

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

In re:

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

Debtors.¹**

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**ORDER (I) AUTHORIZING DEBTOR AEROVÍAS DE MÉXICO, S.A. DE C.V.
TO ASSUME (ON AN AMENDED BASIS) CERTAIN AIRCRAFT LEASE
AGREEMENTS AND (II) APPROVING THE CLAIMS SETTLEMENT WITH
AVOLON AEROSPACE LEASING LIMITED AND CERTAIN OTHER PARTIES**

Upon the motion (the “**Motion**”)² of the Debtors for entry of an order (this “**Order**”), (i) authorizing, but not directing, Debtor Aerovías de México, S.A. de C.V. (the “**Debtor Lessee**”) to assume the Aircraft Leases on an amended basis on terms substantially consistent with those set forth in the form of Amended Aircraft Lease (attached hereto as **Exhibits 1** and **2**) and (ii) 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

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

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

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 considered the relief requested therein; and upon all of the proceedings had before the Court; and after due deliberation the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having found that the relief granted herein is in the best interests of the Debtors, their creditors, and all other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth herein.
2. The Debtors are authorized (but not directed), pursuant to and in accordance with section 365 of the Bankruptcy Code, to (a) assume the Aircraft Leases, each on an amended basis on terms substantially consistent with those set forth in the respective Amended Aircraft Lease, and (b) pay all amounts and otherwise perform all obligations under the Amended Aircraft Leases and other Aircraft Transaction Documents. The Aircraft Leases, as amended, shall be deemed assumed by the Debtors upon the effectiveness of the applicable Amended Aircraft Lease, and upon such effectiveness, the Amended Aircraft Lease and all corresponding Aircraft Transaction Documents shall be in full force and effect and the 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 further order of the Court.

3. The Debtors are authorized (but not directed) to enter into, and perform their obligations under, all exhibits, addenda, and other agreements contemplated by the Amended Aircraft Leases and the other Aircraft Transaction Documents, without further approval of the Court.

4. The Debtors are authorized (but not directed) to execute, deliver, provide, implement, and fully perform under any and all obligations, instruments, and papers provided for or contemplated in the Amended Aircraft Leases and the other Aircraft Transaction Documents, without further approval of the Court.

5. The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to implement the terms and conditions of the Amended Aircraft Leases.

6. Subject to the Debtors' continued compliance with the terms of the Aircraft Leases and the applicable Equipment Stipulation,³ the cure payment required by section 365(b) of the Bankruptcy Code upon assumption of each Amended Aircraft Lease shall be \$0.00. Following the effective date of each Amended Aircraft Lease, the obligations of the Debtors under such Amended Aircraft Lease and the other Aircraft Transaction Documents shall constitute administrative expenses of the Debtors' estates pursuant to sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code.

7. The Claims Settlement is (a) integral and necessary to the Avolon 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,

³ As used herein, "Equipment Stipulation" refers to the usage stipulation entered into with respect to the Aircraft in accordance with the Equipment Stipulation Motion, entered on September 21, 2020 [ECF No. 405].

is hereby approved pursuant to Bankruptcy Rule 9019(a) and shall be binding on the Debtors, the Lessors, and the Claimants.

8. In accordance with the Claims Settlement, the following parties shall be allowed the following freely transferrable, net non-priority general unsecured claims against the Debtor Lessee in its Chapter 11 Case (or any subsequent chapter 7 case in the event of conversion), which amounts are net of any and all applications of proceeds received, or expected to be received, by the Lessors in respect of letters of credit and other security, as explicitly authorized by the Amended Aircraft Leases (collectively, the **“Allowed Claims”**):

Claimant	Claim Number	Treatment	Allowed Claim Amount
Wells Fargo Trust Company, National Association (as owner trustee) (MSN 37165)	476	Allowed	\$85,434,598
Wells Fargo Trust Company, National Association (as owner trustee) (MSN 37167)	479	Allowed	\$83,284,280
Avolon Aerospace AOE 116 Limited (MSN 43657)	481	Allowed	\$11,601,839
Avolon Aerospace AOE 117 Limited (MSN 43659)	483	Allowed	\$11,928,192
		Total	\$192,248,909

For the avoidance of doubt, (a) the aggregate amount of the Allowed Claims belonging to the Claimants shall constitute a final allowed amount and shall not exceed \$192,248,909, except as otherwise provided in paragraph 12 herein and (b) any and all applications of proceeds of letters or credit or other security, as explicitly authorized by the Amended Aircraft Leases, shall not reduce or alter the amount of any of the Allowed Claims.

9. In accordance with the Claims Settlement, any and all other claims against the Debtor Lessee relating to the Aircraft or the Aircraft Leases belonging to any of the

Claimants in the Chapter 11 Cases are hereby deemed withdrawn (collectively, the “**Withdrawn Claims**”), including, without limitation, the following claims:

Claims Number	Claimant	Treatment
474	Avolon Aerospace (Ireland) AOE 118 Limited	Withdrawn
475	Avolon Aerospace Leasing Limited	Withdrawn
477	Avolon Aerospace Leasing Limited	Withdrawn
478	CIT Aerospace International	Withdrawn
480	Avolon Aerospace (Funding 5) Limited	Withdrawn
482	Avolon Aerospace Leasing Limited	Withdrawn
484	Avolon Aerospace Leasing Limited	Withdrawn
561016110	Avolon Aerospace Funding 3 LUXEMBOURGRL	Withdrawn
561016120	Avolon Aerospace Leasing Limited	Withdrawn
561024140	CIT Aerospace International	Withdrawn

Notwithstanding the withdrawal of such Withdrawn Claims, nothing herein shall be deemed to be a withdrawal by any Lessor (or its affiliates) of any claims against any of the Debtors that are not based upon the leasing of the Aircraft that are the subject of the Allowed Claims.

10. Upon the effectiveness of all of the Amended Aircraft Leases, the Allowed Claims shall be automatically allowed, and the Withdrawn Claims shall be automatically withdrawn, and no further notice or action shall be required of any Lessor (or any affiliate thereof), any Claimant, or the Debtors to effectuate the allowance or withdrawal, as applicable, of such claims upon such occurrence. Upon allowance, 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 the Lessors may take commercially reasonable actions in furtherance of any potential transfer of such 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 Debtor Lessee. Nothing herein is intended to modify or impair any claims held by any Claimants (or affiliates of the Claimants) that are not based upon the Aircraft or Assumed Aircraft Leases, and the Debtors, the Claimants, and each of their respective affiliates reserve all of their respective rights regarding any such other claims that are not part of the Claim Settlement.

11. From and after the effective date of all of the Amended Aircraft Leases, Epiq 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.

12. In addition to the aggregate amount of the Allowed Claims set forth in paragraph 8 herein, upon agreement between the Debtor Lessee (after consulting with the Committee's advisors) and a Lessor, the Lessor shall be entitled to additional claims on account of contributions made by Lessor prior to the effective date of a chapter 11 plan confirmed in the Chapter 11 Cases in connection with non-heavy maintenance events.

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

14. 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.

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

Dated: November 1, 2021
New York, New York

/S/ Shelley C. Chapman

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE