

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-039418-104

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE JUDICIAL
REORGANIZATION PROCEEDINGS OF:

**COMPAÑIA MEXICANA DE AVIACION,
S.A. DE C.V.,**

Insolvent Debtor

And

MARU E. JOHANSEN,

Foreign Representative / **Petitioner**

And

**SAMSON BELAIR DELOITTE &
TOUCHE INC.**

Information Officer

FOURTH MOTION FOR THE EXTENSION OF THE STAY PERIOD
(Sections 46 and following of the Companies' Creditors Arrangement Act, R.C.S. 1985 c. C-36)

TO THE HONOURABLE BRIAN RIORDAN J.S.C. OR TO ONE OF THE HONOURABLE
JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR
THE JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONER RESPECTFULLY SUBMITS
THE FOLLOWING:

I. INTRODUCTION

1. On August 5th, 2010, this Honourable Court issued an Order on a Motion for Recognition of Foreign Proceedings (hereinafter the "**Initial Order**") extending the protection of the *Companies' Creditors Arrangement Act* (hereinafter the "**CCAA**") to Compania Mexicana de Aviacion S.A. de C.V. (hereinafter the "**Insolvent Debtor**" or "**Mexicana**");
2. Pursuant to the Initial Order, Samson Belair Deloitte & Touche Inc. was appointed as Information Officer of the Insolvent Debtor (hereinafter the "**Information Officer**") and a stay of proceedings was ordered until November 10, 2010 (hereinafter the "**Stay Period**");
3. By Order of this Honorable Court rendered on November 16, 2010, Petitioner's first *Motion for the extension of the Stay Period* (hereinafter the "**First Motion to Extend**")

was granted and the Stay Period was extended until January 14, 2011 (hereinafter the "**First Extension Order**");

4. By Order of this Honorable Court rendered on January 13, 2011, Petitioner's second *Motion for the extension of the Stay Period* (hereinafter the "**Second Motion to Extend**") was granted and the Stay Period was extended until April 15, 2011 (hereinafter the "**Second Extension Order**");
5. By Order of this Honorable Court rendered on April 14, 2011, Petitioner's third *Motion for the extension of the Stay Period* (hereinafter the "**Third Motion to Extend**") was granted and the Stay Period was extended until July 15, 2011 (hereinafter the "**Third Extension Order**");
6. By way of the present motion, Petitioner seeks an order granting a fourth extension of the Stay Period for a period of approximately two (2) months, namely until September 15, 2011;

II. MEXICANA'S OPERATIONS AND ACTIVITIES

7. Mexicana and its affiliates operate Mexicana Airlines, historically Mexico's largest airline. Mexicana and its affiliates carry passengers and cargo to destinations worldwide;
8. To effectuate a restructuring of its business and financial affairs, on August 2, 2010 Mexicana voluntarily filed a petition for commencement of a corporate reorganization proceeding (hereinafter the "**Mexican Proceedings**") before Mexico's "*Juzgado Décimo Primero de Distrito en Materia Civil en el Distrito Federal*" (hereinafter the "**Mexican Court**") under Mexico's *Ley de Concursos Mercantiles* (hereinafter the "**Concurso Law**"), the whole as appears from a certified copy of the said petition, bearing the Seal of the Federal District Court for Civil Matters of the Federal District of Mexico, filed as Exhibit R-1 in support of the Motion for Recognition of Foreign Proceedings;
9. In connection with the commencement of the Concurso Proceedings, Mexicana's Board of Directors authorized the filing of the Concurso proceedings and appointed Petitioner herein Maru E. Johansen, as its Foreign Representative and specifically authorized the Foreign Representative to seek relief before US Courts under Chapter 15 of the U.S. Bankruptcy Code, the whole as appears from copies of the original Spanish version of a Resolution of the Board of Directors of Mexicana dated July 30, 2010 and of the official English translation of same resolution, communicated of the resolution of the Board of Directors filed *en liasse* as Exhibit R-2 in support of the Motion for Recognition of Foreign Proceedings;
10. Similarly, Mexicana's Board of Directors appointed Petitioner herein Maru E. Johansen as its Foreign Representative and specifically authorized the Foreign Representative to seek relief before Canadian Courts under the CCAA, the whole as appears from copies of the original Spanish version of a Resolution of the Board of Directors of Mexicana dated August 4th, 2010 and of the official English translation of same resolution, filed *en liasse* as Exhibit R-3 in support of the Motion for Recognition of Foreign Proceedings;
11. Following the filing of the petition commencing the Concurso Proceedings, an examination of Mexicana's books and records was conducted by a Court-appointed individual and consequently, on September 6, 2010, the Mexican Court issued a

“business reorganization judgment,” whereby a stay of seizures, foreclosures and execution of judgments was put in place, and Mexicana began the process of reorganization, the whole as appears from a copy of the said judgment in its original Spanish version as well as a copy of the official English translation thereof, communicated as Exhibits R-1-A and R-1-B in support of the First Motion to Extend;

12. On August 28, 2010, Mexicana announced the suspension of its flights;

III. RESTRUCTURING DEVELOPMENTS SINCE THE FIRST EXTENSION ORDER

13. As mentioned in the Third Motion to Extend, since the First Extension Order, Mexicana had continued to resolve important business and legal issues relevant to its restructuring efforts, the whole as more fully detailed hereinafter;

A. U.S. CHAPTER 15 RECOGNITION

14. On November 8th, 2010, the United States Bankruptcy Court, Southern District of New York, issued an Order recognizing Petitioner herein as foreign representative and recognizing the Mexican Proceedings as “foreign main proceedings” within the meaning of Chapter 15 of the *US Bankruptcy Code* (hereinafter the “**US Recognition Order**”) extending the protection of the *US Bankruptcy Code* to the Insolvent Debtor, the whole as appears from a copy of the US Recognition Order, already communicated in support of the Second Motion to Extend as Exhibit R-1;

B. CLAIMS PROCESS AND NEGOTIATIONS WITH SUPPLIERS

15. In October 2010, the Insolvent Debtor obtained the approval from the Mexican Court authorizing a process for creditors to prove their claims. In order for its claim to be recognized in the context of the Mexican Proceedings, each creditor was required to fill out the form provided in the Information Officer’s Notice to creditors and forward same to the *Conciliador* appointed by the Mexican Court (hereinafter the “**Conciliador**”), the whole by no later than 5:00 P.M. (Mexico City time) on December 3, 2010;
16. Since the First Extension Order and subsequent to receipt by the Conciliador of Mexicana’s creditors’ claims, the Conciliador has had extensive discussions and negotiations with its main suppliers in Mexico, incidentally its most important creditors in that country, in order to obtain the required support for Mexicana’s restructuring plan;
17. In addition, over the last months, the Conciliador has had scheduled meetings to meet with Mexicana’s US creditors and some of its largest Canadian creditors, the whole with the view of ironing out an agreement with such creditors to obtain their support for Mexicana’s restructuring plan;

C. SETTLEMENT OF UNION DISPUTES

18. Moreover, since the First Extension Order, Mexicana has been successful in reaching final agreements with the three (3) labor unions representing Mexicana’s pilots, flight attendants and ground personnel (hereinafter the “**Labor Agreements**”), allowing Mexicana to move forward with its restructuring efforts with certainty as to the terms and conditions of employment of its unionized staff and personnel on a going forward basis;

D. MEXICAN EXTENSION ORDER RENDERED UNDER THE CONCURSO LAW

19. The Concurso Law allows companies 185 days to enter and exit bankruptcy protection from creditors, with a possibility of two (2) 90 business days extensions if there are clear signs of progress toward restructuring;
20. The Insolvent Debtor was granted bankruptcy protection from its creditors under the Concurso Law on September 28, 2011 and therefore, said protection would normally have expired on April 1st, 2011;
21. However, on March 28, 2011, the Mexican Court issued an Order extending the protection of the Concurso Law to the Insolvent Debtor for an additional period of ninety (90) business days, as provided for under Section 145 of the Concurso Law (hereinafter the "**Mexican Extension Order**"), the whole as appears from a copy of the Spanish version of the application for a 90 business day extension (hereinafter the "**Mexican Extension Motion**"), as well as a copy of the English version thereof, and from a copy of the Spanish version of the Mexican Extension Order, which were already communicated in support of the Third Motion to Extend as Exhibit R-1 and Exhibit R-2;
22. As a result of the Mexican Extension Order, Mexicana's bankruptcy protection under the Concurso Law has been extended to August 10th, 2011;
23. As appears from the Mexican Extension Motion, the extension delay provided for under Section 145 of the Concurso Law was granted notably in consideration of the fact that

"negotiations have been performed with several investments groups, which have the intention to re-start the [Insolvent Debtor]",

and that

"several creditors [...] have shown interest in the conditions proposed for the execution of a bankruptcy agreement, [...] so said bankruptcy agreement can be reached and thus this bankruptcy proceedings is successfully ended";

24. In all likelihood, in order to complete its restructuring process, the Insolvent Debtor will file an application before the Mexican Court in order to obtain the second 90 business day extension available to it under the Concurso Law ;

E. NEW BUSINESS PLAN DEVELOPPED THROUGH THE COURSE OF NEGOTIATIONS WITH PC CAPITAL

25. As alleged in the Third Motion to Extend, substantial efforts were made over the last months by the Insolvent Debtor and the Mexican Government in order to find new investors who would ensure the future operations of Mexicana;
26. As a result of those efforts, during the months of November and December 2010, Mexicana selected PC Capital Partners, a Mexican investment banking firm (hereinafter "**PC Capital**"), to conduct the restructuring process;

-
27. Mexicana and PC Capital underwent intensive work to integrate a business plan and to formalize a refinancing process that would be offered to potential investors interested in the purchase of the shares and the capitalization of the Insolvent Debtor;
 28. Through the course of said works, the Insolvent Debtor and PC Capital developed a new business plan, which was sanctioned by the government authorities and the Conciliador, ensuring Mexicana's viability and sustainability, as well as the success of the restructuring process (hereinafter the "**New Business Plan**");
 29. The New Business Plan provided for specific conditions under which the Insolvent Debtor could re-start its operations, including maintaining and preserving its traffic rights and permits, number of planes to be operated, a new route schedule, liquidation of all employees as well as percentage of workforce to be rehired under the new Labor Agreements that have been previously negotiated and that provides great advantages in efficiencies;
 30. Moreover, the New Business Plan rendered the Insolvent Debtor much more attractive to any prospective purchasers, as said Plan is based on a thorough evaluation of Mexicana's current legal, administrative, financial and operation situation, and seeks to capitalize on the competitive edge it had carved out for itself over years and its brand value. Therefore, the New Business Plan represents a complete analysis of the business opportunity to invest in Mexicana;

IV. RESTRUCTURING DEVELOPMENTS SINCE THE THIRD EXTENSION ORDER

31. Since the Third Extension Order, Mexicana has continued to resolve important business and legal issues relevant to its restructuring efforts, the whole as more fully detailed hereinafter;

A. NEGOTIATIONS WITH NEW PROSPECTIVE INVESTORS

32. On March 1st, 2011, PC Capital was unable to secure the investor for the financing necessary to complete the transaction, and it advised the Conciliador that it was withdrawing due to the inability to secure the necessary funds;
33. As a result, the Conciliador immediately decided to open the opportunity to submit bids to acquire the shares of the parent company and to capitalize the Insolvent Debtor to all other interested parties;
34. A few days after the bidding process was opened to all parties, six (6) offers had already been received from prospective purchasers of the shares (corporations or individuals), namely: TG Group, BMC, Avanza Capital, Ivan Barona, Ahcore Int'l and Logistica Internacional;
35. Given the interest shown by the prospective purchasers, the Insolvent Debtor decided to extend deadlines for the submission of offers by interested parties;
36. Considering all of the work and efforts that had been expended in order to elaborate the New Business Plan, the Insolvent Debtor and the Conciliador envisioned that the choice of successful prospective purchaser will be predicated upon the latter's financial strength and viability and its ability to adopt to the New Business Plan, which includes meeting

the obligations arising from the Labor Agreements and from the agreements that Mexicana has negotiated with its suppliers;

37. As such, of the initial groups of prospective investors that participated in the bidding process, three (3) of them remain as the most viable contenders (hereinafter the "**Final Potential Investors**");
38. Although each of the Final Potential Investors have yet to make good faith deposits and to confirm that they have completed their due diligence with respect to the Insolvent Person and are satisfied with same, they all have demonstrated, to varying degrees, their ability to conclude the refinancing / purchase transaction, their financial strength and viability as well as their compliance with the requirements set forth by the Conciliador ;
39. Within the next few days, Mexicana's management as well as the Conciliador should be in a position to determine which bid offers the greatest long-term viability and sustainability, and therefore, they will be able to approve one of the three Final Potential Investors ;
40. The successful Final Potential Investor will then be presented in order to obtain the approval of the Mexican Government so that an agreement can be reached to enable the purchase of the shares and the capitalization of the airline to begin operating shortly thereafter ;
41. Thereafter, the Mexican Government will have to confirm that they approve one of the successful Final Potential Investor as the purchaser of the shares and the investor in Mexicana. The successful Final Potential Acquirer will then be able to finalize a binding agreement to conclude the purchase and formalize the internal corporate acts for the capitalization ;
42. In view of the aforementioned, the Insolvent Debtor is confident that a transaction will be consummated with one of the Final Potential Investors, which will allow the restructuring process to be successfully completed ;

B. STEPS IN ORDER TO RESTART FLIGHT OPERATIONS

43. In light of the progress of negotiations with the Final Potential Investors, concrete steps have been taken by the Insolvent Debtor to be ready to restart flight operations on a short term basis;
44. As such, a number of Mexicana's pilots have recently been recalled by the Insolvent Debtor in order to resume the training required to update their license certifications with respect to the various aircraft to be operated by Mexicana when it restarts operations
45. Moreover, substantial headway was accomplished to resume the Insolvent Debtor's operations, such as the recertification of aircraft and different airports, and securing the corresponding licenses required to begin commercial implementation;
46. Indeed, Mexicana has scheduled station certification inspections updates (full inspections had been conducted in February 2011), which are currently being completed in seven (7) of the airports from which it operates in Mexico, Guatemala and the United

States, namely Los Angeles, San Antonio, Chicago, Mexico City, Cancun, Guadalajara and Guatemala City, the whole in order to comply with the requirements of the U.S. Federal Aviation Administration and its Mexican counterpart, the *Direccion General de Aeronautica Civil* (D.G.A.C.);

47. The Insolvent Debtor plans to schedule, in the coming weeks and months, full station certification inspections in some of the other Mexican, American, Central American, Caribbean and Canadian cities it historically served;
48. In addition, in order to allow the start-up of operations, the Insolvent Debtor is currently in discussion with the various governmental authorities in order to accomplish the other steps required to maintain and preserve its traffic rights and permits, including the flight licences and the landing permits ;
49. Therefore, the planes owned by Mexicana are currently being inspected by the authorities to determine if they still comply with the legislative requirements ;
50. As such, during the week of July 5, 2011, seven (7) aircraft were inspected and were found in good condition and in compliance by the authorities;
51. As soon as the steps described above are completed, and once a final binding agreement is executed with the successful Final Potential Investor, Mexicana will be able to start selling tickets to and from the destinations for which the certification inspections have been duly completed, and therefore resume flight operations;
52. Moreover, once the sale transaction is executed with one of the Final Potential Investors and some additional capital is injected in the Insolvent Debtor, the Insolvent Debtor will be able to conclude various agreements with aircraft lessors in order to add aircraft and therefore increase its routes, traffic and generate additional revenues

C. RESTRUCTURING AGREEMENT TO BE FILED BEFORE THE MEXICAN COURT SHORTLY

53. Once the Conciliador obtains the approval of a majority of Mexicana's creditors (as per the Concurso Law it must be 51% or above) with respect to the percentage of claim that will be paid; the said percentage will be applied to all common creditors and will become part of the business plan that will provide for the restructuring of Mexicana and that should allow same to continue its operations (hereinafter the "**Restructuring Agreement**");
54. The Concurso Law provides that any agreed upon commitment plan must be approved by the Mexican Court. As such, as soon as the Restructuring Agreement is finalized, the Conciliador intends to submit it to the Mexican Court for approval;
55. Once the Restructuring Agreement is approved by the Mexican Court, the Conciliador will have to wait the legal period in order to see if any Mexicana's creditor that voted against the Restructuring Agreement will file an appeal with respect to the Mexican Court's decision to approve the Restructuring Agreement;
56. Once the Mexican Court confirms that the Restructuring Agreement is approved and the statute of limitation for appeal has expired; and once the successful Final Potential

Investor has been approved by the Mexican Government, the Insolvent Debtor will be able to move forward with the restructuring process and start operating the airline once again;

V. EXTENSION OF THE STAY PERIOD

57. Notwithstanding the progress made by the Insolvent Debtor since the Third Extension Order, the extension of the Stay Period sought through the present Motion is necessary in order to provide the Insolvent Debtor an adequate time period to, notably, complete the steps required in order to restart flight operations, finalize negotiations with the successful Final Potential Investor in order to draft and execute a binding agreement that will provide the funding of Mexicana's restructuring plan and continued operations, as well as submit the Restructuring Agreement to the Mexican Court for approval ;
58. Petitioner and the Insolvent Debtor are of the view that extending the Stay Period to September 15, 2011, is appropriate in the present circumstances;
59. Since the Third Extension Order, the Insolvent Debtor has acted and continues to act in good faith and with due diligence;
60. The Information Officer has indicated that it will be filing with the Court a report apprising the Court and Mexicana's stakeholders of events since the Third Extension Order;
61. Based on the foregoing, Petitioner prays this Court to extend the Stay Period up to and including September 15, 2011, which date shall be the new stay termination date, the whole subject to all the other terms of the Initial Order, as amended;
62. The present Motion is well founded in fact and in law.

WHEREFORE, MAY IT PLEASE THIS COURT:

- [1] **GRANT** the present Motion;
- [2] **EXTEND** the Stay Period (as defined in the Order on a Motion for Recognition of Foreign Proceedings rendered by this Court in this matter on August 5th, 2010) until September 15, 2011, the whole subject to all the other terms thereof;
- [3] **DECLARE** that the notice of presentation hereof is proper and sufficient;
- [4] **ORDER** that the order to be rendered on the present motion shall be executory notwithstanding appeal;
- [5] **THE WHOLE WITHOUT COSTS**, save and except in the event of contestation.

Montreal, July 7, 2011



Borden Ladner Gervais L.L.P.
Attorneys for Petitioner

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-039418-104

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE JUDICIAL
REORGANIZATION PROCEEDINGS OF:

**COMPAÑIA MEXICANA DE AVIACION,
S.A. DE C.V.,**

Insolvent Debtor

And

MARU E. JOHANSEN,

Foreign Representative / **Petitioner**

And

**SAMSON BELAIR DELOITTE &
TOUCHE INC.**

Information Officer

**ATTESTATION D'AUTHENTICITÉ
SELON L'ART. 82.1 C.p.c.**

Je, soussigné, Simon-Luc Dallaire, avocat, exerçant ma profession au 1000, de la Gauchetière ouest, suite 900, Montréal, Québec, H3B 5H4, district de Montréal, atteste ce qui suit :

1. En date du 7 juillet 2011, à 18h07, j'ai reçu par télécopieur de Madame Maru E. Johansen, un affidavit dûment signé par elle;
2. Madame Maru E. Johansen m'a transmis ledit affidavit de Los Angeles, de l'État de la Californie, États-Unis d'Amérique;
3. La copie dudit affidavit jointe à la présente attestation est conforme au fac-similé ainsi reçu par télécopieur de Madame Maru E. Johansen.

Montréal, le 7 juillet 2011



Simon-Luc Dallaire

BORDEN LADNER GERVAIS LLP

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-039419-104

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE JUDICIAL
REORGANIZATION PROCEEDINGS OF:

**COMPAÑIA MEXICANA DE AVIACION,
S.A. DE C.V.,**

Insolvent Debtor

And

MARU E. JOHANSEN,

Foreign Representative / Petitioner

And

**SAMSON BELAIR DELOITTE & TOUCHE
INC.**

Information Officer

AFFIDAVIT OF MARU E. JOHANSEN

I, the undersigned, Maru E. Johansen, having my place of business at 9841 Airport Boulevard, Suite 400, Los Angeles, California, United States of America, solemnly declare as follows :

1. I am the Vice-President, Legal & Corporate Affairs, U.S., Canada & U.K. for Compania Mexicana de Aviacion, S.A. de C.V. (hereinafter "**Mexicana**" or the "**Insolvent Debtor**");
1. **MEXICANA'S OPERATIONS AND ACTIVITIES**
2. Mexicana and its affiliates operate Mexicana Airlines, historically Mexico's largest airline. Mexicana and its affiliates carry passengers and cargo to destinations worldwide;
3. To effectuate a restructuring of its business and financial affairs, on August 2, 2010 Mexicana voluntarily filed a petition for commencement of a corporate reorganization proceeding (hereinafter the "**Mexican Proceedings**") before Mexico's "*Juzgado Décimo Primero de Distrito en Materia Civil en el Distrito Federal*" (hereinafter the "**Mexican Court**") under Mexico's *Ley de Concursos Mercantiles* (hereinafter the "**Concurso Law**"), the whole as appears from a certified copy of the said petition, bearing the Seal of the Federal District Court

for Civil Matters of the Federal District of Mexico, filed as Exhibit R-1 in support of the Motion for Recognition of Foreign Proceedings;

4. In connection with the commencement of the Concurso Proceedings, Mexicana's Board of Directors authorized the filing of the Concurso proceedings and appointed Petitioner herein Maru E. Johansen, as its Foreign Representative and specifically authorized the Foreign Representative to seek relief before US Courts under Chapter 15 of the U.S. Bankruptcy Code, the whole as appears from copies of the original Spanish version of a Resolution of the Board of Directors of Mexicana dated July 30, 2010 and of the official English translation of same resolution, communicated of the resolution of the Board of Directors filed *en liasse* as Exhibit R-2 in support of the Motion for Recognition of Foreign Proceedings;
5. Similarly, Mexicana's Board of Directors appointed Petitioner herein Maru E. Johansen as its Foreign Representative and specifically authorized the Foreign Representative to seek relief before Canadian Courts under the CCAA, the whole as appears from copies of the original Spanish version of a Resolution of the Board of Directors of Mexicana dated August 4th, 2010 and of the official English translation of same resolution, filed *en liasse* as Exhibit R-3 in support of the Motion for Recognition of Foreign Proceedings;
6. Following the filing of the petition commencing the Concurso Proceedings, an examination of Mexicana's books and records was conducted by a Court-appointed individual and consequently, on September 6, 2010, the Mexican Court issued a "business reorganization judgment," whereby a stay of seizures, foreclosures and execution of judgments was put in place, and Mexicana began the process of reorganization, the whole as appears from a copy of the said judgment in its original Spanish version as well as a copy of the official English translation thereof, communicated as Exhibits R-1-A and R-1-B in support of the First Motion to Extend;
7. On August 28, 2010, Mexicana announced the suspension of its flights;

II. RESTRUCTURING DEVELOPMENTS SINCE THE FIRST EXTENSION ORDER

8. As mentioned in the Third Motion to Extend, since the First Extension Order, Mexicana had continued to resolve important business and legal issues relevant to its restructuring efforts, the whole as more fully detailed hereinafter;

A. U.S. CHAPTER 15 RECOGNITION

9. On November 8th, 2010, the United States Bankruptcy Court, Southern District of New York, issued an Order recognizing Petitioner herein as foreign representative and recognizing the Mexican Proceedings as "foreign main proceedings" within the meaning of Chapter 15 of the *US Bankruptcy Code* (hereinafter the "**US Recognition Order**") extending the protection of the *US Bankruptcy Code* to the Insolvent Debtor, the whole as appears from a copy of the US Recognition Order, already communicated in support of the Second Motion to Extend as Exhibit R-1;

B. CLAIMS PROCESS AND NEGOTIATIONS WITH SUPPLIERS

10. In October 2010, the Insolvent Debtor obtained the approval from the Mexican Court authorizing a process for creditors to prove their claims. In order for its claim to be recognized in the context of the Mexican Proceedings, each creditor was required to fill out the form provided in the Information Officer's Notice to creditors and forward same to the *Conciliador* appointed by the Mexican Court (hereinafter the "**Conciliador**"), the whole by no later than 5:00 P.M. (Mexico City time) on December 3, 2010;
11. Since the First Extension Order and subsequent to receipt by the Conciliador of Mexicana's creditors' claims, the Conciliador has had extensive discussions and negotiations with its main suppliers in Mexico, incidentally its most important creditors in that country, in order to obtain the required support for Mexicana's restructuring plan;
12. In addition, over the last months, the Conciliador has had scheduled meetings to meet with Mexicana's US creditors and some of its largest Canadian creditors, the whole with the view of ironing out an agreement with such creditors to obtain their support for Mexicana's restructuring plan;

C. SETTLEMENT OF UNION DISPUTES

13. Moreover, since the First Extension Order, Mexicana has been successful in reaching final agreements with the three (3) labor unions representing Mexicana's pilots, flight attendants and ground personnel (hereinafter the "**Labor Agreements**"), allowing Mexicana to move forward with its restructuring efforts with certainty as to the terms and conditions of employment of its unionized staff and personnel on a going forward basis;

D. MEXICAN EXTENSION ORDER RENDERED UNDER THE CONCURSO LAW

14. The Concurso Law allows companies 185 days to enter and exit bankruptcy protection from creditors, with a possibility of two (2) 90 business days extensions if there are clear signs of progress toward restructuring;
15. The Insolvent Debtor was granted bankruptcy protection from its creditors under the Concurso Law on September 28, 2011 and therefore, said protection would normally have expired on April 1st, 2011;
16. However, on March 28, 2011, the Mexican Court issued an Order extending the protection of the Concurso Law to the Insolvent Debtor for an additional period of ninety (90) business days, as provided for under Section 145 of the Concurso Law (hereinafter the "**Mexican Extension Order**"), the whole as appears from a copy of the Spanish version of the application for a 90 business day extension (hereinafter the "**Mexican Extension Motion**"), as well as a copy of the English version thereof, and from a copy of the Spanish version of the Mexican Extension Order, which were already communicated in support of the Third Motion to Extend as Exhibit R-1 and Exhibit R-2;

17. As a result of the Mexican Extension Order, Mexicana's bankruptcy protection under the Concurso Law has been extended to August 10th, 2011;
18. As appears from the Mexican Extension Motion, the extension delay provided for under Section 145 of the Concurso Law was granted notably in consideration of the fact that

"negotiations have been performed with several investments groups, which have the intention to re-start the [Insolvent Debtor],

and that

"several creditors [...] have shown interest in the conditions proposed for the execution of a bankruptcy agreement, [...] so said bankruptcy agreement can be reached and thus this bankruptcy proceedings is successfully ended";

19. In all likelihood, in order to complete its restructuring process, the Insolvent Debtor will file an application before the Mexican Court in order to obtain the second 90 business day extension available to it under the Concurso Law ;

E. NEW BUSINESS PLAN DEVELOPPED THROUGH THE COURSE OF NEGOTIATIONS WITH PC CAPITAL

20. As alleged in the Third Motion to Extend, substantial efforts were made over the last months by the Insolvent Debtor and the Mexican Government in order to find new investors who would ensure the future operations of Mexicana;
21. As a result of those efforts, during the months of November and December 2010, Mexicana selected PC Capital Partners, a Mexican investment banking firm (hereinafter "PC Capital"), to conduct the restructuring process;
22. Mexicana and PC Capital underwent intensive work to integrate a business plan and to formalize a refinancing process that would be offered to potential investors interested in the purchase of the shares and the capitalization of the Insolvent Debtor;
23. Through the course of said works, the Insolvent Debtor and PC Capital developed a new business plan, which was sanctioned by the government authorities and the Conciliador, ensuring Mexicana's viability and sustainability, as well as the success of the restructuring process (hereinafter the "New Business Plan");
24. The New Business Plan provided for specific conditions under which the Insolvent Debtor could re-start its operations, including maintaining and preserving its traffic rights and permits, number of planes to be operated, a new route schedule, liquidation of all employees as well as percentage of workforce to be rehired under the new Labor Agreements that have been previously negotiated and that provides great advantages in efficiencies;

25. Moreover, the New Business Plan rendered the Insolvent Debtor much more attractive to any prospective purchasers, as said Plan is based on a thorough evaluation of Mexicana's current legal, administrative, financial and operation situation, and seeks to capitalize on the competitive edge it had carved out for itself over years and its brand value. Therefore, the New Business Plan represents a complete analysis of the business opportunity to invest in Mexicana;

III. RESTRUCTURING DEVELOPMENTS SINCE THE THIRD EXTENSION ORDER

26. Since the Third Extension Order, Mexicana has continued to resolve important business and legal issues relevant to its restructuring efforts, the whole as more fully detailed hereinafter;

A. NEGOTIATIONS WITH NEW PROSPECTIVE INVESTORS

27. On March 1st, 2011, PC Capital was unable to secure the investor for the financing necessary to complete the transaction, and it advised the Conciliador that it was withdrawing due to the inability to secure the necessary funds;
28. As a result, the Conciliador immediately decided to open the opportunity to submit bids to acquire the shares of the parent company and to capitalize the Insolvent Debtor to all other interested parties;
29. A few days after the bidding process was opened to all parties, six (6) offers had already been received from prospective purchasers of the shares (corporations or individuals), namely: TG Group, BMC, Avanza Capital, Ivan Barona, Ahcore Int'l and Logistica Internacional;
30. Given the interest shown by the prospective purchasers, the Insolvent Debtor decided to extend deadlines for the submission of offers by interested parties;
31. Considering all of the work and efforts that had been expended in order to elaborate the New Business Plan, the Insolvent Debtor and the Conciliador envisioned that the choice of successful prospective purchaser will be predicated upon the latter's financial strength and viability and its ability to adopt to the New Business Plan, which includes meeting the obligations arising from the Labor Agreements and from the agreements that Mexicana has negotiated with its suppliers;
32. As such, of the initial groups of prospective investors that participated in the bidding process, three (3) of them remain as the most viable contenders (hereinafter the "**Final Potential Investors**");
33. Although each of the Final Potential Investors have yet to make good faith deposits and to confirm that they have completed their due diligence with respect to the Insolvent Person and are satisfied with same, they all have demonstrated, to varying degrees, their ability to conclude the refinancing / purchase transaction, their financial strength and viability as well as their compliance with the requirements set forth by the Conciliador ;

34. Within the next few days, Mexicana's management as well as the Conciliador should be in a position to determine which bid offers the greatest long-term viability and sustainability, and therefore, they will be able to approve one of the three Final Potential Investors ;
35. The successful Final Potential Investor will then be presented in order to obtain the approval of the Mexican Government so that an agreement can be reached to enable the purchase of the shares and the capitalization of the airline to begin operating shortly thereafter ;
36. Thereafter, the Mexican Government will have to confirm that they approve one of the successful Final Potential Investor as the purchaser of the shares and the investor in Mexicana. The successful Final Potential Acquirer will then be able to finalize a binding agreement to conclude the purchase and formalize the internal corporate acts for the capitalization ;
37. In view of the aforementioned, the Insolvent Debtor is confident that a transaction will be consummated with one of the Final Potential Investors, which will allow the restructuring process to be successfully completed ;

B. STEPS IN ORDER TO RESTART FLIGHT OPERATIONS

38. In light of the progress of negotiations with the Final Potential Investors, concrete steps have been taken by the Insolvent Debtor to be ready to restart flight operations on a short term basis;
39. As such, a number of Mexicana's pilots have recently been recalled by the Insolvent Debtor in order to resume the training required to update their license certifications with respect to the various aircraft to be operated by Mexicana when it restarts operations
40. Moreover, substantial headway was accomplished to resume the Insolvent Debtor's operations, such as the recertification of aircraft and different airports, and securing the corresponding licenses required to begin commercial implementation;
41. Indeed, Mexicana has scheduled station certification inspections updates (full inspections had been conducted in February 2011), which are currently being completed in seven (7) of the airports from which it operates in Mexico, Guatemala and the United States, namely Los Angeles, San Antonio, Chicago, Mexico City, Cancun, Guadalajara and Guatemala City, the whole in order to comply with the requirements of the U.S. Federal Aviation Administration and its Mexican counterpart, the *Direccion General de Aeronautica Civil* (D.G.A.C.);
42. The Insolvent Debtor plans to schedule, in the coming weeks and months, full station certification inspections in some of the other Mexican, American, Central American, Caribbean and Canadian cities it historically served;
43. In addition, in order to allow the start-up of operations, the Insolvent Debtor is currently in discussion with the various governmental authorities in order to accomplish the other steps required to maintain and preserve its traffic rights and permits, including the flight licences and the landing permits ;

44. Therefore, the planes owned by Mexicana are currently being inspected by the authorities to determine if they still comply with the legislative requirements ;
45. As such, during the week of July 5, 2011, seven (7) aircraft were inspected and were found in good condition and in compliance by the authorities;
46. As soon as the steps described above are completed, and once a final binding agreement is executed with the successful Final Potential Investor, Mexicana will be able to start selling tickets to and from the destinations for which the certification inspections have been duly completed, and therefore resume flight operations;
47. Moreover, once the sale transaction is executed with one of the Final Potential Investors and some additional capital is injected in the Insolvent Debtor, the Insolvent Debtor will be able to conclude various agreements with aircraft lessors in order to add aircraft and therefore increase its routes, traffic and generate additional revenues

C. RESTRUCTURING AGREEMENT TO BE FILED BEFORE THE MEXICAN COURT SHORTLY

48. Once the Conciliador obtains the approval of a majority of Mexicana's creditors (as per the Concurso Law it must be 51% or above) with respect to the percentage of claim that will be paid; the said percentage will be applied to all common creditors and will become part of the business plan that will provide for the restructuring of Mexicana and that should allow same to continue its operations (hereinafter the "Restructuring Agreement");
49. The Concurso Law provides that any agreed upon commitment plan must be approved by the Mexican Court. As such, as soon as the Restructuring Agreement is finalized, the Conciliador intends to submit it to the Mexican Court for approval;
50. Once the Restructuring Agreement is approved by the Mexican Court, the Conciliador will have to wait the legal period in order to see if any Mexicana's creditor that voted against the Restructuring Agreement will file an appeal with respect to the Mexican Court's decision to approve the Restructuring Agreement;
51. Once the Mexican Court confirms that the Restructuring Agreement is approved and the statute of limitation for appeal has expired; and once the successful Final Potential Investor has been approved by the Mexican Government, the Insolvent Debtor will be able to move forward with the restructuring process and start operating the airline once again;

IV. EXTENSION OF THE STAY PERIOD

52. Notwithstanding the progress made by the Insolvent Debtor since the Third Extension Order, the extension of the Stay Period sought through the present Motion is necessary in order to provide the Insolvent Debtor an adequate time period to, notably, complete the steps required in order to restart flight operations, finalize negotiations with the successful Final Potential Investor in order to draft and execute a binding agreement that will provide the funding of

Mexicana's restructuring plan and continued operations, as well as submit the Restructuring Agreement to the Mexican Court for approval ;

53. Petitioner and the Insolvent Debtor are of the view that extending the Stay Period to September 15, 2011, is appropriate in the present circumstances;
54. Since the Third Extension Order, the Insolvent Debtor has acted and continues to act in good faith and with due diligence;
55. The Information Officer has indicated that it will be filing with the Court a report apprising the Court and Mexicana's stakeholders of events since the Third Extension Order;
56. Based on the foregoing, Petitioner prays this Court to extend the Stay Period up to and including September 15, 2011, which date shall be the new stay termination date, the whole subject to all the other terms of the Initial Order, as amended;
57. All of the facts alleged in the present affidavit are true;

Sworn before me at Los Angeles, California,
this 7th day of July 2011


Maru E. Johansen

JURAT

State of California)
County of Los Angeles) SS.

Subscribed and sworn to (or affirmed) before me on this 7th day
of July, 2011, by
Maru E. Johansen

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before
me.

Signature Candace D. Yip



OPTIONAL INFORMATION

The information below is optional. However, it may prove valuable and could prevent fraudulent attachment of this form to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER
Vice-President, Legal and
Corporate Affairs
TITLE(S)
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- SUBSCRIBING WITNESS
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

Affidavit of Maru E. Johansen
TITLE OR TYPE OF DOCUMENT

Eight
NUMBER OF PAGES

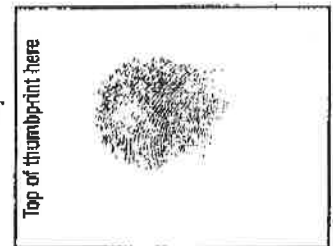
July 7, 2011
DATE OF DOCUMENT

OTHER _____

ABSENT SIGNER (PRINCIPAL) IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

Johansen

RIGHT THUMBPRINT
OF
SIGNER



FACSIMILE TRANSMITTAL SHEET

TO: Simon Dellaire	FROM: Margi Johansen
COMPANY: BLG	DATE: 7/7/2011
FAX NUMBER: (514) 954-1905	TOTAL NO. OF PAGES INCLUDING COVER: 10
PHONE NUMBER:	SENDER'S TELEPHONE NUMBER: (310) 258-0394
RE: AFFIDAVIT	

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

This document and any attachments contain information from Mexicana's Legal Department, which may be confidential and/or privileged. The information is intended to be for the use of the individual or entity named. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this correspondence is prohibited. If you received it in error, please notify us immediately so that we can arrange for the retrieval of the documents.

9841 AIRPORT BOULEVARD SUITE 400
LOS ANGELES, CA 90045

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-039418-104

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE JUDICIAL
REORGANIZATION PROCEEDINGS OF:

COMPANIA MEXICANA DE AVIACION,
S.A. DE C.V.,

Insolvent Debtor

And

MARU E. JOHANSEN,

Foreign Representative / **Petitioner**

And

SAMSON BELAIR DELOITTE & TOUCHE
INC.

Information Officer

NOTICE OF PRESENTATION

TO: Service List

PLEASE TAKE NOTICE that Petitioner's *Fourth Motion for the Extension of the Stay Period* will be presented for adjudication before one of the Honourable of the Superior Court, Commercial Division, sitting in and for the district of Montreal, on **July 8, 2011 at 2:00 p.m, in room 16.12** of the Montreal Courthouse located, at 1 Notre-Dame Street East, or so soon thereafter as counsel may be heard.

PLEASE GOVERN YOURSELVES ACCORDINGLY.

Montreal, July 7, 2011



BORDEN LADNER GERVAIS LLP
Attorneys for Petitioner

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTREAL
No.: 500-11-039418-104

**IN THE MATTER OF THE JUDICIAL
REORGANIZATION PROCEEDINGS OF:**

**COMPANIA MEXICANA DE AVIACION, S.A.
DE C.V.**

Insolvent Debtor

and

MARU E. JOHANSEN

Foreign Representative/Petitioner

And

SAMSON BELAIR DELOITTE & TOUCHE
Information Officer

**FOURTH MOTION FOR THE EXTENSION
OF THE STAY PERIOD**

O R I G I N A L

Borden Ladner Gervais LLP
Lawyers • Patent & Trade-mark Agents
1000 de La Gauchetière Street West
Suite 900, Montréal, Québec H3B 5H4
tel.: (514) 879-1212 fax: (514) 954-1905

Me François D. Gagnon
B.M. 2545

File: 289149-000009