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Mayo de 2021

VALLE NEVADO REORGANIZA DEUDAS

Several firms help Chilean ski resort restructure debt

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Carey has helped Chilean ski resort Valle Nevado restructure US$60 million worth of debt, following financial difficulties caused by recent snow shortage and social restrictions amid the covid-19 pandemic.

Domínguez & Blanco; Fontaine & Cía; Alcaíno Abogados; Cuatrecasas (Chile); Hübner Abogados, Barros & Errázuriz Abogados; García, Nadal & Cía; SIV Abogados and Del Río Izquierdo represented different creditors.

The restructuring was approved on 12 April.

The agreement involved several complex conditions. To finance its short- and medium-term operations until the end of next year, Valle Nevado needs an estimated capital of US$9.5 million. The restructuring agreed that this will be majority financed by creditors – around US$6.3 million of the full amount. The controlling shareholder of Valle Nevado – the Senerman family – will provide the rest.

The parties also renegotiated the terms of a loan previously obtained by Valle Nevado through Chile's covid-19 FOGAPE credit plan, which facilitated access to financing for small and medium-sized enterprises (SMEs) by issuing credits with government guarantees. Valle Nevado had received the financing from Banco de Chile, Banco Internacional and Banco Itaú Corpbanca and 70% of the loan was guaranteed by the Chilean government. The terms and conditions to repay this loan had to be renegotiated in order to maintain the state guarantee.

Lastly, the agreement also included the possibility for Valle Nevado to pull out of the restructuring, provided it meets certain conditions. The restructuring process will end if Valle Nevado can repay the US$9.5 million financing to creditors in full within four years of the agreement, as well as pay an additional 30% of the renegotiated debt.

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Valle Nevado is a ski resort located on the El Plomo foothills in the Andes, 46 kilometres east of the capital Santiago.

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