Lessor with respect to compliance with requirements for achieving the treatment contemplated by the Subpart F Assumption.

#### *Indemnity for Breach of Usage Covenants*

Without limiting Lessee's other indemnity obligations in the Lease, if Lessee breaches the Usage Covenant set out above, Lessee must pay to Lessor (or its affiliate) as an indemnity an amount equivalent to the U.S. income tax that has arisen or will arise as a result of the loss of the tax treatment contemplated by the Subpart F Assumption relating in whole, or in part, to such breach plus the amount of any interest, penalties and additions to the U.S. income tax related thereto (hereafter the "Subpart F Tax").

Any such indemnity payment will be due within [REDACTED] after Lessee's receipt of a written notice from Lessor describing in reasonable detail the circumstances and amount of the Subpart F Tax, and the indemnity payment due.

The amount of any indemnity payment made by Lessee must fully compensate the Lessor (or its affiliate) after taking into account the tax treatment of that payment and the circumstances in which the indemnity claim is made.

#### **Insurance**

**34. Agreed Value:**

[REDACTED] per Engine.

When an Engine is installed on an aircraft in Lessee's fleet, the insured agreed value of that aircraft shall be automatically increased by the Agreed Value relating to the Engine and shall be so noted on the insurance certificate.

**35. Minimum Liability Coverage:**  
[REDACTED]

**36. Damage Notification Threshold:**  
[REDACTED]

**37. Deductible Amount:**  
[REDACTED]

**38. Spares Deductible Amount:**  
[REDACTED]

**Annex A**  
**Leap Engine - Delivery Conditions**

**Engine and Related Equipment Description**

Engine Records

F001	Certified Time and Cycles Statement of the Engine
F002	Certified Status of Engine Airworthiness Directives including Method of Compliance
F003	Certified status of Manufacture Modifications / current SB Status
F004	Certified status of incorporated Engine Non-Manufacturer modifications including STC's with applicable regulatory approval (if applicable)
F005	Certified Life Limited Parts listing indicating cycle limit, cycles consumed since new, and cycles remaining.
F006	Manufacturer Delivery Document (EDS, Logbook, Test Data/Performance Summary, Configuration Listing and SB Status at Manufacture, as applicable)
F007	Complete copy of all historical engine/module Shop Visit Reports
F008	Individual total cycle substantiation data for each Life Limited Part since manufacture.
F009	Condition Monitoring Report ( <i>Current Trend Data</i> )
F010	Engine Log Book/Master Records of Installation/Removals
F011	Last Borescope Report (including video if available)
F012	Test Cell Run Report (if required)
F013	Last On-wing Ground Run
F014	Certified Engine Incident & Accident Clearance Statement for period of operation with Lessee (IATA / AWG format or equivalent)
F015	Approved ETOPS compliance report (if applicable)
F016	Type of Engine oil used
F017	Certified Statement of non-exceedances during Lease Term
F018	Power Rating Operation Statement (detailing cycles of operation at different thrust ratings)
F019	Copies of any Specialist Engine Field Repairs (if any) since last shop visit
F020	Certified maintenance task card for Long Term Preservation (365 days) - if applicable
F021	Certified maintenance task cards for Fan Blade Distribution (including P/N, S/N, and Moment Weight information)
F022	Certified maintenance task card for Last fan blade relube
F023	Certified inspection status and maintenance task card for last inspection of installed Engine Mounts.
F024	Current Engine Configuration Listing including LRUs
F025	Certified High Pressure Turbine Blade listing to include TSN/CSN/TSO/CSO
F026	Certified status of Time-Controlled Components (TCC) per MPD & MMP, with detail of applicable airworthiness limitation parameter
F027	Certified Engine Removal Tag
F029	Certified maintenance task cards for last 'C' Check compliance
F030	Airworthiness Release Certificate for each Time-Controlled Component and Condition Monitored component replaced in the last 36 months (if any)
F031	GEEL Lease Return Statement

**Delivery Condition Requirements**

Set forth below is a description of the condition in which the Engine must be in order for Lessee to be obligated to accept the Engine under the Lease. It is solely a description of such condition precedent and shall not be construed as a representation, warranty or agreement of any kind whatsoever, express or

implied, by Lessor with respect to the Engine or its condition, all of which have been disclaimed by Lessor and waived by Lessee as set forth in the Lease, including in the CTA.

Engine	CFM LEAP-1B28
Year of Manufacture	2021
Engine thrust	1B28/ B1 rating
Serial Number	TBC
Status Date	n/a
Time since new	TBC *
Cycles since new	TBC *
Time since overhaul	n/a
Cycles since overhaul	n/a
QEC Config	N/A
Engine Cover	Approved engine cover
Engine Stand	Engine transportation stand

\* On or before the Delivery Date, if any Engine has accumulated any Engine Flight Hours or Engine Cycles, the Lessee shall pay the Lessor Utilization Payments to reflect any such accumulated time it being acknowledged that such payment may, at the direction Lessee & Seller, be deducted from the purchase price as an alternative to payment.

**Annex B**  
**Leap Engine - Redelivery Conditions**

The Lease shall include the following provisions in relation to the return of the Engine by Lessee to Lessor. Lessee shall redeliver the Engine to Lessor on the Return Occasion meeting the following requirements:

The Engine shall:

- (a) have a valid and fully effective certification of airworthiness under (i) FAR Part 129 (Form 8130) or (ii) EASA Form 1 or (iii) as otherwise issued by the Air Authority;
- (b) have installed the equipment, Parts, accessories, as when originally delivered to Lessee and as normally installed in the Engine for continued regular service;
- (c) be prepared for shipment in a Lessee supplied serviceable OEM approved Engine Transportation Stand by (i) capping and plugging all openings, (ii) preserving the Engine for [REDACTED] or as differently agreed at the time of redelivery by the parties and (iii) otherwise preparing the Engine for shipment in accordance with Manufacturer's recommendations;
- (d) be zero time since the last complete hot and cold section video borescope inspection of all engine sections in accordance with the Aircraft manufacturer's maintenance manual (AMM);
- (e) have the same thrust rating as of Delivery, or a higher thrust rating if agreed between Lessor and Lessee;
- (f) Lessee will bear all costs of packaging, including the provision of serviceable OEM approved Engine shipping stand(s), transportation and insurance duties associated with the return of the Engine, Delivered Duty Paid (Incoterms 2000) to the Redelivery Location. Any vehicles and trailers used for shipment of the Engine shall be in accordance with Engine manufacturers requirements. On a given shipment, such vehicle shall be dedicated to the Engine belonging solely to Lessor; except, that (i) the Engine or other related equipment may be off-loaded at the Redelivery Location without disturbing any of the additional items included in such shipment; and (ii) Lessee shall not handle or reposition any of the additional items included in such shipment on such vehicle;
- (g) A test cell run will not necessarily be required on the Return Occasion. The Engine is to have performance characteristics, from sufficient and recent trend data which are consistent with engines of a similar age, build, time since Engine Refurbishment operated in Lessee's fleet. Lessee will seek OEM interpretation of the trend data where there is a disagreement between Lessee and Lessor on the interpretation of such data, Lessee and Lessor shall agree to accept the OEM interpretation of the data in such case. A maximum power assurance run shall be performed in accordance with AMM procedures prior Redelivery date, Lessee will correct any discrepancies in accordance with the guidelines set out by the AMM, if required, Lessee and Lessor agree to ask to OEM for additional work to correct the discrepancy;
- (h) Each of the following shall be satisfied:

Engine:	Engine will have the Minimum Engine Flight Hours remaining to the next Engine Refurbishment and must have not less than the Minimum Engine LLP Cycles of life remaining in each life limited Part to first life limited part expiry. Sufficient EGT Margin to ensure that the Engine will remain on wing to achieve the Minimum Engine Flight Hours. Engine shall not have any 'on-watch' inspection requirements, or out-of-sequence reduced inspections.
Components and Accessories:	Each "on-condition" Component (as defined in paragraph 1.3 of annex 5 to the Master Agreement) shall be serviceable.

Engine configuration:	The Engine shall be in such QEC configuration as documented and agreed between Lessor and Lessee in the Acceptance Certificate.
Engine Stand:	As provided at Delivery, the Engine transportation stand shall comply with the Engine OEM's recommendations for operational life of the rubber shock mounts and the remaining calendar time shall be no less than [REDACTED].

**Exhibit B**

**Summaries of Material Terms of the Amended Aircraft Leases**

<b>Material Terms: Restructuring of Aircraft Lease Agreements</b>	
<b>Leased Aircraft</b>	Seven Embraer model EMB 190-LR aircraft
<b>MSNs</b>	MSNs 19000135, 19000145, 19000122, 19000138, 19000110, 19000251, and 19000269
<b>Term</b>	<p>The Base Lease Term shall commence on the respective Lease Commencement Date and end on:</p> <ol style="list-style-type: none"> <li>1. MSN 19000135 – [REDACTED],</li> <li>2. MSN 19000145 – [REDACTED],</li> <li>3. MSN 19000122 – [REDACTED],</li> <li>4. MSN 19000138 – [REDACTED],</li> <li>5. MSN 19000110 – [REDACTED],</li> <li>6. MSN 19000251 – [REDACTED], and</li> <li>7. MSN 19000269 – [REDACTED].</li> </ol> <p>Lessee may, in its sole discretion and with no less than 365 days’ prior written notice, extend the Expiry Date by up to six months for operational reasons (the “<b>Operational Extension</b>”). Such Operational Extension shall include the same terms and economics included in the then current Lease. Lessee may also extend the Lease Term by opting to exercise a Lease Extension Option (as described below).</p> <p>Provided that Lessee has not already exercised the Operational Extension, Lessee shall have the option, upon prior written notice to Lessor delivered no less than [REDACTED] months and no more than [REDACTED] months prior to the then Scheduled Expiry Date (including as may be extended by another Lease Extension Option) and which notice shall be irrevocable once given (the “<b>Lease Extension Notice</b>”), two options to extend the Lease Term to the Extended Expiry Date (as defined below) (each, a “<b>Lease Extension Option</b>”).</p> <p><u>Extended Expiry Date</u> shall be confirmed by Lessee in the Lessee Extension Notice and shall be either:</p> <ol style="list-style-type: none"> <li>1. a period ending [REDACTED] months after the then Scheduled Expiry Date;</li> <li>2. a period ending [REDACTED] months after the then Scheduled Expiry Date; or</li> <li>3. 36 months after the then Scheduled Expiry Date.</li> </ol>
<b>Power-by-the-Hour Period</b>	PBH Rent shall be paid from the effective date of the documentation until the earlier of (i) [REDACTED] and (ii) the



<b>Material Terms: Restructuring of Aircraft Lease Agreements</b>	
	<p>last day of the relevant calendar month during which the fleetwide average utilization for the same aircraft type as the Aircraft reaches a minimum of [REDACTED]% of the monthly average utilization for any [REDACTED] period corresponding to the same months from [REDACTED] through [REDACTED].</p>
<b>Power-by-the-Hour Pricing</b>	<p>During the PBH Period, the PBH Rent for a calendar month will be calculated in accordance with the following formula:</p> $W = (A_{\text{(airframe)}} * B_{\text{(airframe)}}) + (A_{\text{(engine 1)}} * B_{\text{(engine 1)}}) + (A_{\text{(engine 2)}} * B_{\text{(engine 2)}})$ <p>Where:</p> <p><math>W</math> = PBH Rent (capped at Fixed Rent (as defined below).</p> <p><math>A_{\text{(airframe)}}</math>, <math>A_{\text{(engine 1)}}</math> and <math>A_{\text{(engine 2)}}</math>: The utilization of the airframe and each of the engines, respectively, in a given calendar month, expressed in flight hours.</p> <p><math>B_{\text{(airframe)}}</math>, <math>B_{\text{(engine 1)}}</math> and <math>B_{\text{(engine 2)}}</math>: The hourly rate for the airframe and each of the engines set forth in the LOI under the heading "PBH Hourly Rates."</p> <ol style="list-style-type: none"> <li>1. <u>MSN 19000135</u> <ol style="list-style-type: none"> <li>a. PBH Hourly Rates <ol style="list-style-type: none"> <li>i. Airframe: [REDACTED]</li> <li>ii. Engine 1: [REDACTED]</li> <li>iii. Engine 2: [REDACTED]</li> </ol> </li> <li>b. Fixed Rent: [REDACTED]</li> </ol> </li> <li>2. <u>MSN 19000145</u> <ol style="list-style-type: none"> <li>a. PBH Hourly Rates <ol style="list-style-type: none"> <li>i. Airframe: [REDACTED]</li> <li>ii. Engine 1: [REDACTED]</li> <li>iii. Engine 2: [REDACTED]</li> </ol> </li> <li>b. Fixed Rent: [REDACTED]</li> </ol> </li> <li>3. <u>MSN 19000122</u> <ol style="list-style-type: none"> <li>a. PBH Hourly Rates <ol style="list-style-type: none"> <li>i. Airframe: [REDACTED]</li> <li>ii. Engine 1: [REDACTED]</li> <li>iii. Engine 2: [REDACTED]</li> </ol> </li> <li>b. Fixed Rent: [REDACTED]</li> </ol> </li> </ol>

<b>Material Terms: Restructuring of Aircraft Lease Agreements</b>	
	<ul style="list-style-type: none"><li>4. <u>MSN 19000138</u><ul style="list-style-type: none"><li>a. PBH Hourly Rates<ul style="list-style-type: none"><li>i. Airframe: [REDACTED]</li><li>ii. Engine 1: [REDACTED]</li><li>iii. Engine 2: [REDACTED]</li></ul></li><li>b. Fixed Rent: [REDACTED]</li></ul></li><li>5. <u>MSN 19000110</u><ul style="list-style-type: none"><li>a. PBH Hourly Rates<ul style="list-style-type: none"><li>i. Airframe: [REDACTED]</li><li>ii. Engine 1: [REDACTED]</li><li>iii. Engine 2: [REDACTED]</li></ul></li><li>b. Fixed Rent: [REDACTED]</li></ul></li><li>6. <u>MSN 19000251</u><ul style="list-style-type: none"><li>a. PBH Hourly Rates<ul style="list-style-type: none"><li>i. Airframe: [REDACTED]</li><li>ii. Engine 1: [REDACTED]</li><li>iii. Engine 2: [REDACTED]</li></ul></li><li>b. Fixed Rent: [REDACTED]</li></ul></li><li>7. <u>MSN 19000269</u><ul style="list-style-type: none"><li>a. PBH Hourly Rates<ul style="list-style-type: none"><li>i. Airframe: [REDACTED]</li><li>ii. Engine 1: [REDACTED]</li><li>iii. Engine 2: [REDACTED]</li></ul></li><li>b. Fixed Rent: [REDACTED]</li></ul></li></ul>

**Exhibit C**

**Summaries of Material Terms of the Amended Engine Leases**

<b>Material Terms:</b> <b>Spare Engines Restructure – LOI Terms</b>	
<b>Leased Engines</b>	<ul style="list-style-type: none"> <li>• Four General Electric model CF34-10E6 Engines</li> <li>• One CFM International model CFM56-7B22 Engine</li> <li>• Additional Spare Engine - General Electric model CF34-10E6 ESN TBA.</li> </ul>
<b>ESNs</b>	<ul style="list-style-type: none"> <li>• <u>CF34-10E6</u>: 424507, 424643, 994119, and 994598</li> <li>• <u>CFM56-7B22</u>: 892336</li> </ul>
<b>Term</b>	<ul style="list-style-type: none"> <li>• <u>CF34-10E6</u>: 424507, 424643, 994119, and 994598 – the earlier of: (i) 24 months from the date of the Letter of Intent [REDACTED] or (ii) the date the Lessor exercises a notice to terminate the Lease for the Engine in order to comply with a separate obligation to provide the Engine as a replacement / substitute Engine pursuant to the terms and conditions of any aircraft lease agreement for any E190 aircraft leased by Lessor (or an affiliate of Lessor) to Lessee (or an affiliate of Lessee).</li> <li>• <u>CFM56-7B22</u>: 892336 – From [REDACTED] till [REDACTED].</li> </ul>
[REDACTED]	<ul style="list-style-type: none"> <li>• [REDACTED]</li> </ul>
<b>Monthly Rent per Engine</b>	<p>Within three Business Days after the later of (x) the Amendment Effective Date and (y) the date on which the Lessee receives the Lessor's invoice(s) therefor, Lessee shall pay in cash to Lessor an amount equal to the product of:</p> <ul style="list-style-type: none"> <li>• [REDACTED] (for each of the four CF34 model Engines) or</li> <li>• [REDACTED] (for the CFM56 model Engine); and</li> <li>• a fraction whose numerator is equal to the number of days between (i) the date of the Letter of Intent 23 September 2021 and (ii) the first Rent Date after the Amendment Effective Date, and whose denominator is equal to [REDACTED] (the “<b>Initial Payment</b>”).</li> </ul> <p>Effective as of the Amendment Effective Date, the Lessee shall not be required to pay PBH Rent (as defined in the PBH Agreement dated September 21, 2020 between Lessor and Lessee (the “<b>PBH Agreement</b>”)) attributable to any PBH Period (as defined in the PBH Agreement) falling after 23 September 2021.</p>

**Exhibit D**

**Summary of Material Terms of the Engine Sale-Leaseback  
Transactions**

<b>Material Terms: Engine Sale-Lease-Back – LOI Terms</b>			
<b>Sold/Leased Engines</b>	<ul style="list-style-type: none"> <li>Two (2) Engines consisting of either CFM LEAP 1B28 or CFM LEAP 1B28B1</li> <li>Option to add one additional CFM LEAP 1B28 or CFM LEAP 1B28B1 engine.</li> </ul>		
<b>ESNs</b>	<ul style="list-style-type: none"> <li>TBD</li> </ul>		
<b>Purchase Price</b>	LEAP 1B28 - [REDACTED] / LEAP 1B28B1 - [REDACTED]		
<b>Lease Term</b>	<ul style="list-style-type: none"> <li>[REDACTED] Months</li> <li>Upon prior written notice to Lessor delivered no less than [REDACTED] months and no more than [REDACTED] months prior to the then Scheduled Expiry Date Option Lessee shall have the option to extend for [REDACTED] months.</li> </ul>		
<b>Deposit</b>	1 month's rent, per Engine		
<b>Rent</b>	<p><b>US\$ Swap Based Fixed Rent:</b> The Rent payable, per month, in respect of each Rental Period during the Term will be calculated as follows:</p> <p><math>A + (T - X) \times N</math> where:</p> <p>A = as per table below</p> <p>X = [REDACTED]</p> <p>T = means the interest rate (expressed as a number rather than a percentage) in respect of a [REDACTED] U.S. dollar fixed interest rate swap as quoted on Bloomberg Page IRSB (on the ask side of the page) and obtained by Lessor on the Quotation Date; provided that if no rate is quoted on such Bloomberg page for the relevant swap then such rate shall be obtained by linear interpolation of the rates (to two decimal places) of the two swap rates having a maturity closest (one longer, one shorter) to [REDACTED] on that Bloomberg screen</p> <p>N = as per table below</p>		
<b>Option 1</b>	<b>Engine Type/ Delivery Date</b>	<b>A</b>	<b>N</b>
	Leap 1B28 – Oct/Nov '21	[REDACTED]	[REDACTED]
	Leap 1B28 – Oct/Nov '21	[REDACTED]	[REDACTED]
	Leap 1B28B1 – Oct/Nov '21	[REDACTED]	[REDACTED]
<b>Option 2</b>	Leap 1B28 – Oct/Nov '21	[REDACTED]	[REDACTED]
	Leap 1B28 – Oct/Nov '21	[REDACTED]	[REDACTED]
	Leap 1B28B1 Oct/Nov '21	[REDACTED]	[REDACTED]

<b>Option 3</b>	Leap 1B28 – Oct/Nov ‘21	[REDACTED]	[REDACTED]
	Leap 1B28 – Oct/Nov ‘21	[REDACTED]	[REDACTED]
	Leap 1B28B1 – Oct/Nov ‘21	[REDACTED]	[REDACTED]
<b>Option 4</b>	Leap 1B28 – Oct/Nov ‘21	[REDACTED]	[REDACTED]
	Leap 1B28 – Oct/Nov ‘21	[REDACTED]	[REDACTED]
	Leap 1B28B1 – Oct/Nov ‘21	[REDACTED]	[REDACTED]
<b>Final Delivery Date</b>	[REDACTED]		
[REDACTED]	<p>[REDACTED]</p> <p><u>Assumed Utilization:</u> Engine Flight Hours per [REDACTED] month period</p> <p><u>Assumed Ratio:</u> Engine Flight Hours to Cycle ratio [REDACTED]</p> <p><u>Assumed Ratio Adjustment:</u> Hour/Cycle Ratio -[REDACTED] Rate assuming [REDACTED]</p> <ul style="list-style-type: none"> <li>• 1.5:1 – [REDACTED]</li> <li>• 2:1 – [REDACTED]</li> <li>• 2.5:1 – [REDACTED]</li> <li>• 3:1 – [REDACTED]</li> <li>• 3.5:1 – [REDACTED]</li> <li>• 4:1 – [REDACTED]</li> <li>• 4.5:1 – [REDACTED]</li> <li>• 5:1 – [REDACTED]</li> <li>• 5.5:1 – [REDACTED]</li> </ul> <p><u>Engine Maintenance Payment Rate:</u> [REDACTED] for each Engine Flight Hour (or fraction thereof)</p>		