

EXHIBIT K-9

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____)	
In re)	An Ancillary Case Under
)	Section 304 of the Bankruptcy Code
PETITION OF ERNST & YOUNG INC.,)	
AS MONITOR OF AIR CANADA, <i>et al.</i> ,)	Case No. 03-11971 (PCB)
)	
Debtors in Foreign Proceedings.)	Jointly Administered
_____)	

PERMANENT INJUNCTION ORDER

Upon consideration of the motion (the "Motion"), dated September 15, 2004, of petitioner, Ernst & Young Inc. ("E&Y" or "Petitioner"), appointed as Monitor of Air Canada, Jazz Air Inc., Zip Air Inc., Wingco Leasing Inc., 3838722 Canada Inc., Air Canada Capital Ltd., Manoir Int'l Finance Inc. and Simco Leasing Ltd. (collectively, the "Foreign Debtors") in proceedings (the "Foreign Proceedings") pending in the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the "Canadian Court"), pursuant to the Companies' Creditors Arrangement Act (the "CCAA"), for a permanent injunction (the "Permanent Injunction") pursuant to sections 304 and 105(a) of title 11 of the United States Code (the "Bankruptcy Code"), Rule 7065 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 65 of the Federal Rules of Civil Procedure; and the Court having considered and reviewed the petitions filed in these cases under section 304 of the Bankruptcy Code (the "Petitions"), the Motion, the preliminary injunction and related orders issued by this Court on April 1, 2003, April 3, 2003, April 29, 2003, July 16, 2003, October 10, 2003, November 7, 2003 and January 8, 2004 (collectively, the "Preliminary Injunction Orders"), and all pleadings and affidavits filed in support thereof; and upon the hearing held on September 28, 2004 (the "Hearing") to consider the Motion, and no objections to the Motion having been

received; and upon the record of the Hearing, and based upon the foregoing, the Court finds and concludes as follows:

a) Petitioner has demonstrated that the Foreign Debtors are the subject of a foreign proceeding within the meaning of sections 101(23) and 304 of the Bankruptcy Code.

b) Petitioner is the foreign representative of the Foreign Debtors within the meaning of sections 101(24) and 304 of the Bankruptcy Code.

c) Venue is proper in this district pursuant to 28 U.S.C. § 1410(c).

d) On August 23, 2004, the Canadian Court issued an order (the “Sanction Order”), which sanctioned and approved the Foreign Debtors’ Consolidated Plan of Reorganization, Compromise and Arrangement dated July 12, 2004, as amended on August 16, 2004 (the “Plan of Arrangement”). The Plan of Arrangement provides for the restructuring of the Foreign Debtors and their emergence from protection under the CCAA.

e) Based upon the Sanction Order, it appears that there has been good and sufficient service and notice to the Foreign Debtors’ creditors of the (i) Plan of Arrangement and related documents, and (ii) the hearing to consider the approval of the Plan of Arrangement.

f) Based upon the Sanction Order, (a) the Plan of Arrangement was approved by the requisite majority pursuant to the CCAA, (b) the Foreign Debtors have complied with all statutory requirements of the CCAA and have not done or purported to do anything which is not authorized by the CCAA, and (c) the Plan of Arrangement is fair and reasonable.

g) Permanent injunctive relief pursuant to section 304(b) of the Bankruptcy Code is necessary to permit the reorganization of the Foreign Debtors in accordance with the terms and conditions set forth in the Plan of Arrangement and is consistent with the factors set forth in section 304(c) of the Bankruptcy Code.

h) Based on the affidavits of service and publication filed with the Court, the

Foreign Debtors and the Petitioner have (a) complied in all respects with the provisions of the Preliminary Injunction Orders regarding service of such orders and notice thereof and (b) provided due and sufficient notice of the request for this Order.

i) Notice of the Motion, the Permanent Injunction and Hearing was due and adequate under the circumstances.

NOW, THEREFORE, IT IS:

ORDERED, that the Motion is granted; and it is further

ORDERED, that capitalized terms used but not defined in this Order or in the Motion shall have the meanings given to such terms in the Plan of Arrangement and the Sanction Order, as applicable, copies of which are attached hereto as Exhibits A and B, respectively; and it is further

ORDERED, that the Plan of Arrangement and the Sanction Order shall be given full force and effect in the United States and elsewhere within the jurisdiction of this Court, and with regard to all parties subject to this Court's jurisdiction, and shall be binding on and enforceable against all of the Foreign Debtors' creditors and all other relevant parties; and it is further

ORDERED, that this Order shall become effective upon the occurrence of the Implementation Date and, at such time, the Preliminary Injunction Orders issued by this Court shall be deemed terminated and shall be superseded by this Order, as set forth herein; and it is further

ORDERED, that upon the Implementation Date, each Affected Unsecured Claim shall be settled, compromised and released in accordance with the Plan of Arrangement, and the ability of an Affected Unsecured Creditor to proceed against the Foreign Debtors in respect of an Affected Unsecured Claim shall be forever discharged and restrained, and all proceedings with respect to,

in connection with or relating to such Affected Unsecured Claims are hereby permanently stayed, subject only to the right of the Affected Unsecured Creditors to receive distributions in accordance with the Plan of Arrangement; and it is further

ORDERED, that without limiting the Claims Orders, a Creditor that did not receive a notice of the claims process established by the Claims Orders or file a Proof of Claim in accordance with the provisions of the Claims Orders shall be and is hereby forever barred from making any claim against the Foreign Debtors and shall not be entitled to any distribution under the Plan of Arrangement, and that such claim is forever extinguished; and it is further

ORDERED, that upon the Implementation Date, all charges against the Foreign Debtors or the Foreign Debtors' Property created by the Canadian Court, including the Administrative Charge, the CCAA Lender's Charge, the CIBC Charge, the AMEX Charge, the Directors' Charge (as defined in the Initial Order) and the 24082 Charge (as defined in the order of the Canadian Court dated March 29, 2004), shall be terminated, discharged and released (it being understood for the avoidance of doubt that such release shall not terminate, discharge or release, in any respect, any security interest granted pursuant to the US Security Agreement dated as of April 30, 2003, as the same may be amended and restated); and it is further

ORDERED, that subject to section 8.8 of the Plan of Arrangement, any meeting of shareholders or other securityholders or shareholder or other securityholders votes or third party consents in respect of exchanges, transfers and compromises, arrangements, reorganization or other transactions effected as part of the Plan of Arrangement, or transfers effected any time prior to or concurrently with implementation of the Plan of Arrangement, but continuing as part of the Plan of Arrangement, shall be dispensed with, and no counter-party to any such consents

shall have any right to terminate or otherwise affect any rights such counter-party may have to alter its contractual arrangements with the Foreign Debtors; and it is further

ORDERED, that except as otherwise provided in the Plan of Arrangement, as of the Completion Time, each of the Foreign Debtors shall be deemed to have ratified each executory contract and unexpired lease to which it is a party and such contracts and leases shall be in full force and effect (other than in respect of Claims arising from such contract or lease which for greater certainty are Affected Unsecured Claims which are compromised pursuant to the Plan of Arrangement), unless such contract or lease: (a) was previously repudiated or terminated by such Foreign Debtor, (b) previously expired or terminated pursuant to its own terms, or (c) was amended as evidenced by a written agreement with the Foreign Debtors and, in such case, the amended contract or lease shall be deemed ratified; and it is further

ORDERED, that no Person who is a party to, or is entitled to any benefit from, any contract or lease referred to in the preceding decretal paragraph hereof shall, on or following the Completion Time, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right, directly or indirectly, in any manner whatsoever (including any right of set-off, dilution, buy-out, divestiture, forced sale, option or other remedy) under or in respect of any such contract by reason (i) of any event(s) from which a Claim arises which occurred on or prior to the Date of Filing which would have entitled any other person or party thereto to enforce those rights or remedies (including financial condition or insolvency of any Foreign Debtor or any defaults or events of default arising as a result of the financial condition or insolvency of any of the Foreign Debtors); (ii) that the Foreign Debtors have sought or obtained relief under the CCAA or section 304 of the Bankruptcy Code; (iii) of the effect on the Foreign Debtors of the completion of any of the transactions contemplated

under the Plan of Arrangement; or (iv) of any compromises effected pursuant to the Plan of Arrangement; and it is further

ORDERED, that, from and after the Completion Time, all Persons shall be deemed to have waived any and all defaults of the Foreign Debtors (except defaults under securities, contracts, instruments, releases and other documents delivered under the Plan of Arrangement or entered into in connection therewith or pursuant thereto) then existing or previously committed by the Foreign Debtors or caused by the Foreign Debtors, directly or indirectly, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Foreign Debtors arising from the financial condition or insolvency of any of the Foreign Debtors, the filing by the Foreign Debtors under the CCAA or the transactions contemplated by the Plan of Arrangement, including the Business Restructuring and the failure by any Foreign Debtor or Newco to receive any consent from such Person to any transaction contemplated by the Business Restructuring, including a default arising therefrom under a covenant relating to any affiliated or subsidiary company of Air Canada other than the Foreign Debtors, and any and all notices of defaults and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded; and it is further

ORDERED, that all release, injunction, stay and related provisions of the Plan of Arrangement and the Sanction Order, whether or not specifically enumerated herein, are deemed incorporated herein, and all actions enjoined, barred, waived or otherwise prohibited by virtue of

the Plan of Arrangement or Sanction Order are hereby enjoined, barred, waived or otherwise prohibited, as the case may be; and it is further

ORDERED, that copies of this Order shall be served upon (i) the Office of the United States Trustee for the Southern District of New York, (ii) counsel to General Electric Capital Corporation, (iii) counsel to the Foreign Debtors, (iv) the Foreign Debtors' United States airport lessors, (v) creditors located in the United States who filed claims in the CCAA case, (vi) all parties who have filed requests for service of pleadings filed in these proceedings as of the date hereof and (vii) all parties on whom the original Preliminary Injunction Order issued on April 1, 2003 was served; and it is further

ORDERED, that the Notice of Entry of Permanent Injunction Order, a copy of which is attached hereto as Exhibit C, is hereby approved and shall be published once each in the Wall Street Journal and USA Today; and it is further

ORDERED, that service and publication pursuant to the foregoing decretal paragraphs shall be good and sufficient service and shall constitute adequate notice of the entry of this Order to all parties for all purposes; and it is further

ORDERED, that this Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, and requests for any additional relief in these section 304 cases and all adversary proceedings in connection therewith properly commenced and within the jurisdiction of this Court.

Dated: New York, New York
September 28, 2004

/s/ Prudence Carter Beatty
UNITED STATES BANKRUPTCY JUDGE