

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**MOTION RECORD
(CCAA TERMINATION)
(returnable July 24, 2018)**

July 16, 2018

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APPLICANT

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Tab 1

Court File No.: CV-18-594380-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**NOTICE OF MOTION
(CCA Termination)
(returnable July 24, 2018)**

Discovery Air Inc. (“**Discovery**” or the “**Applicant**”) will make a motion to Justice Hainey of the Commercial List on **Tuesday, July 24, 2018 at 9:30 a.m.** or as soon as after that time as the motion can be heard, at 330 University Avenue, 8th Floor, Toronto, Ontario or such other location as this Court may advise.

THE PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is made without notice;
- in writing as an opposed motion under subrule 37.12.1(4); or
- orally.

THE MOTION IS FOR AN ORDER:

- (a) abridging the time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
- (b) approving the Fifth Report (defined below) and the activities of the Monitor (defined below) set out therein;
- (c) approving the fees and disbursements of KSV Kofman Inc., in its capacity as Monitor, including the fees and disbursements of its legal counsel, as set out in the

Kofman Affidavit and Latham Affidavit (each as defined below) and declaring that no further approvals shall be required for fees and disbursements incurred by the Monitor and its counsel to the completion of the remaining activities in these CCAA proceedings;

- (d) terminating these CCAA proceedings, effective at the time (the “**Effective Termination Time**”) of the filing of a certificate of the Monitor (“**Monitor’s Termination Certificate**”) confirming that all remaining matters in these CCAA proceedings have been completed;
- (e) discharging KSV Kofman Inc., as the Monitor at the Effective Termination Time;
- (f) granting the release of the Monitor, counsel to the Monitor, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the “**Released Parties**”) from any and all claims that any person may have or be entitled to assert against the Released Parties in connection with these CCAA proceedings;
- (g) extending the Stay Period (as defined in the Initial Order, defined below) up to the earlier of (a) Effective Termination Time and (b) August 31, 2018; and
- (h) such further and other relief as counsel may request and this Honourable Court deem just;

THE GROUNDS FOR THE MOTION ARE:

- (i) On March 21, 2018 (the “**Filing Date**”) Discovery was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an initial order (the “**Initial Order**”) of this Honourable Court and KSV Kofman Inc. (“**KSV**”) was appointed as monitor (the “**Monitor**”) in the CCAA proceedings;
- (j) From the outset, Discovery has indicated that the main purpose of its CCAA Proceedings is to conduct a sale process for the sale of Discovery’s assets which are comprised of its 100% equity interests in Great Slave Helicopters Ltd. (“**GSH**”),

Air Tindi Ltd (“**ATL**”) and Discovery Mining Services Ltd (“**DMS**”), its 9.7% minority interest in Top Aces Holdings Inc. (“**TA Holdings**”), and other miscellaneous assets;

- (c) On June 22, 2018, this Court approved the various sale transactions and vesting the assets sold thereunder in the applicable buyer, in each case to be effective on the filing of a Monitor’s certificate confirming the closing had occurred;
- (d) On June 28, 2018, the sale of TA Holdings and related assets closed;
- (e) The parties continue to work to close the remaining transactions and are hopeful they will close by the end of July 2018 although there is a possibility closings will not occur until August;
- (f) It is expected that the only remaining matters to be completed in these CCAA Proceedings are:
 - (i) the closing of the remaining transactions;
 - (ii) payments to employees under the key employee retention plan which were approved by this Court at the initial hearing and are subject to a charge as set out in the Initial Order;
 - (iii) payment of other amounts concerning post-filing obligations of the Applicant which the Monitor may deem appropriate; and
 - (iv) payments of the final invoices of the professionals who are beneficiaries under the Administration Charge (as defined in the Initial Order);

STAY EXTENSION

- (g) The Stay Period currently expires on July 31, 2018;
- (h) The extension of the Stay Period up to the earlier of (a) time of the filing of the Monitor’s Termination Certificate; and (b) August 31, 2018, is necessary to allow Discovery to close the remaining matters in these CCAA proceedings;

- (i) Discovery has been and continues to act in good faith and with due diligence in the conduct of its CCAA Proceedings;

APPROVAL OF MONITOR'S REPORTS, ACTIVITIES AND FEES

- (j) The fifth report of the Monitor (the "**Fifth Report**") (to be filed) will set out the specific activities of the Monitor and will provide useful information to the Court;
- (k) The fees and disbursements of the Monitor from June 1, 2018 until June 30, 2018 total approximately \$91,000 (excluding HST);
- (l) The fees and disbursements of Goodmans LLP, legal counsel to the Monitor, from June 1, 2018 until June 30, 2018 total approximately \$59,000 (excluding HST);
- (m) The hourly rates charged are consistent with the rates charged by corporate law firms practicing in the area of corporate insolvency and restructuring in the Toronto market and are reasonable and appropriate in the circumstances;
- (n) The fee accrual, as set out in the Fifth Report, is reasonable in the circumstances;

GENERAL

- (o) The provisions of the CCAA; and
- (p) Such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The affidavit of Paul Bernards, sworn July 16, 2018;
- (b) The affidavit of Robert Kofman (the "**Kofman Affidavit**"), to be filed;
- (c) The affidavit of Joseph Latham (the "**Latham Affidavit**"), to be filed;
- (d) The Fifth Report of the Monitor, to be filed; and

- (e) Such further and other evidence as counsel may advise and this Honourable Court may permit.

July 16, 2018

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Lawyers for the Applicant

TO: The Attached Service List

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

Court File No: CV-18-594380-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced TORONTO

NOTICE OF MOTION
(CCA Termination)
(returnable July 24, 2018)

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Lawyers for the Applicant

Tab 2

Court File No.: CV-18-594380-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

**AFFIDAVIT OF PAUL BERNARDS
(sworn July 16, 2018)**

I, Paul Bernards, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Chief Financial Officer of Discovery Air Inc. (“**Discovery**” or the “**Applicant**”), a position that I have held since April 1, 2014. Prior to that time, I was a consultant to Discovery from March 17 to April 1, 2014. As such, I have personal knowledge of the matters to which I hereinafter depose in this Affidavit. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.
2. This Affidavit is sworn in support of a motion by Discovery for an order, *inter alia*:
 - (a) approving the Monitor’s Fifth Report to be issued in connection with this motion (the “**Fifth Report**”) and the activities and conduct of the Monitor detailed therein;
 - (b) approving the fees and disbursements of KSV Kofman Inc. in its capacity as Monitor (defined below), including the fees and disbursements of its legal counsel, as same may be described in the Fifth Report and any affidavits submitted in connection therewith by The Monitor or its counsel, and declaring that no further approvals shall be required for fees and disbursements incurred by the Monitor and its counsel to the completion of the remaining activities in these CCAA proceedings;

- (c) terminating these CCAA proceedings effective at the time (the “**Effective Termination Time**”) of the filing of a certificate of the Monitor (“**Monitor’s Termination Certificate**”) confirming that all remaining matters in these CCAA proceedings have been completed;
- (d) discharging KSV Kofman Inc. (“**KSV**”) as the Monitor at the Effective Termination Time;
- (e) discharging each of the Court-ordered charges created pursuant to the Initial Order, or any other order issued in these CCAA proceedings, at the Effective Termination Time, subject to the payment of all obligations secured thereby;
- (f) granting the Monitor Releases; and
- (g) extending the Stay Period (as in the Initial Order) up to the earlier of (i) Effective Termination Time or (ii) August 31, 2018.

BACKGROUND

3. On March 21, 2018, Discovery was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to an initial order (the “**Initial Order**”) of this Honourable Court and KSV was appointed as monitor (the “**Monitor**”) in the CCAA proceedings. Certain of the benefits and protections in the Initial Order were extended to GSH, ATL, DMS (each as defined below) and Discovery Air Technical Services Inc. as “Non-Applicant Subsidiaries”.

4. Further details regarding the background of Discovery and the facts leading up to these proceedings are set out in my initial affidavit sworn March 21, 2018 (my “**Initial Affidavit**”) and therefore are not repeated herein.

STATUS OF THE SALE TRANSACTIONS

5. As set out in my Initial Affidavit, the main purpose of Discovery’s CCAA proceedings has been to allow for the sale of Discovery’s assets, which are comprised of its 100% equity interests in Great Slave Helicopters Ltd. (“**GSH**”), Air Tindi Ltd. (“**ATL**”) and Discovery Mining Services

Ltd. (“**DMS**”), its minority interest in Top Aces Holdings Inc. (“**TA Holdings**”), and other miscellaneous assets including various contracts, intercompany claims owed to Discovery by its subsidiaries and all claims and causes of action of Discovery against other persons (collectively, the “**Assets**”).

6. In furtherance of that process,

- (a) On April 4, 2018, this Court granted an order (the “**SSP Order**”) approving a sale solicitation process (“**SSP**”) that included four asset purchase agreements (the “**APAs**”) entered into between Discovery, as seller, and certain affiliates of Clairvest Group Inc. (“**Clairvest**”) as buyers, to serve as stalking horse agreements in the SSP process for the following sale transactions:
 - (ii) the sale of Discovery’s remaining minority interest in Top Aces Holdings Inc. and certain related claims and other assets associated with the Top Aces business (the “**Top Aces Transaction**”); and
 - (iii) the sales of Discovery’s interest in each of GSH, ATL and DMS and related claims and assets associated with each such business (collectively, the “**Northern Transactions**”) and together with the Top Aces Transaction, the “**Sale Transactions**”).
- (b) Pursuant to the SSP Order, the Monitor conducted the SSP and, upon the expiration of the relevant bid deadlines, no qualified bids other than the stalking horse Sale Transactions had been submitted in connection with any of the proposed transactions; and
- (c) On June 22, 2018, this Court granted approval and vesting orders (the “**Approval Orders**”) approving the various Sale Transactions and vesting the assets sold thereunder in the applicable buyer, in each case to be effective on the filing of a Monitor’s certificate confirming the closing had occurred.

7. On June 28, 2018, the Top Aces Transaction closed. Attached as Exhibit “__” is a copy of the Monitor’s Certificate issued evidencing the closing of the Top Aces Transaction.

8. The parties have continued to work to close the Northern Transactions. The closing of the Northern Transactions is complicated by the necessity to amend or restate the lending documents in place with the other secured lenders that have guarantees or security in place with one or more of GSH, ATL and DMS. Although I am hopeful that these transactions will be closed by the end of July, there is a possibility that the closing of the Northern Transactions will not occur until August.

TERMINATION OF THE CCAA PROCEEDINGS

9. Once the Northern Transactions are closed, there will be no further purpose for Discovery to remain in CCAA proceedings. Given the expected imminent closings of the Northern Transactions, Discovery is now seeking an order terminating these CCAA proceedings upon the filing of the Monitor's Termination Certificate confirming all remaining matters in these CCAA proceedings have been completed. At this time, I expect that the only remaining matters to be completed are (a) the closing of the Northern Transactions; (b) payments to employees under the key employee retention plan ("**KERP**"), which were approved by this Court at the initial hearing and are subject to a charge as set out in the Initial Order; (c) payment of other amounts concerning post-filing obligations of the Applicant which the Monitor may deem appropriate; and (d) payments of the final invoices of the professionals who are beneficiaries under the Administration Charge (as defined in the Initial Order).

10. In connection with the proposed termination, the requested termination order also operated to discharge KSV as Monitor and grant certain releases in favour of the Monitor and its counsel (the "**Monitor Releases**") in connection with these CCAA proceedings. Previous orders of this court have already approved the Monitor's reports and conduct set out therein up to the fifth report filed in support of this motion. I am advised by counsel that such releases in similar motions are often obtained at the end of a CCAA proceeding

STAY EXTENSION AND CASH FLOW FORECAST

11. The current Stay Period (as defined in the Initial Order) expires on July 31, 2018. Discovery is seeking an extension of the Stay Period (as defined in the Initial Order) up to the earlier of (a) the time of the filing of the Monitor's Termination Certificate; and (b) August 31,

2018. The extension of the Stay Period will allow Discovery to complete the matters remaining in these CCAA proceedings.

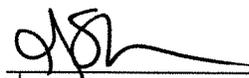
12. I believe that Discovery has been and continues to act in good faith and with due diligence in the conduct of its CCAA proceedings. I have been working with the Monitor to prepare an updated cash flow forecast that will be attached to the Monitor's report.

13. I am aware that counsel for the ad hoc committee of unsecured debentureholders plans to bring a motion on the same date as this motion (the "**Lift Stay Motion**") seeking a momentary lifting of the stay to (a) issue a statement of claim (the "**Statement of Claim**") commencing an action against, among others, Discovery and certain of Discovery's officers and directors who are beneficiaries of the stay; and (b) issuing and serving an application for a bankruptcy order (the "**Bankruptcy Application**") against Discovery. I understand that other than the limited relief set out in the Lift Stay Motion, other actions in the Statement of Claim and Bankruptcy Application will continue to be stayed until the Effective Termination Date. Discovery is not opposed to the Lift Stay Motion.

APPROVAL OF MONITOR'S REPORTS, CONDUCT AND FEES

14. I understand the Monitor's Fifth Report will contain information regarding the recent activities, fees and disbursements of the Monitor and its counsel and an estimated accrual of the fees and disbursements to be incurred by the Monitor and its counsel up to the filing of the Monitor's Termination Certificate. Discovery supports the Monitor's request for approval of such fees and disbursements and of the Monitor's Fifth Report and the conduct and activities of the Monitor detailed therein.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, this 16th
day of July, 2018.



Commissioner for taking affidavits



PAUL BERNARDS

Tab A

Court File No.: CV-18-594380-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.**

Applicant

**MONITOR'S CERTIFICATE
(Top Aces)**

This is Exhibit "A" referred to in the
affidavit of Karl Bernards
sworn before me at London
this 10th day of July, 2018
[Signature]
A Commissioner for taking Affidavits for Ontario

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 21, 2018, KSV Kofman Inc. was appointed as the monitor (the "**Monitor**") of Discovery Air Inc. (the "**Applicant**").

B. Pursuant to an Order of the Court dated June 22, 2018, the Court approved the agreement of purchase and sale made as of March 21, 2018 (the "**Sale Agreement**") between the Applicant and CEP IV Co-Investment Limited Partnership, Clairvest Equity Partners IV Limited Partnership, Clairvest Equity Partnership IV-A Limited Partnership, DA Holdings Limited Partnership and G. John Krediet (collectively, the "**Purchasers**") and provided for the vesting in the Purchasers of the Applicant's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchasers of a certificate confirming: (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchasers; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

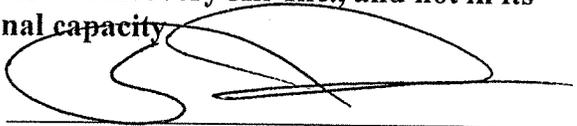
THE MONITOR CERTIFIES the following:

1. The Purchasers have paid and the Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 6 of the Sale Agreement have been satisfied or waived by the Applicant and the Purchasers; and
3. The Transaction has been completed to the satisfaction of the Monitor.

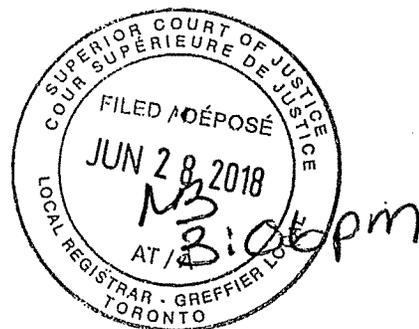
This Certificate was delivered by the Monitor at 1:00 pm on June 28, 2018.

**KSV KOFMAN INC., in its capacity as
Monitor of Discovery Air Inc., and not in its
personal capacity**

Per:


Name: DAVID SIERADZKI

Title: MANAGING DIRECTOR



**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
DISCOVERY AIR INC.**

Court File No. CV-18-594380-00CL

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MONITOR'S CERTIFICATE

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Lawyers for the Monitor

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,
AS AMENDED

Court File No.: CV-18-594380-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY
AIR INC. (the "APPLICANT")**

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

AFFIDAVIT OF PAUL BERNARDS
(SWORN JULY 16, 2018)

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Lawyers for the Applicant

Tab 3

Court File No. CV-18-594380-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	TUESDAY, THE 24 TH
)	
JUSTICE HAINEY)	DAY OF JULY, 2018

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

CCAA TERMINATION ORDER

THIS MOTION, made by Discovery Air Inc. (the “**Applicant**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an order, *inter alia*, terminating these proceedings commenced pursuant to the CCAA (the “**CCAA Proceedings**”), discharging KSV Kofman Inc. (“**KSV**”) in its capacity as monitor (the “**Monitor**”) and approving the Fifth Report (defined below), and the Monitor’s fees and disbursements described in the Kofman Affidavit and the Latham Affidavit (as both terms are defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the affidavit of Paul Bernards sworn July __, 2018, and the Exhibits thereto (the “**Bernards Affidavit**”), the Fifth Report of KSV, in its capacity as Monitor dated July __, 2018 (the “**Fifth Report**”), the affidavit of Robert Kofman, sworn July __, 2018 (the “**Kofman Affidavit**”) and the affidavit of Joseph Latham, sworn July __, 2018 (the “**Latham Affidavit**”), and on hearing the submissions of counsel for the Applicant, the Monitor, Clairvest Group Inc., the ad hoc committee of unsecured debenture

holders, and those other parties present, no one else appearing although duly served as appears from the Affidavit of Service of Katie Parent sworn July ____, 2018, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, the Fifth Report, the Kofman Affidavit and the Latham Affidavit is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF MONITOR'S REPORTS, ACTIVITIES AND FEES

2. **THIS COURT ORDERS** that the Fifth Report and the activities and conduct of the Monitor described in the Fifth Report be and are hereby approved.

3. **THIS COURT ORDERS** that the professional fees and disbursements of the Monitor as set out in the Kofman Affidavit are hereby approved.

4. **THIS COURT ORDERS** that the professional fees and disbursements of Goodmans LLP, legal counsel of the Monitor, as set out in the Latham Affidavit, are hereby approved.

5. **THIS COURT ORDERS** that the professional fees and disbursements of the Monitor and counsel to the Monitor for completion of the remaining activities in connection with the CCAA Proceedings, estimated not to exceed the Fee Accrual (as defined in the Fifth Report), are hereby authorized and approved and that no further approval of the fees and disbursements of the Monitor or its counsel is required.

TERMINATION OF THE CCAA PROCEEDINGS

6. **THIS COURT ORDERS** that effective upon the filing of a certificate of the Monitor substantially in the form attached as Schedule A hereto (the "**Monitor's Termination Certificate**") certifying that all of the remaining matters in the CCAA Proceedings as set out in the Fifth Report have been completed, the CCAA Proceedings shall be terminated without any further act or formality.

DISCHARGE OF THE MONITOR

7. **THIS COURT ORDERS AND DECLARES** that the Monitor has satisfied all of its duties and obligations pursuant to the CCAA and the Orders of this Court granted in the CCAA Proceedings.

8. **THIS COURT ORDERS AND DECLARES** that, upon the filing of the Monitor's Termination Certificate, KSV is hereby discharged as Monitor effective immediately and shall have no further duties, obligations, or responsibilities as Monitor, save and except as set out in paragraph 10 hereof.

9. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the termination of the CCAA Proceedings or the discharge of the Monitor, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor and its counsel shall continue to have the benefit of, the approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order dated March 21, 2018 (the "**Initial Order**") or any other Order of this Court in the CCAA Proceedings, all of which are expressly continued and confirmed, including in connection with any actions taken by the Monitor pursuant to this Order following the filing of the Monitor's Termination Certificate.

10. **THIS COURT ORDERS** that notwithstanding the discharge of KSV as Monitor and the termination of these CCAA Proceedings, the Monitor shall remain Monitor and have the authority to complete or address any matters that may be ancillary or incidental to the CCAA Proceedings following the filing of the Monitor's Termination Certificate, and in connection therewith: (a) KSV and its counsel shall continue to have the benefit of all approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order and all other Orders made in the CCAA Proceedings, and (b) KSV and its counsel shall be paid by the Applicant their reasonable fees and disbursements at their standard rates and charges for all activities undertaken by them pursuant to this Order following the filing of the Monitor's Termination Certificate.

RELEASES

11. **THIS COURT ORDERS** that, upon the filing of the Monitor's Termination Certificate, the Monitor, counsel to the Monitor, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and

discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the filing of the Monitor's Termination Certificate or completed pursuant to the terms of this Order in any way relating to, arising out of, or in respect of the CCAA Proceedings, the respective conduct of the Released Parties in the CCAA Proceedings, and any matter with respect to the Applicant and the Non-Applicant Subsidiaries and their respective businesses, assets and property (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liabilities in respect thereof, provided that the Released Claims shall not include any claim or liabilities arising out of any gross negligence or wilful misconduct on the part of the applicable Released Party.

12. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the CCAA Proceedings, except with prior leave of this Court on at least seven days' prior written notice to the applicable Released Parties.

COURT-ORDERED CHARGES

13. **THIS COURT ORDERS** that, upon the filing of the Monitor's Termination Certificate and subject to the payment of all obligations secured thereby, each of the Charges (as defined in the Initial Order) is discharged and released.

STAY EXTENSION

14. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) be and is hereby extended to and including the earlier of (a) filing of the Monitor's Termination Certificate; and (b) August 31, 2018.

GENERAL

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or any other jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their

respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

16. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

**SCHEDULE “A”
MONITOR’S TERMINATION CERTIFICATE**

Court File No. CV-18-594380-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF DISCOVERY AIR INC.

APPLICANT

MONITOR’S TERMINATION CERTIFICATE

RECITALS

- A. Pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 21, 2018, KSV Kofman Inc. was appointed as the Monitor of the Applicant in the within proceedings (the “**CCAA Proceedings**”).
- B. The CCAA Proceedings have been completed in accordance with the Orders of this Court and under the supervision of the Monitor.
- C. Pursuant to the Order of this Court dated July 24, 2018 (the “**CCAA Termination Order**”), the Monitor shall be discharged and these proceedings shall be terminated upon the filing of this Monitor’s Certificate with the Court.
- D. Unless otherwise indicated herein, capitalized terms used in this Monitor’s Certificate shall have the meanings given to them in the CCAA Termination Order.

THE MONITOR CERTIFIES the following:

- 1. All remaining matters in the CCAA Proceedings as set out in the Fifth Report have been completed.

ACCORDINGLY, the Monitor's Termination Certificate is filed as of the date set forth below.

DATED at Toronto, Ontario this ____ day of _____, 2018.

**KSV KOFMAN INC., in its capacity as CCAA
Monitor of Discovery Air Inc., and not in its
personal capacity**

Per: _____

Name:

Title:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: CV-18-594380-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY AIR INC. (the "APPLICANT")

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

CCAA TERMINATION ORDER

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Lawyers for the Applicant

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,
AS AMENDED**

Court File No.: CV-18-594380-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DISCOVERY
AIR INC. (the "APPLICANT")**

**ONTARIO
SUPERIOR COURT OF JUSTICE**
(Commercial List)

Proceeding commenced at Toronto

**MOTION RECORD
(CCAA TERMINATION)
(returnable July 24, 2018)**

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