Docket #2263 Date Filed: 10/24/2021

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

DECLARATION OF ADRIAN NEUHAUSER IN SUPPORT OF CONFIRMATION OF JOINT CHAPTER 11 PLAN OF AVIANCA HOLDINGS S.A. AND ITS AFFILIATED DEBTORS

I, Adrian Neuhauser, pursuant to section 1746 of title 28 of the United States Code, hereby declare under penalty of perjury as follows:

1. I am the President and Chief Executive Officer of Avianca Holdings S.A. ("Avianca") and have served in this position since April 2021. Prior to April 2021, I served as Chief Financial Officer of Avianca since July 2019. I have more than twenty (20) years of professional experience, in working in the financial sector advising airlines and transportation companies; prior to joining Avianca, I was most recently a Managing Director at Credit Suisse from 2016 to 2019, based in Chile and covering airlines throughout Latin America.

[1] The Debtors in these chapter 11 cases, and each Debtor's federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Loyalty Bermuda Ltd. (N/A); AV Taca International Holdco S.A. (N/A); Aviacorp Enterprises S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaragüense de Aviación, Sociedad Anónima (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aéreo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

2. I am generally familiar with the Debtors' day-to-day operations, financial affairs, business affairs, and books and records. Except as otherwise indicated, all facts set forth in this declaration (the "Declaration") are based upon my personal knowledge, my review of relevant documents, or my opinion based upon my experience, knowledge, and information concerning the Debtors' operations and financial affairs. I am authorized to submit this Declaration on behalf of the Debtors, and if called upon to testify, I would testify to the facts set forth herein.

3. I submit this Declaration in support of the Debtors' request for entry of the proposed order (the "Proposed Confirmation Order") confirming the *Joint Chapter 11 Plan of Avianca Holdings S.A. and Its Affiliated Debtors*, filed on September 15, 2021 [Docket No. 2137] (together with all schedules and exhibits thereto, and as has been and may be modified, amended or supplemented from time to time, the "Plan")[2] including the agreements and other documents set forth in the Plan Supplement, dated October 5, 2021 and October 12, 2021 [Docket Nos. 2185, 2208] (as the same has been or may be amended, modified, supplemented, or restated, the "Plan Supplement"). Together with the Debtors' advisors, I have reviewed, and I am generally familiar with, the terms and provisions of the Plan, the documents comprising the Plan Supplement, the Proposed Confirmation Order, and the requirements for confirmation of the Plan pursuant to section 1129 of title 11 of the United States Code (the "Bankruptcy Code").

4. Additional information regarding the circumstances leading to the commencement of these chapter 11 cases and information regarding the Debtors' businesses and capital structure is set forth in my prior declaration, the *Declaration of Adrian Neuhauser in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 20], which I incorporate herein by reference.

[2] Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Plan.

5. Based on my understanding and knowledge of the negotiation and implementation of the restructuring transactions and settlements embodied in the Plan and my discussions with the Debtors' advisors, I believe that the Plan complies with the applicable provisions of the Bankruptcy Code, that the Plan was proposed in good faith, and that the Debtors, acting through their officers, directors, and professionals, have conducted themselves in a manner that complies with applicable law in relation to the formulation and negotiation of, and solicitation of votes on, the Plan.

I. The Plan Satisfies Bankruptcy Code Section 1129.

6. I believe that the Plan satisfies all applicable provisions of section 1129 of the Bankruptcy Code and complies with all other applicable sections of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable non-bankruptcy law and that, therefore, the Plan should be confirmed.

A. The Plan Satisfies Bankruptcy Code Section 1129(a)(1).

7. I understand that section 1129(a)(1) of the Bankruptcy Code requires the Plan to comply with the applicable provisions of the Bankruptcy Code. As detailed below, I believe that the Plan satisfies this requirement.

(i) Classification of Claims and Interests Complies with Bankruptcy Code Section 1122.

8. I believe that each of the claims and interests in each particular class is substantially similar to the other claims and interests in such class. The Plan designates Claims against and Interests in the Debtors into the following Classes: Class 1 (Priority Non-Tax Claims), Class 2 (Other Secured Claims), Class 3 (Engine Loan Claims), Class 4 (Secured RCF Claims), Class 5 (USAV Receivable Facility Claims), Class 6 (Grupo Aval Receivable Facility Claims), Class 7 (Grupo Aval Lines of Credit Claims), Class 8 (Grupo Aval Promissory Note Claims), Class 9

(Cargo Receivable Facility Claims), Class 10 (Pension Claims), Class 11 (General Unsecured Avianca Claims), Class 12 (General Unsecured Avifreight Claims), Class 13 (General Unsecured Aerounión Claims), Class 14 (General Unsecured SAI Claims), Class 15 (General Unsecured Convenience Claims), Class 16 (Subordinated Claims), Class 17 (Intercompany Claims), Class 18 (Existing AVH Non-Voting Equity Interests), Class 19 (Existing AVH Common Equity Interests), Class 20 (Existing Avifreight Equity Interests), Class 21 (Existing SAI Equity Interests), Class 22 (Other Existing Equity Interests), and Class 23 (Intercompany Interests).

9. I believe that the separate classification of Claims against and Interests in each Debtor is based upon the differences in legal nature and/or priority of such Claims and Interests, and I understand that the Plan's classification scheme generally tracks the Debtors' prepetition capital structure and divides the applicable Claims and Interests into Classes based on the underlying instruments and/or liabilities giving rise to such Claims and Interests. I believe that such Classes do not unfairly discriminate between holders of Claims and Interests. I also understand that all Claims and Interests within each Class have the same or substantially similar rights as the other Claims and Interests in that Class as required by section 1122 of the Bankruptcy Code.

10. I have been informed that, pursuant to the Final DIP Order, DIP Facility Claims must be satisfied first from the proceeds of Shared Collateral (as defined in the Final DIP Order)—i.e., collateral that is shared with, among other holders of indebtedness, holders of 2023 Notes Claims. I also understand that, pursuant to the Final DIP Order, holders of 2023 Notes Claims (and other holders of other prepetition indebtedness that is secured by the Shared Collateral) have no claims against any Debtor for, arising out of, or related to the concept of adequate protection (including on account of the priming liens in respect of the Shared Collateral).

11. I believe that the amount of DIP Facility Claims exceeds the value of the Shared Collateral. This is demonstrated by, among other things, the fact that the Debtors' process for soliciting equity investments in April through June of 2021 did not yield a financing alternative that was superior to conversion of certain of the Tranche B DIP Facility Claims into equity. That marketing process was a rigorous process led by the Debtors' management and advisors at the direction of the Independent Equity Committee of the board of directors of Avianca Holdings S.A. As part of the process, the Debtors initially contacted over 125 potentially interested parties. Many were already familiar with the Debtors' business, and over thirty-five accessed a virtual data room containing comprehensive information on the Debtors' business plan, cash flow projections, and other pertinent materials. Many of these potential investors also participated in focused diligence sessions with myself, other members of the Debtors' management team, and the Debtors' professional advisors. The Debtors focused their efforts on negotiating new investments from the holders of Tranche B DIP Facility Claims only after the process did not result in any workable alternative.

12. Because the DIP Facility Claims exceed the value of the Shared Collateral—which includes all of the collateral of the 2023 Notes Claims—I understand that the 2023 Notes Claims (and other prepetition indebtedness that is secured by the Secured Collateral) are unsecured and are appropriately classified as General Unsecured Avianca Claims.

13. I also believe that, to the extent that Claims or Interests of equal priority are placed in different Classes, a valid business, factual, and/or legal reason exists for such separate classification. Accordingly, I believe that the Plan's classification scheme was not proposed to create a consenting Impaired Class and, thereby, manipulate voting.

(ii) The Plan Complies with Bankruptcy Code Section 1123(a).

a. Section 1123(a)(1) of the Bankruptcy Code. As previously stated, the Plan designates Classes of Claims as required by section 1123(a)(1).

b. Section 1123(a)(2) and (a)(3) of the Bankruptcy Code. In addition, the Plan identifies each Class of Claims and Interests that is not Impaired under the Plan and sets forth the treatment of Impaired Claims and Interests, which I understand satisfies the requirements of 1123(a)(2) and (3) of the Bankruptcy Code.

c. Section 1123(a)(4) of the Bankruptcy Code. The Plan also complies with section 1123(a)(4) of the Bankruptcy Code, as the treatment of each Claim or Interest in each particular Class is the same as the treatment of each other Claim or Interest in such Class (except as otherwise agreed to by a holder of a particular Claim or Interest). Although Ineligible Holders of Claims in Class 11 will receive their Pro Rata share of the Unsecured Claimholder Cash Pool (or, as applicable, the Unsecured Claimholder Enhanced Cash Pool), while Eligible Holders of Claims in Class 11 may elect to receive the Unsecured Claimholder Equity Package, such treatment does not contravene section 1123(a)(4) of the Bankruptcy Code because the value of the Cash distributed to a holder of a General Unsecured Avianca Claim on account of its Claim from the Unsecured Claimholder Cash Pool (or, as applicable, the Unsecured Claimholder Enhanced Cash Pool) is intended to be equal to the aggregate value that such holder would have received on account of its Claim if it elected (or had the ability to elect) to receive the Unsecured Claimholder Equity Package. Therefore, I believe that the Plan complies with section 1123(a)(4) of the Bankruptcy Code with respect to such Claims.

d. Section 1123(a)(5) of the Bankruptcy Code. I believe that the Plan, including the various documents and agreements set forth in the Plan Supplement, provides adequate and proper

means for its implementation, as I am advised is required by section 1123(a)(5) of the Bankruptcy Code. Among other things, the Plan includes: (i) the provisions setting forth the sources of consideration to be distributed under the Plan, (ii) the provisions governing the issuance of the New Equity Interests and Warrants, (iii) the provisions governing the cancellation of certain loans, securities, and other obligations, (iv) the Transaction Steps to implement the Restructuring Transactions contemplated by the Plan, (v) the provisions in Article V of the Plan, including the vesting of assets in the Reorganized Debtors, the continued existence of the Reorganized Debtors, preservations of Causes of Action, and the adoption and filing of the New Organizational Documents pursuant to applicable law, and (vi) the provisions governing the assumption of the Insurance Contracts and survival of the Indemnification Obligations.

e. Section 1123(a)(6) of the Bankruptcy Code. It is my understanding that, as required by section 1123(a)(6) of the Bankruptcy Code, the governing corporate documents of each Debtor have been or will be amended on or prior to the Effective Date to prohibit the issuance of non-voting equity securities.

f. Section 1123(a)(7) of the Bankruptcy Code. The Plan provides that, except as otherwise set forth in the Plan Supplement, the officers of the Debtors immediately before the Effective Date will serve as the initial officers of the respective Reorganized Debtors on and after the Effective Date and that the Debtors will disclose, or have disclosed as part of the Plan Supplement, to the extent known, the identity and affiliations of all individuals or entities proposed to serve as directors of the Reorganized Debtors in accordance with section 1129(a)(5) of the Bankruptcy Code. Accordingly, I believe the requirements of section 1123(a) of the Bankruptcy Code have been satisfied.

(iii) The Plan Complies with Bankruptcy Code Section 1123(b).

14. I understand that section 1123(b) of the Bankruptcy Code sets forth permissive provisions that may be incorporated into a chapter 11 plan and, as discussed in more detail below, I believe that each of the provisions of the Plan is consistent with section 1123(b).

a. Section 1123(b)(1) of the Bankruptcy Code. As contemplated by section 1123(b)(1) of the Bankruptcy Code, Article III.B of the Plan describes the treatment of Unimpaired Classes and Impaired Classes.

b. Section 1123(b)(2) of the Bankruptcy Code. With respect to section 1123(b)(2) of the Bankruptcy Code, I understand that the Plan provides for the procedures governing the rejection, assumption, and assumption and assignment of Executory Contracts and Unexpired Leases.

c. Section 1123(b)(3) of the Bankruptcy Code. As I understand, the Plan provides that, in consideration for the distributions and other benefits provided pursuant to the Plan, the Plan includes a good-faith compromise and settlement of Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have, or any distribution to be made on account of Allowed Claims or Interests. The Plan also contains certain release provisions. Furthermore, as I understand is permitted by section 1123(b)(3)(B), the Plan preserves the Retained Causes of Action and provides that the Reorganized Debtors will have the right to commence and pursue such Retained Causes of Action.

d. Section 1123(b)(5) of the Bankruptcy Code. As I understand is permitted by section 1123(b)(5) of the Bankruptcy Code, the Plan modifies the rights of holders of Claims and Interests in Class 3 (Engine Loan Claims), Class 4 (Secured RCF Claims), Class 7 (Grupo Aval Lines of Credit Claims), Class 11 (General Unsecured Avianca Claims), Class 15 (General Unsecured Convenience Claims), Class 16 (Subordinated Claims), Class 18 (Existing AVH Non-Voting

Equity Interests), Class 19 (Existing AVH Common Equity Interests), Class 22 (Other Existing Equity Interests) and leaves Unimpaired the rights of holders of Claims and Interests in Class 1 (Priority Non-Tax Claims), Class 2 (Other Secured Claims), Class 5 (USAV Receivable Facility Claims), Class 6 (Grupo Aval Receivable Facility Claims), Class 8 (Grupo Aval Promissory Note Claims), Class 9 (Cargo Receivable Facility Claims), Class 10 (Pension Claims), Class 12 (General Unsecured Avifreight Claims), Class 13 (General Unsecured Aerounión Claims), Class 14 (General Unsecured SAI Claims), Class 17 (Intercompany Claims) (in the event that Intercompany Claims are Reinstated), Class 20 (Existing Avifreight Equity Interests), Class 21 (Existing SAI Equity Interests), and Class 23 (Intercompany Interests) (in the event that Intercompany Interests are Reinstated).

e. Section 1123(b)(6) of the Bankruptcy Code. It is my understanding that section 1123(b)(6) of the Bankruptcy Code provides that a plan may include any other appropriate provision not inconsistent with the applicable provisions of the Bankruptcy Code. The Plan contains certain release, exculpation, and injunction provisions consistent with the applicable provisions of the Bankruptcy Code and case law in the Second Circuit.

15. Accordingly, I believe that each of the foregoing permissive provisions is consistent with section 1123(b) of the Bankruptcy Code.

(iv) The Plan Releases Should Be Approved.

16. The Plan provides for (i) the release of claims and Causes of Action held by (a) the Debtors and their Estates as set forth in Article IX.D thereof (the "Debtor Releases"), (b) certain non-Debtor third parties—the Releasing Parties—against the Released Parties, as set forth in Article IX.E thereof (the "Third-Party Releases" and, together with the Debtor Releases, the "Plan Releases"), (ii) the exculpation provision set forth in Article IX.F thereof (the "Exculpation Provision"), and (iii) the injunction provision set forth in Article IX.G thereof (the "Injunction

Provision"). I believe that the release provisions set forth in the Plan are integral components of the Plan and the transactions embodied therein and are appropriate and necessary under the circumstances, and I have been informed (and, based on my understanding of the Bankruptcy Code, I believe) that the release provisions are consistent with the Bankruptcy Code and comply with applicable case law.

a. The Debtor Releases Are Appropriate and Should Be Approved.

17. It is my understanding that many of the Released Parties have provided consideration to the Debtors' Estates during the course of these Chapter 11 Cases. For example, some of the Released Parties, among other things, agreed to compromise or waive their rights and claims and/or facilitated the Global Plan Settlement with the Committee. Without these and other contributions from the Released Parties, the Debtors likely would not be poised to emerge from chapter 11 on a consensual basis. Further, the Debtors do not believe that, absent the Debtor Releases, they would have been able to secure the substantial benefits provided by the Plan, including a deleveraged balance sheet and the opportunity to emerge from chapter 11 as a stronger and more efficient airline.

18. In addition to the reasons set forth above, the Debtor Releases are also appropriate because I understand that the released claims and causes of action have no material value to the Debtors and their Estates, and I believe that the *de minimis* value, if any, of such claims is outweighed significantly by the value and benefits provided by the Plan and the transactions contemplated therein. Accordingly, I believe that the Debtor Releases are appropriate, justified, in the best interest of the shareholders, and an integral part of the Plan.

b. The Third-Party Releases Are Appropriate and Should Be Approved.

19. The Plan contains consensual releases from the Releasing Parties against the Released Parties, to the maximum extent permitted by law, for liability relating to the Debtors, their

affiliates, or these chapter 11 cases (collectively, the "Third-Party Releases"). Here, the Releasing Parties have all consented to the Third-Party Releases. Accordingly, I believe that the Third-Party Releases are consensual and should be approved.

c. The Plan Exculpation Provision Should Be Approved.

20. In addition to the releases discussed above, the Plan provides exculpation for certain Exculpated Parties for claims arising out of or relating to the Debtors' restructuring, these chapter 11 cases, and the negotiations and agreements made in connection therewith. The Exculpated Parties are limited to Estate fiduciaries and those parties that would be entitled to exculpation by section 1125(e) of the Bankruptcy Code, and the Exculpation Provision does not exculpate acts or omissions that are determined by a Final Order to have constituted intentional fraud, willful misconduct, or gross negligence.

21. I believe that the Exculpation Provision is important because the Exculpated Parties have participated in the Chapter 11 Cases in good faith, and such provision is necessary to protect them from collateral attacks related to any good-faith acts or omissions in connection with, or related to, among other things, the Chapter 11 Cases and the Plan. Further, I believe that the scope of the Exculpation Provision is appropriately tailored to cover only actions taken in connection with the negotiation of the Plan and will not affect any liability that arises from gross negligence, willful misconduct, or intentional fraud as determined by Final Order.

d. The Plan Injunction Provision Should Be Approved.

22. I understand that the Injunction Provision is necessary to, among other things, enforce the Plan Releases and the Exculpation Provision by permanently enjoining all persons and entities from commencing or continuing in any manner any claim that was released or exculpated pursuant to such provisions. I believe that the Injunction Provision is narrowly tailored to achieve that purpose and therefore should be approved.

B. The Plan Satisfies Bankruptcy Code Section 1129(a)(2).

23. I believe that the Debtors have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126 of the Bankruptcy Code, regarding disclosure and plan solicitation. The Debtors, with the assistance of their professionals, expended a significant amount of time and effort preparing the Disclosure Statement, which, in turn, provides a significant level of information regarding the Debtors and the Plan. In addition, it is my understanding that, based on discussions with the Debtors' advisors, the Debtors' solicitation and tabulation of votes with respect to the Plan were proper and conformed with the Debtors' solicitation procedures approved by the Bankruptcy Court and with the requirements of the Bankruptcy Code.

C. The Plan Has Been Proposed in Good Faith in Compliance with Bankruptcy Code Section 1129(a)(3).

24. The Debtors have proposed the Plan in good faith, with honesty and good intentions, and, I believe, the Plan has a reasonable basis for success. During these Chapter 11 Cases, the Debtors, the Committee, and holders of Tranche B DIP Facility Claims engaged in good-faith, arm's-length negotiations that ultimately resulted in the Global Plan Settlement, which provided recoveries to holders of General Unsecured Avianca Claims that otherwise would not have been available and resolved all issues that may have been raised by the Committee with respect to the Plan, including, among other things, disputes on enterprise value. I believe that the support of the Plan by the Committee is indicative of the Debtors' good-faith proposal of the Plan. Further, the Plan, which incorporates the Global Plan Settlement, will allow the Debtors to emerge from chapter 11 on a going-concern basis as a stronger and more efficient airline with a deleveraged balance sheet, thereby positioning the Reorganized Debtors for success. For these and other reasons, I believe that the Plan has been proposed by the Debtors in good faith and for the

legitimate and honest purposes of reorganizing the Debtors' ongoing businesses and facilitating their long-term financial viability.

D. The Plan Complies with Bankruptcy Code Section 1129(a)(4).

25. I understand that payments made or to be made by the Debtors for services provided in connection with these chapter 11 cases must be approved by the Court as reasonable pursuant to final fee applications. Accordingly, I believe that the Plan satisfies section 1129(a)(4) of the Bankruptcy Code.

E. The Plan Complies with Bankruptcy Code Section 1129(a)(5).

26. I understand that the Plan describes the manner in which the members of the Reorganized AVH Board will be selected. As set forth in the Plan, to the extent known and determined, the Debtors will disclose, or have disclosed as part of the Plan Supplement, the identity and affiliations of all individuals or entities proposed to serve as directors of the Reorganized Debtors. Further, the Plan discloses that, except as otherwise set forth in the Plan Supplement, the officers of the Debtors immediately before the Effective Date will serve as the initial officers of the respective Reorganized Debtors on and after the Effective Date. The appointment to, or continuance in, such positions of such persons is consistent with the interests of holders of Claims and Interests and public policy. Accordingly, I believe the Plan satisfies section 1129(a)(5) of the Bankruptcy Code.

F. The Plan Does Not Contain Any Rate Changes.

27. I understand that, because the Plan does not provide for any rate changes by the Debtors, section 1129(a)(6) does not apply to the Plan.

G. The Plan Is in the Best Interests of All Creditors and Interest Holders.

28. I understand that the Plan satisfies the best interests test under section 1129(a)(7).

H. The Plan Has Been Accepted by Impaired Classes Entitled to Vote.

29. I understand that the Plan has been overwhelmingly accepted by creditors entitled to vote to accept or reject the Plan. In total, holders of Claims totaling over $3.645 billion voted to accept the Plan—approximately 99% of the total amount of all Claims voted. The Plan has been accepted with respect to the Avianca Debtors by each Impaired Class entitled to vote to accept or reject the Plan, in each case without counting votes cast by any insider, thereby satisfying both the requirements of section 1129(a)(8) of the Bankruptcy Code, as well as the requirement that the Plan be affirmatively accepted by at least one Class of Impaired Claims pursuant to section 1129(a)(10) of the Bankruptcy Code. I also understand that Holders of Claims and Interests in Class 16 (Subordinated Claims), Class 17 (Intercompany Claims) (in the event that Intercompany Claims are not Reinstated), Class 18 (Existing AVH Non-Voting Equity Interests), Class 19 (Existing AVH Common Equity Interests), Class 22 (Other Existing Equity Interests), and Class 23 (Intercompany Interests) (in the event that Intercompany Interests are not Reinstated) are not receiving or retaining any property on account of their Claims or Interests and, thus, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. It is my further understanding that, based on the advice of the Debtors' counsel, the Plan is nonetheless confirmable because the Plan satisfies the "cram down" provisions of section 1129(b) of the Bankruptcy Code as to Classes 16, 17, 18, 19, 22, and 23.

I. The Plan Provides for Payment in Full of All Allowed Priority Claims.

30. It is my understanding that except to the extent that a holder of an Allowed Administrative Expense and the applicable Debtor agree to alternative treatment (as with the DIP Facility Claims), the Plan provides that holders of Allowed Administrative Expenses will be paid in full in Cash (a) on the Effective Date, if such Administrative Expense is Allowed as of the Effective Date; (b) if not then due, when such Allowed Administrative Expense becomes due in

the applicable Reorganized Debtor's ordinary course of business; or (c) if such Administrative Expense is not Allowed as of the Effective Date, upon entry of an order of the Court Allowing such Administrative Expense. Moreover, the Plan provides that, except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment of such Claim, each such holder will (i) receive from the applicable Reorganized Debtor, in full and final satisfaction of its Priority Non-Tax Claim, payment, in Cash, equal to the Allowed amount of such Claim, on the later of the Effective Date and the date when its Priority Non-Tax Claim becomes due and payable in the ordinary course or (ii) be otherwise rendered Unimpaired. For these reasons, I believe that the Plan satisfies the requirements of sections 1129(a)(9)(A) and (B).

31. I also believe that the Plan also satisfies the requirements of section 1129(a)(9)(C), as I understand them, in respect of the treatment of Priority Tax Claims. Pursuant to the Plan, except to the extent that an Allowed Priority Tax Claim has not been previously paid in full or its holder agrees to a less favorable treatment, in full and final satisfaction of each Priority Tax Claim, each holder of an Allowed Priority Tax Claim will be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

J. The Plan Is Feasible and Satisfies Section 1129(a)(11).

32. I am aware that section 1129(a)(11) of the Bankruptcy Code requires a plan to be feasible, *i.e.*, it is not likely to be followed by liquidation or the need for further financial reorganization.

33. Based upon my understanding of the Plan, my discussions with the Debtors' advisors and management team, and my experience with, and knowledge of, the Debtors' businesses and industry, I believe that the Plan is feasible.

34. My view is based, among other things, upon the Debtors' analysis of their ability to fulfill their obligations under the Plan, as well as financial projections that the Debtors have

prepared with assistance from their advisors for fiscal years 2021 through 2028 (the "Financial Projections"), which are set forth in **Exhibit D** to the Disclosure Statement. As these projections show, the Debtors project to generate substantial cashflow over the projection period. In particular, the Debtors expect to begin generating positive EBITDA during fiscal year 2022, and the EBITDA generated by the Reorganized Debtors is projected to materially increase on a year-over-year basis thereafter. This improved financial performance post-emergence is projected to result in net income of approximately $32 million in fiscal year 2023, which will increase to $447 million by fiscal year 2028. Additionally, based on the Financial Projections, the Reorganized Debtors will have the ability to make all the payments and distributions required pursuant to the Plan. Accordingly, I believe that the Plan is feasible and satisfies section 1129(a)(11) of the Bankruptcy Code.

K. The Plan Complies with Bankruptcy Code Section 1129(a)(12).

35. The Plan provides that, on the Effective Date, and thereafter as may be required, all fees payable under section 1930 of title 28 of the United States Code, together with interest, if any, shall be paid by the Reorganized Debtors.

L. Bankruptcy Code Section 1129(a)(13) Is Satisfied.

36. It is my understanding that section 1129(a)(13) of the Bankruptcy Code requires that the Plan provide for the continuation after the Effective Date of payment of all retiree benefits, as such term is defined in section 1114 of the Bankruptcy Code, at the level established under the same section. Pursuant to the Plan, the Debtors will assume all retirement and supplemental retirement plans, programs, arrangements, and agreements. Consequently, the Plan satisfies section 1129(a)(13) of the Bankruptcy Code.

M. Bankruptcy Code Sections 1129(a)(14), 1129(a)(15), 1129(a)(16) are Inapplicable.

37. It is my understanding that sections 1129(a)(14) through 1129(a)(16) of the Bankruptcy Code are inapplicable to the Debtors.

N. The Plan Satisfies "Cram Down" Requirements for Non-Accepting Classes Under Bankruptcy Code Section 1129(b).

38. As discussed above, the holders of Claims and Interests in Class 16 (Subordinated Claims), Class 17 (Intercompany Claims) (in the event that Intercompany Claims are not Reinstated), Class 18 (Existing AVH Non-Voting Equity Interests), Class 19 (Existing AVH Common Equity Interests), Class 22 (Other Existing Equity Interests), and Class 23 (Intercompany Interests) (in the event that Intercompany Interests are not Reinstated) are not receiving or retaining any property on account of their Claims or Interests and, thus, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Accordingly, I believe that the Plan is nonetheless confirmable with respect to each such Class pursuant to section 1129(b) of the Bankruptcy Code.

(i) The Plan Does Not Discriminate Unfairly.

39. I do not believe the Plan "discriminates unfairly" with respect to Class 16 (Subordinated Claims), Class 17 (Intercompany Claims), Class 18 (Existing AVH Non-Voting Equity Interests), Class 19 (Existing AVH Common Equity Interests), Class 22 (Other Existing Equity Interests), or Class 23 (Intercompany Interests). The Claims and Interests in each such Classes are legally distinct in nature from the Claims and Interests in any other Class. Therefore, given that the Claims and Interests in Classes 16, 17, 18, 19, 22, and 23 are "dissimilar" from the Claims and Interests in all other Classes, and the Plan thus does not provide any distributions on account of any similarly situated Claims or Interests, the Plan does not discriminate unfairly with

respect to Class 16, Class 17, Class 18, Class 19, Class 22, and Class 23. For the reasons discussed above, it is my view that the Plan does not discriminate unfairly with respect to any Class.

(ii) The Plan Is Fair and Equitable.

40. Here, distributions under the Plan are made in the order of priority prescribed by the Bankruptcy Code and in accordance with the absolute priority rule. No Claims or Interests junior to the Claims or Interests to holders of Claims and Interests in Class 16 (Subordinated Claims), Class 17 (Intercompany Claims), Class 18 (Existing AVH Non-Voting Equity Interests), Class 19 (Existing AVH Common Equity Interests), Class 22 (Other Existing Equity Interests), and Class 23 (Intercompany Interests) will receive or retain any property under the Plan on account of such junior Claims or Interests. For these reasons, I believe that the Plan is "fair and equitable" and, therefore, consistent with the requirements of section 1129(b) of the Bankruptcy Code with respect to these Classes.

Conclusion

41. In light of the foregoing, I believe that (i) the Plan and the transactions embodied therein have been structured to accomplish the Debtors' goal of maximizing returns to stakeholders and effectively reorganizing the Debtors, (ii) the Plan has been proposed by the Debtors in good faith, and (iii) confirmation of the Plan is in the best interests of the Debtors, their Estates, their creditors, and other parties in interest in these chapter 11 cases.

42. Accordingly, I believe that the Plan satisfies the requirements of the Bankruptcy Code, the Bankruptcy Rules, and other applicable non-bankruptcy laws, as they have been explained to me, and that the Plan should be confirmed.

[*Remainder of page intentionally left blank*]

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: October 24, 2021

/s/ Adrian Neuhauser
Adrian Neuhauser