

CANADA

PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL

No: 500-11-039418-104

SUPERIOR COURT  
(Commercial Division)

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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

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

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Je, soussigné, Simon-Luc Dallaire, 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 14 février 2012 à 16h10, 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 14 février 2012



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Simon-Luc Dallaire

**BORDEN LADNER GERVAIS LLP**

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FACSIMILE TRANSMITTAL SHEET

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TO: Me Simon Dallaire	FROM: Maru Johansen
COMPANY: BLG	DATE: 2/14/2012
FAX NUMBER: (514) 954-1905	TOTAL NO. OF PAGES INCLUDING COVER: 8
PHONE NUMBER: (514) 954-2516	SENDER'S TELEPHONE NUMBER: (310) 258-0394
RE:	

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URGENT     FOR REVIEW     PLEASE COMMENT     PLEASE REPLY     PLEASE RECYCLE

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NOTES/COMMENTS:

DEAR SIMON:

I AM ATTACHING THE NOTARIZED AND EXECUTED AFFIDAVIT FOR THE SEVENTH MOTION FOR THE EXTENSION OF THE STAY PERIOD. I WILL ALSO SENT AN SCANNED COPY. REGARDS

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.

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LOS ANGELES, CA 90045

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:

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

**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. ("Mexicana");

**I. INTRODUCTION**

2. On August 5<sup>th</sup>, 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**");
3. 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**");

4. 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**");
5. 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**");
6. 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 "**Thlrd Extension Order**");
7. By Order of this Honorable Court rendered on July 8, 2011, Petitioner's fourth *Motion for the extension of the Stay Period* (hereinafter the "**Fourth Motion to Extend**") was granted and the Stay Period was extended until September 20, 2011 (hereinafter the "**Fourth Extension Order**");
8. By Order of this Honorable Court rendered on September 20, 2011, Petitioner's fifth *Motion for the extension of the Stay Period* (hereinafter the "**Fifth Motion to Extend**") was granted and the Stay Period was extended until November 30, 2011 (hereinafter the "**Fifth Extension Order**");
9. By Order of this Honorable Court rendered on November 29, 2011, Petitioner's sixth *Motion for the extension of the Stay Period* (hereinafter the "**Sixth Motion to Extend**") was granted and the Stay Period was extended until February 20, 2011 (hereinafter the "**Sixth Extension Order**");
10. By way of the present motion, Petitioner seeks an order granting a seventh extension of the Stay Period for a for an indefinite period ending at the earliest of the following dates (i) in approximately ninety (90) days on May 21, 2012, or (ii) ten (10) days following the new termination date to be established by the Mexican Court, the whole for the reasons more fully detailed hereinafter;

## II. MEXICANA'S OPERATIONS AND ACTIVITIES

11. Mexicana and its affiliates operate Mexicana Airlines, historically Mexico's largest airline. Mexicana and its affiliates carry passengers and cargo to destinations worldwide;
12. 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;

13. 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;
14. 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 4<sup>th</sup>, 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;
15. 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;
16. On August 28, 2010, Mexicana announced the suspension of its flights;

### III. RESTRUCTURING DEVELOPMENTS SINCE THE SIXTH EXTENSION ORDER

17. Since the Sixth 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. PARTIAL OPERATIONS OF MEXICANA AND ITS AFFILIATES

18. Since the Sixth Extension Order, Mexicana, through one of its affiliates, Mexicana MRO, S.A. de C.V. (hereinafter "MRO") has continued to operate a portion of the group's business, namely maintenance services including major services to other airlines in its maintenance bases located at Mexico City International Airport and at Guadalajara International Airport;
19. For the purposes of the operations, Mexicana provides MRO with all of the necessary administrative and technical staff, IT and other services with the exception of mechanics which is provided by another affiliate of Mexicana;
20. Mexicana therefore invoices MRO for the services provided, which generates income for Mexicana and allows for the continued, although severely diminished, operation of Mexicana's management staff in order to keep Mexicana afloat until the restructuring is complete;

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21. Moreover, Mexicana continues its efforts at collection of its accounts receivables, which also generates much needed cash to support the head office operations, which are critical to the Company's restructuring efforts;

**B. MEXICAN EXTENSION ORDER RENDERED UNDER THE CONCURSO LAW**

22. On November 14, 2011, the Mexican Court issued an order advising the new computation of the delays, which ultimately results in a deadline of February 10, 2012 for the conciliation period, the whole as appears from a copy of the said Order in its original Spanish version as well as a copy of the official English translation thereof (hereinafter the "**November 14 Order**"), which were already communicated in support of the Sixth Motion to Extend as Exhibit R-2A and Exhibit R-2B;
23. On February 8, 2012, the Mexican Court issued an order suspending indefinitely the deadline of February 10, 2012 for the conciliation period, the whole as appears from a copy of said Order in its original Spanish version as well as a copy of the official English translation thereof (hereinafter the "**February 8 Order**"), communicated as Petitioner's Exhibits R-1A and R-1B;
24. The February 8 Order supersedes any previous order with respect to the delays;

**C. INVESTOR GROUPS INTERESTED IN ACQUIRING MEXICANA**

25. Over the last few months, Mexicana, the Conciliador and the Mexican Government have been in negotiation with at least six (6) groups of prospective investors for the acquisition and recapitalization of Mexicana, including Ivan Barona, Group Med Atlantica, Grupo Perseo, Altus Pro, Avanza Capital and Union Swiss (hereinafter the "**Potential Investors**");
26. All of the Potential Investors received the complete package of information available from Mexicana for the purposes of their due diligence, and a number of them did complete their due diligence with respect to the Insolvent Debtor and advised Mexicana and the Conciliador accordingly;
27. However, Group Med Atlantica still had to demonstrate to the Mexican Court that the Required Capital was deposited in a trust account set up specifically for the purposes of the refinancing transaction of the Insolvent Debtor (hereinafter the "**Trust Account**");
28. Although those steps have not yet been formally completed, by press release dated February 7, 2012, Mexicana advised its various stakeholders that Group Med Atlantica had made a deposit of more than USD250 million dollars in a trust account of a financial institution for the purposes of refinancing transaction, the whole as appears from a copy of said press release in its original Spanish version, communicated as Petitioner's Exhibit R-2;
29. Moreover, in the February 8 Order, the Mexican Court stated that it found credible and had reasonable grounds to believe that the Potential Investor Group Med Atlantica had deposited USD300 million dollars in the Trust Account, pending verification of the provenance of the funds, the whole as appears from the February 8 Order, Exhibits R-1A and R-1B;

30. Indeed, the Mexican Minister of Finance is presently conducting its due diligence with respect to the provenance of the Required Capital, in order to ensure that these funds are not derived from proceeds of criminality;
31. Once the verifications of the provenance of the Required Capital is finalised, the Insolvent Debtor will be in a position complete the steps required to finalize negotiations with Group Med Atlantica 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;

#### **D. CONSENT OF CREDITORS TO A POTENTIAL RESTRUCTURING PLAN**

32. Over the course of the last year, the Conciliador has been contacting the Insolvent Debtor's Creditors in order to determine what percentage of debt reduction ("*quitas*") they would be willing to accept with respect to their claims against Mexicana;
33. As such, the Conciliador has been able to successfully reach agreements in principle with the majority of the Insolvent Debtor's Creditors and has obtained their consent to a potential restructuring plan (a "*Concurso Agreement*") which would provide for the payment of their claims in accordance with the debt reduction percentage agreed upon or, in the case of those creditors that have not agreed to a specific debt reductions, on the basis of the average debt reduction granted by the creditors having so agreed (hereinafter the "**Restructuring Plan**");
34. In fact, the Conciliador has expressed to the Mexican Court that he has obtained the consent of Sixty Five and Two Tenth percent (65.2%) of the Insolvent Debtor's Creditors, which results in an average debt reduction of Eighty Two and Four Tenths percent (82.4%), the whole as appears from the February 8 Order, Exhibits R-1A and R-1B;
35. This means that should Mexicana be able to execute with Group Med Atlantica a binding agreement that will provide the funding of Mexicana's restructuring plan and continued operations, the Restructuring Plan will already have been approved by a majority of the Insolvent Debtor's Creditors, thus allowing the Mexican Court to sanction the Restructuring Plan;

#### **E. NEGOTIATIONS WITH IATA**

36. Since the Sixth Extension Order, Mexicana has started negotiations with IATA with respect to return of the funds held by IATA on behalf of Mexicana in the context of the Agreement on the Refund of Tickets intervened between Mexicana and IATA on August 17<sup>th</sup>, 2010;
37. These negotiations, if successful, may require the intervention of this Honourable Court in order to sanction the process to deal with the claims of the various IATA member airlines against Mexicana and the claims of Mexicana against the various IATA member airlines;

#### **IV. EXTENSION OF THE STAY PERIOD**

38. Notwithstanding the progress made by the Insolvent Debtor since the Sixth 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 Group Med Atlantica, 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 Plan to the Mexican Court for approval;

39. Given the uncertainty of the deadline for the conciliation period under the Concurso Law following the February 8 Order, Petitioner respectfully submits that this Honourable Court should render an Order extending the Stay Period for an indefinite period ending on the earliest of the following dates: (i) May 21, 2012, or (ii) ten (10) days following the new termination date to be established by the Mexican Court;
40. In this respect, Petitioner Maru E. Johansen undertakes to immediately advise the Information Officer, this Honorable Court and the members of the service list of the new termination date of the conciliation period to be established by the Mexican Court,
41. Petitioner and the Insolvent Debtor are of the view that extending the Stay Period for such a period is appropriate in the present circumstances;
42. The Information Officer has indicated that it will be filing with the Court a report informing the Court and Mexicana's stakeholders of the various steps taken by Mexicana since the Sixth Extension Order;
43. Since the Sixth Extension Order, the Insolvent Debtor has acted and continues to act in good faith and with due diligence;
44. Based on the foregoing, Petitioner respectfully asks this Court to 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 the earliest of the following dates (i) May 21, 2012 or (ii) (10) days following the service by Petitioner or the Information Officer to the members of the service list of a Notice advising of the new termination date of the conciliation period established by the Mexican Court;
45. All of the facts alleged in the present affidavit are true;

Sworn before me at Los Angeles,  
California, this 14<sup>th</sup> day of February 2012

  
MARU E. JOHANSEN

\_\_\_\_\_  
NOTARY PUBLIC

MTL01: 2403333: V1



**JURAT**

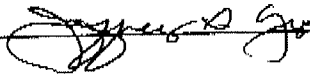
State of California )  
 ) SS.  
County of Los Angeles )

Subscribed and sworn to (or affirmed) before me on this 14th day  
of February, 20 12, by

MARU E. JOHANSEN

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

Signature



**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  
TITLE(S) Affairs, U.S. and  
Canada

- 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

-5-  
NUMBER OF PAGES

February 14, 2012  
DATE OF DOCUMENT

OTHER \_\_\_\_\_

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

RIGHT THUMBPRINT  
OF  
SIGNER

