

2020 01G 4793  
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR  
GENERAL DIVISION

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *International  
Interests in Mobile Equipment (Aircraft  
Equipment) Act*, S.C. 2005, c.3

BETWEEN: MNP LTD., IN ITS CAPACITY AS RECEIVER OF UNIVERSAL  
HELICOPTERS NEWFOUNDLAND AND LABRADOR LP, 70703  
NEWFOUNDLAND AND LABRADOR INC., UNIVERSAL  
HELICOPTERS HOLDINGS LP, AND 81924 NEWFOUNDLAND AND  
LABRADOR INC.

APPLICANT

AND: UNIVERSAL HELICOPTERS NEWFOUNDLAND AND LABRADOR LP,  
70703 NEWFOUNDLAND AND LABRADOR INC., UNIVERSAL  
HELICOPTERS HOLDINGS LP, AND 81924 NEWFOUNDLAND AND  
LABRADOR INC.

RESPONDENT

SUPPLEMENTAL AFFIDAVIT #6 OF J. ERIC FINDLAY

I, J. Eric Findlay, CIRP, LIT, CPA of the Town of Grand Lake, in the Province of Nova Scotia make oath and say as follows:

1. I am a Partner, Senior Vice President and Licensed Insolvency Trustee of the Applicant, MNP Ltd. ("MNP" or the "Receiver"), in its capacity as receiver of Universal Helicopters Newfoundland and Labrador LP ("UHNL LP"), 70703 Newfoundland and Labrador Inc. ("70703 NL"), 81924 Newfoundland and Labrador Inc. ("81924 NL"), and Universal Helicopters Holdings LP ("UHH LP") (collectively, "Universal Group").
2. MNP is the named Receiver for the Universal Group as well as for a group of companies related to the Universal Group, Lakelse Helicopters Limited Partnership, ("Lakelse LP"), Lakelse Air Ltd. ("Lakelse Air"), 1167537 B.C. Ltd. ("1167537 BC") (collectively, the "Lakelse Group") appointed under instrument, in both instances, by the Canadian Western Bank ("CWB") effective May 27, 2020 pursuant to the *Personal Property Security Act*, R.S.B.C. 1996, c.359, the *Personal Property*

*Security Act, S.N.L. 1998 Ch. P-7.1, and the International Interests in Mobile Equipment (Aircraft Equipment) Act, S.C. 2005, c.3.* As such I have personal knowledge of the matters deposed to herein except as otherwise stated to be based upon information and belief.

3. I am duly authorized to make this Affidavit on behalf of MNP.
4. I swore an Affidavit in relation to these matters on January 22, 2021 (the "Initial Affidavit #6"). I now have additional information in relation to the matters contained within the Amended Motion that I set out in this Supplemental Affidavit #6. I use the same abbreviations and defined terms herein as used in the Initial Affidavit #6 and Originating Application, as amended.

#### **PURCHASE AND SALE AGREEMENTS**

5. MNP has received an offer to purchase one (1) additional helicopter owned by the 70703 Partners as follows:

<b>Make:</b>	<b>Model:</b>	<b>Year</b>	<b>Serial No:</b>	<b>Registration:</b>	<b>Location:</b>
Bell	Textron 407	1997	53130	C-GOLF	Terrace, BC

6. MNP has negotiated and signed one (1) additional Purchase Agreement and has received a deposit from the purchaser. The Purchase Agreement requires the full purchase price, net of the deposit, to be paid on closing and provide that the helicopter is being sold on an "as is, where is" basis. The sale transaction set out in the Purchase Agreement is scheduled to close 31 days after a Court Order approving the sale is granted.
7. The Purchase Agreement contains similar terms, except for the purchase price and those further terms negotiated by the Purchasers for their individual circumstance, as those aircraft sales described in Affidavits #6 and 7 of J. Eric Findlay and subject to the Amended Motion as filed. An un-redacted copy of the Purchase Agreement is attached as Exhibit A to Affidavit #8 of J. Eric Findlay.
8. The Cape Town Convention requires that interested persons be given reasonable notice of any proposed sale of the Universal Helicopters. The Aircraft Protocol provides that ten or more working days notice satisfies the requirement for reasonable notice under the Cape Town Convention.

9. The Cape Town Convention provides for a Court Order with respect to the sale of aircraft. MNP is seeking an Order because the Purchase Agreement requires that the Receiver warrant that the aircraft will be delivered free and clear of any and all encumbrances. Further, the Purchase Agreement is conditional upon obtaining Court approval.
10. CWB has expressed to MNP its support for the proposed sale of the one (1) additional helicopter pursuant to the Purchase Agreement. This is the final aircraft in the Universal Helicopter fleet to be sold.
11. MNP also intends to make the Motion herein available to creditors by posting a copy to the website maintained by MNP for the receivership of the Universal Group and Lakelse Group. MNP also intends to serve a copy of the Motion on the Federal Crown.
12. It is anticipated that within 30 days following closing of the sale transaction set out in the Purchase Agreement, all the obligations incurred in connection with the one (1) additional helicopter and the sale transaction will be reconciled and paid. Ultimately it is intended that the proceeds will be applied in payment of the WEPP claims, and then in accordance with the Intercreditor Agreements.
13. In general terms, the Intercreditor Agreements provides for payment of MNP's fees and disbursements, then payment to CWB in respect of the realization of the Universal Helicopters and Rotables, together with all attachments, spare parts, replacements, substitutions, exchanges, trade-ins, accessories and accessions

#### **RECOMMENDATION**

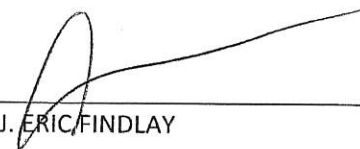
14. I do verily believe that:
  - a. Sufficient effort has been made to obtain the best price for the one (1) additional helicopter subject to Purchase Agreement. The offer accepted by MNP are the highest offers received;
  - b. The interests of all parties have been considered and that approval of the proposed sales is in the best interest of all interested parties. Approval of the sale would minimize the costs associated with storing the aircraft, which would provide a larger return to creditors; and

- c. The offers were obtained through a fair and integrous sales process.

**EXECUTED** at the City of Dartmouth, in the Province of Nova Scotia, and **SWORN BEFORE ME** through to the use of audio-visual technology in accordance with the *Temporary Alternate Witnessing of Documents Act*, SNL 2020 Chapter T-4.001 on February 1, 2021.



Sean Pittman  
Barrister-NL



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J. ERIC FINDLAY