

**CARNIVAL NATIONAL LEASING LIMITED AND
CARNIVAL AUTOMOBILES LIMITED
SECOND REPORT OF THE RECEIVER**

July 12, 2011

Court File No. CV-10-9029-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

BANK OF MONTREAL

Applicant

-AND-

CARNIVAL NATIONAL LEASING LIMITED AND
CARNIVAL AUTOMOBILES LIMITED

Respondents

**SECOND REPORT OF PRICEWATERHOUSECOOPERS INC. IN ITS CAPACITY AS
COURT-APPOINTED RECEIVER OF THE PROPERTY, ASSETS AND
UNDERTAKING OF CARNIVAL NATIONAL LEASING LIMITED AND CARNIVAL
AUTOMOBILES LIMITED**

July 12, 2011

INDEX

I. INTRODUCTION.....- 2 -

II. PURPOSE OF THIS REPORT- 3 -

III. RECEIVER'S ACTIVITIES SINCE THE FIRST REPORT- 5 -

IV. EMPLOYEES- 8 -

V. VEHICLE INVENTORY SALES- 9 -

VI. LEASE PORTFOLIO REALIZATION UPDATE.....- 11 -

VII. PROPOSED ADMINISTRATOR.....- 14 -

VIII. PROPOSED DISTRIBUTIONS TO THE BANKS- 15 -

IX. RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS- 16 -

X. OCCUPATION- 21 -

XI. CONCLUSION AND RECOMMENDATION- 21 -

I. INTRODUCTION

1. This report is the Receiver's second report (the "**Second Report**") to the Ontario Superior Court of Justice (Commercial List) (the "**Court**").
2. Pursuant to a Notice of Application issued by the Court on December 16, 2010, Bank of Montreal ("**BMO**"), a secured creditor, brought an application for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing PricewaterhouseCoopers Inc. as receiver of all the property, assets and undertaking of Carnival National Leasing Limited ("**CNLL**") and Carnival Automobiles Limited ("**CAL**", and together with CNLL, "**Carnival**" or the "**Company**"). The application was heard on February 11, 2011 and was opposed by Carnival.
3. By order of Justice Newbould dated February 15, 2011 (the "**Receivership Order**"), PricewaterhouseCoopers Inc. was appointed as receiver (the "**Receiver**") without security, of all the property, assets and undertaking of Carnival. A copy of the Receivership Order is attached hereto as **Appendix "A"**.
4. The Royal Bank of Canada ("**RBC**") is also a secured creditor of Carnival and consented to the appointment of the Receiver. BMO and RBC (together, the "**Banks**") are the two senior secured creditors of Carnival. The Enquiry Response Certificate issued under the *Personal Property Security Act* (the "**PPSA**") in respect of CNLL as at February 15, 2011, shows a registration in favour of Deerhorn Family Holdings Inc. ("**Deerhorn**"), a corporation related to the Company's principal, Mr. David Hirsh, which the Receiver

understands has subordinated its security interests to the security in favour of the Banks, and a number of third-party registrations against particular Carnival vehicles, principally under the *Repair and Storage Liens Act* (“**RSLA**”).

5. This Second Report should be read in conjunction with the Receiver’s first report dated April 15, 2011 (the “**First Report**”). A copy of the First Report without exhibits is attached hereto as **Appendix “B”**.

II. PURPOSE OF THIS REPORT

6. The purpose of this Second Report, is to:
 - (a) Report on the activities of the Receiver since its First Report;
 - (b) Report on the employees of Carnival that have been terminated, those that have resigned, and those that remain employees during the Receivership; and the Receiver’s activities in relation to the *Wage Earner Protection Program Act* (“**WEPPA**”);
 - (c) Report on the approved “Vehicle Inventory Sale” (as defined in the First Report) and other third party vehicle sales;
 - (d) Recommend that this Honourable Court approve the Receiver’s proposed distribution process in respect of net proceeds received to date and received in the future from the Vehicle Inventory Sales and other third party vehicle sales made by the Receiver in respect of Carnival vehicles which have been financed by either BMO or RBC;

- (e) Report on the Receiver's sales process for marketing and disposing of Carnival's portfolios of "Performing Leases" and "Delinquent Leases" as defined in the First Report (collectively, the "**Portfolio**"), and as approved by the Order of Justice Marrocco dated April 21, 2011 (the "**Second Order**"), a copy of which is attached hereto as **Appendix "C"**;
- (f) Recommend that this Honourable Court (i) authorize the Receiver to enter into a Portfolio Administration Agreement (the "**PAA**") with Autobank Inc. and certain Affiliates (together, the "**Administrator**") to administer the wind-down of Carnival's vehicle inventory and Portfolio on behalf of the Receiver, as described in section VII of this Report; (ii) approve the PAA; and (iii) seal the unredacted PAA filed in the Confidential Supplement hereto, pending further order of the Court;
- (g) Report on the Receiver's statement of receipts and disbursements for the period from February 15, 2011 to June 24, 2011;
- (h) Recommend that this Honourable Court approve the fees and disbursements of the Receiver and its counsel, as set out in this Second Report and the Fees Affidavits attached hereto as **Appendix "D"**; and
- (i) Request the approval of the activities of the Receiver as set out in this Second Report and the approval of the Second Report itself.

III. RECEIVER'S ACTIVITIES

7. On February 15, 2011, Justice Newbould released his decision in the BMO receivership application, granting the BMO application for an order for the appointment of the Receiver. On the morning of February 16, 2011, counsel to BMO, RBC and the Receiver's counsel attended before Justice Newbould to have the Receivership Order signed and issued. Though the Receivership Order was dated February 15, 2011 by Justice Newbould, it was signed by him and issued by the Commercial List Court office on February 16, 2011.
8. Immediately upon the issuance of the Receivership Order, the Receiver attended at the Premises in order to take possession and secure the Company assets and files located therein.
9. On April 15, 2011, the Receiver prepared its First Report to the Court to: (i) report on the activities of the Receiver since its appointment on February 15, 2011; (ii) recommend the Court approve the proposed sale of approximately 90 vehicles currently in the possession of the Receiver by way of public auction; (iii) recommend that the Court approve the Receiver's proposed sales process for the Carnival portfolio of "Performing Leases"; (iv) report on the Receiver's proposed process for marketing and disposing of Carnival's portfolio of "Delinquent Leases"; (v) report on the security opinions on the Banks' security; (vi) recommend that the Court approve the Receiver's proposed distribution process in respect of ordinary course lease and residual payments collected by the Receiver; (vii) recommend that the Court authorize the Receiver (or its counsel) to

examine under oath any persons who may have knowledge of the property, assets or undertaking of the company; (viii) recommend that the Court authorize the Receiver to continue to occupy the Carnival premises to August 15, 2011; and (ix) request the approval of the activities of the Receiver.

10. On April 21, 2011, Justice Marrocco issued the Second Order, approving the Receiver's recommendations and approving the activities and conduct of the Receiver and the Receiver's First Report;
11. To inform and update creditors and other stakeholders, the Receiver has to date posted the BMO Application Record, the Receivership Order, the First Report, the Second Order and other general information on these proceedings on the Receiver's website at www.pwc.com/car-carnivalleasing. The Receiver has also identified on its website a point of contact at PwC for any enquiries, including a telephone number and email address.
12. The Receiver continues managing its accounting records in such a manner so as to permit tracking of accounts receivable, vehicle proceeds and lease payments and other funds received, on a lease by lease basis and vehicle by vehicle basis, to the extent the Carnival, BMO and RBC records permit, in accordance with paragraph 3(o) of the Receivership Order ("**Vehicle Accounting**").
13. The Receiver's activities since its First Report include:
 - (a) Coordinating and attending the vehicle auction which was held at the Markham Fairgrounds on May 1, 2011 and assisting in the processing of approximately 98 vehicle transfers;

- (b) Processing approximately 122 early/lease-end vehicle buy-outs by lessees, and realizing upon approximately 48 other vehicles by way of private sale, consistent with the ordinary course of the Company's business in accordance with paragraph 3(c) of the Receivership Order;
- (c) Discharging Carnival PPSA registrations against vehicles which have been sold to lessees or third parties;
- (d) Numerous discussions and correspondence with defaulting lessees and/or their lawyers with respect to the payment of outstanding amounts and/or the repossession of leased vehicles;
- (e) Working with bailiffs to organize and facilitate the retrieval of approximately 56 vehicles from defaulting lessees, repair shops, vehicle dealers and third party storage facilities across the GTA and the surrounding regions;
- (f) Arranging for the payment of rent to Deerhorn;
- (g) Arranging for the payment of Ordinary Course Distributions to the Banks, as defined in the First Report;
- (h) Maintaining security services on the Premises seven days a week, 24 hours a day;
- (i) Managing the sales and solicitation process of the Performing Leases and Delinquent Leases (as defined in the First Report) including but not limited to facilitating information flow to prospective purchasers and administrators related to their due diligence phases, evaluating the Performing Leases and Delinquent Leases, and analyzing offers received.

- (j) Dealing with termination of occupancy of a third-party lease broker who sub-let space from Carnival;
- (k) Dealing with various insurance companies and adjusters relating to unresolved vehicle claims of Carnival and new claims being submitted by the Receiver;
- (l) Maintaining appropriate staff level of employees and contractors in order to facilitate the operations of the receivership;
- (m) Regular update calls with the Banks and discussions with the Company's principal, Mr. David Hirsh, to solicit information from him as to the status of certain vehicles, leases and to update him on the status of the receivership;
- (n) Preparing and filing of Carnival's tax return for 2010;
- (o) Updating of a master vehicle inventory schedule;
- (p) Updating of a master lease schedule for all active, expired and delinquent leases, and residual guarantee claims thereunder; and
- (q) Updating of a master accounts receivable schedule that captures all leases, outstanding payments and payments received.

IV. EMPLOYEES

14. As described in the First Report, the employment by Carnival of five Retained Employees was continued by the Receiver, in order to assist the Receiver with taking possession of the Vehicle Inventory and management of the leasing portfolio. Since the date of the First Report, the employment of two of the Retained Employees has ended;

one resigned and the other employee's contract was terminated by the Receiver on behalf of Carnival. As a result, the Receiver has engaged the services of three additional contract employees (the "**Contract Employees**") at various times, in order to assist the Receiver with the conduct of the receivership, and in particular, to administer the Portfolio. As at the date of the Second Report, three Retained Employees and one Contract Employee remain engaged. In addition, the Receiver engaged the services of Mr. Hirsh on an hourly term and task basis. Mr Hirsh has expended approximately 70 hours to date providing services to the Receiver.

15. The Receiver has completed the calculation of amounts that the two Former Employees are entitled to pursuant to, and as required by WEPPA, according to information available to the Receiver from the Company's books and records. To date, only one of the Former Employees submitted a WEPPA claim in the amount of \$2,025.
16. The Receiver is in the process of completing the calculation of amounts that the Retained Employees are entitled to, pursuant to WEPPA, and will complete the same process it undertook in respect of the Former Employees, as soon as it can practicably do so.
17. As at the date of this Second Report, the Receiver has calculated the secured claims pursuant to section 81.4 of the BIA (the "**81.4 Claims**") which amount to \$1,103 for the Former Employees. Of this amount, \$665 has already been paid to one Former Employee. It is the intention of the Receiver to pay the remaining amount in due time.

V. **VEHICLE INVENTORY SALES**

18. Asset Engineering (the "**Auctioneer**"), the Receiver's agent, held a public vehicle auction on May 1, 2011 at Markham Fairgrounds. The auction included 100 vehicles,

including; cars, motorcycles and SUVs that ranged widely in condition and value (the “**Vehicles**”). Ninety-eight (98) of these vehicles were sold for aggregate gross proceeds of \$2,375,562. Credit card charges of \$23,906 and commissions of \$88,973 were subsequently deducted from the gross proceeds by the Auctioneer, resulting in net proceeds to the Receiver of \$2,262,683. HST on the sale of these Vehicles, as per the auction agreement dated April 15, 2011, will be remitted by the Auctioneer on the Receiver’s behalf. The remaining two unsold vehicles were returned to the Premises. One vehicle was subsequently sold by the Receiver through a private sale, and the other remains in inventory to be sold in the near future through a private sale to a third party.

19. In addition to the sale of the Vehicle Inventory at auction, the Receiver has also processed and sold 48 Carnival vehicles through private sales to third parties (collectively, the “**Third Party Sales**”). For each Third Party Sale of a vehicle, the Receiver assessed the commercial reasonableness of the offer ultimately accepted by it by comparison to automotive industry publications (e.g. Black Book) and by comparison to other offers received (if any) on the vehicle sold.
20. The Receiver is currently in possession of approximately 19 vehicles which are located on the Premises. The Receiver plans to sell these vehicles to third parties, or allow the Administrator to sell them. These vehicles do not include vehicles which are located at mechanic shops, in possession of the Ontario Provincial Police Proceeds of Crime Unit, still with defaulted lessees, or held by other third parties (“**Held Vehicles**”). The Receiver will seek the release of the Held Vehicles in one or more subsequent motions.

VI. LEASE PORTFOLIO REALIZATION UPDATE

21. In an effort to maximize value and streamline the due diligence process, the Carnival lease Portfolio was segregated by the Receiver into two components, the Performing Leases and the Delinquent Leases.
22. Following the April 21, 2011 Court approval of the proposed Portfolio sale and solicitation process (the “**Sales Process**”), the Receiver commenced its efforts to contact qualified purchasers and administrators, initially in respect of the portfolio of Performing Leases. The Receiver contacted 117 parties, and ultimately, 74 general information packages were distributed to the parties who expressed interest in the Performing Leases. Detailed information on the Performing Leases was provided to 28 parties who executed confidentiality agreements with the Receiver.
23. By May 9, 2011, the Receiver received 12 letters of intent (the “**LOIs**”) from interested parties. These parties were asked by the Receiver to submit their proposals in one or both of the following formats:
 - (a) Portfolio Purchase: An offer to purchase the Performing Leases at a given price (the “**Portfolio Purchase**”); and/or
 - (b) Portfolio Administration: For a set monthly fee per lease and certain other costs, the counterparty would administer the Performing Leases on behalf of the Receiver (the “**Portfolio Administration**”).

24. The Receiver obtained seven Portfolio Purchase offers which ranged in value from \$2.3 million to \$12.8 million respectively. The quality of the offers received mirrored the level of due diligence performed by the prospective purchasers, with the highest bidders generally having performing the least due diligence, and including the greatest number of conditions to their offers. As a result, there was a high probability that after conducting further due diligence (i.e., conditions of vehicles, creditworthiness of existing leases), the higher-end offers would decrease in value significantly.
25. The Receiver obtained eight Portfolio Administration offers from various parties. Based on the Receiver's analysis of these offers, the estimated administrator fees to wind down the Lease Portfolio ranged from \$0.2 million to \$1.8 million with a similarly wide range of additional conditions and other financial terms, including, *inter alia*, costs of current Carnival employees, out of pocket cost reimbursement, and cost per lease management fees.
26. The Receiver was informed by Mr. Hirsh that he intended to bring forward an offer to administer the Portfolio; however Mr. Hirsh subsequently advised that he would not be submitting such an offer.
27. Upon a detailed review of the various offers, the Receiver continued a limited dual track discussion and due diligence process with two Portfolio Purchase parties and four Portfolio Administration parties (collectively the six "**Portfolio Bidders**"). The Portfolio Bidders were given further time to continue discussions and conduct some additional due diligence in order to finalize their respective Portfolio Purchase offers or Portfolio Administration offers.

28. During the additional due diligence period, the Portfolio Bidders expressed interest in reviewing the Delinquent Leases and asked to expand the scope of their current offers to include the additional portfolio of Delinquent Leases. The Receiver provided the Delinquent Lease portfolio information to the requesting parties and proceeded with the Sales Process for the collective Lease Portfolio.
29. As noted in the First Report, the Receiver did not initially intend to run an additional sales and marketing process for the Delinquent and/or Rehabilitated Leases. The fact that the Portfolio Bidders expressed credible interest in the Performing Portfolio, and already had an understanding of the portfolio, accounting, and books and records of Carnival, it was recommended by the Receiver to expand the due diligence with the Portfolio Bidders in order to facilitate the asset realization and reduce the Receivership expenses of running an additional sales process at a later point in time. The implications of the expansion of the due diligence process with the Portfolio Bidders was discussed with BMO and RBC prior to expanding the process, and both Banks approved the Receiver's recommendation.
30. On completion of this second phase of due diligence, one of the prospective Portfolio Purchase parties and one of the prospective Portfolio Administration parties informed the Receiver that they were no longer interested in the Lease Portfolio and they ended their due diligence procedures.
31. Ultimately, the Receiver did receive an oral Portfolio Purchase offer and three written Portfolio Administration offers for the entire Portfolio.

32. The Receiver performed a detailed analysis of potential realizations under the Portfolio Purchase offer and the Portfolio Administration offers received. This detailed analysis was shared with BMO, RBC and Mr. Hirsh and discussed with them at length.
33. Upon completion of the Receiver's review of the Purchase and Administration offers, and an analysis of these offers against certain variables (i.e., default rates), the Receiver recommended to BMO, RBC and Mr. Hirsh that Portfolio Administration is the preferred route for maximizing realizations on the Portfolio. BMO, RBC and Mr. Hirsh advised the Receiver that they agreed with this recommendation and requested that the Receiver move forward with negotiating an agreement with the entity selected as the Administrator.

VII. PROPOSED ADMINISTRATOR

34. The Receiver and Administrator have, subject to the approval of this Honourable Court finalized the terms of a Portfolio Administration Agreement (the "PAA") which defines the relationship between the Receiver and Administrator and sets out the terms upon which the Administrator will wind down the remaining Portfolio on behalf of the Receiver. A redacted copy of the PAA is attached hereto as **Appendix "E"**. A complete copy of the PAA has been filed separately with the Court as **Confidential Appendix "E"** to this Second Report, subject to a request for a sealing Order, in order to protect the privacy concerns of persons listed in the Schedules to the PAA and other sensitive commercial information in the PAA.
35. The Receiver has performed due diligence on the Administrator parties, including a review of the their financial statements, experience in the consumer lending business,

success in administering other lease portfolios, and the business experience of the principals associated with the Administrator.

36. Subject to the approval of the Court, the Receiver expects the Administrator to commence their activities on or about July 22, 2011. The Administrator has expressed their interest in occupying the Premises until August 15, 2011 in order to facilitate a smooth transition, as well as to provide time to relocate operations to a new premise. It is expected that the Receiver will also continue to occupy the Premises until August 15, 2011 in order to bring the Administrator up-to-date on current transactions and issues, and to facilitate the transition of the Portfolio.
37. The Administrator has expressed interest in engaging the services of some or all of the Retained Employees as they have knowledge of the business operations and customer history which will be beneficial in realizing on the accounts. The costs related to these employees will be assumed by the Proposed Administrator.

VIII. PROPOSED DISTRIBUTIONS TO THE BANKS

38. The Receiver has collected proceeds from the sale of 146 vehicles through Third Party Sales (98 sold at auction for approximately \$2.3 million; 48 sold privately for \$0.4 million), herein defined as “**Non-Ordinary Course Receipts**”. A substantial proportion of the vehicles (and associated leases) in respect of which Non-Ordinary Course Receipts are being collected by the Receiver have been financed by either BMO or RBC (“**Bank Financed Lease**”). The Receiver is duly tracking all Non-Ordinary Course Receipts in accordance with the Receiver’s Vehicle Accounting methodology, as defined in the First

Report. All Non-Ordinary Course Receipts and other recoveries and collections by the Receiver which are not associated with a Bank Financed Lease, are being held by the Receiver for future resolution and distribution.

39. The Receiver recommends that, subject to the availability of cash on hand at the time of distribution, it be authorized by the Court to distribute to BMO and RBC, as applicable, on an ongoing basis during the course of the receivership the lesser of: (i) the Non-Ordinary Course Receipts collected by the Receiver in respect of a Bank Financed Lease; and (ii) the remaining financing amount outstanding in respect of a Bank Financed Lease, subject to any disputes with lessees and or the Banks, which will be held back by the Receiver pending resolution or order of the Court (collectively the “**Non-Ordinary Course Distributions**”).

40. The Receiver proposes to continue the Non-Ordinary Course Distributions, along with the Ordinary Course Distributions (as defined in the First Report) (collectively, the “**Distributions**”), in respect of Bank Financed Leases throughout the continued administration of the receivership and proposed Portfolio administration.

41. The Receiver’s realizations under the prospective PAA and Distributions to the Banks will continue to be tracked and discussed with the Banks in accordance with the Receiver’s Vehicle Accounting methodology.

IX. RECEIVER’S STATEMENT OF RECEIPTS AND DISBURSEMENTS

42. The Receiver’s statement of cash receipts and disbursements for the period February 15, 2011 to June 24, 2011 is found below:

STATEMENT OF RECEIPTS AND DISBURSEMENTS	
For the period from February 15, 2011 to June 24, 2011	
	Canadian \$
Receipts (Note 1)	
Monthly Lease Rental (net of NSF's)	2,466,956
Residuals and Early Buyouts	1,160,581
Net Insurance Settlements	226,052
Third Party Sales	2,696,005
Other Recoveries	163,321
Total Receipts	6,712,915
Disbursements:	
Pre-Receivership Charges	5,898
Professional Fees	1,202,192
Overhead and Operating Expenses	379,298
Salaries, Commissions and Benefits	123,435
Security Costs	70,540
HST Payments	170,473
Total Disbursements	1,951,836
Excess of Receipts over Disbursements	4,761,079
Cash Collateral	162,361
Cash on Hand	4,923,440
Ordinary Course Distributions	1,367,081
Proposed Non-Ordinary Course Distributions	2,198,481
Estimated Cash Available after Proposed Distributions	1,357,878

Note 1: Total receipts are inclusive of all monies received from customers including vehicle registration fees and applicable taxes.

43. The Receiver continues to collect monies related to current and past due monthly lease payments from lessees in normal course. All receipts collected, and proceeds of realization generated by the Receiver are tracked in accordance with the Receiver's Vehicle Accounting methodology, where Carnival's or the Banks' records enable the Receiver to do so.

44. Distributions to the Banks are being made in accordance with the Second Order and the Cooperation Agreement between the Banks that was filed with the Court and referred to in paragraph 31 of the Receivership Order (the "Cooperation Agreement").

Distributions are made from the (gross) amount of the Ordinary Course Receipts and the Non-Ordinary Course Receipts on account of Bank Financed Leases, without deduction in respect of the Receiver's Disbursements as set out above. The Banks and the Receiver have agreed to a "truing up" at a later date of Distributions received and responsibility for payment of the costs of the receivership as between the Banks, based on the terms of the Cooperation Agreement.

45. The Receiver has processed 122 residual & early vehicle buyouts for aggregate proceeds of \$1,160,581 by Carnival lessees or purchasers which the lessees' have brought forward to Carnival. These sales are not accounted for as Third Party Sales as the sale to a third party was initiated by the lessee, and not by the Receiver.
46. The Receiver has received nine insurance settlements on vehicles which were either stolen or in car accidents, for gross proceeds of \$250,515. Of this amount, \$24,463 represents amounts received which were in excess of the amounts owed to Carnival. This excess has been refunded to the original lessee in accordance with the terms and conditions of the applicable Carnival lease agreement.
47. The Receiver has administered 146 Third Party Sales since the date of its appointment for aggregate net proceeds of \$2,696,005.
48. The Receiver has realized on several past due accounts, some of which are no longer associated with a specific lease or vehicle, in the amount of \$163,321.
49. The pre-receivership charges of \$5,898 include certain mechanic, legal, and employee costs which the Receiver allowed payment for as it was determined that these costs would

- inevitably have been payable by the Receiver during the receivership in order to facilitate asset recoveries.
50. Overhead and operating costs during the receivership include mechanic charges to release certain vehicle liens, computer costs, license registration costs, credit card fees, rent, utilities, and monthly service charges to maintain certain regulatory registrations such as PPSA Canada Inc. and CarProof. Of the total overhead and operating expenses paid to June 24, 2011, \$277,342 of these charges relate to specific leases for mechanic charges, towing, legal costs incurred to obtain judgement against lessees (non-Receiver legal counsel), etc. which were reviewed by the Receiver and Retained Employees for completion and reasonableness. These costs will be charged back to the lessee's account for reimbursement in accordance with the terms of the lease.
 51. Salaries, commissions, and benefits of \$123,435 include all payments made to the Former Employees, Retained Employees, and New Employees, including gross stay bonuses of \$18,750, and net of relevant source deductions.
 52. The Receiver maintains security services on the Premises seven days a week, 24 hours a day. The costs associated with such services amounts to \$70,540 as of May 31, 2011.
 53. The Receiver has remitted \$170,473 in HST based on actual amounts collected from the date of its appointment to April 30, 2011. HST on the sale of the vehicles sold at auction will be remitted by the Auctioneer on the Receiver's behalf.
 54. The Receiver's professional fees incurred for services rendered from February 15, 2011 to June 17, 2011 at the Receiver's standard rates, total \$1,109,127.50 (made up of a priority amount of \$878,012.00 and a postponed fee amount of \$231,115.50) , plus

disbursements in the amount of \$60,821.91 and HST in the amount of \$152,093.48. The time spent by its professionals is described in the affidavit of Paul van Eyk (the "**van Eyk Affidavit**") attached at Appendix "D".

55. The fees of Fasken Martineau DuMoulin LLP ("Fasken's"), February 15, 2011 to June 17, 2011 at the Fasken's standard rates, total \$221,870.21 (made up of a priority amount of \$149,858.60 and a postponed fee amount of \$72,011.61), plus disbursements in the amount of \$3,761.26 and HST in the amount of \$29,251.11. The time spent by Faskens professionals is described in the affidavit of Edmond Lamek (the "**Lamek Affidavit**") attached at Appendix "D".
56. Pursuant to paragraph 23 of the Receivership Order, the Receiver and its counsel have maintained a Postponed Fee Reserve (as defined in the Receivership Order). The Receiver's Postponed Fee Reserve totals \$274,218 as of June 17, 2011, and the Faskens Postponed Fee Reserve totals \$81,373 as of June 17, 2011.
57. The Receiver controls a cash collateral account ("**Cash Collateral Account**") located at BMO which contained the amount of \$225,609 on the date of the receivership, which was deposited by Carnival as security for two standby letters of credit issued by BMO in favour of the Town of Aurora which total \$224,908 ("**Letters of Credit**"). The Letters of Credit secured the obligation of a numbered company which has since amalgamated into CNLL, to complete certain outstanding works relating to the municipal assumption of a subdivision development located in the Town of Aurora, Lot 79, concession 1. A drawdown of \$63,248 was made on the Letters of Credit by the Town of Aurora during the receivership. The Receiver consented to the withdrawal by BMO of the sum of \$63,248 from the Cash Collateral Account.

X. OCCUPATION

58. Pursuant to paragraph 13 of the Second Order, the Receiver was granted access to the Premises to August 15, 2011. The Receiver intends to occupy the Premises until such date in order to facilitate the transfer of the Portfolio to the Administrator. The large volume of leasing files on-site at the Premises will be transitioned to the Administrator or transferred to storage as appropriate.
59. The Receiver continues to pay all rent and associated occupation costs to Deerhorn, the landlord. The Receiver has advised Deerhorn (through Mr. Hirsh) and the Banks that it intends to terminate its occupancy of the Premises on August 15, 2011.

XI. CONCLUSION AND RECOMMENDATION

60. The Receiver respectfully requests that this Court grant an order which provides for the following:
- (a) Approval of the Receiver's activities to date;
 - (b) Approval of the Second Report of the Receiver;
 - (c) Approval of, and authorizing the Receiver to enter into the PAA;
 - (d) Authorization for the Receiver to effect ongoing Non-Ordinary Course Distributions to the Banks;

- (e) Approval of the Receiver's statement of receipts and disbursements; and
- (f) Approval of the Receiver's and Fasken's fees and disbursements.

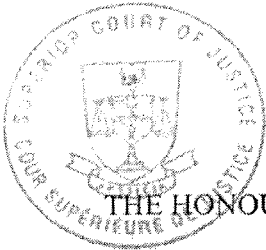
Dated the 12th day of July, 2011.

RESPECTFULLY SUBMITTED,



Paul van Eyk, CA.CIRP, CA.IFA
Senior Vice President

PricewaterhouseCoopers Inc.
In its capacity as Receiver of
the property, assets and undertaking of
Carnival National Leasing Limited and
Carnival Automobiles Limited



ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)

JUSTICE NEWBOULD)

Tuesday 15th NB
~~FRIDAY~~, THE 11th

DAY OF FEBRUARY, 2011

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

CARNIVAL NATIONAL LEASING LIMITED AND
CARNIVAL AUTOMOBILES LIMITED

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, s. 101 of the *Courts of Justice Act*, R.S.O., 1990, c. C-43 and Rule of 14.05(2) and (3) (d), (g) and (h) of the Rules of Civil Procedure

ORDER

THIS APPLICATION made by the Applicant, Bank of Montreal ("BMO" or the "Applicant") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing PricewaterhouseCoopers Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Carnival National Leasing Limited and Carnival Automobiles Limited (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Paul Findlay sworn December 17, 2010 and the Exhibits thereto, the affidavit of David Hirsh sworn December 21, 2010 and the exhibits attached thereto, the Reply Affidavit of Paul Findlay, sworn January 14, 2011 and the exhibits attached hereto, the supplementary affidavit of David Hirsh, sworn February 8, 2011, and the exhibits attached thereto, and on hearing the submissions of counsel for the Applicant, the Debtor, and counsel for Royal Bank of Canada ("RBC") and being advised by counsel for RBC that RBC consents to the appointment of PricewaterhouseCoopers Inc. as Receiver and on reading the consent of PricewaterhouseCoopers Inc. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, PricewaterhouseCoopers Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties, of the Debtor, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of

physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

(j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(l) to sell, convey, transfer, lease or assign vehicles included in the Property through a wholesale vehicle auction or auctions, without the approval of this Court;

(m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(n) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(o) to separately account, to the extent that the Records (as defined below), including the Records of BMO and RBC permit such an accounting, for all accounts receivable, lease or rental payments made by lessees of vehicles included in the Property (the "Vehicles") and all proceeds collected and realized on the Vehicles on a lease by lease, vehicle by vehicle basis (the "Vehicles Accounting");

(p) to provide periodic reports simultaneously to BMO, the Debtor and to RBC with respect to the Vehicles Accounting;

(q) in addition to subparagraph 3(p) above, to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(r) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(s) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(t) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(u) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;

(v) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and

(w) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that the mandate of the Receiver as prescribed in this Order shall not include the power or the authority to investigate (i) any payments received and deposited by the Debtor in accounts maintained with BMO or any application of those payments and/or (ii) any payments made from any accounts maintained by the Debtor with BMO or received by either BMO or RBC, up to and including the date of this Order.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate

access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. THIS COURT ORDERS that with respect to the premises located at 79 Martin Ross Avenue, Toronto, Ontario (the "**Premises**") owned by Deerhorn Properties Inc. ("**Deerhorn**") and leased by the Debtor, the Receiver shall be entitled to occupy the Premises for a period of at least ninety (90) days after its appointment herein, provided that the Receiver shall pay all rent accruing due during the term of the Receiver's occupation associated with the lease of the Premises by the Debtor, in accordance with the terms of such lease, and to the extent that such rent payments do not include utilities and taxes, the Receiver shall pay such amounts and all other costs incidental to the occupation and maintenance of the Premises during the term of the Receiver's occupancy. Notwithstanding anything else contained herein, nothing contained in this Order shall effect in any manner the rights of RBC as mortgagee of the Premises occupied by the Debtor.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in

respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, real property lease, vehicle lease, equipment lease or personal property lease, or licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that, subject to paragraph 15 herein, all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether

in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms the Cooperation Agreement (as defined below) and this Order or any further Order of this Court.

PROCEEDS OF REALIZATIONS BY THE RECEIVER

15. THIS COURT ORDERS that (i) all actual lease or rental payments made by a lessee and received by the Receiver, including any catch-up lease payments, lease buy-out payments, insurance payments to pay out a particular lease and any amounts due or owing upon the termination of a particular lease in respect of Vehicles currently financed by either BMO or by RBC or at any time financed by RBC (collectively, the "**Lease Payments**") and (ii) any and all proceeds received by the Receiver from the sale, assignment, re-lease or any other disposition or dealings with any of the Vehicles, including any insurance proceeds, not included in Lease Payments, in respect of (a) Vehicles currently or at any time financed by RBC; or (b) currently subject to financing provided by both BMO and RBC, net of the amount of the Lease Payments (collectively the "**Disputed Proceeds**") received by the Receiver in respect of or relating to the Vehicles, shall be received and paid by the Receiver in accordance with paragraph 16 of this Order.

16. THIS COURT ORDERS AND DIRECTS that the Receiver shall collect, account and, subject to obtaining legal opinions from its counsel as to the validity and enforceability of the security interests of BMO and RBC, pay the Lease Payments and the Disputed Proceeds as follows:

- (a) with respect to monthly lease payments payable by the Debtor to each of BMO and RBC, the Receiver shall pay to BMO and RBC as applicable, the lesser of (i) the monthly payment payable by the Debtor under the current lease financing with BMO or RBC, as the case may be, and (ii) the Lease Payments; and

(b) with respect to the Disputed Proceeds, the Disputed Proceeds shall be deposited into the Post Receivership Accounts and shall be paid to BMO or to RBC, as applicable, as this Court may direct or as BMO and RBC may agree in writing.

17. THIS COURT ORDERS AND DIRECTS that BMO and RBC shall remit and pay all Disputed Proceeds received by them after the date of this Order to the Receiver and such Disputed Proceeds remitted and paid to the Receiver shall be received and paid by the Receiver in accordance with the provisions of paragraph 16 of this Order.

EMPLOYEES

18. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

19. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

21. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

22. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that subject to the

provisions of paragraphs 23 and 30 of this Order, shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that the prescribed portions of the Receiver's and its counsel's hourly fees set out on the chart attached hereto as Schedule "B" as the "Postponed Fee Amount" shall be postponed to the payment in full of the secured claims of BMO and RBC (the "**Postponed Fee Reserve**"), and shall be secured by the Receiver's Charge (such portion of the Receiver's Charge which secures the Postponed Fee Reserve is hereinafter referred to as the "**Postponed Fee Reserve Charge**"). The Postponed Fee Reserve Charge shall be postponed to the security interests, liens, charges, and encumbrances in favour of BMO and RBC (respectively the "**BMO Security**" and the "**RBC Security**").

24. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

25. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, excluding the Postponed Fee Reserve, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, other than the Postponed Fee Reserve, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

26. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$400,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge, as it relates to the fees and disbursements of the Receiver and its counsel other than the Postponed Fee Reserve Charge, and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

27. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

28. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

29. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

VALIDITY AND PRIORITY OF CHARGES

30. THIS COURT ORDERS that the priorities of the Receiver's Charge, the BMO Security, the RBC Security, the Receiver's Borrowing Charge and the Postponed Fee Reserve Charge, as to the Debtor's Property, shall be as follows:

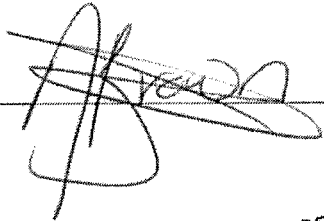
- first: the Receiver's Charge, as to the fees and disbursements of the Receiver and its counsel other than the Postponed Fee Reserve;
- second: the Receiver's Borrowing Charge;
- third: the BMO Security and the RBC Security, in accordance with the respective priorities as between them; and

- fourth: the Postponed Fee Reserve Charge.

GENERAL

31. THIS COURT ORDERS that the Cooperation Agreement dated February 10, 2011, as between BMO and RBC shall be filed with this Court.
32. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
33. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
34. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
35. THIS COURT ORDERS that the Receiver 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 Receiver 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.
36. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

37. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



A handwritten signature in black ink, appearing to be 'A. J. ...', is written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

FEB 16 2011

PER / PAR:

NB

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Carnival National Leasing Limited and Carnival Automobiles Limited (collectively, the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ of February, 2011 (the "Order") made in an application having Court file number CV-10-9029-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$____, being part of the total principal sum of \$____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of ____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ___ day of _____, 2011.

PricewaterhouseCoopers Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

<i>PricewaterhouseCoopers Inc.</i>	<i>Standard Rate (Per Hour)</i>	<i>Priority Rate</i>	<i>Postponed Fee Amount</i>
<i>(by employee category)</i>			
Senior Vice President	\$600 - \$675	\$515	\$85-\$160
Vice President	425-515	375	50-140
Manager	350-375	300	50-75
Senior Associate	265-300	230	35-70

<i>Fasken Martineau DuMoulin LLP</i>	<i>Standard Rate (Per Hour)</i>	<i>Priority Rate</i>	<i>Postponed Fee Amount</i>
Edmond Lamek	\$800	\$525	\$275
Stuart Brotman	650	475	175
Graham Phoenix	450	325	125
Conor O'Neill	375	275	100
Other FMD Lawyers (as a %)		70% of Standard Rate	30% of Standard Rate

BANK OF MONTREAL
Applicant
and

CARNIVAL NATIONAL LEASING
LIMITED AND CARNIVAL
AUTOMOBILES LIMITED

Court File No: CV-10-9029-00CL

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

**MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON CANADA M5H 3S1**

John Chapman (LSUC# 226491)
Arthi Sambasivan (LSUC#: 45514L)
Tel: 416.595.8615/8636
Fax: 416.595.8695

Lawyers for the Applicant. Bank of Montreal

**CARNIVAL NATIONAL LEASING LIMITED AND
CARNIVAL AUTOMOBILES LIMITED**

FIRST REPORT OF THE RECEIVER

April 15, 2011

Court File No. CV-10-9029-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

BANK OF MONTREAL

Applicant

-AND-

CARNIVAL NATIONAL LEASING LIMITED AND

CARNIVAL AUTOMOBILES LIMITED

Respondents

**FIRST REPORT OF PRICEWATERHOUSECOOPERS INC. IN ITS CAPACITY AS
COURT-APPOINTED RECEIVER OF THE PROPERTY, ASSETS AND
UNDERTAKING OF CARNIVAL NATIONAL LEASING LIMITED AND CARNIVAL
AUTOMOBILES LIMITED**

April 15, 2011

TABLE OF CONTENTS

	Page
I. INTRODUCTION	- 1 -
II. PURPOSE OF THIS REPORT.....	- 2 -
III. BACKGROUND	- 3 -
IV. RECEIVER'S ACTIVITIES TO DATE	- 4 -
V. EMPLOYEES	- 8 -
VI. SALES PROCESS – VEHICLE INVENTORY	- 9 -
VII. PERFORMING LEASE PORTFOLIO SALES PROCESS.....	- 12 -
VIII. SALES PROCESS FOR DELINQUENT LEASES	- 15 -
IX. SECURITY OPINION.....	- 17 -
X. PROPOSED ORDINARY COURSE DISTRIBUTIONS TO THE BANKS	- 17 -
XI. EXPANDED POWERS OF THE RECEIVER	- 19 -
XII. EXTEND OCCUPATION RIGHTS	- 20 -
XIII. CONCLUSION AND RECOMMENDATION.....	- 21 -

I. INTRODUCTION

1. This report is the Receiver's first report (the "**First Report**") to the Ontario Superior Court of Justice (Commercial List) (the "**Court**").
2. Pursuant to a Notice of Application issued by the Court on December 16, 2010, Bank of Montreal ("**BMO**"), a secured creditor, brought an application for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing PricewaterhouseCoopers Inc. as receiver of all the property, assets and undertaking of Carnival National Leasing Limited ("**CNLL**") and Carnival Automobiles Limited ("**CAL**", and together with CNLL, "**Carnival**" or the "**Company**"). The application was heard on February 11, 2011 and was opposed by Carnival.
3. By Order of Justice Newbould dated February 15, 2011 (the "**Receivership Order**"), PricewaterhouseCoopers Inc. was appointed as receiver (the "**Receiver**") without security, of all the property, assets and undertaking of Carnival. Attached hereto as Appendix "A" is a copy of the Receivership Order.
4. The Royal Bank of Canada ("**RBC**") is also a secured creditor of Carnival and consented to the appointment of the Receiver. BMO and RBC (together, the "**Banks**") are the two senior secured creditors of Carnival. The Enquiry Response Certificate issued under the *Personal Property Security Act* (the "**OPPSA**") in respect of CNLL as at February 15, 2011, shows a registration in favour of Deerhorn Family Holdings Inc. ("**Deerhorn**"), a corporation related to the Company's principal, Mr. David Hirsh, which the Receiver

understands has subordinated its security interests to the security in favour of the Banks, and a number of third-party registrations against particular Carnival vehicles, principally under the *Repair and Storage Liens Act* (“RSLA”).

II. PURPOSE OF THIS REPORT

5. The purpose of this First Report, is to:

- (a) Report on the activities of the Receiver since its appointment on February 16, 2011;
- (b) Recommend that this Honourable Court approve the proposed sale of approximately 90 motor vehicles in Carnival’s inventory (each a “**Vehicle**” and collectively the “**Vehicle Inventory**”) currently in the possession of the Receiver by way of a public auction (the “**Vehicle Auction**”), and issue a vesting order in respect thereof;
- (c) Recommend that this Honourable Court approve the Receiver’s proposed sales process for the Carnival portfolio of “Performing Leases” as that term is defined and more particularly described in section VII of this Report;
- (d) Report on the Receiver’s proposed process for marketing and disposing of the Carnival portfolio of “Delinquent Leases” as that term is defined and more particularly described in section VIII of this Report;
- (e) Report on the security opinions on the Banks’ security, prepared by Fasken Martineau DuMoulin LLP (“**Faskens**”), independent counsel to the Receiver in this matter;

- (f) Recommend that this Honourable Court approve the Receiver's proposed distribution process in respect of ordinary course lease and residual payments collected by the Receiver since its appointment, and future lease and residual payments to be collected by the Receiver, in respect of Carnival leases which have been financed by BMO and RBC;
- (g) Recommend that this Honourable Court authorize the Receiver (or its counsel) to examine under oath any persons who may have knowledge of the property, assets or undertaking of the Company;
- (h) Recommend that this Honourable Court authorize the Receiver to continue to occupy the Carnival premises at 79 Martin Ross Avenue, North York (the "**Premises**"), to August 15, 2011 pursuant to the Receivership Order; and
- (i) Request the approval of the activities of the Receiver as set out in this First Report and approval of the First Report itself.

III. BACKGROUND

- 6. Carnival operates a Vehicle and equipment leasing business that is headquartered in North York, Ontario. All of the Company's administrative and management functions operate out of the Premises, and substantially all of the Company's books and records are located at the Premises. CAL is an inactive company that formerly carried on business as the retail vehicle sales division of the Company, and ceased operations in or about 2005.
- 7. Carnival has been in the vehicle and equipment leasing business since the 1980's. The Company's current lease portfolio is comprised primarily of multi-year open-ended

leases of Vehicles ranging from motorcycles, luxury SUVs and automobiles, and exotic vehicles (e.g. Ferraris, Bentleys).

8. As at the date of the BMO receivership application, Carnival was indebted to BMO in the amount of approximately \$17.7million, and was indebted to RBC in the approximate amount of \$5.6million. The indebtedness to the Banks principally arises from the financing of individual vehicles acquired by Carnival and leased to customers, pursuant to leased vehicle credit facilities. Carnival also has an operating line with BMO with a maximum credit facility amount of \$1.15million.
9. As at the date of the Receivership Order, the Company managed a portfolio of approximately 1,350 vehicle/equipment leases and had an inventory of approximately 78 vehicles in storage at the Premises or located at third party storage or repair facilities. The Company's vehicle leasing files are in paper format, organized by lessee name, and stored at the Premises.

IV. RECEIVER'S ACTIVITIES TO DATE

10. On February 15, 2011, Justice Newbould released his reasons in the BMO receivership application, granting the BMO application for the appointment of the Receiver. On the morning of February 16, 2011, counsel to BMO, RBC and the Receiver's counsel attended before Justice Newbould to have the Receivership Order signed and issued. Though the Receivership Order was dated February 15, 2011 by Justice Newbould, it was signed by him and issued by the Commercial List Court office on February 16, 2011.

11. Immediately upon the issuance of the Receivership Order, the Receiver attended at the Premises in order to take possession and secure the Company assets and files located therein. Following its appointment, the Receiver's initial activities included:
 - (a) Arranging for Carnival's bank accounts to be frozen and opening new bank accounts under the Receiver's name;
 - (b) Terminating the employment of certain Carnival employees and contractors and continuing the employment and engagement of others on a term and task basis to assist the Receiver in its administration, asset recovery and sales processes;
 - (c) Engaging Carnival's principal, Mr. David Hirsh on a term and task basis to assist the Receiver in its administration, asset recovery and sales processes;
 - (d) Taking possession of the books and records of the Company located on the Premises and updating the Company's accounting records in respect of accounts receivable, accounts payable and Vehicle Inventory;
 - (e) Establishing vehicle buy-out, cash collection and vehicle ownership transfer protocols for expiring leases and/or past due overholding lease accounts;
 - (f) Establishing new statutory accounts with the Canada Revenue Agency for GST and various other taxes and statutory deductions;
 - (g) Arranging for the changing of locks of the Premises and engaging 24 hour security to ensure that any onsite Vehicle Inventory from time to time, leasing documents and other Company records are secure;

- (h) Arranging for the relocation of approximately 78 automobiles from the Premises and other locations to a secure storage facility retained by the Receiver;
- (i) Processing approximately 37 lease end vehicle buy-outs by lessees, and the disposition of approximately 18 motor vehicles by way of private sales consistent with the ordinary course of the Company's business in accordance with paragraph 3(c) of the Receivership Order;
- (j) Numerous discussions and correspondence with defaulting lessees and/or their lawyers on the payment of outstanding amounts and/or the retrieval of vehicles;
- (k) Working with bailiffs engaged by the Receiver to organize and facilitate the retrieval of approximately 5 vehicles from defaulting lessees, repair shops, vehicle dealers and third party storage facilities across the GTA and the surrounding regions. In addition, bailiffs have been engaged to search for an additional 9 vehicles from defaulting lessees;
- (l) Arranging for the payment of rent to Deerhorn;
- (m) Entering into an occupation agreement with a third-party lease broker who rents space from Carnival;
- (n) Arranging for the continuation of all utilities to the Premise;
- (o) Arranging for the continuation of tenant's insurance for the Premises and the Carnival inventory and assets located thereon;

- (p) Dealing with various vehicle insurance companies and adjustors relating to unresolved claims of Carnival or new claims being submitted by the Receiver;
 - (q) Weekly update calls with the Banks as to the status of the receivership;
 - (r) Preparation and daily updating of a master vehicle inventory schedule;
 - (s) Preparation and daily updating of a master lease schedule for all active, expired and delinquent leases, and residual guarantee claims thereunder;
 - (t) Updating of a master accounts receivable schedule that captures all leases, outstanding payments and payments received;
 - (u) Sending to all creditors on record the *Notice and Statement of Receiver* required under Section 245(1) of the BIA; and
 - (v) Completing a computer back-up of all of Carnival's electronic records stored on the computers located at the Premises.
12. To inform creditors and all other stakeholders, the Receivership Order and other general information on these proceedings have been posted on the Receiver's website at www.pwc.com/ca/en/car/carnival-leasing. The Receiver has also identified on its website a point of contact at PwC for any enquiries, including a telephone number and email address.
13. As noted above, the Receiver has created and is managing its accounting records in such a manner so as to permit tracking of accounts receivable and lease payments and other funds received, on a lease by lease basis and vehicle by vehicle basis, to the extent the

Carnival, BMO and RBC records permit, in accordance with paragraph 3(o) of the Receivership Order ("**Vehicle Accounting**").

V. EMPLOYEES

14. On the date of the Receivership Order, Carnival had four (4) employees, three (3) contract employees and four (4) contractors. In order to assist the Receiver with taking possession of the Vehicle Inventory and management of the leasing portfolio, three (3) of the employees and two (2) of the contractors (collectively the "**Retained Employees**") were retained by the Receiver.
15. The Receiver terminated one (1) of Carnival's employees ("**Former Employee**") and the contracts with the remaining contract employees on February 18th, 2011. No services were extended by contract employees to the Receiver during that period and thus no payments were owed by the Receiver. The Receiver with the consent of BMO and RBC, allowed for the clearing of a previously issued Company payroll check to one (1) of the contract employees in the amount of \$487.
16. According to Carnival's books and records, outstanding wages and vacation pay of \$4,583 and \$5,927 respectively, were owed to the Retained Employees and the Former Employee, as at the date of the Receivership Order. In order to facilitate an orderly wind-down of Carnival, the Receiver, with the consent of BMO and RBC, paid all outstanding wages and vacation pay owing to the Retained Employees and former employees.
17. The Receiver has completed the calculation of amounts that the terminated employee and one additional employee who resigned in December of 2010 (collectively the "**Former Employees**"), are entitled to pursuant to, and as required by, the *Wage Earner*

Protection Program Act (“WEPPA”), according to information available to the Receiver from the Company’s books and records. On April 1, 2011, the receiver sent a package of information to the Former Employees, which included:

- (a) A notice of their rights under WEPPA;
- (b) A schedule setting out the amount of that Former Employee’s claim pursuant to WEPPA; and
- (c) A proof of claim form.

- 18. The Receiver is in the process of completing the calculation of amounts that the Retained Employees are entitled to, pursuant to WEPPA, and will complete the same process it undertook in respect of the Former Employees, as soon as it can practically do so.
- 19. As at the date of this First Report, the Receiver has not calculated the actual secured claims pursuant to section 81.4 of the BIA (the “81.4 Claims”). However, based upon the number of Retained and Former Employees, the Receiver believes it will have sufficient assets to satisfy the potential 81.4 Claims.

VI. SALES PROCESS – VEHICLE INVENTORY

- 20. The Receiver is empowered by section 3(k) of the Receivership Order to market any or all of the Property of Carnival, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

21. The Receiver is currently in possession of approximately 87 Vehicles, including; cars, motorcycles and SUVs that range widely in condition and in value. This Vehicle Inventory is located at a third party secure warehouse facility engaged by the Receiver. This Vehicle Inventory does not include vehicles which are subject to Performing Leases since those vehicles are in the possession of the lessees and not the Receiver (discussed in next section).
22. It is expected that the number of vehicles in the Vehicle Inventory will increase prior to the date of the sale of the Vehicle Inventory, as vehicles are recovered from third parties, and if so; these additional vehicles will be included in the Vehicle Inventory sales process.
23. The Receiver has discussed with both BMO and RBC the proposed sales process for the Vehicle Inventory. The Receiver believes the best course of action in order to maximize realizations and eliminate storage costs was to solicit offers from the community of leading auctioneers and liquidators in the GTA (the "**Auctioneers**") to either purchase the entirety of the Vehicle Inventory from the Receiver *en bloc*, or to conduct a one-day public auction of the Vehicle Inventory that will be advertised to the general public, automobile dealership network and wholesalers. In either event, the Vehicle Inventory will be sold "as is, where is".
24. The Receiver contacted five (5) Auctioneers and asked for three quotes from each of them, namely an outright purchase price for the Vehicle Inventory *en bloc*, and two quotes to conduct an auction sale, based on the following;

- (a) Fixed Fee Quote: A quote that covers off all profit and estimated costs of the auctioneer to conduct a sale.
 - (b) Percentage of Gross Sales: A commission based structure that the auctioneer would be willing to enter into that would be paid on a net realization basis to the auctioneer.
25. Each Auctioneer was also requested to provide details on the costs they were expected to incur such as; moving costs, cleaning costs, advertising costs and any other miscellaneous costs. Furthermore, each Auctioneer was requested to provide a summary on how it intends to advertise the vehicles and the details on the potential location for hosting the auction.
26. The Receiver received 4 responses from Auctioneers, one declining to put in an offer. Based on a review of the quotes provided, and a review of the estimated costs, advertising strategy and proposed auction venue, the Receiver has selected the auction proposal of Asset Engineering (“AE” and the “AE Proposal”) for the Vehicle Inventory in possession of the Receiver as at the date of the auction. A copy of the AE Proposal, the proposed AE Auction Services Agreement to be entered into by the Receiver, and the Receiver’s summary and comparative analysis of the proposals received from Auctioneers will be filed as a Confidential Supplement to this First Report, subject to a request that it be sealed pending the completion of the Vehicle Inventory auction.
27. The choice of AE as auctioneer, and the terms of the AE Proposal recommended by the Receiver was discussed with both BMO and RBC, both of whom approve of the choice

of Auctioneer and the terms of the AE Proposal. The Receiver also discussed the proposed terms of the sale of the Vehicle Inventory with Mr. Hirsh.

28. Subject to the approval of the Court, the Receiver expects that the AE auction will take place on or about April 30, 2011.

VII. PERFORMING LEASE PORTFOLIO SALES PROCESS

29. The Receiver has identified approximately 650 Carnival leases that it classifies as performing (“**Performing Leases**”). The Receiver defines a Performing Lease, as a lease in respect of which the lessee makes payment to Carnival on a timely basis in normal course, or a lessee who has missed no more than two consecutive lease payments.
30. The Receiver has identified a significant number of non-performing and delinquent Carnival leases (collectively the “**Delinquent Leases**”) and has segregated these from the Performing Lease category. The Receiver’s proposed course of action for dealing with Delinquent Leases is discussed in the next section.
31. The Receiver has discussed with both of the Banks and Mr. Hirsh the marketing and sales process it proposes for the portfolio of Performing Leases. It is the intention of the Receiver to solicit offers for the outright purchase of the Performing Lease portfolio *en bloc*, and offers for the administration and wind-down of the Performing Lease portfolio. The Receiver is of the view that its advantageous for the Receiver to run an expedited (i.e., less than 60 days) marketing and sales process for the Performing Lease portfolio for the following principal reasons:

- (a) There are a relatively small number of qualified prospective purchasers or administrators of a vehicle lease portfolio of this magnitude, each of whom is a sophisticated party capable of conducting due diligence on the Performing Lease portfolio in an expedited manner;
- (b) Managing an active 650 lease portfolio in the context of the Carnival receivership requires a significant amount of the Receiver's professional time and involves additional overhead costs (i.e., Retained Employees), and an infrastructure that each of the qualified prospective purchasers will already have in place;
- (c) As time passes, without the involvement of a new leasing company to administer the Performing Lease portfolio, there is the potential that delinquencies may increase, thus impacting the value of the Performing Lease portfolio and creating more costs to be incurred by the Receiver;
- (d) Each month additional leases in the Performing Lease portfolio come due and are removed from the Performing Lease portfolio. Part of the financial value of the Performing Lease portfolio is its size and the opportunity for interaction by the purchaser with the lessees associated with the 650 Performing Leases and as such the Performing Lease portfolio diminishes in value every month since no new leases are being written.
- (e) The Performing Lease portfolio due diligence data room has been substantially completed by the Receiver. Because the Carnival portfolio of Delinquent Leases will require a significant amount of compilation, summary and analysis by the Receiver in order to prepare them for the due diligence required in a sales process,

this additional time requirement to include the Delinquent Lease portfolio in this sales process would detrimentally impact the value of the Performing Lease portfolio. As such, the Receiver will deal with the marketing and sale of the Delinquent Lease portfolio separately.

32. The Receiver is proposing the following time lines for Performing Lease portfolio marketing and sales process:

- (a) Preparation of an information memorandum prepared by the Receiver to describe the Performing Lease portfolio and the sales process and terms of sale¹ of Performing Leases to be circulated to a list of potential purchasers prepared by the Receiver in consultation with Mr. Hirsh, which list will include parties that have already approached the Receiver as well as an extensive list of additional potential strategic and financial purchasers, by April 15, 2011.
- (b) Place an advertisement in the National Edition of the Globe & Mail and in the Toronto Star on or before April 18, 2011.
- (c) Establishment of an electronic Performing Lease portfolio data room on or about April 18, 2011 in order for potential purchasers to conduct due diligence. The Receiver will hold discussions and meetings, and arrange for access to Carnival's office for a review of the lease documentation.

¹ Including a provision to permit the Receiver to (i) accept, subject to this Court's approval, an offer for the Performing Leases prior to the formal deadline for offer submission, (ii) reject any and all offers, and (iii) accept an offer which may not be the highest offer.

- (d) Preparation of a form of confidentiality agreement, to be executed by potential purchasers prior to obtaining access to the Performing Lease portfolio electronic data room.
- (e) Preparation of a form of asset purchase agreement, to be included in the electronic data room and which will be recommended to be completed by potential purchasers interested in submitting offers for the Performing Lease portfolio;
- (f) Receive binding offers, together with a 10% deposit, by no later than 5:00 p.m. ET on May 16, 2011;
- (g) The Receiver will discuss the offers received and the Receiver's analysis and evaluation of same with both BMO and RBC, negotiate transaction terms with prospective purchasers, and make its recommendation to the Court for approval of the ultimate proposed transaction; and
- (h) Closing of the sale of the Performing Lease portfolio will take place on or about May 31, 2011, or on such earlier or later date as may be agreed upon by the Receiver (after consultation with the Banks and Mr. Hirsh) and the purchaser, in any event no later than July 15, 2011 without further order of this Honourable Court.

VIII. SALES PROCESS FOR DELINQUENT LEASES

- 33. The Receiver is administering and analyzing approximately 575 Delinquent Leases as at the date of this Report. A Delinquent Lease is defined by the Receiver as having 3 or

more missed lease payments from the Lessee, and/or accounts with write offs of greater than \$10K and/or vehicles returned/repossessed/bought-out from the lessee.

34. As the Receiver prepares for the Performing Leases portfolio sale process, the total number of Delinquent Leases may increase as Performing leases go into default, or decrease as Delinquent Leases are paid out or written-off as uncollectible.
35. The Receiver has discussed with both BMO and RBC that it is the Receiver's intention to sell any returned or repossessed vehicles which are subject to Delinquent Leases at either the aforesaid Vehicle Inventory sale, or if the vehicles are recovered too late to be included in the Vehicle Inventory sale, to dispose of the vehicles through a further vehicle auction, private sales or at one of the third-party industry auction houses (i.e., ADESA).
36. To the extent that the Receiver is successful in rehabilitating any Delinquent Leases into leases which qualify as Performing Leases, with the Court's approval, it is the intention of the Receiver to contact the purchaser and those parties that expressed an interest in the Performing Lease portfolio sale to see if they are interested in purchasing this portfolio of rehabilitated leases ("**Rehabilitated Leases**").
37. The Receiver does not believe that another complete and fulsome marketing and sales process is warranted for the Rehabilitated Leases, given their likely value. When the time is appropriate, the Receiver will open the Rehabilitated Leases electronic data room with details on the Rehabilitated Leases and contact the same list of prospective purchasers it had contacted in respect of the Performing Lease portfolio to solicit offers for the Rehabilitated Leases portfolio.

38. If a qualified purchaser is identified for the Rehabilitated Leases, the Receiver will advise both the Banks and Mr. Hirsh, and seek the approval of the Court for this sale.
39. The Receiver is updating the Delinquent Leases summary on an ongoing basis at the same time it updates the Performing Leases summary. Given the complications associated with packaging the Rehabilitated Lease portfolio in an intelligible manner for the electronic data room, a sale of the Rehabilitated Lease portfolio is not expected until June 2011 at the earliest.

IX. SECURITY OPINION

40. The Receiver has obtained legal opinions on the security interests of BMO and RBC over the assets of Carnival. The receiver's independent counsel, Fasken's, has provided its opinions to the Receiver that the security interests of both BMO and RBC are valid and enforceable as against the property of Carnival located in the Province of Ontario, and have been properly perfected by registration under the OPPSA, subject to the standard assumptions, qualifications and limitations contained in the opinion. Fasken's has not reviewed the security granted by Carnival in favour of Deerhorn, which the Receiver understands is subordinated to the security interests in favour of the Banks, but will do so should recoveries and distributions warrant such a review.

X. PROPOSED ORDINARY COURSE DISTRIBUTIONS TO THE BANKS

41. Since its appointment, Receiver continues to collect "Lease Payments" as that term is defined in paragraph 15 of the receivership Order, including monthly lease payments and residual guarantee payments from lessees in the ordinary course of Carnival's business ("**Ordinary Course Receipts**"). A substantial proportion of the leases (and associated

vehicles) in respect of which Ordinary Course Receipts are being collected by the Receiver have been financed by one or the other of BMO or RBC (and in a limited number of cases, by both) ("**Bank Financed Leases**"). The Receiver is duly tracking all Ordinary Course Receipts collected by it and has linked the funds received to the particular Carnival leases to which they relate, in accordance with the Receiver's Vehicle Accounting methodology.

42. Having now received an opinion on the validity of the Banks' security interests, the Receiver recommends that, subject to the availability of cash on hand to fund the operating costs of the Receivership, the Receiver be authorized by the Court to distribute to BMO and RBC, as applicable, on an ongoing basis during the course of the receivership the lesser of: (i) the Ordinary Course Receipts collected by the Receiver in respect of a Bank Financed Lease; and (ii) the remaining financing amount outstanding in respect of a Bank Financed Lease, subject to any disputes with lessees, which will be held back by the Receiver pending resolution or order of the Court (collectively the "**Ordinary Course Distributions**").
43. The Ordinary Course Distributions will continue until the sale of the applicable leases under the Performing Lease, Delinquent Lease or Rehabilitated Lease portfolio sales processes are completed and approved by the Court.
44. Ordinary Course Distributions to the Banks will be tracked in accordance with the Receiver's Vehicle Accounting methodology.

XI. EXPANDED POWERS OF THE RECEIVER

45. During its administration of the receivership, the Receiver has uncovered a wide variety of evidence of unusual transactions involving the purchase, leasing of, and financing of, vehicles. In many cases, the books and records of the Company do not accord with the Company's financial records, or with the records of the Ministry of Transportation (Ontario). Such transactions include the apparent misappropriation of vehicles, falsification and/or alteration of documents relied upon by the Banks in granting financing to Carnival, and vehicles that are missing or which have been potentially transferred out of Carnival's name by means of falsified documents and/or transfers for little or no value.
46. As such, the Receiver is of the view that it is in the best interests of all stakeholders of Carnival that the Receiver be given the powers, analogous to those given to a Trustee in Bankruptcy under section 163 of the BIA, to examine persons with knowledge of the property and affairs of Carnival.
47. Accordingly, the Receiver respectfully requests that this Honourable Court extend the powers of the Receiver to authorize the Receiver or its counsel, after consultation with the Banks, to examine under oath any persons, including Carnival management, employees, contractors, suppliers, business partners, customers, or any other persons that the Receiver believes may have knowledge of the property or affairs of Carnival, including the whereabouts of assets and documents pertaining to the business and assets (including the disposition thereof) of Carnival. As the Receiver discovers more information regarding the aforesaid issues, it is the Receiver's intention to update the Court and seek appropriate direction from the Court.

XII. EXTEND OCCUPATION RIGHTS

48. Pursuant to paragraph 8 of the Receivership Order, the Receiver is entitled to occupy the Premises for a period of ninety (90) days from the date of the Receivership Order. During its occupation of the Premises, it has become apparent to the Receiver that a large number of lessees actually attend the Premises to drop off Ordinary Course Receipts each month, and drop off vehicles at the expiry of their leases. The Premises are also the mailing address and address for notification for all of Carnival's leases, and a wide variety of Carnival's government records and registrations.
49. If the Receiver is required to vacate the Premises prior to completing the sale of the Performing Lease portfolio and the Delinquent Lease portfolio, it will be required to send to all Carnival lessees one notice to redirect lease payments, communications, and vehicle returns to the Receiver's new location, and then a second notice to redirect payments, communications and vehicle returns to the purchaser's business location, all of which will cause a significant administrative burden. Thirdly, the monthly rent for the Premises is \$9,000 plus HST, which is likely lower than any new premises that the Receiver could rent to relocate the personnel administering the Carnival receivership and the Carnival books and records.
50. Accordingly, the Receiver is requesting that the Court grant an extension of an additional ninety (90) days so as to allow the Receiver sufficient time to close the Performing Lease portfolio sale, the Delinquent Lease portfolio sale, and to complete its duties, properly organize the affairs of Carnival and give it sufficient time to transition the massive volume of leasing files on-site at the Premises to the relevant purchasers or to storage.

51. The Receiver is paying all rent accruing and occupation costs associated with the property to the landlord, Deerhorn. The Receiver has advised Deerhorn (through Mr. Hirsh) and the Banks that it will require an additional ninety (90) days of occupancy at the Premises, with the potential need to request an additional extension depending upon the timelines of the aforementioned sales processes and other issues that may need to be managed by the Receiver to complete the administration of the receivership.

XIII. CONCLUSION AND RECOMMENDATION

52. The Receiver respectfully requests that this Court grant an order which provides for the following:
- (a) Approval of the Receiver's activities to date;
 - (b) Approval of the First Report of the Receiver;
 - (c) Approval of the Motor Vehicle Inventory Auction Sale process;
 - (d) Approval of the Performing Lease portfolio sale process;
 - (e) Authorization for the Receiver to effect the Ordinary Course Distributions to the Banks;
 - (f) Authorization for the Receiver to examine certain persons under oath; and
 - (g) Authorization for the Receiver to occupy the Premises for an additional 90 days.

Dated the 15th day of April, 2011.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read 'Paul van Eyk', written over a horizontal line.

Paul van Eyk, CA.CIRP, CA.IFA
Senior Vice President

PricewaterhouseCoopers Inc.
In its capacity as Receiver of
the property, assets and undertaking of
Carnival National Leasing Limited and
Carnival Automobiles Limited

Court File No. CV-10-9029-00CL



**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

THE HONOURABLE)
JUSTICE MARROCCO)

THURSDAY, THE 21ST
DAY OF APRIL, 2011

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

**CARNIVAL NATIONAL LEASING LIMITED AND
CARNIVAL AUTOMOBILES LIMITED**

Respondents

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, s.101 of the *Court of Justice Act*, R.S.O., 1990, c. C-43 and Rule 14.05(2) and (3)(d), (g) and (h) of the Rules of Civil Procedure

ORDER

THIS MOTION, made by PricewaterhouseCoopers Inc., in its capacity as receiver (the "Receiver") of all the properties, assets, and undertakings of Carnival National Leasing Limited and Carnival Automobiles Limited (together "Carnival"), appointed pursuant to the Order of Justice Newbould dated February 15, 2011 (the "Receivership Order"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the First Report of the Receiver, dated April 15, 2011 (the "First Report") and the Confidential Supplement thereto (the "Confidential

Supplement”), filed; and, on hearing the submissions of counsel for the Receiver, counsel to Bank of Montreal (“BMO”), no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Anna Stitt sworn April 18, 2011, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that any capitalized term used and not defined herein shall have the meaning as ascribed to it in the First Report.

APPROVAL OF AUCTION AGREEMENT

3. THIS COURT ORDERS that the Receiver be and is hereby authorized to enter into an Auction Services Agreement with Asset Engineering (the “Auctioneer”) substantially in the form contained in the Confidential Supplement (the “Auction Agreement”).
4. THIS COURT ORDERS that the Auction Agreement and the sales of Vehicle Inventory contemplated thereby (the “Transactions”) are hereby approved, and the Receiver is hereby authorized to execute and deliver all ancillary and related documents and to take all such steps and actions as are necessary to give effect to, and complete, the Transactions.
5. THIS COURT ORDERS that title to each Vehicle sold by the Auctioneer to a purchaser pursuant to the Agreement shall, upon receipt by the Auctioneer of the purchase price there for, vest in such purchaser free and clear of and from any and all interests of any person therein, including without limitation all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, howsoever arising or created (collectively, the “Claims”), provided that the net proceeds paid by the Auctioneer to the Receiver from the sale of each Vehicle, shall stand in place and stead of that Vehicle, and all Claims shall attach thereto with the same priority as they had with respect to the Vehicle immediately prior to the completion of the sale thereof.

6. THIS COURT ORDERS that, following the sale of a Vehicle to a Purchaser, the Receiver be and is hereby authorized to execute and file such financing change statements, discharges, partial discharges, amendments, releases or other instruments (collectively, "Discharges") necessary to discharge any Financing Statement registered in favour of any party against the vehicle identification number of the Vehicle sold, and that the Registrar of Personal Property Registry for the Province of Ontario is hereby directed to accept for registration all Discharges registered by the Receiver pursuant to this paragraph.

PERFORMING LEASE SALES PROCESS

7. THIS COURT ORDERS that the Receiver be and is hereby authorized to conduct the Performing Lease sale process described in Section VII of the Report, provided that any proposed transaction for the sale or administration of the Performing Lease portfolio shall be subject to further order of this Court.

DELINQUENT LEASES

8. THIS COURT ORDERS that the Receiver be and is hereby authorized to deal with the Delinquent Lease portfolio and the Vehicles subject to Delinquent Leases in accordance with Section VIII of the First Report.

ORDINARY COURSE DISTRIBUTIONS

9. THIS COURT ORDERS that the Receiver be and is hereby authorized to effect the Ordinary Course Distributions, from funds currently held in the Post Receivership Accounts, in the amounts of \$417,427 to BMO and \$172,106 to Royal Bank of Canada ("RBC"), and is further authorized to effect Ordinary Course Distributions to BMO and RBC out of Ordinary Course Receipts collected by the Receiver from time to time during the course of the administration of the Receivership, and to account for, and record, such Ordinary Course Distributions in the Receiver's Vehicle Accounting procedures.

EXAMINATION POWERS

10. THIS COURT ORDERS that the Receiver shall have the same powers of examination as are conferred upon a trustee in bankruptcy by Section 163(1) of the BIA and that the provisions

of the BIA shall apply in respect of those powers of examination *mutatis mutandis*; provided that the Receiver shall be empowered to conduct such examinations in its discretion without any further authorization, direction or resolution from the creditors of Carnival, any other interested person or the Court.

11. THIS COURT ORDERS that, pursuant to paragraph 10, the Receiver be and is hereby authorized to examine any person who's examination, in the Receiver's discretion after consultation with BMO and RBC, would be of assistance to the Receiver in its administration of, and realization upon, the property, assets and undertaking of Carnival.

12. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court any transcripts from examinations conducted pursuant to paragraphs 10 and 11 hereof, without any restrictions, consistent with the provisions of Section 163(3) of the BIA and that the Receiver should provide copies of any such transcripts to any creditor that requests the same, at the cost of the requesting party.

RECEIVER'S OCCUPATION RIGHTS

13. THIS COURT ORDERS that the authority of the Receiver to occupy the Premises pursuant to and subject to the terms of paragraph 8 of the Receivership Order be and is hereby extended to August 15, 2011.

APPROVAL OF ACTIVITIES AND FIRST REPORT

14. THIS COURT ORDERS that the activities and conduct of the Receiver, as set out in the First Report be and are hereby approved, and that the First Report be and is hereby approved.

15. THIS COURT ORDERS that the Confidential Supplement be treated as confidential, not form part of the public record, and sealed until the completion of the Transactions, or further Order of this Court.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

APR 26 2011



PER/PAR:

NB

BANK OF MONTREAL

- and -

CARNIVAL NATIONAL LEASING LIMITED et al.

Applicant

Respondents

Court File No. CV-10-9029-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List
Proceedings commenced at
Toronto

ORDER
April 21, 2011

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Edmond F.B. Lamek (LSUC: 33338U)

Tel: 416 366 8381
Fax: 416 364 7813

Lawyers for the Receiver

082

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

BANK OF MONTREAL

Applicant

and

CARNIVAL NATIONAL LEASING LIMITED and
CARNIVAL AUTOMOBILES LIMITED

Respondents

APPLICATION UNDER S. 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C.B-3, S. 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C.C-43, AND RULES 14.05(2), (3) (G) AND (H) OF THE *RULES OF CIVIL PROCEDURE*

AFFIDAVIT OF PAUL VAN EYK
(Sworn July 12, 2011)

I, PAUL VAN EYK, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am a Senior Vice President of PricewaterhouseCoopers Inc. (“**PwC**”), the receiver (the “**Receiver**”) of the property, assets and undertaking of the Respondents, and as such I have knowledge of matters hereinafter deposed to.
2. The Receiver was appointed pursuant to the Order of the Honourable Justice Newbould dated February 15, 2011 (the “**Receivership Order**”). Pursuant to paragraphs 22 and 23 of the Receivership Order, the fees of the Receiver and its counsel, Fasken Martineau Dumoulin LLP, were effectively split into a priority amount (the “**Priority Fee**”), secured by the first ranking Receiver’s Charge, and a postponed amount (the “**Postponed Fee**”), secured by a Postponed Fee

Reserve Charge, which ranks subordinate to the security interests of Bank of Montreal and Royal Bank of Canada. The breakdown of the Priority Fee and the Postponed Fee amounts are set out in Schedule "B" to the Receivership Order.

3. Attached hereto as Exhibit "A" are true copies of the statements of account of PwC on account of services rendered as Receiver in respect of these proceedings for the period from February 15, 2011 to June 17, 2011 (the "Billing Period"). During the Billing Period, the total professional fees billed by PwC at its standard rates (including both Priority Fee and Postponed Fee amounts) were \$1,109,127.50, plus disbursements in the amount of \$60,821.91, plus applicable harmonized sales tax ("HST") in the amount of \$152,093.48. During the Billing Period, a total of 2,993.9 hours of professional time were incurred by the Receiver, at an average priority billing rate of \$349.99 per hour, and an aggregate billing rate of \$370.46 per hour.

4. The Priority Fee amount during the Billing Period was \$878,012.00 plus disbursements and HST, and the Postponed Fee amount during the Billing Period was \$231,115.50 plus disbursements and HST.

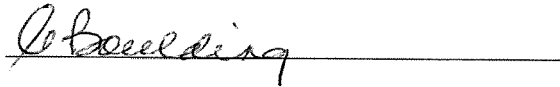
5. Prior to these proceeding PwC rendered services as a consultant to the Applicant to conduct a financial review of the Respondents for the period from November 17, 2010 to February 14, 2011 (the "Review Period"). During the Review Period, the total professional fees billed by PwC at its discounted rates were \$131,727.50, plus disbursements in the amount of \$58,668.55, plus HST in the amount of \$24,751.49. These fees were approved and paid by the Applicant. Total disbursements during the Review Period included fees for PwC's legal counsel, Fasken Martineau DuMoulin LLP in the amount of \$9,249.25.

6. I swear this affidavit in support of the Receiver's motion for, *inter alia*, approval of PwC's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME at the)
City of Toronto, in the)
Province of Ontario, this)
12th day of July, 2011)
)



PAUL VAN EYK



A Commissioner for taking affidavits, etc..

ADELAIDE GLANTON BOULDING, a
Commissioner, etc., Province of Ontario,
for PricewaterhouseCoopers Inc.
Expires October 15, 2013.

Exhibit "A"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BANK OF MONTREAL

Applicant

and

CARNIVAL NATIONAL LEASING LIMITED and
CARNIVAL AUTOMOBILES LIMITED

Application under S.243 (1) of the Bankruptcy and Insolvency Act, R.S.C. 1985,
C.B.03, S. 101 of the Courts of Justice Act, R.S.C. 1990, C.C. -43, and Rules
14.05(2), (3) (G) and (H) of the Rules of Civil Procedures

True Copies of the Statements of Accounts rendered by Pricewaterhousecoopers
Inc. for the period from February 15, 2011 to June 17, 2011

This is Exhibit "A" referred to in the Affidavit of
Paul Van Eyk, sworn before me this
12TH day of July, 2011

A. Boulding
A commissioner, etc.

ADELAIDE GLANTON BOULDING, a
Commissioner, etc., Province of Ontario,
for PricewaterhouseCoopers Inc.
Expires October 15, 2013.

REMITTANCE COPY

PricewaterhouseCoopers Inc.
 Court Appointed Receiver of
 Carnival National Leasing Limited
 77 King Street West
 Royal Trust Tower
 Suite 3000 Toronto ON M5K 1G8
 Canada

PricewaterhouseCoopers Inc.
 PO Box 82
 Royal Trust Tower, Suite 3000
 Toronto Dominion Centre
 Toronto, ON M5K 1G8
 Canada
 Telephone: +1 416 863 1133
 Facsimile: +1 416 365 8215

Contact: Clark Lonergan
 Telephone: +1 416 814 5835
 E-mail: clark.lonergan@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
 145 King Street West
 Toronto ON M5H 1V8
 Canada

Bill Date: March 4, 2011
 Payment requested by: March 19, 2011
 Invoice No.: TR131700479

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED as Court Appointed Receiver
 of Carnival National Leasing Limited for the period up to February 25, 2011.

	CAD
FEES	\$88,997.50
DISBURSEMENTS	<u>\$5,001.88</u>
TOTAL FEES AND DISBURSEMENTS	\$93,999.38
HST	<u>\$12,219.92</u>
TOTAL DUE	<u><u>\$106,219.30</u></u>

Postponed Fee Amount per Court Order:

Fees	24,021.00
Disbursements	<u>1,201.05</u>
Fees and Disbursements	<u>25,222.05</u>
HST	<u>3,278.87</u>
TOTAL AMOUNT DUE	<u><u>28,500.92</u></u>

Remit Only Bank Wire Transfers (EFT) to:
 HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
 Account Name: PricewaterhouseCoopers LLP
 Transit No.: 10002:016 Swift Code: HKBCCATT
 CAD Account: 064871-001 USD Account: 064871-070
 Invoice number must be included.

Please return one copy with your payment.

088

PRICEWATERHOUSECOOPERS INC.
COURT APPOINTED RECEIVER OF
CARNIVAL NATIONAL LEASING LIMITED
Time and Disbursements Summary
For the period to February 25, 2011

<u>Staff Member</u>	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
SENIOR VICE PRESIDENT					
PAUL VAN EYK	1.5	515	772.50	110	165.00
J McKENNA	1.5	515	772.50	110	165.00
VICE PRESIDENT					
C LONERGAN	46.0	375	17,250.00	135	6,210.00
N LABBE	1.0	375	375.00	135	135.00
T WEAVER	3.3	375	1,237.50	135	445.50
M PICKETT	53.8	375	20,175.00	135	7,263.00
MANAGER					
B STEWIEN	53.5	300	16,050.00	75	4,012.50
SR ASSOCIATE					
D SMITH	1.9	230	437	50	95.00
J NEVSKY	57.1	230	13,133	50	2,855.00
P GUPTA	53.5	230	12,305	50	2,675.00
ASSOCIATE					
W PITTMAN	2.1	175	368	0	0.00
W YAO	16.0	175	2,800	0	0.00
A CHIANG	16.0	175	2,800	0	0.00
ADMINISTRATOR					
A BOULDING	0.6	150	90	0	0.00
D YANG	2.5	150	375	0	0.00
SUPPORT STAFF					
L CRITTEDEN	0.5	115	58		0
	<u>310.8</u>		<u>88,997.50</u>		<u>24,021.00</u>
FEES			88,997.50		24,021.00
DISBURSEMENTS					
Administration fee			4,449.88		1,201.05
Other disbursements (Sentinel Security Inc. - Inv. # 341)			552.00		0.00
			<u>5,001.88</u>		<u>1,201.05</u>
FEES AND DISBURSEMENTS:			93,999.38		25,222.05
HST			<u>12,219.93</u>		<u>3,278.87</u>
TOTAL AMOUNT DUE:			<u><u>106,219.30</u></u>		<u><u>28,500.92</u></u>

Time Details

Client: Carnival National Leasing Limited
 Job: Carnival - RECEIVER
 Show to date: 2/25/2011

* Staff	Date	Hours	Memo
LONERGAN CLARK (CA000586)	2/16/2011	7.0	In court in the morning to get court order, discussion with counsel on landlord and employee issues. Taking possession, employee analysis, conversation with Mr. Hirsh about go forward plan, developing go forward strategy, portfolio analysis, cash flow protocol, etc. Out at Client
	2/17/2011	7.5	Taking possession, employee analysis, conversation with Mr. Hirsh about go forward plan, developing go forward strategy, portfolio analysis, cash flow protocol, etc. Out at Client
	2/18/2011	4.0	1 hr Call with Banks, preparing for bank meeting. Summarizing taking possession events. Call with BMO to discuss portfolio management. Discussion with PwC staff on-site for up dates and employee termination analysis.
	2/22/2011	8.0	Dealing with multiple leasee questions and comment. Dealing with Bailiffs and Repair Shops to get vehicles releases. Employee issues Discussion with multiple wholesalers for vehicles prices Multiple PwC staff meetings Multiple discussions with Legal counsel surrounding Bailiff and repair shop letters Discussions with Bank counsel and receiver counsel regarding update on file and status of vehicle possession. Discussion with Legals and delinquent accounts. Review of Portfolio analysis.
	2/23/2011	8.0	Dealing with multiple leasee questions and comment. Dealing with Bailiffs and Repair Shops to get vehicles releases. Employee issues Les Odes OMVIC licenses Discussion with multiple wholesalers for vehicles prices Multiple PwC staff meetings Multiple discussions with Legal counsel surrounding Bailiff and repair shop letters.
	2/24/2011	6.0	Out at the client Discussions with OPP regarding vehicles in storage Discussions with Mr Hirsh Discussions with Engineering firm relating to LCs and property in Aurora Analysis and discussions regarding leasee who has vehicle repo'd by Douglas Ford. Various discussions and emails with Legal regarding Mechanica liens, Douglas Ford repo, lease, les odes occupations agreement. Dealing with Employee vehicle purchases. etc.

* Staff

Staff	Date	Hours	Memo
	2/25/2011	5.5	Out at the client Discussions with OPP regarding vehicles in storage Discussions with Mr Hirsh Analysis and discussions regarding leasee who has vehicle repo'd by Douglas ford. Various discussions and emails with Legal regarding Mechanical liens, Douglas ford repo, lease, les odes occupations agreement. Dealing with Employee vehicle purchases. Visits from Customers Bank update call Lein of House analysis etc.
WEAVER TRACEY (CA002224)	2/16/2011	0.2	Disc. with CMT re website, hotline, bank accounts and stat. work.
	2/17/2011	0.2	Preparing note of work to be done and instructions to CMT. Following up on bank accounts and website.
	2/18/2011	0.6	Disc. and e-mails regarding payroll. Reviewing website update. Discussions with M.P. and instructions to D.Y.
	2/22/2011	0.8	Following up on banking issues and payroll. Edits to S.245/S246 report. E-mails with M.P.
	2/23/2011	0.1	Approving cheques.
	2/24/2011	1.2	Edits to S.245/S246 Report. Edits to creditor lists. Discussions with M.P. regarding employees and statutory mailing. Overseeing mailing.
	2/25/2011	0.2	Checking payroll and reviewing and approving cheques.
BOULDING ADELAIDE (CA002759)	2/22/2011	0.4	Phone call M. Pickett re Leighton Jones. Post disbursement Newviews, prepare cheque requisition & cheque scribe batch, run cheque, secure signature, prepare courier envelope & deliver to mailroom. Email J. Nevsky advising cheque being sent courier.
	2/23/2011	0.2	Post disbursement Newviews, prepare cheque requisition & cheque scribe batch, run cheque.
SMITH DONALDA (CA007437)	2/17/2011	0.4	Arrange for new website and hotline to be set up.
	2/18/2011	1.2	Set up website with basic information and documents. Follow up on hotline.
	2/22/2011	0.3	Setup hotline with message and update website.
NEVSKY JOSH (CA012016)	2/16/2011	7.0	First day activities including taking possession, reviewing inventory records, arranging for pick of vehicles, taking stock at mechanics and dealerships.
	2/17/2011	10.2	Continued taking possession, reviewing inventory records, arranging for pick of vehicles, taking stock at mechanics and dealerships.
	2/18/2011	8.2	Continued taking possession of inventories, reviewing inventory records, arranging for pick of vehicles, taking stock at mechanics and dealerships.
	2/21/2011	0.8	Reviewing and summarizing inventory detail
	2/22/2011	10.2	Taking possession over inventory, reviewing various vehicle related issues with Ralph Fedato, Leighton Jones and Lucy Kuntz (Carnival) and Michelle Pickett, Clark Loneragan (PwC)
	2/23/2011	10.5	Taking possession over inventory, reviewing various vehicle related issues with Ralph Fedato, Leighton Jones and Lucy Kuntz (Carnival) and Michelle Pickett, Clark Loneragan (PwC)

* Staff

	Date	Hours	Memo
	2/24/2011	9.4	Reviewing various vehicle related issues with Ralph Fedato, Leighton Jones and Lucy Kuntz (Carnival) and Michelle Pickett, Clark Lonergan (PwC) Preparing and sending letters regarding vehicle possession and related liens.
	2/25/2011	0.8	Discussions with Clark Lonergan regarding vehicles and lien notices Phone call with legal representative of Exclusive Mechanics
GUPTA PEARL (CA015872)	2/16/2011	7.0	On-site at Carnival. First day Receiver's activities. Discussion with Josie regarding AR listing. Discussion with Lucy regarding credit card account, blank cheques, petty cash, payroll related items. Discussion with Josie and Nadia regarding deposits received in mail. Discussion with team regarding duties to be completed.
	2/17/2011	8.3	On-site at Carnival. Preliminary Receiver's activities. Discussion with Josie regarding AR listing. Discussion with Lucy regarding payroll related items, and process for recording cash receipts. Discussion with Josie and Nadia regarding deposits received in mail. Discussion with team regarding duties to be completed. Change of credit card deposits to Receiver's account. Discussion regarding employee tasks and determination of who to let go.
	2/18/2011	8.5	Review of lease portfolio with Ralph. Draft employee continuation of services letters. Draft letter for cleaning services. Ensure credit card deposit account has been changed. Request access to Casitron system in order to receive reports. Discussion with BMO regarding logistics surrounding recorded of cash receipts by BMO. Review of lease portfolio as of Jan 31, 2011.
	2/21/2011	0.7	Reconciliation of lease portfolio.
	2/22/2011	8.0	Reconciliation of lease portfolio. Organize cash receipts. Conference call with BMO and RBC regarding tracking of lease payments. Reconciliation of leases to inventory. Discussion with J. Donato regarding employee contract.
	2/23/2011	2.0	Reconciliation of lease portfolio.
	2/24/2011	9.5	Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Bank deposit. Walkthrough of sold leases with L. Kunz. BRS filing.
	2/25/2011	9.5	Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Bank deposit. Walkthrough of sold leases with L. Kunz.
LABBE NATHALY (CA016857)	2/17/2011	1.0	Discussion with the Ministry of Ontario - Re: get a list of licences under Carnival's companies. Write a letter and send it, with the Court Order, to the Data Access Unit of MTO.
PITTMAN WENDY (CA022477)	2/22/2011	0.5	Drafted combined Notice and Statement of the Receiver s.245/246 for both Carnival National Leasing Limited and Carnival Automobiles Limited.
	2/23/2011	0.1	Edited supplementary mailing lists.
	2/24/2011	1.5	Mailing of Notice and Statement of Receivership s.245/246 to all creditors of Carnival National Leasing Limited and Carnival Automobiles Limited.
YANG DAN HUA (CA022802)	2/16/2011	0.4	Prepare letter of direction to open a new account with BMO, secured signatures, scan letter and appointment document to I.Sookhoo of BMO, original sent via courier.
	2/17/2011	0.2	Setup accounts in Newviews.

* Staff	Date	Hours	Memo
	2/18/2011	0.4	Set up new account in Troy, print a same cheque, scan and email to P. Gupta. Update Newviews re: incoming funds transfer and deposit.
	2/25/2011	1.5	Contact BMO to get account activity report, update Newviews, prepare vouchers for filings, provide balance to P. Gupta. Post disbursements in Newviews, prepare cheque requisition forms, run cheque batch, run cheques, obtain signature, update cheque scribe logs, photocopy signed cheque, courier cheques, voucher to file. Review and reply to emails.
STEWIEN BRIAN (CA022898)	2/16/2011	9.0	Conference call with Clark, Michelle, Pearl and Josh to discuss and allocate the first day activities and responsibilities. Supervised the changing of the locks with access to the premises. Contacted Hub International (insurance company) to obtain understanding of the Company's insurance contract and premium status. Sent a copy of the Company's insurance contract to Yvette Shirley (First Cassels) to review the policy. Created a creditors listing with Lucy (ex-Controller).
	2/17/2011	11.0	Continued to update the creditors listing based on the mail received and the invoices found on the premises. Contacted Ron Stockfish (employee) to discuss the status of his vehicle (location, condition, leased and insured) and whether he would be purchasing the vehicle. Prepared a summary of amounts payable to the employees to be terminated and retained. Call with Don Anderson (Firstbrook, Cassie and Anderson Ltd) to discuss the adequacy of the insurance policy coverage and whether it should be retained. Call with Drew Pulver (Hub International) to discuss the insurance policy coverage, the expected new terms, the elimination of the building portion, the new premium and length of the contract.
	2/18/2011	5.0	Preparation of the termination letters and emails / calls to Danielle Yang requesting preparation of the cheques Called Ron and Diane Stockfish to advise of their termination. Contacted Bell Canada to advise them of the Receivership and requested the accounts be transferred to the Receiver's name. I was advised the account would only be transferred if the arrears were settled. I advised Bell Canada to keep the account and services as such and not to transfer the account. Continued to update the creditors listing. Finalized the Notice and Statement of the Receiver. Investigated the details regarding the Douglas Ford Lincoln Sales asset. Contacted Chubb Security to confirm the password change.
	2/22/2011	6.5	Discussed the Notice and Statement of the Receiver with Michelle Pickett and made the necessary changes. Contacted Chamber of Commerce to advise them of our appointment. Drafted a notice advising them to cancel the benefits plan. Contacted Ronald Stockfish in respect of the vehicle he wishing to purchase.
	2/23/2011	8.5	Contacted Hub International to confirm the status of insurance policy and premium calculation. Prepared an email to Adele Bounding requesting her to prepare staff payroll cheques.

* Staff	Date	Hours	Memo
	2/24/2011	8.0	Obtained supplementary information (addresses) requested by Wendy Pittman for the Notice and Statement of the Receiver. Responded to Tracey Weaver's questions in respect to the Notice and Statement of the Receiver.
			Recalculated the payroll for week ending February 25, 2011. The payroll prepared by Lucy Kunz was incorrect. Her calculations did not include the 4% vacation pay and 10% in lieu of benefits agreed with the employees by the Receiver. She also failed to include the amounts owing to contractors and the vacation pay owing as at February 15, 2011. Contacted Danielle Yang (PwC) to make arrangements for the cheques to be prepared and mailed.
			Call with Ron Stockfish in respect to the vehicle in his possession. Ron advised that he was disappointed with the Receiver's decision to increase the purchase price from \$1,000 to \$1,700. The increased value was based on quotations. Ron requested to speak to Clark Lonergan to state that the vehicle was not worth \$1,700. Clark agreed to obtain another quotation. If Ron was not satisfied with the quote, the vehicle should be returned.
	2/25/2011	5.5	Call and email correspondence with Alec Cassarichis (Owner- Casitron Limited) in respect of the outstanding invoices. Alec had advised he would terminate the service provided unless all amounts owing were paid. I explained to him that in terms of the order he could not terminate the service or increase his service fee. Should he continue with his threat I advised him that legal counsel would be sought. Made the changes to the Notice to Chamber of Commerce as per Michell Pickett. Subsequently, sent the Notice to Holly (Account Administrator) at Chamber of Commerce Call with Drew Pulver (Hub International) to discuss the status of the insurance policy / premium and the file in general. Supervised the loading and transportation of 12 vehicles from Carnival's premises to Auto Vault's premises. Call with Ron Stockfish to confirm the sale of his vehicle. Review of Casitron's email regarding the future services. Admin - Calls to Danielle Yang to confirm that the payroll cheques were filed and filing of documents in BRS.
PICKETT MICHELLE (CA023662)	2/16/2011	8.0	Develop a plan for taking possession and control of assets at Carnival. Managing and instructions to all re: taking possession and control.
	2/17/2011	10.0	Attending at Carnivals office. Dealing with employee, inventory issues. Call with E. Lamek re: various staff, banking and vehicle issues. Meeting with D. Hirsh advising of termination. Instructions to staff re: collecting statutory data. Website set up. Call with FirstBrook Cassie (Don Anderson) and Hub International (Drew Pulver) re: insurance coverage. Discussion with C. Lonergan re: call with Banks. Meeting with C. Lonergan of OMOVIC.

* Staff

Date	Hours	Memo
2/18/2011	9.0	Preparation for and attendance at conference call with E. Lamek, BMO (P. Findlay) and RBC (R. Chang and R. Hall to discuss progress to date. Determining priorities for wages/vacation pay, source deductions and GST. Discussions with employees - re: continuing employment and terminations. Discussion with Ron & Diane Stockfish re: vehicle. Discussion and email to/from T. Weaver re: employees. Discussions with customers. Discussions with J. Donato and Remy re: Accounts receivables and buyouts. Various discussions with C. Loneragan. Instructions to staff re: inventory, termination letters etc. Communicating priorities for following week.
2/22/2011	7.3	Various discussions with C. Loneragan re: strategy for realizing on lease portfolio.
2/23/2011	5.0	Review and comment on various versions of S. 245 and s.246 reports. Review creditor listing - various emails to/from and discussions with B. Stewien re: same. Employee issues - payroll continuing employment contracts. Email to S. Brotman. Document management. Various discussions with C. Loneragan re: employee issues, strategy for documenting and controlling lease buyout and employee purchase of vehicles. Following up on vehicles sales. Developing a checklist for information required re: Buyouts.
2/24/2011	7.0	Dealing with various receivership matters: Review and finalize Notice to creditor and Receiver's First report. Various discussion with B. Stewien and T. Weaver re: same. Employee contracts - emails to/from and discussions with G. Phoenix re: language for stay bonuses. Discussion with Ramy re: termination as contract salesperson. Dealing with leases buyouts and employee buyouts of vehicles - drafting letter to MOE, reviewing documentation, discussions with employees re: same. Discussion with R. Fedato re: required documentation for MOE. Customer inquiries Discussion with K. Dube re: repossessed vehicle. Emails to/from J. Ross - OMOVIC. Payroll Review and comment on payroll for week ending February 24, 2011. Discussion with B. Stewien re: same and terms in Continuing Contracts. Discussions with A. Donato re: unsecured claim in receivership. Various discussions with C. Loneragan re: receivership matters - buyouts, employees etc.

* Staff	Date	Hours	Memo
	2/25/2011	7.5	Review and comment on correspondence. Documenting activities. Discussion with C. Foster of Somerville Leasing re: vehicles being sold by Odes Brokerage. Follow up discussion with L. Odes re: same. Emails to/from and discussion with G. Phoenix re: Occupation agreement. Discussion with L. Odes re: same Dealing with employment contact issues - revisions to contracts and discussion with J. Donato and L. Kunz. Review and finalize payroll and cheque run for the week. Working with R. Fedato to develop a protocol and template for customer buyouts. Discussion with R. Kashavani re: debt owing to Carnival leasing. Discussion with M. Reynolds re: return of deposit. Preparation and attendance and conference call with the secured lenders - (P. Findlay, M. Sutherland, R. Chang and P. van Eyk).
VAN EYK PAUL (CA026589)	2/25/2011	1.5	Conference call with lenders, discussion with PwC team
MCKENNA JOHN (CA051496)	2/16/2011	1.5	Prep for and attend in court re Newbold decision/reasons
CRITTENDEN LEONORA (CA062724)	2/24/2011	0.5	Stuffing envelopes for mailing to creditors.
YAO WAYNE (CA021046)	2/16/2011	16.0	2 hrs travelling Meeting with the client + PwC personnel at the site Preserving the data, document and consolidate
CHIANG ALAN (CA025034)	2/16/2011	16.0	2 hrs travelling Meeting with the client + PwC personnel at the site Preserving the data, document and consolidate
TOTAL:		310.8	

REMITTANCE COPY

PricewaterhouseCoopers Inc.
 Court Appointed Receiver of
 Carnival National Leasing Limited
 77 King Street West
 Royal Trust Tower
 Suite 3000 Toronto ON M5K 1G8
 Canada

PricewaterhouseCoopers Inc.
 PO Box 82
 Royal Trust Tower, Suite 3000
 Toronto Dominion Centre
 Toronto, ON M5K 1G8
 Canada
 Telephone: +1 416 863 1133
 Facsimile: +1 416 365 8215
Contact: Clark Lonergan
 Telephone: +1 416 814 5835
 E-mail: clark.lonergan@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
 145 King Street West
 Toronto ON M5H 1V8
 Canada

Bill Date: March 17, 2011
 Payment requested by: April 1, 2011
 Invoice No.: TR131700583

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED as Court Appointed Receiver of Carnival National Leasing Limited for the period February 26 to March 11, 2011.

	CAD
FEES	\$97,491.50
DISBURSEMENTS	<u>\$4,874.58</u>
TOTAL FEES AND DISBURSEMENTS	\$102,366.08
HST	<u>\$13,307.59</u>
TOTAL DUE	<u><u>\$115,673.67</u></u>

Postponed Fee Amount per Court Order:

Fees	26,667.00
Disbursements	<u>1,333.35</u>
Fees and Disbursements	28,000.35
HST	<u>3,640.05</u>
TOTAL AMOUNT DUE	<u><u>31,640.40</u></u>

Remit Only Bank Wire Transfers (EFT) to:
 HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
 Account Name: PricewaterhouseCoopers LLP
 Transit No.: 10002:016 Swift Code: HKBCCATT
 CAD Account: 064871-001 USD Account: 064871-070
 Invoice number must be included.

Please return one copy with your payment.

PRICEWATERHOUSECOOPERS INC.
COURT APPOINTED RECEIVER OF
CARNIVAL NATIONAL LEASING LIMITED
Time and Disbursements Summary
For the period to February 26 to March 11, 2011

	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
<u>Staff Member</u>					
SENIOR VICE PRESIDENT					
PAUL VAN EYK	7.5	515	3,862.50	110	825.00
VICE PRESIDENT					
C LONERGAN	47.0	375	17,625.00	135	6,345.00
T WEAVER	0.7	375	262.50	135	94.50
M PICKETT	47.5	375	17,812.50	135	6,412.50
MANAGER					
B STEWIEN	93.0	300	27,900.00	75	6,975.00
SR ASSOCIATE					
D SMITH	0.4	230	92	50	20.00
J NEVSKY	23.2	230	5,336	50	1,160.00
P GUPTA	96.7	230	22,241	50	4,835.00
ASSOCIATE					
W PITTMAN	0.2	175	35	0	0.00
W YAO	3.0	175	525	0	0.00
ADMINISTRATOR					
A BOULDING	7.2	150	1,080	0	0.00
D YANG	4.8	150	720	0	0.00
	331.2		97,491.50		26,667.00
FEES			97,491.50		26,667.00
DISBURSEMENTS					
Administration fee			4,874.58		1,333.35
FEES AND DISBURSEMENTS:			102,366.08		28,000.35
HST			13,307.60		3,640.05
TOTAL AMOUNT DUE:			115,673.67		31,640.40

Time Details

Client: Carnival National Leasing Limited
 Job: Carnival - RECEIVER
 Show to date: 3/11/2011

* Staff	Date	Hours	Memo,
LONERGAN CLARK (CA000586)	2/28/2011	7.0	Out at the client Analysis and discussions regarding leasee who has vehicle repo'd by Douglas ford. Various discussions and emails with Legal regarding Mechanica liens, Douglas ford repo, lease, les odes occupations agreement. Dealing with Employee vehicle purchases. Visits from Customers Lein of House analysis Various discussions with Employees regarding customer issues, legal proceedings and next steps, etc.
	3/1/2011	7.0	Out at the client Various discussions and emails with Legal regarding Mechanica liens, Douglas ford repo, lease, les odes occupations agreement. Issues relating to DeerHorn and the rent on the premise. Employee meetings Discussion with various law firms regarding on going legal action against Leasees Dealing with Employee vehicle purchases. Visits from Customers Lein of House analysis etc.
	3/2/2011	7.0	Out at the client Various discussions and emails with Legal regarding Mechanica liens, Douglas ford repo, lease, les odes occupations agreement. Issues relating to DeerHorn and the rent on the premise. Employee meetings Discussion with various law firms regarding on going legal action against Leasees Dealing with Employee vehicle purchases. Visits from Customers Lein of House analysis Analysis of customer accounts regarding buy-outs or repossession of vehicles etc.

* Staff

Date	Hours	Memo
3/3/2011	6.0	Out at the client Various discussions and emails with Legal regarding Mechanica liens, Douglas ford repo, lease, les odes occupations agreement. Issues relating to DeerHorn and the rent on the premise. Employee meetings Discussion with various law firms regarding on going legal action against Leasees Dealing with Employee vehicle purchases. Visits from Customers Lein of House analysis Analysis of Customer accounts and next steps Numerous phone calls etc.
3/4/2011	6.0	Out at the client Various discussions and emails with Legal regarding Mechanica liens, Douglas ford repo, lease, Employee meetings Discussion with various law firms regarding on going legal action against Leasees Meeting with Bailiffs Visits from Customers Analysis of Customer accounts and next steps Bank conference call Numerous phone calls Billings etc.
3/7/2011	7.0	Discussions with Banks, update on vehicles and lawyers, etc. Reviewing cash flow and cash flow variance analysis. Preparing update for the Banks. Discussion with counsel regarding Universal and Goody. Buy-out analysis. Examination of the portfolio. Various calls and discussions with PwC staff and carnival staff relating to day-to-day leasing issues.
3/11/2011	7.0	Call with Banks and preparing for the call. Preparing draft update for the bank. Discussion with Team regarding vehicles and Goody. Discussion with Counsel regarding vehicles and claims updates with lawyers. Various other calls and discussions with the Company.
WEAVER TRACEY (CA002224)	0.2	E-mails regarding banking and payroll issues.
2/28/2011	0.1	Discussions with A.B. regarding banking issues and e-mail to Pearl.
3/1/2011	0.1	E-mails regarding banking issues.
3/4/2011	0.1	Reviewing and approving cheques.
3/7/2011	0.1	Approving cheques.
3/8/2011	0.1	E-mails regarding payroll.
3/11/2011	0.1	
BOULDING ADELAIDE (CA002759)	1.8	Post AR deposit Newviews, attach backup. Reconcile BMO account activity report to Newviews. Phone call BMO re missing Feb 25th deposit, request revised account activity report. Discuss posting with C. Lonergan. Prepare email to P. Gupta re missing information for deposits & request tax breakdown for collection of AR.

* Staff	Date	Hours	Memo
	3/1/2011	1.8	Revise postings per information received from P. Gupta. Post returned items & service charges Newviews (6). Conference call with T. Weaver & P. Gupta re posting of receipts & missing payee information. Phone call BMO re on line access, refer to P. Gupta. Phone call P. Gupta to confirm contacted by BMO. Update postings with payee information provided by P. Gupta.
	3/2/2011	2.8	Post returned items, service charges, deposits & transfers to and from receiver's account to pre appointment account to cover shortfalls, attach backup, & prepare vouchers for filing. Email Bank of Montreal re missing backup for returned items. Email P. Gupta requesting posting information for transfers. Print Newviews R&D, scan & email to P. Gupta for review & reconciling. Reconcile bank activity to Newviews.
	3/7/2011	0.8	Review Newviews postings & backup re returned items, & disbursement, sign off on vouchers. Review & print emails re 3 transfers from receiver's account to pre appointment account, post Newviews, attach backup.
SMITH DONALDA (CA007437)	3/10/2011	0.4	Review payroll and discussions with Pearl re same.
NEVSKY JOSH (CA012016)	2/28/2011	4.2	Follow up with mechanics regarding vehicles still in their possession.
	3/1/2011	9.5	Review of mechanic invoices and liens, prepare responses to S.15 notices to sell vehicles.
	3/1/2011	9.5	Follow up with mechanics regarding vehicles still in their possession.
	3/2/2011	8.5	Review of mechanic invoices and liens, prepare responses to S.15 notices to sell vehicles.
	3/10/2011	1.0	Follow up with mechanics regarding vehicles still in their possession.
	2/28/2011	9.5	Review of mechanic invoices and liens, prepare responses to S.15 notices to sell vehicles. Meeting with Brian Stewien (PwC) regarding status of vehicles and outstanding items Correspondence with Receiver General and bailiff regarding vehicle in possession
GUPTA PEARL (CA015872)	2/28/2011	9.5	Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Organize reporting process for cash collections. Reconcile cash receipts to date on per lease basis.
	3/1/2011	10.0	Reconciliation of lease portfolio. Organize cash receipts for deposit. Reconciliation of leases to inventory. Discussion with BMO regarding online access to bank accounts. Reconcile cash receipts to date on per lease basis.
	3/2/2011	11.0	Reconciliation of lease portfolio. Organize cash receipts. Review cash flow forecast and update for expected receipts and disbursements. Reconcile cash receipts to date on per lease basis. Discussion with RBC regarding inconsistent information between RBC and Company lease records. Investigation of sold vehicles and trace to bank statements.
	3/3/2011	10.0	Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Reconcile cash receipts to date on per lease basis. Investigation of sold vehicles and trace to bank statements. Review of disbursements from Carnival's account and assess reasonability. Update PAP receipts for NSF's received to date. Review with J. Donato regarding delinquent accounts with multiple account write-offs.
	3/4/2011	5.5	Reconciliation of lease portfolio. Reconciliation of leases to inventory and outstanding bank financing. Investigation of sold vehicles and trace to bank statements. Summarize receipts and disbursements for reporting purposes. Discussion with PPSA regarding potential report to identify all Carnival liens.

* Staff

	Date	Hours	Memo
	3/7/2011	9.7	Set-up model to generate weekly cash flow variance. Ensure all disbursements to date have been made. Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Reconcile cash receipts to date on per lease basis.
	3/8/2011	11.0	Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Reconcile cash receipts to date on per lease basis. Discussion with M. Pickett regarding report to generate for PPSA liens. Discussion with J. East regarding reconciliation of lease portfolio to company records. Ensure all disbursements required were made. Review of delinquent accounts. Summarize lease portfolio for review. Summarize sold leases summary for review.
	3/9/2011	11.0	Review of vehicles at police impound with Brian. Review of salaries to be paid this week. Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Reconcile cash receipts to date on per lease basis. Finalize cash flow variance analysis for week ending March 4, 2011. Summarize reasons behind NSF's and compare with prior month.
	3/10/2011	10.0	Review payroll to be processed this week. Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Reconcile cash receipts to date on per lease basis. Review of HST booked on per lease basis and reconcile to collections. Summarize issues for discussion with C. Loneragan. Organize invoices to pay. Discussion with R. Papeo regarding BMO lease listing and comparison to company records. Update lease listing with inventory detail. Send summary to C. Loneragan for review and inclusion in documents to report to bank.
	3/11/2011	9.0	Discussion with banks regarding status of Receivership. Organize invoices for payment. Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Reconcile cash receipts to date on per lease basis. Discussion with C. Loneragan regarding issues to finalize. Discussion with Ramy regarding lease buyout.
PITTMAN WENDY (CA022477)	3/1/2011	0.1	Returned phone calls from creditors with inquiries about receivership.
	3/8/2011	0.1	Answered inquiries from creditors.
YANG DAN HUA (CA022802)	2/28/2011	0.3	Prepare letter of direction requesting CRA to open post receivership HST and Payroll account. Prepare letter of direction to transfer funds form Carnival Automobile Limited to Carnival National Leasing and close the account.
	3/1/2011	0.2	Contact BMO to obtain account activity report, forward same to A.Boulding. Confirm with BMO re: Carnival Auto account closing and transfer of fund to Carnival National Leasing, update Newviews, prepare vouchers for filing.
	3/3/2011	0.5	Post disbursements in Newviews, prepare cheque requisition forms, run cheques, secure signature, photocopy signed cheques, courier cheques, prepare voucher for filing. Pick up message from the hotline, forward call, set up Creditors call log, upload it to BRS Power.
	3/4/2011	0.4	Post disbursement in Newviews, prepare cheque requisition form, run cheque, secure signature, photocopy signed cheque, mail cheque, prepare voucher for filing. Scan a copy of the return items and email same to Pearl Gupta, update Newviews accordingly.
	3/7/2011	0.5	Post disbursements in Newviews, prepare cheque requisition forms, run cheques, secure signature, photocopy signed cheques, mail cheques, prepare voucher for filing. Contact BMO to get a copy of the account activity report.

* Staff

	Date	Hours	Memo
	3/8/2011	0.8	Post disbursement in Newviews, prepare cheque requisition form, run cheque, secure signature, photocopy signed cheque, mail cheque, prepare voucher for filing. Contact BMO re: account activity report, forward a copy to P. Gupta, update Newviews.
	3/10/2011	1.2	Update Newviews re: returned items. Print Newviews, scan and email same to P.Gupta. Contact BMO for account activity report. Spot check payroll against CRA's online payroll calculator, Post payroll in Newviews, prepare cheque requisition form, run cheques. Prepare letter of direction re: outgoing transfer payment, scan and email letter to BMO, obtain confirmation, prepare voucher for filing.
	3/11/2011	0.9	Contact BMO to get account activity report, forward a copy to P.Gupta. Void some cheques, update Newviews. Post disbursements in Newviews, prepare cheque requisition forms, run cheques, secure signature, photocopy signed cheques, mail cheques, prepare vouchers for filing.
STEWIEN BRIAN (CA022898)	2/28/2011	8.5	Supervised the collection of vehicles by Asset Engineering. Emails with Cynthia (Asset Engineering) regarding the amounts quoted and bills of lading. Updating the 13-week cash flow. Reviewed Contract Management Reports, latest invoices and payroll records. Admin - Faxed lease agreement to Edmond Lamek, emailed Josh Nevsky notices of intention to sell and update BRS Power file.
	3/1/2011	13.0	Updating the 13-week cash flow. Reviewed Contract Management Reports for leases past initial term, expiring end of February, March and April. Reviewed Bank Statement of Account Reports for the above leases. Discussed the status of the individual leases with the respective sales person. Discussed the cash flow with Clark Loneragan and Michelle Pickett. Call with E. Lamek and C. Loneragan to discuss the utility and rent payments
	3/2/2011	9.0	Completed the cash-flow. Updated the PAP, Cash / Cheques, Inventory Sales and Bank sections of the cash flow. Discussed with Ralph the black book values of inventory vehicles. Called Daytona Auto for values on the vehicles not found in the black book. Discussed the status of the inventory with Josh Nevsky.
	3/3/2011	11.0	Calls to Edmond Lamek, Exclusive Collision Centre Ltd, Universal, Bodylines and Asset Engineering to make arrangements to have the vehicles repossessed. Preparation of vehicle summary reports for the vehicles located at Bodylines Auto Ltd. Two trips to MTO to have vehicle ownership and registration plates transferred. Preparation of an email to Drew Pulver (Hub International) requesting advise on claims process.
	3/4/2011	9.0	Travelled to Exclusive Collision Centre and Bodylines premises to collect the vehicles. Vehicles were only collected from Bodylines. Trip to Ministry of Transport to transfer ownership. Trip to BMO to deposit funds collected. Discussions and emails with Edmond Lamek in respect of ABN Truck & Load, Omega Auto Centre and Clarizo related vehicles.

* Staff

Date	Hours	Memo
3/6/2011	2.0	Preparation of summary of the vehicles status and action plan for Clark Lonergan. Replied to Edmond Lamek's emails.
3/7/2011	3.0	Call with Graham Phoenix in respect of Royal Bailiffs and the vehicles located at GTA Auto and Alpha Motor Sports. Call with Vito D'Angelo in respect of his offers relating to the vehicles located at Alpha Motor Sports premises. Call with Sanji Sood (Aird & Berlis) in respect of their role with Carnival. Calls and emails with Edmond Lamek in respect of JCJ Auto, Omega Auto Centre, Universal and Exclusive Collision.
3/8/2011	9.0	Collection of 15 vehicles from Exclusive Collision and storage thereof at TFX International and Carnival. Calls and emails to Paul Bryne (York Fire) in respect of the Rolls Royce which had a tree fall on it on July 24, 2010. Left a message with Greg Roach (Claims Pro) to contact me regarding the above incident. Call to MVM to confirm whether or not any information regarding this incident was available. Discussions with Paul van Eyk regarding this matter. Discussion with Jozie (Carnival) and a review of Allen Palmer / Zujovic file to obtain an understanding of the lease and Barry Rubinhoffs involvement. Call with Ray (Asset Engineering) to discuss their invoice (co-ordination) and to make arrangements to collect the two vehicles at Exclusive Collision. Call with Diane (CarProof) to inform her of our appointment and request she open a new account for the Receiver. For RBC: Calls and emails with Mike McIntosh to arrange a site visit and advise him that the information requested was with Deerhorn Properties. Emails and calls with Edmond Lamek following up on outstanding / status of items
3/9/2011	9.0	Preparation of vehicle summary reports for Alpha Motor Sports, MVM and JCJ Auto. Calls to Vito D'Angelo advising him of our review. Met with Gordon Hayman to discuss the status of the repair invoices, the condition of the vehicles and whether or not other vehicles were on his premises. Gordon advised one additional vehicle was on site and that the invoices would be available Friday March 11, 2011. Review of supporting documentation in respect of BDM Landscaping's buy-out. Call with Michelle to obtain approval for the buy-out. Call with Alvin Jones to discuss his proposed buy-out. Alvin advised he had obtain his safety and emission tests and would visit Carnival on Friday March 11, 2011. Calls and emails to Edmond Lamek in respect of vehicles located at the OPP, Universal, Swipes & Wipes and the Security review. Update with Paul van Eyk in respect of the inventory. General: Discussions with Jozie regarding Barry Rubinhoff account, OPP vehicles and Argiello. Call with Ray (Asset Engineering) to discuss Universal and inventory values.

* Staff

	Date	Hours	Memo
	3/10/2011	11.0	RBC related time: Met with representatives from Colliers (Mike McIntosh, Vicente Gamboa & Demetri Andros), Wagner, Andrews & Kovacs (Karl Kovacs) and S2S Environmental Inc. (Derik Tam) to show them around 79 Martin Ross. Discussion with Josie to understand Barry Rubino's cases. Call / emails with Edmond Lamek to discuss the way forward. Email to Barry explaining the Receiver's request. Calls to Platinum Storage (Heather Holburn) and Receiver General of Canada (Andre Lacombe) in respect of the vehicle located at Platinum Storage. Calls / emails with Edmond Lamek and Clark Loneragan in respect of the Bentley located at Universal / Alpha. Reviewing of buy-outs prepared by Ralph and Josie. Preparation of power of attorney letters for MTO. Met with a client requesting to have the vehicle transferred from the ex-husband's name to hers. Updated the inventory listing and prepared a summary for Clark to present to the client. General - replying to emails.
	3/11/2011	8.5	Met with Vito D'Angelo at Alpha Motor Sports to view the vehicles on-site, take photographs and confirm the whereabouts of the Bentley. Calls with Edmond Lamek, Paul van Eyk and Clark in respect of the Bentley located at Alpha. Made arrangements with Kay Baliffs to collect the vehicle at Alpha. Made arrangements with Asset Engineering to collect the vehicle at Carnival and store it off-site. Called Pino Guido with Josie and Les present to request him to call Detective St. Armand to report his case. Discussion with Josie to understand the file. Reviewing buy-outs and preparing letters of attorney. Visited Hayman Motors premises to obtain the repair invoices and view the vehicles. Met with Cory Hayman.
PICKETT MICHELLE (CA023662)	2/28/2011	8.0	Update Carnival website. Finalize documents for sale of vehicles. Emails to/from J. Ross OMOVIC re same. Emails to/from and discussion with Jamie East of RBC requesting release of lien on various vehicles. Attend at MTO to transfer ownership to vehicles. Documenting sale and updating Pearl Gupta re: same. Review of lease re: responsibility for insurance and utilities. Emails and discussion with E. Lamek re: same. Follow up with L. Kunz to confirm same. Various discussions with L. Odes re: occupation rent, involvement in buyouts moving forward, and purchase and transfer of vehicles. Reviewing various files and discussion with J. Donato and R. Fedato in respect of customer lease buyouts. Discussion with B. Stevien re: updating website and forwarding application record for posting to website. Discussion with Josh re: status of transfer of vehicles to Scarpark. Email to C. Foster of Somerville leasing re: payment for vehicles being purchases. Various discussions with C. Loneragan re: various outstanding matters. Discussion with C. Hayman re: purchase of white Ferari. Followup up discussion with C. Loneragan re: same.
	3/1/2011	5.0	Documenting activities. Dealing with leasing issues.
	3/2/2011	7.5	Sale

* Staff	Date	Hours	Memo
	3/3/2011	4.0	Review and approve asset buyouts and sales. Discussion of occupation agreement with Les Odes. Meeting with Ron and Diane Stockfish re: sale of Jeep and other matters. Managing staff at Carnival.
	3/4/2011	7.5	Staff meeting. Meet with R. DiBari of Scarpark re: sale and transfer of vehicles. Attend at MTO to transfer vehicles. Discussion with R. Kashdavi and J. Donato re. legal case.
	3/7/2011	6.5	Form Friday March 4, 2011 Develop Checklist for documents required for Buyout Quote and Checklist for processing sale through system. Discussion with Riyaz re: Phase I Environmental Assessment on 79 Martin Ross Drive. Discussion with Mile McIntosh of Colliers re: scheduling a visit in respect of an appraisal. Working with R. Fedato re: various Buyout. Compiling documentation re: sales and buyouts done to date.
	3/8/2011	5.0	Attend at Carnival - manage employees, address various issues, deal with buyout issues, vehicles transfers.
	3/9/2011	4.0	Meeting with R. Fedato re: Buyouts. Review and approve various buyouts. Meet with P. Van Eyk re: transition prior to vacation and other file related issues. Organizing and managing Carnival employees. Finalize D. Hirsh contract and discussion with D. Hirsh re: same. Discussion with D. Hirsh re: rent and utilities. Discussion with D. Odes re: lease buyout and customer claimants re: incorrect odometer reading.
VAN EYK PAUL (CA026589)	2/28/2011	0.5	Restructurings
	3/2/2011	1.0	Attendance at Carnival for meetings with PwC team
	3/4/2011	1.0	Review of material from Clark Loneragan on cash flows
	3/7/2011	1.0	Monitoring file & dealing with issues
	3/8/2011	1.0	Monitoring file & dealing with issues
	3/9/2011	1.0	Monitoring file & dealing with issues
	3/10/2011	1.0	Monitoring file & dealing with issues
	3/11/2011	1.0	Monitoring file & dealing with issues
YAO WAYNE (CA021046)	3/4/2011	3.0	Writing memo and corresponding with Brian
TOTAL:		331.2	

REMITTANCE COPY

PricewaterhouseCoopers Inc.
 Court Appointed Receiver of
 Carnival National Leasing Limited
 77 King Street West
 Royal Trust Tower
 Suite 3000 Toronto ON M5K 1G8
 Canada

PricewaterhouseCoopers Inc.
 PO Box 82
 Royal Trust Tower, Suite 3000
 Toronto Dominion Centre
 Toronto, ON M5K 1G8
 Canada
 Telephone: +1 416 863 1133
 Facsimile: +1 416 365 8215

Contact: Clark Lonergan
 Telephone: +1 416 814 5835
 E-mail: clark.lonergan@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
 145 King Street West
 Toronto ON M5H 1V8
 Canada

Bill Date: March 31, 2011
 Payment requested by: April 15, 2011
 Invoice No.: TR131700663

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED as Court Appointed Receiver
 of Carnival National Leasing Limited, for the period March 12 to March 25, 2011.

	CAD
FEES	\$89,026.50
DISBURSEMENTS	<u>\$4,451.33</u>
TOTAL FEES AND DISBURSEMENTS	\$93,477.83
HST	<u>\$12,152.12</u>
TOTAL DUE	<u><u>\$105,629.95</u></u>

Postponed Fee Amount per Court Order:

Fees	24,723.00
Disbursements	<u>1,236.15</u>
Fees and Disbursements	25,959.15
HST	<u>3,374.69</u>
TOTAL AMOUNT DUE	<u><u>29,333.84</u></u>

Remit Only Bank Wire Transfers (EFT) to:
 HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
 Account Name: PricewaterhouseCoopers LLP
 Transit No.: 10002:016 Swift Code: HKBCCATT
 CAD Account: 064871-001 USD Account: 064871-070
 Invoice number must be included.

Please return one copy with your payment.

PRICEWATERHOUSECOOPERS INC.
COURT APPOINTED RECEIVER OF
CARNIVAL NATIONAL LEASING LIMITED
Time and Disbursements Summary
For the period March 12 to March 25, 2011

<u>Staff Member</u>	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
SENIOR VICE PRESIDENT					
PAUL VAN EYK	3.0	515	1,545.00	110	330.00
VICE PRESIDENT					
C LONERGAN	61.0	375	22,875.00	135	8,235.00
T WEAVER	1.3	375	487.50	135	175.50
M PICKETT	28.0	375	10,500.00	135	3,780.00
MANAGER					
B STEWIEN	97.5	300	29,250.00	75	7,312.50
SR ASSOCIATE					
P GUPTA	97.8	230	22,494	50	4,890.00
ADMINISTRATOR					
A BOULDING	8.7	150	1,305		0.00
D YANG	3.8	150	570		0.00
	<u>301.1</u>		<u>89,026.50</u>		<u>24,723.00</u>
FEES			89,026.50		24,723.00
DISBURSEMENTS					
Administration fee			4,451.33		1,236.15
FEES AND DISBURSEMENTS:			93,477.83		25,959.15
HST			<u>12,152.13</u>		<u>3,374.69</u>
TOTAL AMOUNT DUE:			<u><u>105,629.95</u></u>		<u><u>29,333.84</u></u>

Time Details

Client Carnival National Leasing Limited
 Job Carnival - RECEIVER
 Show to date 3/25/2011

* Staff	Date	Hours	Memo
LONERGAN CLARK (CA000586)	3/14/2011	6.0	Working on customer issues. Discussions with Counsel regarding vehicles Repossession of vehicles. Processing buy-outs Meeting with Goody Gill. Doulgas Ford analysis on Mazerotti Cash Flow analysis. Discussion with Bank. Portfolio Analysis, various phone calls
	3/15/2011	6.0	Working on customer issues. Discussions with Counsel regarding vehicles. Repossession of vehicles update. Processing buy-outs. Meeting with Eric Castonguay - Corporate Finance sales process. Dealing with Lease Buy out regarding large downpayments. Doulgas Ford analysis on Mazerotti. Discussion/Meeting update with Employees. Cash Flow analysis - email up date to the bank. Discussion with Bank regarding asset engineering. Portfolio Analysis, various phone calls.
	3/16/2011	7.0	Delinquent account analysis, portfolio analysis, misc. calls with customers, buy-out analysis on customer accounts, various discussions with Company employees, cash flow analysis, Bank monthly financing analysis, repo analysis, etc.
	3/17/2011	7.0	Delinquent account analysis, portfolio analysis, misc. calls with customers, buy-out analysis on customer accounts, various discussions with Company employees, cash flow analysis, Bank monthly financing analysis, repo analysis, meeting with repair shop to analyse offer and repair and maintenance liens, etc.
	3/18/2011	7.5	Delinquent account analysis, portfolio analysis, misc. calls with customers, buy-out analysis on customer accounts, various discussions with Company employees, cash flow analysis, preparation of bank update, weekly conference call with the Banks, meeting with Mr. Hirsh - examination of non refundable security deposit accounts, examination of Maseroti account, discussion with counsel
	3/21/2011	7.0	Working on delinquent accounts, mechanic summary and discussion regarding release of vehicles, buy-out of vehicles, discussion with G. Gill regarding vehicles, write up on bank financing on various customer accounts, misc calls, cash flow analysis, etc.

* Staff

	Date	Hours	Memo
	3/22/2011	7.0	Working on delinquent accounts, mechanic summary and discussion regarding release of vehicles, buy-out of vehicles, discussion with D. Hirsh regarding bank funding on certain leases, write up on bank financing on various customer accounts, misc calls, cash flow analysis, correspondence with the bank regarding cash flow, etc.
	3/24/2011	7.0	Working on delinquent accounts, mechanic summary and discussion regarding release of vehicles, buy-out of vehicles, discussion with D. Hirsh regarding bank funding on certain leases, write up on bank financing on various customer accounts, misc calls, cash flow analysis, correspondence with the bank regarding cash flow, etc.
	3/25/2011	6.5	Working on delinquent accounts, mechanic summary and discussion regarding release of vehicles, buy-out of vehicles, discussion with D. Hirsh regarding certain leases, including offers from mechanics, weekly update call with the Banks, misc calls, cash flow analysis, sales process memo and update, preparing documentation for vehicle sales, etc.6
WEAVER TRACEY (CA002224)	3/14/2011	0.1	Approving cheques.
	3/15/2011	0.3	Enquiries regarding newviews postings. E-mails with A.B. and P.G. Telephone call to Pear and Clark.
	3/16/2011	0.6	Dealing with banking issues. Meeting with A.B. and calls to Pearl.
	3/23/2011	0.3	Checking payroll and invoices and signing cheques. Banking issues. E-mails regarding WEPPA.
BOULDING ADELAIDE (CA002759)	3/14/2011	2.3	Post Receiver General cheque Newviews, prepare cheque requisition & cheque scribe batch, run cheque, secure signature, photocopy signed cheque for voucher backup. Take cheque to bank for certification (45 minutes). Prepare courier envelope. Post disbursements (5) Newviews, prepare cheque requisition & cheque scribe batch, run cheques, secure signatures, photocopy cheques for voucher backup, mail cheques, prepare vouchers for filing.
	3/15/2011	3.9	Newviews posting re deposits & returned items for March 9th onwards (18 postings), photocopy, scan & email NSF cheques to P. Gupta. Revise returned item postings to show name of client, attach backup, prepare vouchers for filing. Various emails to P. Gupta re missing deposit details.
	3/16/2011	0.9	Email to Bank of Montreal re duplicate wire transfer to Deerhorn. Telephone conference call with T. Weaver & P. Gupta re missing deposit information. Print emails expenses to be paid, post disbursements Newviews, prepare cheque requisitions & cheque scribe batches run cheques.
	3/17/2011	0.1	Review Newviews postings week of March 7-11th, sign off on vouchers.
	3/21/2011	0.6	Post NSF items & service charges Newviews. Email Bank of Montreal account activity & Newviews cash in bank report P. Gupta.
	3/23/2011	0.5	Review Newviews postings & backup re disbursements (13), sign off on vouchers.

* Staff	Date	Hours	Memo
	3/24/2011	0.4	Reconcile Feb/11 bank statements Auto & Leasing accounts, prepare bank reconciliations, review, sign & forward for review & approval.
GUPTA PEARL (CA015872)	3/14/2011	10.5	Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Reconcile cash receipts to date on per lease basis. Summarize invoices for payment. Revise lease portfolio for total outstanding as of February 28, 2011. Reconcile cash for week ended March 11, 2011. Review of re-leased bank financed leases. Correspondence with S. Metallo regarding drop off of vehicle.
	3/15/2011	11.2	Work on R&D for week ended March 11, 2011. Reconciliation of lease portfolio. Organize cash receipts. Reconciliation of leases to inventory. Reconcile cash receipts to date on per lease basis. Walkthrough lease portfolio with E. Castonguay for sales process.
	3/16/2011	10.0	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Determine outstanding monthly principals per bank and potential bank distribution. Develop template for reviewing operating leases for sales process.
	3/17/2011	9.3	Discussion with security company regarding suspicious call to cancel security. Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Review lease buyouts for completion of appropriate review procedures. Discussion with C. Loneragan regarding cash distribution process. Discussion with J. East regarding certain overpayments of December principal. Discussion with J. Veljic regarding online access to bank account.
	3/18/2011	9.3	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Review lease buyouts for completion of appropriate review procedures. Call with banks regarding status of receivership. Prepare lease roll-out schedule for sales process.
	3/21/2011	9.0	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Reconcile cash receipts and disbursements for week ended March 18, 2011. Various calls with lessee's regarding concerns.
	3/22/2011	11.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Reconcile cash receipts and disbursements for week ended March 18, 2011. Prepare variance analysis for week ended March 18, 2011. Organize salary to be made this week. Discuss HST issues with company. Complete lease roll-forward schedule.
	3/23/2011	8.0	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Complete lease roll-forward schedule. Discuss buyout issues with M. Pickett. Organize disbursements required for the week.

* Staff

	Date	Hours	Memo
	3/24/2011	10.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discuss buyout issues with M. Pickett. Organize disbursements required for the week. Update outstanding items listing. Analyze HST required payments during receivership. Review delinquent leases with L. Kunz. Review expired leases listing to reconcile.
	3/25/2011	8.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Update outstanding items listing. Review delinquent leases with L. Kunz. Review expired leases listing to reconcile. Review recording of lease buyouts in system and report errors.
STEWIEN BRIAN (CA022898)	3/14/2011	9.0	Updated the vehicle summary sheets for Alpha Motorsports and MvM. Call with Pino Guido to discuss whether he had contacted St. Amand. Call to Land Rover Coventry North York to confirm Guido had purchased the vehicle from the dealership. Prepared emails to Edmond Lamek updating him on the situation. Followed up the status of Kacki / Lux Entertainment vehicle with Edmond Lamek and Mercedes Canada Ltd. Obtained a black book value. Found and prepared the information as required by Marc Moristte in respect of the two OPP vehicles. Gave instructions to Leighton Jones to visit Pro-Touch and Hayman Motors and confirm vehicles numbers and obtain repair invoices. Left a message with Greg Roach at Claims Pro to contact me with information regarding the Rolls Royce damaged by a tree. Call to Jeff (Century Services) to follow-up on the offers. Call to Chantal (Platinum Storage) to make arrangements for the repossession of the vehicle on site. Calls with Ray (Asset Engineering) to make arrangements for collection of vehicles at Pro-Touch. Calls to Mark Claiman and Shawn Jaffari to obtain an update of the files being worked on. Collection and review of information regarding the vehicle involving Douglas Ford, Kleening and Hayman Motors.

* Staff	Date	Hours	Memo
	3/15/2011	9.0	Discussions with Josie and Edmond Lamek in respect of Big Dog Solutions and ABN Truck & Coach. Visit to the MTO with Alvin Jones to transfer ownership. Review of Audrey Graham leases to obtain an understanding of the status of the accounts. Calls with Edmond Lamek in respect of JSJ Auto, Omega Auto, Pino Guido and GTA Wheel & Truck. Calls to Joanne (JSJ Auto) regarding the Porsche Cayenne located at her premises. Calls with Ray (Asset Engineering) to collect the above mentioned vehicle. Discussions with Lucy in respect of the "Maserati" vehicle leased to Kleenway and Gordon Hayman and his number company. Calls to Brandy (TSX International) to arrange for the release of Mercedes S500. Call to PhilDoff Business Ventures to determine if the Guido vehicle was purchased. The phone number had been discontinued.
	3/16/2011	9.0	Prepared the Pro-Touch vehicle listing for Edmond Lamek. Exercise involved reviewing the UCDA reports for all vehicles and registering liens where not attached. Prepared the Alpha Motorsports offer sheet. Exercise involved reviewing all invoices submitted by Alpha. Reviewed MvM current leases to obtain a status of the accounts. Contacted Ray (Asset Engineering) to make arrangements for the collection of vehicles / motor bikes.
	3/17/2011	9.0	Prepared MvM's offer sheets. Reviewed all invoices submitted for validity. Prepared a summary for the ban meeting to be held on March 18, 2011. Met with Vito D'Angelo to negotiate the return of vehicles at Alpha. Made arrangements with Kay Baliffs and Asset Engineering to collect the vehicles at Alpha.
	3/18/2011	11.0	Analysed Lawrence Tollman's four (4) lease agreements. Reviewed Gerald Kroils letter in respect Lawrence Tollman's situation / concerns. Discussed the abovementioned letter with Josie, Lucy, Les and Clark. Reviewed Casitron related printouts and lease agreements. Reviewed Pro-Touch invoices for vehicles in their possession. Discussed invoices with Ralph. Reviewed CarProof's for all 16 vehicles. Calls with Edmond Lamek and Junior Wilson in respect to the ABN Truck and Coach and PCL invoices. Calls with Ray (Asset Engineering) and Vito D'Angelo (Alpha Motorsports) in respect of the vehicles located at Alpha Motorsports.
	3/20/2011	1.0	Preparation of summary of Pro-Touch's offers for Clark's review.
	3/21/2011	9.0	Review of Pro-Touch's invoices with Clark, Ralph, Leighton and Ray (Pro-Touch). Preparation of a summary of Pro-Touch's offers. Reviewed CarProof's for all vehicles. Investigated the leases associated with the Land Rover and Porsche included in Pro-Touch's offers. Updated vehicle listing with vehicle obtained from the OPP and vehicle dropped-off by a customer. Made arrangements for the vehicles to be towed.

* Staff	Date	Hours	Memo
	3/22/2011	11.0	Reviewed MvM Performance INC.'s offers to purchase, lease agreements and repair costs related to vehicles not in their possession. Reconciled three (3) leases on Casifron system. Reviewed Car-Proofs and UCDA reports for all vehicles. Reviewed Pro-Touch's offers. Calls with Ramin (Pro-touch) to discuss the release of the vehicles and the information required to make payment. Calls with Vito (Alpha Motor Sports) to request information required to make payment. Collected a 2003 911 Porsche Turbo from Auto Vault. Reconciled Asset Engineering's vehicle list as at March 22, 2011 with the Receiver's listing.
	3/23/2011	10.0	Visited Vito (Alpha Motor Sports) to finalize the amounts payable in respect of possessionary liens. Visited Rami (Pro-Touch Auto Centre) to discuss his offers and the value of the repairs on the vehicles in his possession. Finalized the Pro-Touch and MvM offer sheets to be presented to the banks for authority to pay the repair related expenses. Prepared a summary of four vehicles located at Pro-Touch to obtain understanding of lease agreements.
	3/24/2011	11.0	Prepared a summary of vehicles located at Carnival's premises. Summary included a comparison of the black value v estimated black value. Met with Mo (MvM) to discuss his three outstanding leases. Calls with Vito D'Angelo to confirm bailiff fees. Discussed the Pro-Touch offers with Clark Lonergan.
	3/25/2011	8.5	Reviewed the CarProof's for the vehicles located at MvM. Meeting with MvM to discuss their offers, lease agreements and repair invoices. Preparation of bank summary sheet for the vehicles located at 79 Martin Ross. Calls and emails to Asset Engineering and Century Services requesting them to make as is where is offers for the vehicles based at 79 Martin Ross.

* Staff	Date	Hours	Memo
PICKETT MICHELLE (CA023662)	3/22/2011	10.0	<p>Various discussions with C. Loneragan and B. Stewien. (3 hours).</p> <p>Various discussions with C. Loneragan re: problem leases - strategies for resolution. Review, comment on and edit file memos re: leases that were financed by BMC, but were not activated by Carnival or the debtor.</p> <p>Various discussions re: strategies for ongoing buyouts.</p> <p>Edit letter to customers re: buyouts and forward to E. Lamek for review. Emails to/from E. Lamek re: same.</p> <p>Research Ontario Consumer Protection Act 2002 re: maximum penalty on termination of a lease.</p> <p>Discussion with MTO re: plating of a 2005 Maserati to an individual other than the lessee and the date of same.</p> <p>Discussion with L. Jones re: same.</p> <p>Various discussions with D. Hirsch re: inactive leases where financing was obtained from the bank, his relationship with Goody and his associates and the location of various vehicles.</p> <p>Discussion with L. Odes re: status of March rent payment.</p> <p>Discussion with C. Loneragan and P. Gupta re: allocation of surplus receipts (PAPs, monthly payments, buy outs etc.) to amounts owed to banks.</p>
	3/23/2011	8.0	Dealing with Buyouts and various customer/lease issues.
	3/24/2011	8.0	<p>Discussion with MTO Data Access Unit re: accessing data on vehicle transfers.</p> <p>Draft fax to MTO requesting information on the transfer of vehicle to T. Archer and the replating of a Porsche Cayenne to F. Morales.</p> <p>Discussion with R. Fedato re: vehicle Carnival purchased from Corporate Cars, where the ownership was not transferred to Carnival. Draft email to J. Ross of OMOVIC asking for direction in how to correct this issue given Corporate Cars is bankrupt.</p> <p>Drafting protocol for buyout analysis. Discussion with R. Fedato re: same.</p> <p>Email to P. Gupta re: documenting buyout process.</p> <p>Discussion with Lucy re: process of disposing of leases in the accounting system, in particular leases that are over their term and payments have continued.</p> <p>Discussion with C. Loneragan re: bills of sale and application of overpayments against buyout.</p> <p>Edit letter to lessees with expired leases. Forward same to E. Lamke.</p> <p>Email and discussion with R. Fedato re: leases with non-refundable deposits and related GST issues.</p> <p>Dealing with various customer/lease issues.</p> <p>Research on Consumer Protection Act and three payment penalty on termination of lease. Follow up discussion with C. Loneragan and R. Fedato re: same.</p>

* Staff	Date	Hours	Memo
	3/25/2011	2.0	Transition email to C. Lonergan re: outstanding issues. Email form J. Ross re: transfer of ownership of vehicle purchased from Corporate Cars (bankrupt) in 2006. Email to R. Fedato requesting that he fax documents to J. Ross relating to the purchase from Corporate Cars. Two calls to Segal and Partners (bankruptcy trustee of Corporate Cars) re: transfer of ownership. Left voice mail messages. Review of list of leases removed from TD list from D. Hirsh. Document and activity management.
VAN EYK PAUL (CA026589)	3/24/2011	1.0	Carnival discussions and review of documents
	3/25/2011	2.0	Update call with PwC team, review of sales process
YANG DAN HUA (CA022802)	3/21/2011	0.2	Contact BMO to obtain a copy of the account activity report. Scan and email return items to P.Gupta, update Newviews. Print Newviews R&D report and match it to the bank statement for bank reconciliation, forward same to A.Boulding.
	3/22/2011	1.8	Post disbursements in Newviews, prepare cheque requisition forms, run cheques, secure signatures, photocopy signed cheques, mail cheques, prepare vouchers for filing.
	3/23/2011	1.3	Calculate payroll tax withholding amount using CRA's online payroll calculator. Post disbursements in Newviews, prepare cheque requisition forms, run cheques, secure signatures, photocopy signed cheques, prepare vouchers for filing.
	3/24/2011	0.3	Post disbursement in Newviews, prepare cheque requisition form, run cheque, secure signature, photocopy signed cheque, courier the cheque, prepare vouchers for filing. Scan and email returned items to P.Gupta, update Newviews.
	3/25/2011	0.2	Post disbursement in Newviews, prepare cheque requisition form, run cheque, secure signature, photocopy signed cheque, courier the cheque, prepare vouchers for filing.
TOTAL:		301.1	

REMITTANCE COPY

PricewaterhouseCoopers Inc.
 Court Appointed Receiver of
 Carnival National Leasing Limited
 77 King Street West
 Royal Trust Tower
 Suite 3000 Toronto ON M5K 1G8
 Canada

PricewaterhouseCoopers Inc.
 PO Box 82
 Royal Trust Tower, Suite 3000
 Toronto Dominion Centre
 Toronto, ON M5K 1G8
 Canada
 Telephone: +1 416 863 1133
 Facsimile: +1 416 365 8215
Contact: Paul Van Eyk
 Telephone: +1 416 687 8101
 E-mail: paul.vaneyk@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
 145 King Street West
 Toronto ON M5H 1V8
 Canada

Bill Date: April 13, 2011
 Payment requested by: April 28, 2011
 Invoice No.: TR131700760

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED by PricewaterhouseCoopers Inc., as Court Appointed Receiver of Carnival National Leasing Limited, for the period March 26 to April 8, 2011.

	CAD
FEES	\$115,429.00
DISBURSEMENTS	<u>\$7,128.17</u>
TOTAL FEES AND DISBURSEMENTS	\$122,557.17
HST	<u>\$15,932.44</u>
TOTAL DUE	<u><u>\$138,489.61</u></u>

Postponed Fee Amount per Court Order:

Fees	28,565.50
Disbursements	1,428.28
Fees and Disbursements	<u>29,993.78</u>
HST	<u>3,899.19</u>
TOTAL AMOUNT DUE	<u><u>33,892.97</u></u>

Remit Only Bank Wire Transfers (EFT) to:
 HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
 Account Name: PricewaterhouseCoopers LLP
 Transit No.: 10002:016 Swift Code: HKBCCATT
 CAD Account: 064871-001 USD Account: 064871-070
 Invoice number must be included.

Please return one copy with your payment.

PRICEWATERHOUSECOOPERS INC.
COURT APPOINTED RECEIVER OF
CARNIVAL NATIONAL LEASING LIMITED
Time and Disbursements Summary
For the period March 26 to April 8, 2011

<u>Staff Member</u>	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
SENIOR VICE PRESIDENT					
PAUL VAN EYK	17.0	515	8,755.00	110	1,870.00
E CASTONGUAY	14.8	515	7,622.00	110	1,628.00
VICE PRESIDENT					
C LONERGAN	48.0	375	18,000.00	135	6,480.00
T WEAVER	1.0	375	375.00	135	135.00
M PICKETT	1.8	375	675.00	135	243.00
G POLON	5.2	375	1,950.00	135	702.00
D JOHNSON	13.0	375	4,875.00	135	1,755.00
MANAGER					
B STEWIEN	78.0	300	23,400.00	75	5,850.00
N LABBE	4.6	300	1,380.00	75	345.00
D LAU	19.5	300	5,850.00	75	1,462.50
SR ASSOCIATE					
D SMITH	1.9	230	437	50	95.00
P GUPTA	96.5	230	22,195	50	4,825.00
A BREDLO	24.5	230	5,635	50	1,225.00
S. OUMET-STORRS	39.0	230	8,970	50	1,950.00
ASSOCIATE					
J. MENDONCA	15.5	175	2,713	0	0.00
ADMINISTRATOR					
A BOULDING	10.7	150	1,605	0	0.00
D YANG	4.7	150	705	0	0.00
SUPPORT STAFF					
S. FUNG	2.5	115	288	0	0.00
	<hr/>		<hr/>		<hr/>
	398.2		115,429.00		28,565.50
FEES			115,429.00		28,565.50
DISBURSEMENTS					
Administration fee			5,771.45		1,428.28
Other disbursements:			1,356.72		
			<hr/>		<hr/>
			7,128.17		1,428.28
FEES AND DISBURSEMENTS:			122,557.17		29,993.78
HST			15,932.44		3,899.19
TOTAL AMOUNT DUE:			<hr/>		<hr/>
			138,489.61		33,892.97

Time Details

Client Carnival National Leasing Limited
 Job Carnival - RECEIVER
 Show to date 4/8/2011

* Staff	Date	Hours	Memo
LONERGAN CLARK (CA000586)	3/28/2011	6.0	Working on delinquent accounts, mechanic summary and discussion regarding release of vehicles, buy-out of vehicles, discussion with D. Hirsh regarding certain leases, cash flow analysis, preparing documentation for vehicle sales, various calls with lessee, meeting with lessee, etc.
	3/29/2011	2.0	Meeting with N. Maurant from Asset Engineering, various discussions with PwC team, examine lease write up on troubled leases, etc.
	3/30/2011	6.0	Working on delinquent accounts, buy-out of vehicles, accounts receivable analysis, accounts in legal analysis, cash flow analysis, review of sales process memo, review of mechanic buy-out and status of vehicle release, insurance claims analysis, examination of vehicle sales, various calls with lessees, etc
	3/31/2011	6.0	working on delinquent accounts, mechanic summary and discussion regarding release of vehicles, buy-out of vehicles, weekly update call with the Banks, auctioneer rfp, discussion with Lessee (A.G) counsel regarding status of accounts and return of vehicles, discussion with Dealership regarding vehicle sale and trade in. Discussion with Counsel regarding trade-in and issued letter to the dealership.
	4/1/2011	5.5	Working on delinquent accounts, mechanic summary and discussion regarding release of vehicles, buy-out of vehicles, weekly update call with the Banks, auctioneer rfp, discussion with Lessee (A.G) counsel regarding status of accounts and return of vehicles, discussion with Dealership regarding vehicle sale and trade in. Discussion with Counsel regarding trade-in and issued letter to the dealership.
	4/4/2011	5.0	Working on the Receiver's first Court Report and updating customer accounts analysis. Calls with Lessees. Discussions with PwC team regarding auction process.
	4/5/2011	5.0	Working on the Receiver's first Court Report and updating customer accounts analysis. Calls with Lessees. Vehicle listing review and auction protocol. Sale process update. Discussions regarding release of vehicles at Alpha. Various discussions with employees. Lease buy-out analysis and processing. Discussion with Mr. Hirsh regarding vehicle at Alpha.
	4/6/2011	5.0	Working on the Receiver's first Court Report and updating customer accounts analysis. Calls with Lessees. Vehicle listing review and auction protocol. Sale process update. Discussions regarding release of vehicles at Alpha. Various discussions with employees. Lease buy-out analysis and processing. Vehicle purchase processing of Vehicles located on Premise.

* Staff	Date	Hours	Memo
	4/7/2011	5.0	Calls with Lessees. Vehicle listing review and auction protocol. Sale process update. Discussions with Principle of Alpha regarding release of vehicle at Alpha. Various discussions with employees. Lease buy-out analysis and processing. Vehicle purchase processing of Vehicles located on Premise. Various discussions with Mr. Hirsh - including walking him through the sales process, auction process, 15 vehicles sold on premise, Mercedes and Jaguar discussion related to Alpha and Mr. Gil account status update.
	4/8/2011	2.5	Working on the Receiver's first Court Report and updating customer accounts analysis. Update with PwC staff. Auction update, etc.
WEAVER TRACEY (CA002224)	3/28/2011	0.1	Reviewing and approving cheques.
	3/29/2011	0.3	E-mails with Adele regarding HST return. Approving payment of HST. Reviewing and approving bank reconciliation for month of February, 2011.
	3/31/2011	0.2	Reviewing and approving cheques. Checking payroll remittance.
	4/1/2011	0.2	Discussions with D. S. regarding WEPPA.
	4/4/2011	0.1	E-mails with Pearl.
	4/6/2011	0.1	E-mails regarding distributions.
BOULDING ADELAIDE (CA002759)	3/28/2011	1.5	Review Newviews posting & backup re disbursement & NSF items, sign off on vouchers. Review & print email from P. Gupta re receipts for period March 14-18th. Phone call P. Gupta re posting of credit fees & rental income. Post daily receipts Newviews, attach backup, prepare vouchers for filing. Print Newviews R&D & cash in bank reports, scan & email to P. Gupta as requested.
	3/29/2011	1.2	Calculate total sales re February HST return using schedules provided by P. Gupta, print. Print Newviews GL re HST (ITC)'s. Post disbursement Newviews, attach backup, prepare cheque requisition & cheque scribe batch, run cheque. Revise HST return as requested by C. Loneragan, void cheque & post replacement cheque Newviews, prepare cheque requisition & cheque scribe batch, run cheque. Review source deductions, discuss with T. Weaver. Email P. Gupta re backup for cash receipts week of March 21-25th.
	3/30/2011	1.9	Recalculate source deductions re first payroll (vacation, car allowance and benefits not included in earnings). Email to P. Gupta re additional taxes to be withheld next payroll. Print receipts schedule, access accounts on line, photocopy for each days transactions, reconcile schedule to bank statement, post daily receipts, attach backup, prepare vouchers for filing. Review Newviews postings & backup re 11 disbursements, sign off on vouchers. Phone call BMO re request for reduction of service charges, discuss with P. Van Eyk, email P. Gupta.
	3/31/2011	2.1	Reconcile source deduction remittance, review postings, sign off on vouchers, photocopy signed cheques, attach to voucher, mail cheques. Prepare courier envelope re MVM. Revise daily cash receipts using schedule provided by P. Gupta for period March 1st to 11th. Note: balance of time charged to admin.

* Staff	Date	Hours	Memo
	4/5/2011	0.8	Post disbursement Newviews, attach backup, prepare cheque requisition & cheque scribe batch, run cheque, secure signature, photocopy signed cheque, attach to voucher, prepare courier envelope & deliver to mail room. Photocopy NSF cheques, scan & email to P. Gupta for file.
	4/6/2011	1.8	Prepare letter of direction to Bank of Montreal re Deerhorn transfer, secure signature, scan & email to BMO to action. Followup phone call to confirm funds transferred. Post transfer Newviews, attach backup, prepare voucher for filing. Advise P. Gupta funds transferred. Post disbursements (5) Newviews, prepare cheque requisitions & cheque scribe batch, run cheques.
	4/7/2011	1.4	Calculate source deductions for pay ending April 8th, 2011. Post disbursements Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, secure signatures, attach copy of cheques to vouchers, mail cheques, prepare courier envelope for payroll, prepare vouchers for filing.
SMITH DONALDA (CA007437)	4/1/2011	1.9	Prepare WEPP/S.81 schedule for terminated employees, letter, Schedule A and mail package to employees. Update Service Canada records with estate information and employees' information.
	3/27/2011	0.5	Reconcile cash receipts for CMT.
GUPTA PEARL (CA015872)	3/28/2011	9.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Reconcile cash receipts and disbursements for week ended March 25, 2011. Various calls with lessee's regarding concerns. Organize vehicle ownership transfers. Finalize HST return for February.
	3/29/2011	9.5	Call with UCDA regarding Carnival's receivership. Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Prepare schedule of gross payment streams per lease. Reconcile cash receipts and disbursements for week ended March 25, 2011. Prepare variance analysis for week ended March 25, 2011. Prepare schedule of gross payment streams per lease. Reconcile AR to master lease listing.
	3/30/2011	10.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Prepare schedule of gross payment streams per lease. Reconcile AR to master lease listing. Discussion with C. Loneragan regarding outstanding tasks and issues to resolve. Organize sales process and review of operating leases.
	3/31/2011	9.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Prepare schedule of gross payment streams per lease. Reconcile AR to master lease listing. Discussion with C. Loneragan regarding outstanding tasks and issues to resolve. Organize sales process and review of operating leases. Discussion with J. East regarding previously financed RBC leases. Various calls with customers regarding status of their lease.

* Staff	Date	Hours	Memo
	4/1/2011	9.0	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Prepare schedule of gross payment streams per lease. Reconcile AR to master lease listing. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases. Calculate NPV of all leases.
	4/4/2011	10.0	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended April 1, 2011.
	4/5/2011	10.5	Prepare cash flow variance analysis for week ended April 1, 2011 and cumulative analysis to date. Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases. Review first draft of Receiver's First Report to Court.
	4/6/2011	7.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases and buyouts. Finalize NPV of lease portfolio. Consolidate findings from review of lease files. Identify missing files and begin investigation.
	4/7/2011	9.0	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases. Review of Receiver's First Report to Court. Discussion with E. Castonguay regarding status of operating lease portfolio for sales process. Discussion with R. Linton regarding investigation of missing files.
	4/8/2011	11.0	Walkthrough various issues related to lease buyouts. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases. Finalize Receiver's First Report for distribution to banks. Discussion with E. Castonguay and G. Polon regarding status of operating lease portfolio for sales process. Discussion with R. Linton regarding investigation of missing files.
LABBE NATHALY (CA016857)	3/31/2011	3.5	Convert pdf of MTO vehicles list in excel.
	4/1/2011	1.0	Finalization of the vehicles list (excel spreadsheet) from MTO reports, and send it to Pearl.
	4/6/2011	0.1	Response to Duncan Lau re: plates and vehicles.
FJUNG SIBYL (CA020070)	3/31/2011	2.5	Mail merge

* Staff

	Date	Hours	Memo
YANG DAN HUA (CA022802)	3/28/2011	0.2	Post disbursement in Newviews, prepare cheque requisition form, run cheque, secure signature, photocopy signed cheque, mail cheque, prepare voucher for filing.
	3/29/2011	0.9	Scan and email return items to P.Gupta. Post disbursements in Newviews, prepare cheque requisition forms, run cheques, secure signatures, photocopy signed cheques, mail cheques, prepare vouchers for filing.
	3/30/2011	2.5	Post disbursements in Newviews, prepare cheque requisition forms, run cheques, secure signatures, photocopy signed cheques, mail cheques, prepare vouchers for filing.
	3/31/2011	1.1	Post disbursements in Newviews, prepare cheque requisition forms, run cheques, secure signatures, photocopy signed cheques, mail cheques, prepare vouchers for filing. Pay DAS at the bank.
STEWIEN BRIAN (CA022898)	3/28/2011	5.5	Finalization of the MvM summary sheet. Met with MvM to finalize the amounts owing. Calls / Emails to Asset Engineering to make arrangements to collect vehicles. Call to Ben Levy (Eqifax) to discuss our appointment and make arrangements to have the account unsuspended.
	3/29/2011	10.5	Collection of 9 vehicles at Pro-Touch Auto Centre. Took photographs of two vehicles (Mercedes CLS550 & Mercedes SLK350) located at Auto Vault for potential purchaser. Reviewed the offer received for two Porsche Carrera's by comparing the amounts to recent auction values, black book values and CarProofs. Met with Mo (MvM) to make arrangements for the payment of repairs performed. Called Ben Levy (Eqifax) to make arrangements to have the account unsuspended. Met with the lessee of the Chrysler that was damaged at Pro-Touch's premises to establish how the vehicle had been damaged. Prepared a summary of the BMW 750i located at Douglas Ford for legal counsel's review. Reviewed Gerald Kroll / Tollman's leases.
	3/30/2011	11.0	Analysed the Gerald Kroll / Lawrence Tollman case. Involved a review of the 4 lease agreements. Analysed the inventory listing maintained by Josie Donato. Met with Jamal to discuss the vehicles on-site.

* Staff

Date	Hours	Memo
3/31/2011	10.0	<p>Calls and emails with Drew Pulver (Hub International) in respect of the Chrysler, VW Jetta and Rolls Royce.</p> <p>Collection of a Land Rover located at Pro-Touch and an Acura located at a towing company's premises.</p> <p>Met with Jamal to discuss the his on-site offers.</p> <p>Finalized the vehicle listing for auction.</p> <p>Calls to Kay Bailiff to discuss damages to a vehicle.</p> <p>Calls to Ray (Asset Engineering) to make arrangements for the collection of three vehicles located at 79 Martin Ross.</p> <p>Call with Gerald Kroll to discuss Lawrence Tollman's leases.</p>
4/1/2011	10.0	<p>Repossessed a Jeep Commander from George Alamni.</p> <p>A trip to the MTO to transfer ownerships of 5 vehicles.</p> <p>A trip to Alpha Motorsports to take photographs of a 1974 Jaguar and search for the Landrover.</p> <p>A call with Clark and Vito (Alpha Motorsports) to discuss the 1974 Jaguar, a Porsche and Ferrari.</p> <p>Finalized the inventory listing for auction purposes.</p> <p>Emails to Drew Pulver (Hub International) to discuss the insurance related claims.</p>
4/4/2011	7.5	<p>Analysed Audrey Graham accounts.</p> <p>Met with John Freier and Ralph to discuss the two buy-outs.</p> <p>Prepared the letter to the auditors requesting permission to copy books and records.</p> <p>Called the auctioneers to make arrangements to view the assets.</p> <p>Updated the vehicle listing with the vehicles obtained from Audrey Graham.</p> <p>Made arrangements to have three vehicles collected from Carnival.</p> <p>Met with Ralph Di Barry to view the vehicles on-site.</p>
4/5/2011	11.0	<p>Viewed vehicles with Hilco and Maynard at Auto Vault, TFX International and Carnival's premises.</p> <p>Repossessed a vehicle from 7 Landwood Avenue Thornhill.</p> <p>Met with Jamal to advise him that his offer for the vehicles on-site had been approved.</p> <p>Call with Damon (Hub International) to discuss the issues with Rolls Royce, Chrysler and VW Jetta.</p>
4/6/2011	9.0	<p>Updated the vehicle auction listing as per the visits to the two storage sites on 04/06/2011.</p> <p>Met Maurice Emni at Carnival's premises in respect of his vehicle needing repair. Calls with Hub International to resolve the insurance related matters.</p> <p>Calls with Edmond Lamek in respect of the Lux Entertainment lease.</p>
4/8/2011	3.5	<p>Call with Gerald Kroll regarding Lawrence Tollman's leases.</p> <p>Call with John Frier regarding the outstanding AR amounts. John advised he would be paying \$4,000 today and the balance in the week ending March 15.</p> <p>Calls to Edmond Lamek regarding Hayman Motors and whether a bailiff should be used.</p> <p>Calls to Pearl Gupta to discuss the court report.</p> <p>Calls to Bruce (Hilco) and Jim (Maynards) to discuss questions in respect of the proposals / offers.</p> <p>Email to Damon (Hub International) to confirm the status in respect to lessee M Emni (Chrysler XC300).</p> <p>Reconciled the Asset Engineering inventory listing with the Receiver's listing.</p>

* Staff	Date	Hours	Memo
PICKETT MICHELLE (CA023662)	3/28/2011	0.2	Email t/from P. Gupta re: GST calculation.
	3/30/2011	0.2	Emails to/from P. Gupta re: sale of Nissan Altima to Les Odes and transfer of ownership from Corporate Cars to Carnival. Email C. Lonergan a copy of the spreadsheet of leases excluded from the TD submission.
	3/31/2011	0.1	Email to/from P. Gupta re: status of employee terminations and eligibility for WEPPA.
	4/3/2011	0.2	Emails to/from C. Lonergan re: information for report.
	4/4/2011	0.1	Discussion with Easy Lease re: Buyouts for their client -Lazardo. Follow up discussion with C. Lonergan re: same.
	4/5/2011	0.5	Draft contract re: Ralph Fedato - stay bonus.
	4/7/2011	0.5	Finalize contract with R. Fedato. Email copy of same to C. Lonergan. Emails to/from P. Gupta re: release of RBC liens.
VAN EYK PAUL (CA026589)	3/31/2011	7.0	Drafting first report Discussions with team Attendance at Carnival offices
	4/4/2011	7.0	Preparing Carnival report
	4/8/2011	3.0	Review draft report
	4/5/2011	4.0	Prepare summaries for select delinquent accounts; participated in update meeting with D.Hirsh and C.Lonergan; review court report and R&D; compare MTO and portfolio listing for differences.
	4/6/2011	4.0	Review buyout analysis with R.Fedato; participate customer meetings re delinquent balances; review outstanding cases; compile details re the A.Graham accounts.
POLON GEOFF (CA015385)	4/7/2011	4.0	Complete the summary for A.Graham; update meeting with C.Lonergan; follow up with select delinquent accounts; review buyout analysis prepared by R.Fedato.
	4/8/2011	7.5	Correspond with account holders re outstanding balance; coordinate the pick up of various vehicles; review vehicle transfer documents; review delinquent accounts and determine remediation plan; assess the nature of a vehicle lien.
	4/4/2011	4.0	Buyer list review and preparation
BREDLO ADAM (CA017037)	4/6/2011	0.5	Preliminary calls with SLF and Cunningham regarding potential buyers
	4/8/2011	0.7	Review of lease portfolio and call with Pearl
	4/1/2011	7.5	Draft outline teaser
OUIMET-STORRS SABINA (CA01795)	4/4/2011	7.5	Reviewing leases
	4/4/2011	9.5	Reviewing leases
	4/5/2011	7.5	Reviewing leases.
OUIMET-STORRS SABINA (CA01795)	3/15/2011	7.5	Helping out with CIM - industry overview
	3/31/2011	8.0	Lease review

* Staff	Date	Hours	Memo
	4/1/2011	7.5	Lease review
	4/4/2011	9.0	Lease review
	4/5/2011	6.5	Sorting through leases
	4/8/2011	0.5	Working on Teaser
JOHNSON DAVID (CA018045)	3/24/2011	2.0	Starting buyer list for carnival
	3/25/2011	3.0	Reviewing Buyers
	3/28/2011	4.0	Working on buyer list
	3/29/2011	1.0	Buyer list finalization
	4/4/2011	2.0	Update to Buyer List
	4/7/2011	1.0	Carnival Data room
CASTONGUAY ERIC (CA023101)	3/16/2011	3.0	Carnival meeting with Clark/Fearl - sale process strategy and due diligence requirements
	3/18/2011	1.8	Sale process strategy memo
	3/23/2011	0.5	Call and strategy and update memo
	3/24/2011	2.0	Sale process
	3/25/2011	4.5	Sale process/con call and review of lease portfolio
	3/28/2011	1.0	Buyer list
	3/29/2011	0.5	Lease validation process discussion with Pearl;
	3/30/2011	1.0	Buyer list
	4/4/2011	0.5	Lease run out schedule
MENDONCA JONATHAN (CA026428)	4/4/2011	9.0	Processing leases
	4/5/2011	6.5	Processing leases
TOTAL:		398.2	

REMITTANCE COPY

PricewaterhouseCoopers Inc.
 Court Appointed Receiver of
 Carnival National Leasing Limited
 77 King Street West
 Royal Trust Tower
 Suite 3000 Toronto ON M5K 1G8
 Canada

PricewaterhouseCoopers Inc.
 PO Box 82
 Royal Trust Tower, Suite 3000
 Toronto Dominion Centre
 Toronto, ON M5K 1G8
 Canada
 Telephone: +1 416 863 1133
 Facsimile: +1 416 365 8215

Contact: Paul Van Eyk
 Telephone: +1 416 687 8101
 E-mail: paul.vaneyk@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
 145 King Street West
 Toronto ON M5H 1V8
 Canada

Bill Date: April 27, 2011
 Payment requested by: May 12, 2011
 Invoice No.: TR131700925

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED by PricewaterhouseCoopers Inc., as Court Appointed Receiver of Carnival National Leasing Limited, for the period April 9 to April 22, 2011.

	CAD
FEES	\$114,381.00
DISBURSEMENTS	<u>\$7,472.56</u>
TOTAL FEES AND DISBURSEMENTS	\$121,853.56
HST	<u>\$15,840.97</u>
TOTAL DUE	<u><u>\$137,694.53</u></u>

Postponed Fee Amount per Court Order:

Fees	29,841.00
Disbursements	1,492.05
Fees and Disbursements	<u>31,333.05</u>
HST	<u>4,073.30</u>
TOTAL AMOUNT DUE	<u><u>35,406.35</u></u>

Remit Only Bank Wire Transfers (EFT) to:
 HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
 Account Name: PricewaterhouseCoopers LLP
 Transit No.: 10002:016 Swift Code: HKBCCATT
 CAD Account: 064871-001 USD Account: 064871-070
 Invoice number must be included.

Please return one copy with your payment.

PRICEWATERHOUSECOOPERS INC.
COURT APPOINTED RECEIVER OF
CARNIVAL NATIONAL LEASING LIMITED

Time and Disbursements Summary
For the period April 9 to April 22, 2011

<u>Staff Member</u>	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
SENIOR VICE PRESIDENT					
PAUL VAN EYK	7.0	515	3,605.00	110	770.00
E CASTONGUAY	24.5	515	12,617.50	110	2,695.00
VICE PRESIDENT					
C LONERGAN	37.5	375	14,062.50	135	5,062.50
T WEAVER	0.7	375	262.50	135	94.50
M PICKETT	0.5	375	187.50	135	67.50
G POLON	33.4	375	12,525.00	135	4,509.00
D JOHNSON	2.0	375	750.00	135	270.00
MANAGER					
B STEWIEN	90.0	300	27,000.00	75	6,750.00
D LAU	48.5	300	14,550.00	75	3,637.50
SR ASSOCIATE					
D SMITH	0.5	230	115	50	25.00
D PAW	1.7	230	391	50	85.00
P GUPTA	61.5	230	14,145	50	3,075.00
S OUIMET-STORRS	56.0	230	12,880	50	2,800.00
ADMINISTRATOR					
A BOULDING	8.6	150	1,290	0	0.00
	<hr/>		<hr/>		<hr/>
	372.4		114,381.00		29,841.00
FEES			114,381.00		29,841.00
DISBURSEMENTS					
Administration fee			5,719.05		1,492.05
Other disbursements:			1,753.51		
			<hr/>		<hr/>
			7,472.56		1,492.05
FEES AND DISBURSEMENTS:			121,853.56		31,333.05
HST			15,840.97		4,073.30
TOTAL AMOUNT DUE:			<hr/> 137,694.53 <hr/>		<hr/> 35,406.35 <hr/>

Time Details

Client: Carnival National Leasing Limited
 Job: Carnival - RECEIVER
 Show to date: 4/22/2011

* Staff	Date	Hours	Memo
LONERGAN CLARK (CA000586)	4/11/2011	6.0	Working on auction analysis. Working on client account details and buy-out. Working on legal files. MTO vehicle analysis.
	4/12/2011	6.0	Auction analysis, discussion with Banks, cash flow analysis, sales process update. Billing.
	4/13/2011	5.0	Auction analysis, discussion with Banks, cash flow analysis, sales process update, customer account analysis. Legal's update date. Processing buy-outs.
	4/14/2011	5.0	Auction analysis, auctioneer contract drafting, cash flow analysis, distribution analysis, sales process update, customer account analysis. Delinquent account update.
	4/15/2011	4.0	Finalizing Court Report, Auction Contract, Auction Analysis. Customer account analysis, etc.
	4/18/2011	5.0	Distribution analysis. Buy-out analysis, customer account analysis. Discussion with Mr. Hirsh regarding court order and A. Graham customer analysis.
	4/19/2011	3.5	Discussion with the Banks - conference call. Distribution analysis. Buy-out analysis, customer account analysis. Sales process discussion with PwC CF.
	4/20/2011	1.0	Weekly cash flow update for the Banks.
	4/21/2011	2.0	Follow up with Customer Accounts. Attending Court - customer analysis, etc.
WEAVER TRACEY (CA002224)	4/12/2011	0.1	Reviewing and approving cheques.
	4/13/2011	0.1	Reviewing and approving cheques.
	4/14/2011	0.2	Reviewing and approving cheques.
	4/18/2011	0.1	Instructions to A.B. regarding Carnival cheques.
	4/20/2011	0.1	Reviewing and approving cheques.
	4/21/2011	0.1	Filing.
BOULDING ADELAIDE (CA002759)	4/11/2011	1.2	Post daily cash receipts March 28 to April 1st. Email to P. Gupta re variance. Photocopy BMO account activity report, attach cash receipt & disbursement spreadsheet as backup, prepare vouchers for filing.
	4/12/2011	0.2	Post disbursement Newviews, prepare cheque requisition & cheque scribe batch, run cheque, attach copy of signed cheque to voucher, prepare voucher for filing.
	4/13/2011	0.9	Review & print emails re disbursements. Post disbursements Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, secure signatures, attach copy of signed cheques to vouchers, mail cheques, prepare vouchers for filing. Prepare courier envelope, deliver to mailroom.
	4/14/2011	1.9	Review & print email re disbursements. Post disbursements (9) Newviews, prepare cheque requisitions & cheque scribe batch, run cheques. Email P. Gupta re L. Jones payment. Attach copy of signed cheques to vouchers, mail cheques, prepare vouchers for filing. Prepare courier envelope to P. Gupta.
	4/18/2011	0.3	Print invoices emailed for payment, review. Calculate source deductions for payroll, post disbursements (14)
	4/19/2011	3.4	Newviews, prepare cheque requisitions & cheque scribe batches, run cheques. Update payroll source deduction schedule. Prepare courier envelope & deliver to mailroom.

* Staff	Date	Hours	Memo
	4/20/2011	0.7	Print emails re cheques required. Review, tally, post disbursements (3) Newviews, prepare cheque requisitions & cheque scribe batch, run cheques.
SMITH DONALDA (CA007437)	4/14/2011	0.5	Set up employees claims register. Update with claim and update Service Canada database. Mail confirmation to employee.
GUPTA PEARL (CA015872)	4/11/2011	9.5	Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended April 8, 2011.
	4/12/2011	9.0	Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended April 8, 2011. Organize ownership transfers for sold vehicles. Renew PPSA registrations for expiring leases.
	4/13/2011	8.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases and buyouts.
	4/14/2011	10.5	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases and buyouts. Review and reconcile bank distribution. Discussion with G. Polon regarding information for sales process.
	4/15/2011	10.0	Reconciliation of lease portfolio. Organize cash receipts. Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Organize sales process and review of operating leases. Various calls and meetings with customers regarding status of their leases and buyouts. Review and reconcile bank distribution. Discussion with G. Polon regarding information for sales process. Organize disbursements to be made.
	4/17/2011	3.0	Reconcile lease portfolio for bank distributions for February and March collections. Organize disbursements to be made this week.
	4/18/2011	11.0	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended April 15, 2011. Finalize proposed distribution to secured creditors. Organize work to distribute while away.
STEWIEN BRIAN (CA022898)	4/11/2011	12.0	Visited Auto Vault and TFX International with Maynards , Century Services and Havakar Leasing to view the vehicles. Prepared CarProofs for the 87 vehicles seen. Reviewed the offers received from Asset Engineering, Corporate Assets and Hilco Canada Asset Sales. Met M.J. Canada to view the vehicles on-site and discuss offers to purchase. Met with Gordon Hayman to discuss the offer to purchase in respect of the Chevy vehicle. Finalized the auction listing with black values and amounts owing to the lenders. Calls and emails to Damon (Hub International) in respect of the Rolls Royce and Chrysler vehicles. Call to L.T. in respect of his 4 leases.
	4/12/2011	11.0	

* Staff

Date	Hours	Memo
4/13/2011	10.0	<p>Calls and emails with C. Holmes (Aviva Insurance) and W. Clark (Adjuster) in respect of the Rolls Royce damaged by the tree.</p> <p>Calls with Ray (Pro-Touch) in respect of the transfer of ownership of the Land Rover LR2 and the Mercedes repairs.</p> <p>Calls with Damon (Hub International) in respect of the insurance on the buildings.</p> <p>Met with David Hirsch and Duncan Lau to discuss the court report.</p> <p>Met with Ralph Di Bari at Carnival's premises to view the four vehicles available for sale.</p> <p>Call with Sam (Exclusive Auto) and Wally (Bodylines) to have the liens removed from the vehicles. Call to Edmond Lamek to discuss the situations.</p> <p>Met with Gordon Hayman and Duncan Lau at Carnival's premises to discuss the outstanding repair orders and the Receiver's intention not to pay storage costs.</p> <p>Met with L. T. at Carnival's premises to discuss the outstanding leases. Re-performed the Passat lease.</p> <p>Met with Jimmy (Bodylines) to discuss the outstanding storage and bailiff fees.</p> <p>Calls with V. D' Angelo (Alpha Motorsports) and A. McDonald (Kay Bailiffs) in respect of the Range Rover in the possession of George (Alpha Motorsports Service Inc.)</p> <p>Printed and reviewed UCDA reports in respect of all vehicles available for auction.</p> <p>Met with Sam (Exclusive Collision Centre) to give him the cheques relating to repairs of three vehicles sold by the Receiver.</p> <p>Met with D. Hirsh and D. Lau to discuss the liens on the vehicles available for auction.</p> <p>Met with Lawrence Tollman to discuss the reconciliation prepared in respect of the VW Passat. Also discussed the other three leases and the Receiver's expected procedures if payment is not made.</p> <p>Call with J. F. regarding his outstanding amount. He agreed to settle the balance as at April 20.</p> <p>Call with B. Rubinhoff to discuss the cases he was currently dealing with.</p> <p>Calls to C. Holmes (Aviva Insurance) in respect of the Rolls Royce damaged by a tree.</p> <p>Calls to M. Marcon (Wanunisa Insurance) to obtain a claim number for the Chrysler XC300.</p> <p>Discussed the B. Rubinhoff cases with Josie.</p> <p>Calls with Universal Auto Body & Repairs regarding his invoices for the Bentley and Ferrari.</p> <p>Calls to A to reprocess the Audi Q7. The vehicle was reprocessed.</p> <p>Calls with Christy Holmes to discuss the process to be followed in respect of the repair quotation received from the adjuster.</p> <p>Updated the vehicle auction listing with the additional vehicles repossessed.</p> <p>Call with Jimmy (Bodylines) and Duncan Lau to discuss the storage costs on the two vehicles repossessed.</p> <p>Jimmy advised the storage costs would need to be paid before the lien would be removed.</p> <p>Reviewed buy-outs and prepared the power of attorney for the MTO in respect of 6 vehicles.</p> <p>Call with Neil (Casitron) requesting the Receiver obtain a copy / back-up of the books and records as at the date of our appointment.</p> <p>Calls with Michael and Joanne (Wanunisa Insurance) to obtain a claim number in respect of the Chrysler XC300.</p>
4/14/2011	11.0	<p>Prepared a summary of the repair invoices paid by the Receiver with corresponding lease account numbers to determine whether such repair amounts should be added back to the lease.</p> <p>Calls with P. S. in respect of L.A.'s three leases. Reviewed each lease and prepared a reconciliation thereof.</p> <p>Meeting with D. Hirsh and Duncan Lau to discuss the A. Graham accounts.</p> <p>Repossessed two vehicles from Pro-Touch Auto Centre. Made arrangements for storage thereof.</p> <p>Reviewed buy-outs and prepared MTO power of attorney letters.</p> <p>Completed the daily banking.</p>
4/15/2011	9.5	
4/18/2011	9.5	
4/19/2011	8.0	
4/20/2011	11.0	

* Staff	Date	Hours	Memo
	4/21/2011	8.0	Visits to the MTO office to transfer ownerships. Visit to Hayman Motors to obtain the offer for the Chevy truck. Calls to Christy Holmes in respect of the Rolls Royce damaged by the tree. Calls to Joanne (Wuwunisa) to confirm the status of the Chrysler claim. Completed vehicle inspection sheets for vehicles returned. Call with Duncan Lau and L. T. to discuss the status of the vehicles.
PICKETT MICHELLE (CA023662)	4/11/2011	0.4	Emails to/from P. Gupta re: buyout of Honda Odessey. Review terms of buyout. Receipt and review of fax re: P. Bornfreund lease. Email copy and note to C. Lonergan re: same.
	4/20/2011	0.1	Receipt and review of fax in respect of expired leases. Forward to P. Gupta. Discussion with J. Ross, OMOVIC. Follow up with C. Lonergan. Message from Gary, Easy Lease re: LAZH. Email to C. Lonergan re: same.
VAN EYK PAUL (CA026589)	4/11/2011	2.0	Carnival Report
	4/14/2011	2.0	Carnival Report
	4/18/2011	1.0	Project discussions and work
	4/21/2011	2.0	Attendance in court
LAU DUNCAN (CA026804)	4/13/2011	7.5	Review requested buyouts; review customer settlement proposal from R.Brown; review banking update memo; meeting with D.Hirsh and B.Stewien re motion materials and outstanding questions; meeting with Detective Kerr re fraud investigation
	4/14/2011	3.5	Corresponded with Detective Kerr re follow-up requests; corresponded with M.Pickett re proof of claim form; reviewed requested bills of sale; corresponded with S.Jarfari re outstanding legal listing; update meeting and various follow-up calls with B.Stewien.
	4/15/2011	7.5	Reviewed and reconciled client account LAZH; reviewed requested bills of sale and buyout calculations; reviewed repair invoices; update meeting with D.Hirsh and B.Stewien re final motion material
	4/18/2011	7.5	Completed analysis on client code LAZH; updated analysis on A.Graham; corresponded with B.Robertson re settlement amount for R.Brown; update call with Hub re insurance coverage with B.Stewien; reviewed select disbursements prepared by B.Stewien
	4/19/2011	7.5	Reviewed requested buyout calculations; corresponded with A.Palmer re outstanding amount; update meeting with B.Stewien; responded to customer inquiries; reviewed delinquent AR balances with Josie.
	4/20/2011	7.5	Corresponded with Easy Lease re buyouts for LAZH, corresponded with A.Palmer, B.Robertson and J.Giardano re settlement amount; responded to customer inquiries; reviewed repair listing prepared by B.Stewien; update meeting with Casatron re VIN# for select leases and data backup as at Feb 16th.
	4/21/2011	7.5	Corporate Finance related activities (3.0) - Responded to inquiries of interested party, update call with C.Lonergan re carproofs and coordinated the system and file setup. Receivership duties (4) - Updated A.Graham summary based on D.Hirsh's comments; status meeting with B.Rubinoff; corresponded with BMO re lease details; reviewed buyout calculations; responded to customer inquiries.
POLON GEOFF (CA015385)	4/11/2011	6.5	Write/review draft teaser
	4/12/2011	7.5	First round buyer calls First round buyer calls Review of standard lease agreement Review portfolio legend

* Staff

	Date	Hours	Memo
	4/13/2011	6.0	First round calls Set up and review data room material Finalize teaser and email it out review CA's
	4/14/2011	1.5	Buyer calls Provide data room access
	4/15/2011	2.5	Respond to enquiries Issues re: residual values in portfolio Discussions with potential buyers (i.e. Rifco)
	4/18/2011	2.5	Bank Update Second round buyer calls Due diligence responses
	4/19/2011	0.7	Portfolio data reconciliation Call with Rifco
	4/20/2011	1.2	Responding to info requests Calls with Rifco and Landmark leasing
	4/21/2011	5.0	Reconcile Residual values and update to data room Carnival on-site Century due diligence
OJIMET-STORRS SABINA (CA017958)	3/24/2011	2.0	=-Helping with targets for recycling company -Starting buyer list for project Exotic
	3/25/2011	3.0	-Buyer list for salad company -Buyer list for Project Exotic, setting up a data room
	3/26/2011	3.5	-Narrowing down buyer list for Project Exotic
	3/28/2011	1.5	-Calls for EUM project capital -Project Exotic 1.5 (tier 3 buyer list)
	3/29/2011	2.0	-Buyer profiles for S.E -Project Exotic Teaser - 2.0
	4/9/2011	2.0	-Preparing slides for alliance pitch
	4/11/2011	8.0	-Research reports for aggregate industry Working on Teaser Buyer phone calls Updating buyer list Teaser
	4/12/2011	4.5	Creating legend for lease portfolio Buyer phone calls
	4/13/2011	7.5	Calling potential buyers Sending out teaser to buyers Updating data room
	4/14/2011	6.0	Setting up members in the data room Sending out emails with LOI template and cover letter Updating buyer profile
	4/15/2011	4.5	-Verifying CAs -Setting up access to dataroom -Sending out emails to potential buyers -Updating buyer list

* Staff	Date	Hours	Memo
	4/18/2011	6.0	-Calling back buyers, following up with interested buyers who haven't sent in their NDAs, granting access to members for the dataroom, etc.
	4/19/2011	3.0	-Fixing operating lease file formulas -Calling potential buyers -Sending out cover letter and LOI template
	4/20/2011	2.0	-Granting access to buyers on the database -Answering potential buyer questions
	4/21/2011	0.5	-Verifying operating lease spreadsheet for residual issues -Setting up access to the dataroom, sending out emails, etc. VIN # file - sorting through portfolio
JOHNSON DAVID (CA018045)	4/11/2011	2.0	Update on sales process.
CASTONGUAY ERIC (CA023101)	4/8/2011	2.0	Lease portfolio
	4/11/2011	4.0	Sale process
	4/12/2011	5.0	Sale process
	4/13/2011	4.5	Buyer calls, sale process
	4/14/2011	3.0	Carnival sale process - buyer calls/process letters
	4/15/2011	2.0	Sale process
	4/18/2011	1.5	Due diligence calls
	4/19/2011	0.5	Sale process
	4/20/2011	1.0	Car proof calls
	4/21/2011	1.0	Purchaser calls
	PAW DIANNA (CA060884)	4/13/2011	0.7
	4/14/2011	1.0	Letters mail merge
TOTAL		372.4	

REMITTANCE COPY

PricewaterhouseCoopers Inc.
 Court Appointed Receiver of
 Carnival National Leasing Limited
 77 King Street West
 Royal Trust Tower
 Suite 3000 Toronto ON M5K 1G8
 Canada

PricewaterhouseCoopers Inc.
 PO Box 82
 Royal Trust Tower, Suite 3000
 Toronto Dominion Centre
 Toronto, ON M5K 1G8
 Canada
 Telephone: +1 416 863 1133
 Facsimile: +1 416 365 8215

Contact: Paul Van Eyk
 Telephone: +1 416 687 8101
 E-mail: paul.van.eyk@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
 145 King Street West
 Toronto ON M5H 1V8
 Canada

Bill Date: May 12, 2011
 Payment requested by: May 27, 2011
 Invoice No.: TR131701029

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED by PricewaterhouseCoopers Inc., as Court Appointed Receiver of Carnival National Leasing Limited, for the period April 23 to May 6, 2011.

	CAD
FEES	\$110,325.00
DISBURSEMENTS	<u>\$6,175.80</u>
TOTAL FEES AND DISBURSEMENTS	\$116,500.80
HST	<u>\$15,145.11</u>
TOTAL DUE	<u><u>\$131,645.91</u></u>

Postponed Fee Amount per Court Order:

Fees	28,816.50
Disbursements	<u>1,440.83</u>
Fees and Disbursements	30,257.33
HST	<u>3,933.45</u>
TOTAL AMOUNT DUE	<u><u>34,190.78</u></u>

Remit Only Bank Wire Transfers (EFT) to:
 HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
 Account Name: PricewaterhouseCoopers LLP
 Transit No.: 10002:016 Swift Code: HKBCCATT
 CAD Account: 064871-001 USD Account: 064871-070
 Invoice number must be included.

Please return one copy with your payment.

**PRICEWATERHOUSECOOPERS INC.
COURT APPOINTED RECEIVER OF
CARNIVAL NATIONAL LEASING LIMITED**

**Time and Disbursements Summary
For the period April 23 to May 6, 2011**

	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
<u>Staff Member</u>					
SENIOR VICE PRESIDENT					
PAUL VAN EYK	2.0	515	1,030.00	110	220.00
E CASTONGUAY	12.0	515	6,180.00	110	1,320.00
ASSOCIATE PARTNER					
R CHAPMAN	1.5	450	675.00	110	165.00
VICE PRESIDENT					
C LONERGAN	29.0	375	10,875.00	135	3,915.00
T WEAVER	0.1	375	37.50	135	13.50
G POLON	46.3	375	17,362.50	135	6,250.50
MANAGER					
B STEWIEN	81.5	300	24,450.00	75	6,112.50
D LAU	60.0	300	18,000.00	75	4,500.00
SR ASSOCIATE					
D SMITH	0.9	230	207	50	45.00
P GUPTA	96.5	230	22,195	50	4,825.00
S OUIMET-STORRS	29.0	230	6,670	50	1,450.00
ASSOCIATE					
W PITTMAN	0.4	175	70	0	0.00
ADMINISTRATOR					
A BOULDING	17.0	150	2,550	0	0.00
SUPPORT STAFF					
L CRITTEDEN	0.2	115	23	0	0.00
	<hr/>		<hr/>		<hr/>
	376.4		110,325.00		28,816.50
FEES			110,325.00		28,816.50
DISBURSEMENTS					
Administration fee			5,516.25		1,440.83
Other disbursements:			659.55		
			<hr/>		<hr/>
			6,175.80		1,440.83
FEES AND DISBURSEMENTS:			116,500.80		30,257.33
HST			15,145.11		3,933.45
TOTAL AMOUNT DUE:			<hr/> <u>131,645.91</u>		<hr/> <u>34,190.78</u>

Time Details

Client: Carnival National Leasing Limited
 Job: Carnival - RECEIVER
 Show to date: 5/6/2011

* Staff	Date	Hours	Memo
LONERGAN CLARK (CA000586)	4/25/2011	2.0	Dealing with OMVIC, update on Customer Accounts, First distribution processing, update on the Sales process, etc.
	4/26/2011	3.0	Sales process update, customer account analysis, correspondence with customer A.G regarding outstanding accounts. Discussion with OMVIC. Auction process update.
	4/27/2011	2.0	Sales process update, customer account analysis, Auction process update and procedures.
	4/29/2011	2.0	Follow up with PwC Team, Auction process update
	5/1/2011	3.0	Auction for vehicles, follow up on customer repo.
	5/2/2011	3.5	Customer analysis, vehicle auction update, MTO analysis, etc.
	5/3/2011	4.0	Update call with the Banks, preparation of update memo, cash flow variance analysis update, auction update, vehicle inventory analysis, legal update, repossession update, etc.
	5/4/2011	4.5	Customer analysis, update on delinquent accounts, cash flow update, discussions with Auctioneer, MTO update, etc. Discussion with counsel - regarding vehicle update, etc.
	5/5/2011	3.0	OMVIC discussion, Sales process update, customer account analysis, vehicle update, etc.
	5/6/2011	2.0	Sales Process update. Customer Account Analysis. Operating leases portfolio.
CHAPMAN ROBERT (CA001776)	5/2/2011	1.5	Review and sign cheques (numerous occasions)
WEAVER TRACEY (CA002224)	4/25/2011	0.1	Reviewing and approving wire transfers.
BOULDING ADELAIDE (CA002759)	4/25/2011	1.9	Discussion with C. Lonergan re postings. Photocopy bank draft for deposit, call & confirm bank open today. Respond to email from P. Gupta re details required for repayment to banks. Prepare letters of direction Bank of Montreal re distribution to RBC & BMO, secure signatures, scan & email BMO to action request. Print Newviews GL reports for payroll. Reconcile source deductions, prepare CRA remittance advice. Followup phone call BMO to confirm receipt of instructions. Various phone calls with BMO re problems with wire transfer & transfer of funds. Prepare fax coversheet re RBC wire & fax instructions. Email to P. Gupta advising of change to cut off times.
	4/26/2011	1.2	Print emails & backup re disbursements. Post disbursements Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, attach copy of signed cheque to voucher, prepare courier envelope & deliver to mailroom. Access account on line, print account activity report for backup re wire transfer & transfer to RBC & BMO, post Newviews, attach backup. Lookup contractor contract, email to C. Lonergan & P. Gupta. Post deposit Newviews, attach backup.

* Staff	Date	Hours	Memo
	4/27/2011	1.2	Print email from P. Gupta re HST collected, reclass HST re rental income & sale of inventory. Review March disbursements, update HST summary, email to P. Gupta & C. Lonergan for review & approval. Post HST payment Newviews, prepare cheque requisition & cheque scribe batch, run cheque, secure signatures, prepare CRA remittance advice. Prepare letter of direction Bank of Montreal re transfer to Deerhorn Properties for May 2011 rent.
	4/28/2011	3.2	Review & print emails re disbursements. Post disbursements Newviews, prepare cheque requisitions & cheque scribe batches, run cheques, secure signatures, attach copy of signed cheque to voucher, mail fee cheque to account, prepare courier envelope & deliver to mail room. Reconcile March 2011 bank statement Newviews, post service charges. Daily receipts postings April 4-15th.
	5/2/2011	1.8	Post disbursements Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, attach copy of signed cheque to voucher, prepare vouchers for filing. Prepare courier envelope & deliver to mail room, mail balance of cheques. Access account on line, confirm transfer to Deerhorn, post Newviews, attach backup. Update payroll source deduction schedule re CRA remittance, balance to Newviews.
	5/3/2011	1.9	Post cash receipts for period ending April 22/11. Prepare bank reconciliation for period ending April 8/11.
	5/4/2011	4.1	Email P. Gupta re variances. Review cash receipts posting for period of April 1-15th, post service charges re NSF cheques, email P. Gupta re variances. Revise as requested. Post cash receipts for period April 18th to April 29th, email P. Gupta re variance, revise accordingly. Reconcile Newviews entries to bank statements for period April 1 - 29th.
	5/5/2011	1.7	Print emails re disbursements. Calculate source deductions for May 6th payroll. Post disbursements (8) Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, secure signatures, attach copy of cheque to voucher for backup, mail cheques. Prepare courier envelope & deliver to mailroom.
SMITH DONALDA (CA007437)	4/27/2011	0.6	Update website with receiver's report and court order.
	4/28/2011	0.2	Log claim received, update Service Canada database and mail confirmation to employee as required.
	4/29/2011	0.1	March 2011 bank reconciliation.
GUPTA PEARL (CA015872)	4/25/2011	10.0	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended April 22, 2011.
	4/26/2011	7.5	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended April 22, 2011.

* Staff

Date	Hours	Memo
4/27/2011	12.0	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Various calls and meetings with customers regarding status of their leases. Discussions with potential purchasers and information gathering (6 hours). Finalize HST return for March. Finalize billing for two weeks ended April 22, 2011.
4/28/2011	11.0	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Discussions with potential purchasers and information gathering (1 hour). Finalize buyouts and prepare information for ownership transfers. Reconcile buyouts and ensure all information is complete. Prepare PAP for May 1st. Discussion with legal counsel regarding various issues.
4/29/2011	10.0	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Discussions with Corporate Finance regarding information requests for purchasers. Finalize buyouts and prepare information for ownership transfers. Reconcile buyouts and ensure all information is complete. Organize documents required for vehicle auction.
5/2/2011	10.5	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended April 22, 2011. Prepare variance analysis for week ended April 22, 2011. Prepare detailed analysis of NSF cheques. Prepare analysis of past due leases.
5/3/2011	7.5	Prepare ownerships to transfer for auction vehicles. Status update call with banks. Discussion with G. Polon regarding sales process and information requests. Gather information required for sales process (1hour).
5/4/2011	10.0	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Discussion with C. Lonergan regarding outstanding tasks and issues to resolve. Various calls and meetings with customers regarding status of their leases. Organize ownerships to transfer for auction vehicles. Walkthrough necessary activities with newly hired contractor.
5/5/2011	9.5	Release liens on auction vehicles. Discussion with customers regarding lease issues. Reconcile cash receipts on per lease basis. Organize buyouts and ownership transfers. Reconcile petty cash.
5/6/2011	8.5	Release liens on auction vehicles. Discussion with customers regarding lease issues. Reconcile cash receipts on per lease basis. Organize buyouts and ownership transfers. Reconcile petty cash. Review detailed disbursements of receivership.
5/4/2011	0.4	Checked hotline voice mail messages. Emailed Pearl and Brian with pertinent messages and the information entailed.

PITTMAN WENDY (CA022477)

* Staff	Date	Hours	Memo
STEWIEN BRIAN (CA022898)	4/25/2011	9.0	<p>Made calls to the following individuals:</p> <ul style="list-style-type: none"> a. Guido / Detective St. Armand regarding the Landrover. b. Doug Liens in respect to the BMW 750i insurance claim on behalf of the lessee Grigor c. Lessee Tan in respect of the Bentley which had no insurance thereon. d. Ray (Asset Engineering) in respect of the information required for the auction on May 1, 2011. e. Ray (Pro-Touch) in respect of the Mercedes Benz CLK and the vehicle sold to Downtown Porsche. f. Christy Holmes in respect of the insurance claim regarding the Rolls Royce damaged by the tree. <p>Met with Lawrence Tollman to discuss the status of his leases and the options available. Met with Jamal to discuss whether he would be interested in the Chevy truck located at Hayman Motors. Reviewed and discussed the Bodylines invoices with Duncan and David Hirsh.</p>
	4/26/2011	8.0	<p>Calls to the following individuals:</p> <ol style="list-style-type: none"> 1. Ray (Pro-Touch) - Follow-up on the vehicle repairs and bill of sale details outstanding. 2. Mo (MVM Performance) - Follow-up on the amounts owing and confirm the repairs on the Rolls Royce. <p>Calls to Lori and Drew (Hub International) in respect of the insurance payments. Met with Basil Zahed (Adjuster) to discuss the Best Waste case. Call with Lawrence Tollman to discuss the amounts owing and the return of the VW Passat. Collected all the ownerships required for the auction. Prepared power of attorneys for the MTO to deplate two vehicles. Repossessed a BMW X6 from York Regional Police Impound. Met with Detective Fred Kerr to inspect the vehicle. Made arrangements with Asset Engineering to collect vehicles from Carnival's premises.</p>
	4/28/2011	7.0	<p>Transfer of ownerships at the MTO. Calls and emails with Asset Engineering in respect of the auction. Meeting with Barry Rubinhoff and Duncan Lau to discuss the outstanding cases.</p>
	4/29/2011	9.0	<p>Repossessed vehicles from Pro-Touch Auto Centre and Auto Tak Centre. Visited the MTO office to requested new ownerships for the vehicles sent to auction. Reviewed the list of vehicles on contingency.</p>
	5/1/2011	3.0	<p>Visited the MTO office to request and collect the ownerships required for the auction.</p>
	5/2/2011	10.0	<p>Analysed and prepared a summary in respect of the Junior Wilson / Big Dog Solutions file. Reviewed and prepared a list of vehicles on contingency for the interested parties. Calls to Drew and Lori (Hub International) to discuss the list. Calls to Paul at ITSTAT bailiff to discuss the whereabouts of lessee Tan's vehicle. Discussions with M.J. Canada to discuss potential whereabouts of a number of vehicles.</p>
	5/3/2011	8.0	<p>Completed the ownerships in respect of the vehicles sold at the auction. Visited the MTO to transfer the ownerships unfiled and unpled. Followed up with Edmond Lamek in respect of the Ferrari with 407 ETR charges. Reviewed the 750Li located at Munich Motors Repair Shop.</p>

* Staff	Date	Hours	Memo
	5/4/2011	9.0	Completed the ownerships for the vehicles sold at the auction. Visited the MTO to transfer the ownerships. Reviewed the Exclusive Auto Centre invoices. Calls to lessee's who have defaulted on the lease and have advised the vehicle will be returned. Calls to Damon (Hub International) to imitate a claim in respect of the Pino Guido vehicle. Review of the file of the BMW 750Li located at Munich Motors.
	5/5/2011	4.0	Visited the MTO to transfer the vehicles sold at the auction. Prepared a summary of the Exclusive Auto Centre repair invoices. Called Edmond Lamek to discuss the above summary.
	5/6/2011	9.0	Repossessed a Mercedes CLK500 on Millvan Drive. Completed vehicle sheets for the above vehicle and two other vehicles dropped-off. Visited Mercedes Benz Canada (Steeles Avenue) to discuss the status of the repairs. Call with Lawrence Tollman. Visited the MTO.
VAN EYK PAUL (CA026589)	4/29/2011	1.0	Update discussion with Duncan Lau, review of sign-off.
	5/6/2011	1.0	Carnival call and discussions
LAU DUNCAN (CA026804)	4/25/2011	5.5	Followed up with select customers (i.e. A.Palmer, R.Brown etc); reviewed bills of sale; update meeting with B.Stewien re insurance, customer inquiries and vehicle repair; update meeting with team re sale process/interested party and company staffing; update meeting with D.Hirsh re property deficiency.
	4/26/2011	4.5	Addressed follow up questions with interested party (Havvarkar); reviewed requested buyout calculations; followed up on select delinquent accounts; prepared MTO listing for review.
	4/27/2011	7.5	Addressed requests and questions from interested party (3 hrs); corresponded with Asset Engineering regarding auction preparation and process; followed up on delinquent accounts.
	4/28/2011	7.5	Reviewed MTO listing with L.Kunz; corresponded with MTO and Omvic regarding auction process; attended meeting with B.Rubinoff regarding outstanding legal claims; toured facility with real estate appraisers.
	4/29/2011	7.5	Coordinated with MTO regarding replacement ownerships and deplating; attended auction (Sunday); responded to customer inquiries; followed up on delinquent accounts; reviewed select buyouts.
	5/2/2011	4.0	Reviewed contingent insurance listing; coordinated the pickup of signed bill of sale and ownership from Asset Engineering; responded to inquires from interested parties (1 hr); reviewed MTO listing comments prepared by Lucy.
	5/3/2011	7.5	Reviewed signed bills of sale and ownership (4.5); reviewed disposal listing from Castiron; prepared auction summary for bank update; reviewed buyouts.
	5/4/2011	4.5	Responded to customer inquiries; reviewed delinquent accounts; reviewed requested buyouts; responded to inquires from interested parties (Newroads, EquiLease, Resolve) (2hrs).

* Staff

	Date	Hours	Memo
	5/5/2011	4.0	Meeting with S.Jarfari; reviewed remaining bills of sale and ownership related to auction sale; reviewed delinquent accounts; reviewed select repair invoices; reviewed requested buyouts.
	5/6/2011	7.5	Coordinated lien discharges; corresponded with Asset Engineering re outstanding vehicles; meeting with P.Gianotti; reviewed select invoices; corresponded with select delinquent account holders; reviewed statement of claims prepared by Josie; reviewed requested buyouts.
CRITTENDEN LEONORA (CA062724)	4/26/2011	0.2	Paying source deductions to the bank.
POLON GEOFF (CA015385)	4/25/2011	4.0	F/U buyer calls Calls and diligence with Rifco, Quest, etc. Bank update
	4/26/2011	5.0	Century on site due diligence and buyer follow up calls
	4/27/2011	7.0	Century and Rifco onsite due diligence - all day
	4/28/2011	5.5	RIFCO on site due diligence Buyer follow up calls
	4/29/2011	0.8	Century and Rifco due diligence
	5/2/2011	8.0	Century and RIFCO Diligence Landmark meeting F/U calls
	5/3/2011	5.0	Meeting with Bayview capital corp Century diligence, RIFCO diligence Bank Status Update call Meeting with MPI Group
	5/4/2011	7.5	New Roads on site diligence MPI Group on site diligence Multiple buyer calls
	5/5/2011	1.5	Buyer calls / due diligence
	5/6/2011	2.0	Buyer calls / receive and review offers
OUIMET-STORRS SABINA (CA017958)	4/25/2011	2.0	Sending out follow up emails Follow up calls Updating buyer list
	4/26/2011	1.0	Updating buyer list Following up with potential buyers Granting access to data room, etc.
	4/27/2011	5.0	Assisting buyers out at Carnival
	4/28/2011	0.5	Follow up calls for potential buyers
	5/2/2011	5.0	Due diligence procedures out at Carnival -sorting through PAP, deposit details and debit/credit for month of January 2011 -Sorting through spreadsheets

* Staff	Date	Hours	Memo
	5/3/2011	7.5	-Calls with potential buyers -Meeting 2 interested parties
	5/4/2011	6.0	-Due diligence for potential buyers (PAP, NFS, etc.) -Going through black book for all VIN #'s -Performing analyses on the average CBB values
	5/6/2011	2.0	Analysing bid vs. administer proposals (preparing cash flow)
CASTONGUAY ERIC (CA023101)	4/26/2011	0.5	Follow up calls
	4/27/2011	0.5	Doug Moore
	4/28/2011	1.0	Hugh Swandel/Clark Lonergan calls
	5/2/2011	2.5	Landmark Leasing Meeting
	5/3/2011	3.0	Bank update memo/call with Alta/bank update/Meeting with Bayview/VIN numbers/Zimmering
	5/4/2011	1.0	Black book, Summerville
	5/5/2011	0.5	Doug Moore
	5/6/2011	3.0	Review of bids, calls with bidders
TOTAL:		376.4	

REMITTANCE COPY

PricewaterhouseCoopers Inc.
Court Appointed Receiver of
Carnival National Leasing Limited
77 King Street West
Royal Trust Tower
Suite 3000 Toronto ON M5K 1G8
Canada

PricewaterhouseCoopers Inc.
PO Box 82
Royal Trust Tower, Suite 3000
Toronto Dominion Centre
Toronto, ON M5K 1G8
Canada
Telephone: +1 416 863 1133
Facsimile: +1 416 365 8215

Contact: Paul Van Eyk
Telephone: +1 416 687 8101
E-mail: paul.vaneyk@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
145 King Street West
Toronto ON M5H 1V8
Canada

Bill Date: May 30, 2011
Payment requested by: June 14, 2011
Invoice No.: TR131701145

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED by PricewaterhouseCoopers Inc., as Court Appointed Receiver of Carnival National Leasing Limited, for the period May 7 to May 20, 2011.

	CAD
FEES	\$89,429.00
DISBURSEMENTS	<u>\$5,281.67</u>
TOTAL FEES AND DISBURSEMENTS	\$94,710.67
HST	<u>\$12,312.39</u>
TOTAL DUE	<u><u>\$107,023.06</u></u>

Postponed Fee Amount per Court Order:

Fees	23,228.50
Disbursements	<u>1,161.43</u>
Fees and Disbursements	24,389.93
HST	<u>3,170.69</u>
TOTAL AMOUNT DUE	<u><u>27,560.62</u></u>

Remit Only Bank Wire Transfers (EFT) to:
HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
Account Name: PricewaterhouseCoopers LLP
Transit No.: 10002:016 Swift Code: HKBCCATT
CAD Account: 064871-001 USD Account: 064871-070
Invoice number must be included.

Please return one copy with your payment.

**PRICEWATERHOUSECOOPERS INC.
COURT APPOINTED RECEIVER OF
CARNIVAL NATIONAL LEASING LIMITED**

**Time and Disbursements Summary
For the period May 7 to May 20, 2011**

<u>Staff Member</u>	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
SENIOR VICE PRESIDENT					
PAUL VAN EYK	1.5	515	772.50	110	165.00
E CASTONGUAY	10.6	515	5,459.00	110	1,166.00
VICE PRESIDENT					
C LONERGAN	27.5	375	10,312.50	135	3,712.50
T WEAVER	0.7	375	262.50	135	94.50
G POLON	22.5	375	8,437.50	135	3,037.50
MANAGER					
B STEWIEN	79.5	300	23,850.00	75	5,962.50
D LAU	61.0	300	18,300.00	75	4,575.00
SR ASSOCIATE					
D SMITH	1.5	230	345	50	75.00
P GUPTA	82.0	230	18,860	50	4,100.00
S OUMET-STORRS	6.0	230	1,380	50	300.00
ASSOCIATE					
W PITTMAN	0.1	175	18	0	0.00
ADMINISTRATOR					
A BOULDING	8.8	150	1,320	0	0.00
	<u>302.0</u>		<u>89,429.00</u>		<u>23,228.50</u>
FEEES			89,429.00		23,228.50
DISBURSEMENTS					
Administration fee			4,471.45		1,161.43
Other disbursements:			810.22		
			<u>5,281.67</u>		<u>1,161.43</u>
FEEES AND DISBURSEMENTS:			94,710.67		24,389.93
HST			<u>12,312.39</u>		<u>3,170.69</u>
TOTAL AMOUNT DUE:			<u><u>107,023.06</u></u>		<u><u>27,560.62</u></u>

Time Details

Client: Carnival National Leasing Limited
 Job: Carnival - RECEIVER
 Show to date: 5/20/2011

* Staff	Date	Hours	Memo
LONERGAN CLARK (CA000586)	5/9/2011	1.0	Following up on customer accounts, follow up with lenders
	5/10/2011	5.0	Working on Sales Process report, customer update, cash flow update, auction update, MTO reporting, OMVIC update.
	5/11/2011	1.0	Update of Portfolio, Delinquent Account analysis, Auction update.
	5/12/2011	5.0	Update call with the Banks, sales process update, L. Odes update on amounts outstanding, customer account analysis, etc.
	5/13/2011	1.0	Follow up on customer letters for past due leases, customer account analysis, Repair and Maintenance shop update, etc.
	5/16/2011	4.0	Meeting with D. Hirsh to discuss L. Odes outstanding amounts, sales process update and vehicles transferred prior to Receivership, Delinquent accounts summary, buy-out analysis, etc.
WEAVER TRACEY (CA002224)	5/17/2011	5.0	Update on customer Accounts, Bank call update, Delinquent analysis, etc.
	5/18/2011	3.0	Update on delinquent account analysis, A. Graham update, Legal updates, etc.
	5/19/2011	2.5	Carnival update on customer accounts, delinquent account analysis etc.
	5/9/2011	0.1	Reviewing and approving bank reconciliation for month of March, 2011.
	5/10/2011	0.1	Reviewing and approving cheques.
	5/11/2011	0.2	Reviewing and approving cheques.
BOULDING ADELAIDE (CA002759)	5/16/2011	0.1	Reviewing and approving cheques.
	5/18/2011	0.2	Reviewing and approving cheques and payroll. Instructions to A. Boulding.
	5/9/2011	0.3	Print Newviews cash in bank for period May 2-6th, scan & email to P. Gupta. Access BMO account on line, print account activity for May 2-6th. Photocopy report for daily receipts input.
	5/10/2011	1.1	Print emails re disbursements. Post disbursements Newviews, prepare cheque requisitions & cheque scribe batch, run cheques. Discussion with P. Gupta re cash receipts. Prepare letter of direction Bank of Montreal to purchase investment, secure signatures, fax.
	5/11/2011	3.1	Print emails re disbursements. Post disbursements (11) Newviews, prepare cheque requisitions & cheque scribe batches, run cheques, mail cheques. Post cash receipts period May 2-6th.
	5/16/2011	0.6	Print Newviews cash in bank GL, scan & email to P. Gupta. Print emails & invoices to be paid, post disbursements Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, secure signatures, prepare & take courier envelope to mailroom.
	5/18/2011	1.3	Calculate source deductions for payroll week ending May 20th, 2011, update source deduction schedule. Post disbursements (5) Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, secure signature, attach copy of signed cheque to voucher, prepare & deliver courier envelope to mailroom.

* Staff	Date	Hours	Memo
	5/19/2011	2.4	Print email re J. Donato payroll. Calculate source deductions, post disbursement Newviews, prepare cheque requisition & cheque scribe batch, run cheque, secure signature, prepare & take courier envelope to mail room. Post daily cash receipts.
SMITH DONALDA (CA007437)	5/12/2011	1.5	Scan and send NSF cheques received to P. Gupta. Post NSF cheques to Newviews. Prepare cheque reqs and cheques for professional and legal fees. Post in Newviews.
GUPTA PEARL (CA015872)	5/9/2011	9.5	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended May 6, 2011.
	5/10/2011	5.0	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Prepare variance analysis for week ended May 6, 2011. Re-present PAP NSF's from May 1st PAP.
	5/11/2011	12.0	Reconcile cash receipts to date on per lease basis. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Prepare letters for past due leases and upcoming expiring leases. Reconcile inventory on hand to lease listing. Reconcile leases listing as of April 30 with master listing and investigate variances. Review Carnival billing.
	5/12/2011	10.0	Prepare for bank status update call. Discussion with banks regarding sales process bids and update on Receivership. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Review banks analysis of first distribution and reconcile on per lease basis. Reconcile accounts receivable as of April 30, 2011 to master lease listing.
	5/13/2011	8.5	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Review banks analysis of first distribution and reconcile on per lease basis. Reconcile accounts receivable as of April 30, 2011 to master lease listing. Review security contract drafted by Faskens and draft comments regarding same.
	5/16/2011	10.5	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Reconcile cash receipts and disbursements for week ended May 13, 2011. Prepare variance analysis for week ended May 13, 2011. Reconcile buyouts to date with cash receipts. Update summary of lease portfolio. Review delinquent accounts with Carnival staff.
	5/17/2011	8.0	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Finalize variance analysis for week ended May 13, 2011. Update summary of lease portfolio. Review delinquent accounts with Carnival staff. Prepare MTO ownership transfers. Review pre-receivership sales to determine whether liens can be released.
	5/18/2011	9.5	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Review delinquent accounts with Carnival staff. Prepare MTO ownership transfers. Review auction files and disposals.
	5/19/2011	9.0	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Review delinquent accounts with Carnival staff. Review all auction files. Prepare distribution analysis for auction.

* Staff	Date	Hours	Memo
PITTMAN WENDY (CA022477)	5/16/2011	0.1	Checked the hotline, two messages for B. Stewien; emailed B. Stewien with messages.
STEWIEN BRIAN (CA022898)	5/9/2011	9.0	Met with K. Baldi (service advisor Mercedes Benz Canada Ltd) to inspect the repairs completed on a lessee's vehicles. Met with Asset Engineering to hand-over a ownership of a vehicle sold at the auction and discuss the status of the Ferrari with 407 charges thereon. Met with R. DeBarri and M.J. Canada to show him the vehicles available for sale located at Carnival. Prepared a summary of vehicles based on black book values and CarFax. Made a trip to MTO to transfer ownerships and deplate vehicles. Repossession of vehicles from Mercedes Benz Canada Inc. and customers. Updated the summary of vehicles available for sale based on CarFax reports. Met with Munich Motors to discuss the alternatives available in respect of the 750 Li. Visit to the MTO to transfer vehicles. Met with G. Bliss (Ertex Appraisal Service) to discuss and view the Chrysler XC300 located at Carnival. Met with Munich Motors to discuss the 750Li engine replacement. Visited Bodylines to view the engine. Met with Yorkdale Certified Auto Service to discuss the 750 Li engine repair. Calls with ITSTAT inventory Management to discuss their respective invoices.
	5/10/2011	7.5	Collected a 760Li from TFX International. Met with a owner of a repair shop to discuss the events related to the 750Li dropped off at his shop by a lessee. Made calls to the lessee to confirm the event. Made calls to E. Lamek to consider the Receiver's options. Reviewed the repair bills obtained in respect of three vehicles placed on repossession.
	5/11/2011	9.0	Trips to the MTO to transfer ownerships. Trip to repair shop to make an offer on the 750Li. Viewed the vehicles available for sale to M.J. Canada. Call a repair shop to discuss the repair bills received. Reviewed the transactional history of two 911 Porsches. Call to E. Lamek to discuss repair shop / legal counsel letter.
	5/12/2011	7.5	Preparation of vehicle summary sheet in respect to vehicles located at Carnival available for sale. Met with potential buyers to view the above vehicles. Prepared a reconciliation in respect to P. Leslie's two leased vehicles (Audi A8 and Porsche Cayenne). Discussion with D. Hirsh in respect of the insurance claims.
	5/13/2011	8.5	Trips to the MTO to transfer ownerships. Visited Munich Motors to inspect the BMW 750Li being repaired. Call with the lessee to update her on the situation. Discussed the vehicle summary with C. Lonergan. Requested M.J. Canada to increase their offers. Visited MVM Performance Repair Shop to collect funds and confirm the status of the repairs to the Rolls Royce damaged by a tree.
	5/16/2011	8.0	Reconciled lessee's account in respect of 9 vehicles. Showed vehicles located at Carnival's premises to a potential buyer. Trip to the MTO office to transfer ownerships. Calls to lessee's who are in default on their accounts. Repossessed a vehicle from a lessee. Visited a repair shop to obtain an update on the repairs to a BMW 750Li. Emails to E. Lamek in respect of a freightliner located at a bailiff.
	5/17/2011	8.0	Met with Asset Engineering to discuss the invoice. Contacted the insurance company in respect of the outstanding invoice and contingency list. Contacted the claims adjuster to discuss the status of certain claims. Met with a repair shop owner in respect of three vehicles in their possession.
	5/18/2011	8.0	
	5/19/2011	8.0	

* Staff	Date	Hours	Memo
	5/20/2011	6.0	Visited a repair shop in an attempt to repossess a vehicle. Calls to E. Lamek to discuss the options available in respect of two repair shops. Repossessed a vehicle from a lessee.
PICKETT MICHELLE (CA023662)	5/11/2011	0.1	Receipt and respond to email from P. Gupta re: follow up letter to lessees in respect of terminated leases.
	5/13/2011	0.1	Receipt and review of email from C. Foster, Foster Leasing. Forward same to P. Gupta.
	5/18/2011	0.1	Review and respond to email from D. Lau re: MTO information request.
VAN EYK PAUL (CA026589)	5/12/2011	1.0	Call with lenders on sale/admin of portfolio
	5/18/2011	0.5	Carnival update with team
LAU DUNCAN (CA026804)	5/9/2011	7.5	Reconciled L. Odes accounts; corresponded with 407 re Ferrari issue; reviewed auction proceeds against blackbook values; reviewed requested buyouts; followed up with delinquent accounts.
	5/10/2011	4.0	Reconciled L. Odes accounts; corresponded with Asset Engineering re remaining auction items; reviewed LOI summary with Corporate Finance; followed up with delinquent accounts.
	5/11/2011	7.5	Reviewed outstanding insurance claims; reviewed requested buyouts; reviewed on-site vehicle listing with B. Stewien; reviewed MTO listing against historic disposal list.
	5/12/2011	4.0	Reviewed L. Odes accounts with C.Lonergan and L.Odes; attended update call; reviewed select invoices; followed up with delinquent accounts.
	5/13/2011	7.5	Reviewed requested buyouts; meeting with M. Klaiman to review outstanding legal files; followed up with delinquent accounts; reviewed delinquent portfolio; corresponded with Corporate Finance re new requests.
	5/16/2011	4.0	Reviewed legal files with B.Stewien; preliminary review of the delinquent files and overterm listing; meeting with L.Odes and D.Hirsh re outstanding amount; reviewed requested buyouts.
	5/17/2011	4.0	Meeting with R. Kashvandi re outstanding amount and payment plan; followed up on delinquent accounts; attended team update meeting; corresponded with Casitron re payment reports; update meeting with Corporate Finance.
	5/18/2011	7.5	Responded to inquiries from interested party; reviewed select invoices; reviewed MTO listing with N.Labbe; prepared proposed settlement agreement for R. Kashvandi; prepared release letter for L.Odes; followed up with delinquent accounts and inquiry.
	5/19/2011	7.5	Reviewed vehicle inventory listing with B.Stewien; responded to inquiries from interested parties; reviewed requested buyouts; reviewed select invoices; followed up on delinquent accounts.
	5/20/2011	7.5	Reviewed delinquent accounts; reviewed requested buyouts; reviewed contingent insurance listing and repossession listing.
POLON GEOFF (CA015385)	5/9/2011	5.0	Offer Analysis presentation for the banks
	5/10/2011	3.0	Prepare, review, discuss bank presentation
	5/13/2011	2.0	Contacting all parties and advising as to whether invited to Phase II or not
	5/16/2011	4.0	Draft Phase II letters and send to all participants. Discuss Phase II with C. Lonergan and D. Lau. Calls with potential purchasers.
	5/17/2011	0.5	Calls with potential purchasers.
	5/18/2011	3.0	Due diligence work with potential purchaser.
	5/19/2011	5.0	Due diligence work with potential purchaser.

* Staff	Date	Hours	Memo
OUMET-STORRS SABINA (CA0179)	5/9/2011	0.5	Reviewing submitted LOIs
	5/10/2011	5.0	Preparing power point presentation for bank update. Call with CAR to discuss potential purchasers.
	5/19/2011	0.5	Adding files to dataroom, managing members in the dataroom.
CASTONGUAY ERIC (CA023101)	5/9/2011	1.0	LOI summary
	5/10/2011	1.5	LOI summary
	5/11/2011	0.6	Call with C. Loneragan and P. Van Eyk on bid summary and strategy.
	5/12/2011	1.0	Update call with lenders
	5/13/2011	0.5	Buyer calls/letter
	5/16/2011	0.5	Phase II letters
	5/18/2011	1.5	Admin agreement
	5/19/2011	3.0	Admin agreement
	5/20/2011	1.0	Hirsh and Admin Agreement
	TOTAL:		302.0

REMITTANCE COPY

PricewaterhouseCoopers Inc.
 Court Appointed Receiver of
 Carnival National Leasing Limited
 77 King Street West
 Royal Trust Tower
 Suite 3000 Toronto ON M5K 1G8
 Canada

PricewaterhouseCoopers Inc.
 PO Box 82
 Royal Trust Tower, Suite 3000
 Toronto Dominion Centre
 Toronto, ON M5K 1G8
 Canada
 Telephone: +1 416 863 1133
 Facsimile: +1 416 365 8215

Contact: Paul Van Eyk
 Telephone: +1 416 687 8101
 E-mail: paul.vaneyk@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
 145 King Street West
 Toronto ON M5H 1V8
 Canada

Bill Date: June 7, 2011
 Payment requested by: June 22, 2011
 Invoice No.: TR131701204

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED by PricewaterhouseCoopers Inc., as Court Appointed Receiver of Carnival National Leasing Limited, for the period May 22 to June 3, 2011.

	CAD
FEES	\$75,025.00
DISBURSEMENTS	<u>\$3,872.34</u>
TOTAL FEES AND DISBURSEMENTS	\$78,897.34
HST	<u>\$10,256.67</u>
TOTAL DUE	<u><u>\$89,154.01</u></u>

Postponed Fee Amount per Court Order:

Fees	20,297.00
Disbursements	<u>1,014.85</u>
Fees and Disbursements	21,311.85
HST	<u>2,770.54</u>
TOTAL AMOUNT DUE	<u><u>24,082.39</u></u>

Remit Only Bank Wire Transfers (EFT) to:
 HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
 Account Name: PricewaterhouseCoopers LLP
 Transit No.: 10002:016 Swift Code: HKBCCATT
 CAD Account: 064871-001 USD Account: 064871-070
 Invoice number must be included.

Please return one copy with your payment.

PRICEWATERHOUSECOOPERS INC.
 COURT APPOINTED RECEIVER OF
 CARNIVAL NATIONAL LEASING LIMITED

Time and Disbursements Summary
 For the period May 21 to June 3, 2011

<u>Staff Member</u>	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
VICE PRESIDENT					
C LONERGAN	32.0	375	12,000.00	135	4,320.00
T WEAVER	0.7	375	262.50	135	94.50
M PICKETT	0.2	375	75.00	135	27.00
G POLON	32.3	375	12,112.50	135	4,360.50
MANAGER					
B STEWIEN	25.0	300	7,500.00	75	1,875.00
D LAU	65.0	300	19,500.00	75	4,875.00
SR ASSOCIATE					
D SMITH	2.9	230	667	50	145.00
P GUPTA	89.0	230	20,470	50	4,450.00
S OUIMET-STORRS	3.0	230	690	50	150.00
ADMINISTRATOR					
A BOULDING	11.5	150	1,725	0	0.00
	<u>261.8</u>		<u>75,025.00</u>		<u>20,297.00</u>
FEES			75,025.00		20,297.00
DISBURSEMENTS					
Administration fee			3,751.25		1,014.85
Other disbursements:			121.09		
			<u>3,872.34</u>		<u>1,014.85</u>
FEES AND DISBURSEMENTS:			78,897.34		21,311.85
HST			<u>10,256.67</u>		<u>2,770.54</u>
TOTAL AMOUNT DUE:			<u><u>89,154.01</u></u>		<u><u>24,082.39</u></u>

Time Details

Client: Carnival National Leasing Limited
 Job: Carnival - RECEIVER
 Show to date: 6/3/2011

* Staff	Date	Hours	Memo
LONERGAN CLARK (CA000586)	5/24/2011	4.0	Delinquent accounts analysis, sales process update and discussion with Purchasers, Vehicle update, etc.
	5/25/2011	4.0	Update call with the Banks, update memo, weekly cash flow review, portfolio review, delinquent accounts analysis, 2nd distribution analysis and summary, sales process update, etc.
	5/26/2011	3.0	Delinquent Analysis update, Sales process update, Servicing Agreement review and comments, distribution analysis update and discussion, etc.
	5/27/2011	1.0	Vehicle inventory sale analysis, APA discussion, Servicing Agreement Discussion, etc.
	5/30/2011	4.0	Update on customer accounts, discussion with N. Porco regarding A. Graham accounts, cash flow analysis, portfolio analysis, etc.
	5/31/2011	5.0	Update on customer accounts, cash flow analysis, portfolio analysis, vehicle inventory update analysis, weekly cash flow variance and operations email to the Banks, drafting second court report, etc.
WEAVER TRACEY (CA002224)	6/1/2011	5.0	Customer follow up, sales process analysis, portfolio update, vehicle inventory update, discussions with the Banks regarding the proposed vehicle sales, HST analysis, legal update, etc.
	6/3/2011	6.0	Working on sales process analysis, discussion with the Banks on distributions and sales process, analysing offers received from administrators and prospective purchaser, customer buy-outs, vehicle inventory realization analysis, etc.
	5/25/2011	0.1	Reviewing and approving cheques.
	5/26/2011	0.2	Reviewing and approving payment of source deductions post.
	5/30/2011	0.1	Approving HST liability and wire transfers.
	6/1/2011	0.1	Reviewing and approving cheques.
BOULDING ADELAIDE (CA002759)	6/2/2011	0.1	Approving cheques and payroll.
	6/3/2011	0.1	Reviewing and approving bank reconciliation for month of April, 2011
	5/24/2011	0.4	Newviews cash in bank GL printout, scan & email to P. Gupta. Phone call Bank of Montreal, renew investment, post interest Newviews, update investment schedule & client's investment sheet.
	5/25/2011	0.2	Post disbursement Newviews, prepare cheque requisition & cheque scribe batch, run cheque, secure signature, attach copy of signed cheque to voucher, deliver cheque.
	5/26/2011	0.5	Update payroll schedule, reconcile source deductions, prepare CRA remittance advice. Post disbursement Newviews, prepare cheque requisition & cheque scribe batch, run cheque.

* Staff	Date	Hours	Memo
	5/30/2011	2.9	Review & print email re April HST return. Print Newviews cash in bank & other recoveries GL printouts, scan & email to P. Gupta for review & confirmation re HST implications. Phone call Bank of Montreal re certification of client's cheque, email P. Gupta with response & request for scanned copy of cheque. Email copy of cheque to Bank of Montreal for verification with Spadina branch. Access receiver's account on line, print account activity for weeks ending May 20th and 27th. Print email from P. Gupta re cash receipts week ending May 20th. Prepare letters of direction Bank of Montreal re distribution to BMO & RBC, secure signatures, scan, fax & email. Release HST re client refunds, revise HST schedule, print HST ledger, scan & email P. Gupta for approval. Post HST disbursement Newviews, prepare cheque requisition & cheque scribe batch, run cheque, secure signatures.
	5/31/2011	2.3	Post cash receipts, reconcile Newviews to bank balance.
	6/1/2011	2.4	Emails to P. Gupta re HST implications, revise postings accordingly. Review & print emails re disbursements. Post disbursement Newviews, prepare cheque requisitions & cheque scribe batches, run cheques, secure signatures, attach copy of signed cheques to voucher, prepare courier envelopes & deliver to mailroom. Prepare letter of direction Bank of Montreal re transfer to Deerhorn Properties, secure signature, scan & email to BMO to action request. Reconcile daily cash receipts to Newviews.
	6/2/2011	2.8	Access account on line, print confirmations for distribution to BMO and RBC and transfer to Deerhorn Properties, attach backup, prepare vouchers for filing. Post cash receipts for period May 23-27, reconcile bank to Newviews.
SMITH DONALDA (CA007437)	5/25/2011	0.3	Prepare cheque reqs., update Newviews, copy and mail cheques.
	5/26/2011	1.5	Finalize April 2011 bank reconciliation. Prepare cheques as requested and update Newviews.
	6/2/2011	1.1	Prepare payroll and contractor cheques and cheque requisitions. Post to Newviews, copy and send by courier to head office.
GUPTA PEARL (CA015872)	5/24/2011	13.0	Prepare distribution analysis to secured creditors. Reconcile cash receipts and disbursements for week ended May 20, 2011. Prepare variance analysis for week ended May 20, 2011. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Prepare materials for potential purchasers.
	5/25/2011	11.0	Finalize distribution analysis to secured creditors. Reconcile cash receipts and disbursements for week ended May 20, 2011. Finalize variance analysis for week ended May 20, 2011. Prepare summary for bank call. Discussion with banks regarding Receivership file, Proposed distribution, and Sales Process. Walkthrough various issues related to lease buyouts. Update summary of lease portfolio. Prepare materials for potential purchasers. Discussion with potential purchasers regarding lease portfolio and cash reporting (2 hours).
	5/26/2011	10.0	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Prepare MTO ownership transfers. Review status of auction files and disposals. Prepare materials for potential purchasers (1 hour).

* Staff	Date	Hours	Memo
	5/27/2011	10.0	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Prepare MTO ownership transfers. Review analysis of delinquent accounts and reconcile to master lease summary. Prepare materials for potential purchasers (3 hours).
	5/30/2011	10.5	Reconcile cash receipts and disbursements for week ended May 27, 2011. Prepare variance analysis for week ended May 27, 2011. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Prepare second bank distribution. Review HST postings for April. Finalize Receiver's billing.
	5/31/2011	6.0	Finalize variance analysis for week ended May 27, 2011. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio.
	6/1/2011	9.5	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Reconcile cash receipts for May 30 and May 31. Reconcile bank principal owing for May 2011. Work on distribution for May collections.
	6/2/2011	10.0	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Reconcile bank principal owing for May 2011. Work on distribution for May collections. Organize disbursements to be made.
	6/3/2011	9.0	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Finalize portfolio valuation for internal use and potential purchasers. Finalize distribution analysis for May collections.
STEWIEN BRIAN (CA022898)	5/24/2011	8.0	Visited a repair shops in Toronto and Mississauga in attempt to repossess 5 vehicles. Received two vehicles into inventory.
	5/25/2011	8.5	Calls with Scott Vento in respect to the outstanding cases. Visited two repair shops to view four vehicles and discuss the outstanding repair invoices. Calls to lessee in respect of four vehicles sold in contravention to the stay proceedings. Visited the lessee home premises in an attempt to find the vehicles apparently sold. Review of a lessee file in preparation for a meeting with an insurance adjuster. Repossessed a vehicle from a repair shop.
	5/26/2011	8.5	Called appraisal company to confirm the status of the report and the future action. Viewed the vehicles at Carnival with a potential buyer in respect to purchasing the assets. Reviewed the leases of eight vehicles currently in the possession. Showed the vehicles to potentially interested parties.
PICKETT MICHELLE (CA023662)	6/1/2011	0.2	Review employee contracts to respond to email from P. Gupta re: Josie Danoto stay bonus.
LAU DUNCAN (CA026804)	5/24/2011	5.0	Attended meeting with staff with interested parties, responded to interested party requests; corresponded with N.Porco re A.Graham's account; reviewed delinquent accounts.
	5/25/2011	7.5	Reviewed requested buyouts; reviewed select invoices; responded to inquiries from sales process; followed up with delinquent accounts; corresponded with insurance adjuster.

* Staff	Date	Hours	Memo
	5/26/2011	7.5	Responded to queries from interested parties; reviewed vehicle inventory list, follow-up accounts, insurance status, legal files with B.Stewien; corresponded with potential purchasers re vehicle inventory list; meeting with S.Venton re legal listing.
	5/27/2011	7.5	Reviewed delinquent accounts with P.Gupta and C.Loneragan; responded to customer inquiries; checked returned vehicles; corresponded to legal counsel of select delinquent account holders.
	5/30/2011	7.5	Corresponded with N.Porco re A.Graham's account; responded to OMVIC complaints; reviewed delinquent accounts with team; reviewed demand letter; met with interested parties re vehicle inventory.
	5/31/2011	7.5	Analyzed delinquent accounts; reviewed vehicle inventory offers with C.Loneragan; followed up with delinquent accounts; compiled legal listing; reviewed requested buyouts.
	6/1/2011	7.5	Analyzed delinquent accounts and estimated realization; reviewed select invoices; reviewed legal listing and non-fleet AR; reviewed requested buyouts.
	6/2/2011	7.5	Investigated delinquent accounts; reviewed affidavit and memo re P.Boussoulos; responded to OMVIC complaints; responded to customer inquiries; reviewed requested buyouts.
	6/3/2011	7.5	Analyzed delinquent accounts; prepared gross payment stream and realization analysis (entire portfolio); team meeting re analysis and next steps; coordinated vehicle sales with MJ Canada; responded to customer inquiries.
CRITTENDEN LEONORA (CA062724)	5/30/2011	0.2	Photocopying HST and cheque. Paying HST in the bank.
POLON GEOFF (CA015385)	5/24/2011	8.5	Diligence with Equilease and Kaptor Dinner with Equilease
	5/25/2011	10.0	Equilease and Carcap due diligence
	5/26/2011	5.0	Equilease diligence on site Update call with the bank Call with Kaptor regarding results of diligence APA review and comments
	5/27/2011	5.0	Review of Interim Submissions - Administrators Admin agreement template review and comments
	5/30/2011	1.0	Admin agreement distribution Calls with MPI, Quest
	5/31/2011	0.8	Prepare questions for reference checks conference call with Equilease to discuss APA structure
	6/1/2011	0.5	Calls with Quest re: admin agreement
	6/2/2011	1.5	Equilease diligence responses Review of Admin Agreement submissions
OUIMET-STORRS SABINA (CA017958)	5/25/2011	3.0	Carnival DD
TOTAL:		261.8	



Statement of Fee

REMITTANCE COPY

PricewaterhouseCoopers Inc.
 Court Appointed Receiver of
 Carnival National Leasing Limited
 77 King Street West
 Royal Trust Tower
 Suite 3000 Toronto ON M5K 1G8
 Canada

PricewaterhouseCoopers Inc.
 PO Box 82
 Royal Trust Tower, Suite 3000
 Toronto Dominion Centre
 Toronto, ON M5K 1G8
 Canada
 Telephone: +1 416 863 1133
 Facsimile: +1 416 365 8215

Contact: Paul Van Eyk
 Telephone: +1 416 687 8101
 E-mail: paul.vaneyk@ca.pwc.com

To avoid delays in receipt of funds, please ensure you are remitting to: PwC Central Accounting
 145 King Street West
 Toronto ON M5H 1V8
 Canada

Bill Date: June 22, 2011
 Payment requested by: July 7, 2011
 Invoice No.: TR131701371

HST REGISTRATION # 86747 0486 RT0001

FOR PROFESSIONAL SERVICES RENDERED by PricewaterhouseCoopers Inc., as Court Appointed Receiver of Carnival National Leasing Limited, for the period June 4 to June 17, 2011.

	CAD
FEES	\$97,907.50
DISBURSEMENTS	<u>\$5,007.79</u>
TOTAL FEES AND DISBURSEMENTS	\$102,915.29
HST	<u>\$13,379.00</u>
TOTAL DUE	<u><u>\$116,294.29</u></u>

Postponed Fee Amount per Court Order:

Fees	24,956.00
Disbursements	<u>1,247.80</u>
Fees and Disbursements	26,203.80
HST	<u>3,406.49</u>
TOTAL AMOUNT DUE	<u><u>29,610.29</u></u>

Remit Only Bank Wire Transfers (EFT) to:
 HSBC, 70 York Street, Toronto, Ontario, Canada M5J 1S9
 Account Name: PricewaterhouseCoopers LLP
 Transit No.: 10002:016 Swift Code: HKBCCATT
 CAD Account: 064871-001 USD Account: 064871-070
 Invoice number must be included.

Please return one copy with your payment.

**PRICEWATERHOUSECOOPERS INC.
COURT APPOINTED RECEIVER OF
CARNIVAL NATIONAL LEASING LIMITED**

**Time and Disbursements Summary
For the period June 4 to June 17, 2011**

	<u>Number of Hours</u>	<u>Hourly Rate</u>	<u>Amount \$</u>	<u>Postponed Hourly Rate</u>	<u>Amount \$</u>
Staff Member					
SENIOR VICE PRESIDENT					
PAUL VAN EYK	4.0	515	2,060.00	110	440.00
E CASTONGUAY	18.5	515	9,527.50	110	2,035.00
VICE PRESIDENT					
C LONERGAN	42.0	375	15,750.00	135	5,670.00
T WEAVER	0.6	375	225.00	135	81.00
G POLON	18.5	375	6,937.50	135	2,497.50
MANAGER					
D LAU	73.5	300	22,050.00	75	5,512.50
SR ASSOCIATE					
D SMITH	0.4	230	92	50	20.00
P GUPTA	89.5	230	20,585	50	4,475.00
M HUDSON	84.5	230	19,435	50	4,225.00
ASSOCIATE					
W PITTMAN	0.5	175	88	0	0.00
ADMINISTRATOR					
A BOULDING	6.8	150	1,020	0	0.00
SUPPORT STAFF					
L CRITTEDEN	1.2	115	138	0	0.00
	<u>340.0</u>		<u>97,907.50</u>		<u>24,956.00</u>
FEES			97,907.50		24,956.00
DISBURSEMENTS					
Administration fee			4,895.38		1,247.80
Other disbursements:			112.41		
			<u>5,007.79</u>		<u>1,247.80</u>
FEES AND DISBURSEMENTS:			102,915.29		26,203.80
HST			<u>13,379.00</u>		<u>3,406.49</u>
TOTAL AMOUNT DUE:			<u><u>116,294.29</u></u>		<u><u>29,610.29</u></u>

Time Details

Client Carnival National Leasing Limited
 Job Carnival - RECEIVER
 Show to date 6/17/2011

* Staff	Date	Hours	Memo
LONERGAN CLARK (CA000586)	6/6/2011	8.0	Discussion with the Bank regarding sales process and realization process, realization analysis update and various scenarios, vehicle inventory update, discussion with prospective purchaser regarding asset listing and next steps, discussion with counsel regarding sales process, court report update, etc.
	6/7/2011	6.0	Customer update, cash flow analysis, discussion with the Bank regarding sales process and realization process, vehicle update on Mercedes/Jaguar, security agreement, realization analysis update and various scenarios, vehicle inventory update, etc.
	6/8/2011	5.0	Realization update, Sales process update, discussion with the Banks regarding next steps, call with N. Porco regarding customer account, vehicle listing update, etc.
	6/9/2011	4.0	Customer account analysis, realization analysis, follow up on legal's, sales process analysis, etc.
	6/10/2011	5.0	Meet with D. Hirsh walked him through sales process documents, realization schedules, discussed customer accounts, vehicles that were transferred prior to filing, etc. Vehicle inventory update.
	6/13/2011	4.5	Sale process update with CF team, etc.
	6/14/2011	3.5	Update on customer accounts, legal's update, OMC/C discussions, vehicle inventory update, sales process update, discussion with the Banks regarding next steps regarding the sale process, etc.
	6/15/2011	4.0	GST discussion, vehicle inventory update, legal update, cash flow analysis and update to the Banks, trouble accounts update with team, etc.
	6/17/2011	2.0	Working on customer accounts, vehicle inventory update, distribution analysis, dealing with Counsel on legal's, etc. Court report update, customer account analysis
WEAVER TRACEY (CA002224)	6/6/2011	0.1	Approving cheques.
	6/8/2011	0.2	Reviewing and approving cheques.
	6/9/2011	0.1	Approving cheques.
	6/15/2011	0.2	Cheques and payroll.
BOULDING ADELAIDE (CA002759)	6/6/2011	0.4	Review & print email re disbursement. Post disbursement Newviews, prepare cheque requisition & cheque scribe batch, run cheque, secure signature, attach signed cheque to voucher, prepare voucher for filing. Prepare & deliver courier envelope to mail room.
	6/7/2011	0.6	Print Newviews cash in bank GL's, scan & email to P. Gupta. Phone call Bank of Montreal, renew investment, post interest Newviews, update investment schedule & client's investment sheet.
	6/8/2011	1.6	Post disbursements (8) Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, secure signatures, attach copy of signed cheque to voucher, prepare for filing. Mail cheques, deliver cheques to P. Gupta.

* Staff	Date	Hours	Memo
	6/9/2011	0.5	Print emails & disbursements for payment. Post disbursements Newviews, prepare cheque requisition & cheque scribe batch, run cheques.
	6/14/2011	1.8	Review & print emails re disbursements. Post disbursements Newviews, prepare cheque requisitions & cheque scribe batch, run cheques. Calculate source deductions for pay ending June 17th. Phone call P. Gupta re increasing investment. Prepare letter of direction Bank of Montreal re increase & renewal of investment, post interest & increase Newviews, update investment schedule & client's investment sheet.
	6/15/2011	1.9	Post disbursements Newviews, prepare cheque requisitions & cheque scribe batch, run cheques, secure signatures, attach copy of signed cheques to voucher, prepare vouchers for filing. Update payroll schedule re source deductions. Post cash receipts May 30-June 10th.
SMITH DONALDA (CA007437)	6/6/2011	0.1	Update claims register with subrogation letter received.
	6/10/2011	0.3	Discussions with P. Gupta on Receiver's source deduction payments and CRA audit. Fax copy of February/March 2011 payroll deduction payments.
HUDSON MATTHEW (CA015812)	6/6/2011	7.0	<ul style="list-style-type: none"> - Meet the staff at Carnival - Team meeting and discussions regarding my tasks - Took inventory of cars - Signed in vehicles returned - Processed title transfers at MTO - Process of sale of cars - Processed title transfers at MTO - Spreadsheets of vehicles on hand - Organizing and obtaining information for auction - Calling lessees to obtain vehicles - meeting regarding Car Auction - discussions with purchasers to sell vehicles - Working with Ralph to determine values of Car Inventory to put on the market for sale - Agreement letter for Auction - Following up on cars not on-site - CarProofs and other research on cars in inventory - Car Inventory - Discussions with parties interested in Cars for Sale - Discussions regarding Auction - Discussions with C. Loneragan regarding tracking schedules - Checking in Cars
	6/7/2011	9.0	<ul style="list-style-type: none"> - BMW Dealership to get keys made - Organized and sold 5 cars (Paperwork, sales negotiations, etc.) - Discussions with C. Loneragan regarding sale prices - Discussions with customers/lessees
	6/8/2011	9.5	<ul style="list-style-type: none"> - Moving inventory (cars) - Discussions with possible purchasers of cars - Discussions regarding auction
	6/9/2011	8.0	<ul style="list-style-type: none"> - Investigation and research into high financing amounts on certain leases
	6/10/2011	8.5	

* Staff	Date	Hours	Memo
	6/13/2011	8.0	<ul style="list-style-type: none"> - Organized and sold cars (Paperwork, sales negotiations, etc.) - discussions with customers/lessees - Assessing Inventory - discussions with possible purchasers of cars (Showed new cars to three possible purchasers) - Trouble Account Analysis - discussions regarding Auction - Investigation and research into high financing amounts on certain leases
	6/14/2011	8.0	<ul style="list-style-type: none"> - Organized and sold cars (Paperwork, sales negotiations, etc.) - discussions with customers/lessees - Assessing Inventory - discussions with possible purchasers of cars (Showed new cars to three possible purchasers) - discussions with C. Loneragan regarding prices willing to accept for Inventory - discussions with possible new buyers - Investigation and research into high financing amounts on certain leases
	6/15/2011	9.5	<ul style="list-style-type: none"> - Organized and sold cars (Paperwork, sales negotiations, etc.) - discussions with customers/lessees - Assessing Inventory - discussions with possible purchasers of cars (Showed new cars to three possible purchasers) - discussions with possible new buyers - Investigation and research into high financing amounts on certain leases
	6/16/2011	8.0	<ul style="list-style-type: none"> - Showed the cars available to prospective buyers - Sold 5 cars - Discussions with trouble accounts - Checked new cars in, CarFax, Black Book details and obtained all other information to sell the car in the future - Searched for missing files - Followed-up on trouble files (insurance claims, no ownership, unknown location of cars) - Taking a customer to MTO to transfer ownership - Showed the cars available to prospective buyers - Transferred ownership at MTO - Discussions with trouble accounts - Checked new cars in, CarFax, Black Book details and obtained all other information to sell the car in the future - Searched for missing files - Followed-up on trouble files (insurance claims, no ownership, unknown location of cars) - Assisting Duncan with Statements of Claims - Following up on Consumer Protection Act Leasee
	6/17/2011	9.0	<ul style="list-style-type: none"> - Discussions with trouble accounts - Checked new cars in, CarFax, Black Book details and obtained all other information to sell the car in the future - Searched for missing files - Followed-up on trouble files (insurance claims, no ownership, unknown location of cars) - Taking a customer to MTO to transfer ownership - Showed the cars available to prospective buyers - Transferred ownership at MTO - Discussions with trouble accounts - Checked new cars in, CarFax, Black Book details and obtained all other information to sell the car in the future - Searched for missing files - Followed-up on trouble files (insurance claims, no ownership, unknown location of cars) - Assisting Duncan with Statements of Claims - Following up on Consumer Protection Act Leasee
GUPTA PEARL (CA015872)	6/4/2011	2.0	<ul style="list-style-type: none"> - Discussion with C. Loneragan, D. Lau, E. Castonguay, and G. Polon regarding portfolio valuation. Review portfolio valuation and carve out May transactions.
	6/6/2011	10.5	<ul style="list-style-type: none"> - Reconcile cash receipts for week ended June 3, 2011. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Revised distribution for May collections. Review need for employee extension letters. Walkthrough various issues with M. Hudson.

* Staff	Date	Hours	Memo
	6/7/2011	9.5	Reconcile cash receipts for week ended June 3, 2011. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Revise distribution for May collections. Update
	6/8/2011	2.0	Review disbursements to be made. Discuss realization analysis with C. Loneragan. Call with banks regarding realization analysis.
	6/9/2011	9.5	Finalize distribution analysis for May. Discussion with customers regarding various issues. Walkthrough various issues related to lease buyouts. Update summary of lease portfolio.
	6/10/2011	9.5	Finalize distribution analysis for May. Discussion with customers regarding various issues. Walkthrough various issues related to lease buyouts. Update summary of lease portfolio.
	6/13/2011	9.0	Reconcile cash receipts for week ended June 10, 2011. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Reconcile inventory to lease listing. Process inventory sales.
	6/14/2011	10.5	Reconcile cash receipts for week ended June 10, 2011. Prepare cash flow variance analysis for week ended June 10, 2011. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Reconcile inventory to lease listing. Process inventory sales.
	6/15/2011	10.0	Finalize distribution analysis for collections up to May. Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Process inventory sales and buyouts.
	6/16/2011	8.5	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Process inventory sales and buyouts.
	6/17/2011	8.5	Walkthrough various issues related to lease buyouts. Various calls and meetings with customers regarding status of their leases. Update summary of lease portfolio. Process inventory sales and buyouts.
PITTMAN WENDY (CA022477)	6/13/2011	0.1	Picked up message from hotline.
	6/14/2011	0.1	Picked up message from hotline.
	6/15/2011	0.2	Picked up messages from hotline and forwarded to appropriate people.
	6/16/2011	0.1	Spoke with individual regarding money owed to Carnival National Leasing, redirected him to appropriate person.
VAN EYK PAUL (CA026589)	6/4/2011	1.5	Discussion with team and review of options for portfolio.
	6/7/2011	1.0	Review of documents
	6/9/2011	0.5	Review and sign MB documents
	6/13/2011	1.0	Discussion on sales process with internal team.
LAU DUNCAN (CA026804)	6/6/2011	7.5	Reviewed bank update memo; meeting with C.Loneragan re revised valuation; meeting with potential purchaser re purchase offer; meeting with Royal Bank re status of sales process; worked with M.Hudson on vehicle inventory; review requested buyouts; reviewed P.Boussoulous account.
	6/7/2011	7.5	Prepared legal analysis and listing; prepared valuation scenarios; corresponded with D.Hirsh re Deerhorn properties; update call with C.Loneragan and P.Gupta; reviewed P.Boussoulous account; followed up with delinquent accounts.
	6/8/2011	7.5	Followed up on delinquent accounts; reviewed requested buy-outs; reviewed vehicle listing prepared by M.Hudson; meeting re Adessa process; reviewed select invoices.

* Staff	Date	Hours	Memo
	6/9/2011	7.5	Followed up with delinquent accounts; reviewed requested buyouts; revised portfolio analysis; reviewed vehicle listing with M.Hudson; revised settlement letter for outstanding employee loan; responded to customer inquiries.
	6/10/2011	7.5	Reviewed requested buyouts; met and responded to customer inquiries; assessed delinquent accounts; meeting with D.Hirsh and C.Longeran re sales process; related party vehicle transfers, outstanding invoice and vehicle investigation.
	6/13/2011	7.5	Corresponded w C.Cotreno re auction process; followed up with delinquent accounts; reviewed requested buyouts; responded to customer inquiries; reviewed related party transactions; prepared summary of transactions related to Prestige Toys.
	6/14/2011	7.5	Investigated delinquent accounts; prepared Prestige Toys related summary; reviewed vehicle inventory with C.Longeran and M.Hudson; review requested buyouts; responded to customer inquiry; corresponded with legal counsel re delinquent accounts.
	6/15/2011	6.0	Attended transition meeting with proposed administrator and (No Suggestions) and G.Polon; corresponded with M.Hudson re on-site vehicle sale; responded to select customer inquiries; followed up on delinquent accounts.
	6/16/2011	7.5	Prepared working notes from transition meeting; responded to OMVIC inquiries; followed up on delinquent accounts; corresponded to customer inquiries; reviewed select invoices; responded to email from Deerhorn contractors; provided D.Hirsh with high/low and base case scenarios.
	6/17/2011	7.5	Followed up on delinquent accounts; corresponded with L.Zimmering regarding APA notes; reviewed requested buyouts; corresponded with L.Kunz and E.Foley re 2010 corporate tax return; reviewed vehicle inventory listing.
CRITTENDEN LEONORA (CA062724)	6/1/2011	0.2	Paying HST in the bank.
	6/6/2011	0.2	Going to the bank re certified cheque.
	6/7/2011	0.6	Scanning returned cheques, and email same to P. Gupta. Pulling cash disbursements file, photocopying cheques, scanning same and email to P. Gupta.
	6/8/2011	0.1	Searching for copies of returned cheque and email same to P. Gupta.
	6/14/2011	0.1	Filing bookkeeping documents.
POLON GEOFF (CA015385)	6/6/2011	7.0	Prepare bank update - Phase II sales process
			Conference call with Bank
	6/7/2011	2.0	Conference call with potential purchaser.
			Reference checks
	6/8/2011	1.5	Conference call with potential purchaser.
			Reference checks
	6/9/2011	1.0	Conference call with banks
			Reference Checks
	6/13/2011	1.0	Calls with potential purchasers.
			Meeting with potential purchasers.
	6/14/2011	1.0	Draft agenda for Wednesday meeting
		Draft NDA between potential purchaser and Receiver	
6/15/2011	4.0	Call with OMVIC on potential administrators	
6/16/2011	1.0	Potential purchaser kick off meeting	
		Meeting with potential purchaser to review financials.	

* Staff	Date	Hours	Memo	
CASTONGUAY ERIC (CA023101)	5/26/2011	2.5	Review draft of admin agreement and conference call with C. Loneragan and G. Polon to discuss.	
	5/27/2011	0.5	Review of diligence submissions by administrators.	
	5/30/2011	1.4	Comments on draft agreement.	
	6/1/2011	1.0	Draft reference check questions/call with C. Loneragan. Call with L. Zimmerling.	
	6/2/2011	0.5	Background checks with B. Urbanoski.	
	6/3/2011	1.5	Discussion with potential purchaser.	
	6/5/2011	1.0	Background checks. B. Urbanoski call. Call on admin strategy.	
	6/6/2011	2.5	Review financial model and conference call on administration.	
	6/7/2011	1.6	Review summary memo, planning call and conference call with lenders.	
	6/8/2011	2.5	Reference checks on administrators.	
	6/15/2011	1.5	Bank updates and reference checks.	
	6/16/2011	2.0	Agreement terms/reference write ups.	
				Meeting with potential purchaser and review of draft agreement.
	TOTAL		340.0	

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

B E T W E E N:

BANK OF MONTREAL

Applicant

and

CARNIVAL NATIONAL LEASING LIMITED, and
CARNIVAL AUTOMOBILES LIMITED

Respondents

APPLICATION UNDER S. 243 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C.B-3, S. 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C.C-43, AND RULES 14.05(2), (3) (G) AND (H) OF THE *RULES OF CIVIL PROCEDURE*

**AFFIDAVIT OF EDMOND F. B. LAMEK
(Sworn July 11, 2011)**

I, EDMOND F. B. LAMEK, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a partner with the law firm Fasken Martineau DuMoulin LLP (“**Fasken’s**”) counsel to PricewaterhouseCoopers Inc. (“**PwC**”), the court appointed receiver (the “**Receiver**”) of the property, assets and undertaking of the Respondents, and as such I have knowledge of matters hereinafter deposed to.

2. The Receiver was appointed pursuant to the Order of the Honourable Justice Newbould dated February 15, 2011 (the “**Receivership Order**”). Pursuant to paragraphs 22 and 23 of the Receivership Order, the fees of the Receiver and Fasken’s, were effectively split into a priority amount, secured by the first ranking Receiver’s Charge, and a postponed amount, secured

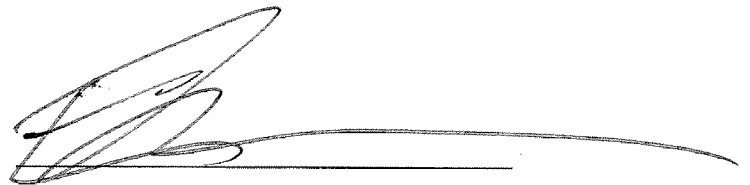
by a Postponed Fee Reserve Charge, which ranks subordinate to the security interests of Bank of Montreal and Royal Bank of Canada. The breakdown of the priority fees and postponed fee amounts are set out in Schedule "B" to the Receivership Order.

3. Attached hereto as Exhibit "A" are true copies of the Statements of Account of Fasken's on account of services rendered to the Receiver in respect of these proceedings for the period from February 16, 2011 to June 17, 2011 (the "Billing Period"). During the Billing Period, the total professional fees billed by Fasken's at its standard rates (including both priority and postponed fee amounts) were \$221,870.21, plus disbursements in the amount of \$3,761.26, plus applicable harmonized sales tax ("HST") in the amount of \$29,251.11. During the Billing Period, a total of 355.5 hours of professional time were incurred by Fasken's, at an average priority billing rate of \$421.54 per hour and an aggregate billing rate of \$624.11 per hour.


4. The priority fee amount during the Billing Period was \$149,858.60 plus HST, and the postponed fee amount during the Billing Period was \$72,011.61.

5. I swear this affidavit in support of the Receiver's motion for, *inter alia*, approval of Fasken's fees and disbursements and for no other or improper purpose.

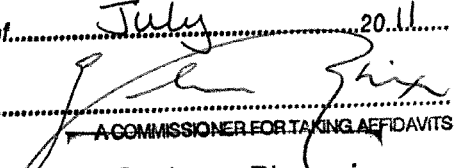
SWORN BEFORE ME at the)
City of Toronto, in the Province)
of Ontario, this 11th day of July, 2011)
)



EDMOND F. B. LAMEK


A Commissioner for taking affidavits, etc.
R. Graham Phoenix

This is Exhibit..... "A"referred to in the
affidavit of..... EDMOND F.B. LAMEK
sworn before me, this..... 11th
day of..... July 20.11.....


A COMMISSIONER FOR TAKING AFFIDAVITS
R. Graham Phoenix

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

Date: March 3, 2011
Matter #: 277219.00003
Invoice #: 550828
HST #: 87937 6127 RT0001

PricewaterhouseCoopers Inc.
Royal Trust Tower, Suite 3000
Toronto-Dominion Centre
77 King Street West
Toronto, ON
M5K 1G8

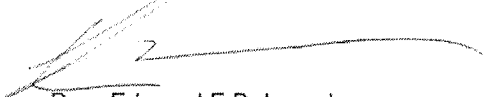
Attention: Mr Clark Lonergan

For Professional Services rendered from 02/16/2011 through 02/28/2011 in connection with this matter:

Re: Carnival National Leasing Ltd.

Total Fees		\$ 10,853.50
Total Taxes on Fees		1,410.96
Total Disbursements	313.31	
	HST	40.75
		\$ 354.06
Total Priority Amount Owing		CAD \$ 12,618.52
Postponed Fee Amount per Receivership Order dated February 15, 2011	\$ 3,411.50	
	HST	443.43
		\$3,854.93
Total Fees Including Taxes		\$3,854.93

Fasken Martineau DuMoulin LLP


Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Page 2

 Matter #: 277219.00003
 Invoice #: 550828
Re: **Carnival National Leasing Ltd.**

02/16/11	Attend 9:30 appointment before Newbould J. to obtain issued receivership order; several calls with Lonergan re bank accounts, employees, repair shop issues; drafting letter from PwC to Repair Shops; several follow-up email exchanges with PwC, MT, TGF regarding repossessing cars from repair shops and related work orders.	Edmond F.B. Lamek	3.50 hrs.	\$ 525.00/hr	\$ 1,837.50
02/17/11	PPSA - Carnival National Leasing Limited & Carnival Automobiles Limited Bank - Carnival National Leasing Limited per E. Lamek Corp. Search 1		0.60 hrs.	\$ 100.00/hr	\$ 60.00
02/17/11	Draft form letter to employees R. Graham Phoenix		0.80 hrs.	\$ 325.00/hr	\$ 260.00
02/18/11	Conference call with PwC and BMO and Royal to discuss status of receivership and issues facing the Receiver; follow up call from Lonergan; reviewing security sent from BMO, RBC, order Bank Act search. Edmond F.B. Lamek		1.50 hrs.	\$ 525.00/hr	\$ 787.50
02/22/11	Telephone calls with C. Lonergan re withheld vehicles and bailiff notices; Reviewing fax from client re same; Stuart Brotman		0.60 hrs.	\$ 475.00/hr	\$ 285.00
02/23/11	Review draft letter to employees re: stay bonus. Draft email to K. Sargeant re: the same. R. Graham Phoenix		0.30 hrs.	\$ 325.00/hr	\$ 97.50
02/23/11	Numerous telephone calls with C. Lonergan; Dictating letter to Bailiffs; Telephone call with C. Lonergan and D.J. Miller; Reviewing e-mails from D. J. Miller and C. Lonergan; Further exchange of emails with A. Sambasivan; Stuart Brotman		2.40 hrs.	\$ 475.00/hr	\$ 1,140.00
02/24/11	Reviewing and revising stay bonus language. Karen Sargeant		0.30 hrs.	\$ 455.00/hr	\$ 136.50
02/24/11	Call with M. Pickett (PwC) re: employee letter. Review the same. Revised section re: stay bonus. Discussion with K. Sargeant re: labour comments. Forwarded the same to M. Pickett (PwC) re: revised letter. Review security documents re: repossession issue. Review PPSA re: the same. Email to C. Lonergan (PwC) re: particulars. Conducting security review re: RBC security. R. Graham Phoenix		2.90 hrs.	\$ 325.00/hr	\$ 942.50
02/24/11	Telephone calls with C. Lonergan re bailiff letters and letters to repair shops; Exchange of emails with client re employee agreement term; Conference with G. Phoenix re same; Stuart Brotman		0.70 hrs.	\$ 475.00/hr	\$ 332.50
02/25/11	Draft occupation agreement. Drafted letter demanding return of vehicle. Various				

Re: Carnival National Leasing Ltd.

	emails and telephone call with Receiver re: the same. Finalized and delivered letter re: return of vehicle. Continued security review re: RBC.			
	R. Graham Phoenix	3.90 hrs.	\$ 325.00/hr	\$ 1,267.50
02/27/11	Drafted letter re: bailiffs and others in possession of company property. Continued security review.			
	R. Graham Phoenix	2.20 hrs.	\$ 325.00/hr	\$ 715.00
02/28/11	Numerous calls with PwC; letter to DJ Miller re Joint Direction; discussions with lawyers for Exclusive and Universal body shops; drafting letter to them; reviewing mortgage discharge request; various phone calls re rent utilities and related matters.			
	Edmond F.B. Lamek	4.60 hrs.	\$ 525.00/hr	\$ 2,415.00
02/28/11	Edited an revised draft letter re: bailiffs and others. Forwarded the same to C. Lonergan (PwC) for review. Telephone call and emails with C. Lonergan re: same. Revised and finalized the letter. Sent via fax.			
	R. Graham Phoenix	1.10 hrs.	\$ 325.00/hr	\$ 357.50
02/28/11	Conference with E. Lamek re status; Telephone call and email from J. Rosekat; Reviewing e-mail from J. Nevsky; Call from P. Van Eyk re same;			
	Stuart Brotman	0.50 hrs.	\$ 475.00/hr	\$ 237.50

Professional Summary

Professional	Priority Rate	Hours	Fees	Postponed Rate	Hours	Fees
Edmond F.B. Lamek	525.00	9.6	5,040.00	275.00	9.6	1,200.00
Karen Sargeant	455.00	0.30	136.50	195.00	0.30	58.50
Stuart Brotman	475.00	4.20	1,995.00	175.00	4.2	735.00
R. Graham Phoenix	325.00	11.2	3,640.00	125.00	11.2	1,400.00
Corp. Search 1	70.00	0.60	42.00	30.00	0.60	18.00
	Total	25.9	Cdn 10,853.50		25.90	Cdn 3,411.50

Page 4

Matter #: 277219.00003

Invoice #: 550828

Re: Carnival National Leasing Ltd.

DisbursementsTaxable

Fax	25.50
Binding	2.56
Printing/Copies	285.25

Total Disbursements	313.31
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HST	40.75
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Total Taxes on Disbursements	\$ 40.75
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Total Disbursements Including Taxes	\$ 354.06
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Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

**FASKEN
MARTINEAU** 

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

Date: March 17, 2011
Matter #: 277219.00003
Invoice #: 554238
HST #: 87937 6127 RT0001

PricewaterhouseCoopers Inc.
Royal Trust Tower, Suite 3000
Toronto-Dominion Centre
77 King Street West
Toronto, ON
M5K 1G8

Attention: Mr. Clark Lonergan

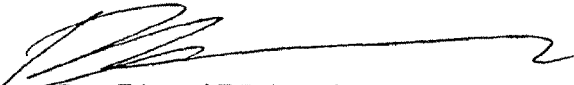
For Professional Services rendered through 03/11/2011 in connection with this matter:

Re: Carnival National Leasing Ltd.

Total Fees	\$ 24,239.30
Total Disbursements	404.50
Total Taxes	3,200.12
Total Amount Owing This Bill	CAD \$ 27,843.92

Postponed Fee Amount per Receivership Order dated February 15, 2011	\$11,600.20
HST	\$1,508.03
Total Fees Including Taxes	<u>\$13,108.23</u>

Fasken Martineau DuMoulin LLP


Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Page 2

Matter #: 277219.00003

Invoice #: 554238

Re: Carnival National Leasing Ltd.

03/01/11	Reviewing issue of mortgagee in possession and attornment of rents and provide advice to E. Lamek; Reviewing correspondence, certain property documents and statement of claim and provide advice regarding discharge requirements; telephone call with L. West to discuss power of attorney issue on agreement of purchase and sale;			
	Andrea Centa	3.80 hrs.	\$ 385.00/hr	\$ 1,463.00
03/01/11	Drafting letters to lawyers for Exclusive and Universal Body Shops; several telephone discussions regarding payment of Utilities and impact of Joint Direction; many calls with PwC during the day regarding refusals by Bailiffs and Body shops to release cars and related issues. Reviewing RSLA procedures for disputed repair and storage bills. Discussion with Andrea Centa regarding request to discharge CNL mortgage over 30 Idylwood Ave; Drafting letters to Jeff Rosekat and Walter Burych regarding release of vehicles and recognition of priority.			
	Edmond F.B. Lamek	6.00 hrs.	\$ 525.00/hr	\$ 3,150.00
03/01/11	Phone call with A. Centa re power of attorney issue.			
	Laura West	0.10 hrs.	\$ 315.00/hr	\$ 31.50
03/01/11	Obtain copies of documents. Conduct an execution search.			
	Tanya Holtom	0.40 hrs.	\$ 199.50/hr	\$ 79.80
03/02/11	Conference calls with Nevsky, Pickett and Lonergan regarding utilities bills make-up; responses from body shops and bailiffs and RBC Lien release conditions; numerous emails with D.J. Miller regarding her issues regarding RBC Lien releases; drafting engagement letter for D. Hirsh; letter to Pro Bailiffs regarding release of Vehicles; several follow-up calls with Lonergan, Nevsky and Stewien regarding car sales, storage charges, utility bills, claims by Carnival being run by Fogler Rubinoff; reviewing FR reporting emails.			
	Edmond F.B. Lamek	6.50 hrs.	\$ 525.00/hr	\$ 3,412.50
03/03/11	Telephone discussions and email exchanges with lawyer for Exclusive Body Shop; emails with lawyer for Universal; discussion with DJ Miller regarding Attornment of Rent and Additional rent by RBC and utilities issues; letter to Pro Bailiff; numerous telephone discussions with Stewein; Pickett; Lonergan re numerous leasing issues, utilities and and possession matters.			
	Edmond F.B. Lamek	4.10 hrs.	\$ 525.00/hr	\$ 2,152.50
03/03/11	Discussion with Royal Bailiff re: status of Vehicles. Drafted form letter to repair shops. Reporting letter to C. Lonergan (PwC) re: the same, attaching draft form letter for review.			
	R. Graham Phoenix	1.50 hrs.	\$ 325.00/hr	\$ 487.50
03/04/11	Email exchanges throughout the day with lawyers for bailiffs, body shops, etc re recovering vehicles; many calls with Stewein, Pickett regarding lease buy outs,			

Re: Carnival National Leasing Ltd.

	Bentley lessee; Pro-Touch; JSJ, PPSA registrations; emails with Lonergan; emails with DJ Miller.			
	Edmond F.B. Lamek	3.70 hrs.	\$ 525.00/hr	\$ 1,942.50
03/04/11	Call with J. Sereda (counsel to Douglas Ford) re: status of car. Reporting email to Receiver. Follow-up to Receiver re: comments on form letters and instructions re: the same and Douglas Ford.			
	R. Graham Phoenix	0.50 hrs.	\$ 325.00/hr	\$ 162.50
03/07/11	Emails and calls with Michelle Pickett and Brian Stewein throughout the day regarding Exclusive, Universal, Pro Touch, JSL, Mercedes Bens dispute, Deerhorn rent, buy outs, etc.			
	Edmond F.B. Lamek	2.10 hrs.	\$ 525.00/hr	\$ 1,102.50
03/07/11	Review status of certain vehicle lien claims. Email to Receiver re: the same. Discussion of the same with B. Stewien (of the Receiver). Drafted letter to GTA Wheel & Auto re: the same.			
	R. Graham Phoenix	0.80 hrs.	\$ 325.00/hr	\$ 260.00
03/08/11	Instructions from E. Lamek re Pro-Touch;			
	Conor O'Neill	0.20 hrs.	\$ 275.00/hr	\$ 55.00
03/08/11	Profile, Certificate of Status, Bankruptcy, Execution & Litigation (TO, YK & PEEL) - Carnival National Leasing Limited & Carnival Automobiles Limited per G. Phoenix Corp. Search 1			
		5.40 hrs.	\$ 100.00/hr	\$ 540.00
03/08/11	Emails and calls with Michelle Pickett, Clark Lonergan and Brian Stewein throughout the day regarding numerous body shops, disputes, cars held by OPP seizure, rent, buy outs, etc. emails with Walter Burych regarding claims for possession of the Universal Bentley by G Gill.			
	Edmond F.B. Lamek	3.80 hrs.	\$ 525.00/hr	\$ 1,995.00
03/08/11	Drafted and forwarded letter to GTA Wheel & Auto re: return of vehicles. Drafted and forwarded letter to Alfa Motorsports re: return of vehicle. Drafted and forwarded letter to counsel to Douglas Ford re: status of seized vehicle. Emails with B. Stewien (of the Receiver) re: the same. Discussions with E. Lamek re: the same.			
	R. Graham Phoenix	3.10 hrs.	\$ 325.00/hr	\$ 1,007.50
03/09/11	Research re: applying 50% of post lease payments on residual value payment.			
	Caitlin E. Fell	0.90 hrs.	\$ 140.00/hr	\$ 126.00
03/09/11	Discuss Pro Touch issues with Conor O'Neil; discussions with Caitlin Fell re CPA provisions			
	Edmond F.B. Lamek	1.80 hrs.	\$ 525.00/hr	\$ 945.00
03/10/11	Research re: open ended lease and legality of applying 50% post lease payments to residual lease payment.			

Page 4

Matter #: 277219.00003

Invoice #: 554238

Re: Carnival National Leasing Ltd.

	Caitlin E. Fell	2.00 hrs.	\$ 140.00/hr	\$ 280.00
03/10/11	Numerous calls and emails regarding vehicle lease buy outs; Universal, Alfa Motors; late night calls with Lawyer for Universal regarding Bentley.			
	Edmond F.B. Lamek	3.50 hrs.	\$ 525.00/hr	\$ 1,837.50
03/10/11	Conducting and drafting review of security.			
	R. Graham Phoenix	1.50 hrs.	\$ 325.00/hr	\$ 487.50
03/11/11	Research re: open ended lease and the legality of applying 50% post lease payments to residual value payment.			
	Caitlin E. Fell	2.10 hrs.	\$ 140.00/hr	\$ 294.00
03/11/11	Drafting of section of Receiver's Report;			
	Conor O'Neill	2.50 hrs.	\$ 275.00/hr	\$ 687.50
03/11/11	BN Reports & Profile(ON&FED) - JSJ Auto, JAJ Auto Services Centre, MDA Fine Motors Corp., 2049250 Ontario Inc., 7771487 Canada Inc., Pro Touch Car Care Center, Pro Touch Car Care Clinic, Pro Touch, Pro Touch Painting (2REG) & Pro Touch Auto Centre, Khozestan Auto Collision & Repair & Phildoff Business Ventures Ltd. per E. Lamek			
	Corp. Search 1	2.70 hrs.	\$ 100.00/hr	\$ 270.00
03/11/11	Much of day dealing with Universal Bentley, lease buy out formulas; rent payment to Deerhorn; other missing cars; reviewing Fogler Rubinoff summary.			
	Edmond F.B. Lamek	2.80 hrs.	\$ 525.00/hr	\$ 1,470.00

Professional Summary

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>	<u>Postponed Rate</u>	<u>Hours</u>	<u>Fees</u>
Edmond F.B. Lamek	525.00	34.30	18,007.50	275.00	34.30	9,432.50
Andrea Centa	385.00	3.80	1,463.00	165.00	3.80	627.00
R. Graham Phoenix	325.00	7.40	2,405.00	125.00	7.40	925.00
Laura West	315.00	0.10	31.50	115.00	0.10	11.50
Conor O'Neill	275.00	2.70	742.50	100.00	2.70	270.00
Caitlin E. Fell	140.00	5.00	700.00	60.00	5.00	300.00
Tanya Holtom	199.50	0.40	79.80	85.50	0.40	34.20
Corp. Search 1	100.00	8.10	810.00		8.10	
Total		61.80	CAD 24,239.30		61.80	CAD \$11,600.20

Page 5

Matter #: 277219.00003

Invoice #: 554238

Re: Carnival National Leasing Ltd.

Our Fees	\$ 24,239.30
HST	3,151.11
	<hr/>
Total Taxes on Fees	\$ 3,151.11
	<hr/>
Total Fees Including Taxes	<u><u>\$ 27,390.41</u></u>
Disbursements	
<u>Non-Taxable</u>	
Sherriff Certification/Execution/Search	28.00
<u>Taxable</u>	
Fax	10.25
Printing/Copies	351.25
Document Scan	3.00
Sheriff Certificate/Execution/Search	6.00
Title Search	6.00
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Total Disbursements	404.50
HST	49.01
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Total Taxes on Disbursements	\$ 49.01
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Total Disbursements Including Taxes	\$ 453.51
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Total Fees, Disbursements and Taxes	<u><u>CAD \$ 27,843.92</u></u>
Tax Summary	
HST	3,200.12
	<hr/>
Total Taxes Included in This Bill	<u><u>3,200.12</u></u>



Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile



Date: April 5, 2011
Matter #: 277219.00003
Invoice #: 557326
HST #: 87937 6127 RT0001

PricewaterhouseCoopers Inc.
Royal Trust Tower, Suite 3000
Toronto-Dominion Centre
77 King Street West
Toronto, ON
M5K 1G8

Attention: Mr Clark Lonergan

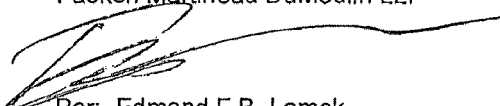
For Professional Services rendered through 03/31/2011 in connection with this matter:

Re: Carnival National Leasing Ltd.

Total Fees	\$ 24,587.00
Total Disbursements	895.69
Total Taxes	3,276.02
Total Amount Owing This Bill	<u>CAD \$ 28,758.71</u>

Postponed Fee Amount per Receivership Order dated February 15, 2011	\$11,234.50
HST	<u>\$1,460.49</u>
Total Fees Including Taxes	<u><u>\$12,694.99</u></u>

Fasken Martineau DuMoulin LLP


Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Page 2

Matter #: 277219.00003

Invoice #: 557326

Re: Carnival National Leasing Ltd.

03/12/11	Conducting security review re: RBC and BMO. R. Graham Phoenix	2.00 hrs.	\$ 325.00/hr	\$ 650.00
03/14/11	Drafting of section of Receiver's report; Conor O'Neill	1.40 hrs.	\$ 275.00/hr	\$ 385.00
03/14/11	Emails with Stewien regarding Frank Guido/Roland MacGregor title fraud; follow up emails with Scott Venton regarding his outstanding carnival cases; researching residual amount guidelines under Consumer Protection Legislation; several email exchanges with Lonergan and Pickett regarding buy out complaints and unusual Carnival lease terms; discussion regarding verifying work completed by repair shops. Edmond F.B. Lamek	2.50 hrs.	\$ 525.00/hr	\$ 1,312.50
03/14/11	Conducting security review re: RBC and BMO security. R. Graham Phoenix	6.50 hrs.	\$ 325.00/hr	\$ 2,112.50
03/15/11	Emails with Stewein regarding Hayman Motors; letter to Ken Page re same; discussion with Stewein regarding JSJ and call with owner of JSJ Auto; email exchange with Scott Venton re his AR and next steps; email exchange with Stewein regarding Freightliner truck and ABN; drafting Notice of Motion for return of Pro Touch vehicles and related cost relief; emails to Stewien re same. Edmond F.B. Lamek	2.80 hrs.	\$ 525.00/hr	\$ 1,470.00
03/15/11	Editing and revising security review re: RBC security; conducting security review re: BMO security. R. Graham Phoenix	2.40 hrs.	\$ 325.00/hr	\$ 780.00
03/16/11	Research and memorandum re: relative priorities under the Repair and Storage Liens Act Caitlin E. Fell	3.00 hrs.	\$ 140.00/hr	\$ 420.00
03/16/11	Emails re MVM, ABN, Guido/MacGregor, Omega; Receivers Report re Pro Touch, Hayman, Rotstein buy out tax issues; Edmond F.B. Lamek	1.80 hrs.	\$ 525.00/hr	\$ 945.00
03/16/11	Discussions with B. Stewien (Receiver) re: GTA Wheel & Auto liens; telephone call with Royal Bailiff re: cars in possession of GTA Wheel & Auto; email to Royal Bailiff re: the same; discussion with R. Butler re: enforcement order; drafting order re: the same; conducting security review re: BMO. R. Graham Phoenix	5.50 hrs.	\$ 325.00/hr	\$ 1,787.50
03/16/11	Discussion with G. Phoenix re: language for court order to enforce order/repossess vehicles; Richard Butler	0.30 hrs.	\$ 315.00/hr	\$ 94.50

Re: Carnival National Leasing Ltd.

03/17/11	Bank - Carnival Automobiles Limited per G. Phoenix Corp. Search 1	0.20 hrs.	\$ 100.00/hr	\$ 20.00
03/17/11	Conference with Edmond Lamek regarding "accord and satisfaction" by purporting to make cashing a cheque acceptance of an unacceptable offer Donald E. Milner	0.30 hrs.	\$ 560.00/hr	\$ 168.00
03/17/11	Several calls with Brian Stewien regarding Alfa cars and Grey Range Rover at Royal; calls with Lonergan re various lessee buy out scenarios; emails with Michelle Pickett; discussing security review with G. Phoenix. Edmond F.B. Lamek	1.40 hrs.	\$ 525.00/hr	\$ 735.00
03/17/11	Email discussion with G. Phoenix; obtaining PPSA search against David Hirsh, Carnival National Leasing and 750179 Ontario Limited; reviewing verbal PPSA search against David Hirsh and 750179 Ontario Limited; telephone discussion with Ministry of Government Services re: PPSA file numbers 943922007 and 942351426; discussing same with G. Phoenix. Joanne Huynh	0.70 hrs.	\$ 140.00/hr	\$ 98.00
03/17/11	Finalizing draft security review memoranda re: RBC and BMO security and forwarding to E. Lamek for review. R. Graham Phoenix	2.50 hrs.	\$ 325.00/hr	\$ 812.50
03/18/11	Emails with Pearl Gupta of PwC regarding cheques tendered by lawyer for Gilda Schraibman; letter to her lawyer; discussion with Lonergan re buy out issues; call with Stewien regarding Omega auto. Edmond F.B. Lamek	1.70 hrs.	\$ 525.00/hr	\$ 892.50
03/18/11	Discussion with E. Lamek re: status of Royal Bailiffs. R. Graham Phoenix	0.10 hrs.	\$ 325.00/hr	\$ 32.50
03/21/11	Memorandum and Research to determine priorities as to title. Caitlin E. Fell	2.50 hrs.	\$ 140.00/hr	\$ 350.00
03/21/11	Profile - Kleenway Building Maintenance Services Inc. & 2169069 Ontario Inc. as per E. Lamek. Corp. Search 1	0.40 hrs.	\$ 100.00/hr	\$ 40.00
03/21/11	Reviewing and commenting on draft BMO and RBC Security Opinions; discussing with G. Phoenix. Edmond F.B. Lamek	1.20 hrs.	\$ 525.00/hr	\$ 630.00
03/21/11	Telephone call with T. Weir (Royal Bailiff) re: status of Alfa and GTA vehicles; email to Receiver re: the same; editing and amending security review memoranda re: RBC and BMO security. R. Graham Phoenix	1.80 hrs.	\$ 325.00/hr	\$ 585.00

Page 4

Matter #: 277219.00003

Invoice #: 557326

Re: Carnival National Leasing Ltd.

03/22/11	Emails with Lonergan re Rotstein car buy outs; telephone call and email to Mr Rotstein's lawyer regarding tax issues. Edmond F.B. Lamek	0.80 hrs.	\$ 525.00/hr	\$ 420.00
03/22/11	Amending security review memos re: amalgamation provisions. R. Graham Phoenix	1.20 hrs.	\$ 325.00/hr	\$ 390.00
03/23/11	Bank Act - Carnival Automobiles Limited as per G. Phoenix. Corp. Search 1	0.20 hrs.	\$ 100.00/hr	\$ 20.00
03/23/11	Editing and amending security review memos; finalizing same; drafting letters re: security opinion. R. Graham Phoenix	1.80 hrs.	\$ 325.00/hr	\$ 585.00
03/24/11	Research of Consumer Protection Act re lease as a future performance agreement; email to E. Lamek re same; Conor O'Neill	1.80 hrs.	\$ 275.00/hr	\$ 495.00
03/24/11	Reviewing and commenting on letter to lessees of expired leases; Conference call with Clark Lonergan and Scott Venton regarding several Fogler Claims for Carnival; emails with lawyer for Mercedes Benz Canada; Edmond F.B. Lamek	1.90 hrs.	\$ 525.00/hr	\$ 997.50
03/25/11	Research of lessee warranty issues; Conor O'Neill	1.70 hrs.	\$ 275.00/hr	\$ 467.50
03/25/11	Calls and emails regarding Kacki Mercedes; receivers Report to Court; Culligan Trucks; Consumer Protection Act exemptions for leases. Edmond F.B. Lamek	1.80 hrs.	\$ 525.00/hr	\$ 945.00
03/25/11	Editing, amending and finalizing letter re: security reviews; forwarding reviews to receiver; reviewing correspondence re: Douglas Ford; reviewing case law re: the same; discussion with E. Lamek re same; emails to B. Stewien re same; R. Graham Phoenix	2.10 hrs.	\$ 325.00/hr	\$ 682.50
03/28/11	Culligan letter; emails regarding S&W issues; reviewing materials from Foglers and call with Lonergan and Venton. Edmond F.B. Lamek	1.30 hrs.	\$ 525.00/hr	\$ 682.50
03/29/11	Research re: repair and storage liens act and the requirements a lien claimant must satisfy before selling an article; drafting letter to Omega Auto Centre re: Acura MDX. Caitlin E. Fell	3.60 hrs.	\$ 140.00/hr	\$ 504.00
03/29/11	Amending Memo: re Frank Guido and title of Range Rover. Caitlin E. Fell	0.50 hrs.	\$ 140.00/hr	\$ 70.00

Page 5

Matter #: 277219.00003

Invoice #: 557326

Re: Carnival National Leasing Ltd.

03/29/11	Revising memo re fraudulently transferred Range Rover; reviewing Cooperation Agreement and Priorities Agreement and drafting and revising Dispute Proceeds scenario chart and discussing with Lonergan.	Edmond F.B. Lamek	3.80 hrs.	\$ 525.00/hr	\$ 1,995.00
03/29/11	Calls with B. Stewien (of the Receiver) and controller of Carnival re: Douglas Ford; reviewing information from Carnival re: lease file.	R. Graham Phoenix	0.50 hrs.	\$ 325.00/hr	\$ 162.50
03/30/11	Conference call with Lonergan and Van Eyk regarding upcoming receiver's motion.	Edmond F.B. Lamek	0.70 hrs.	\$ 525.00/hr	\$ 367.50
03/31/11	Profile - Omega Auto Centre Ltd. per E. Lamek	Corp. Search 1	0.20 hrs.	\$ 100.00/hr	\$ 20.00
03/31/11	Dealing with Foglers on S&W settlement enforcement; Omega letter; emails and calls with Stewien.	Edmond F.B. Lamek	2.60 hrs.	\$ 525.00/hr	\$ 1,365.00
03/31/11	Call with M. Horst (Cassels Brock) re: PPSA/ownership issue; email to E. Lamek re same.	R. Graham Phoenix	0.30 hrs.	\$ 325.00/hr	\$ 97.50

Professional Summary

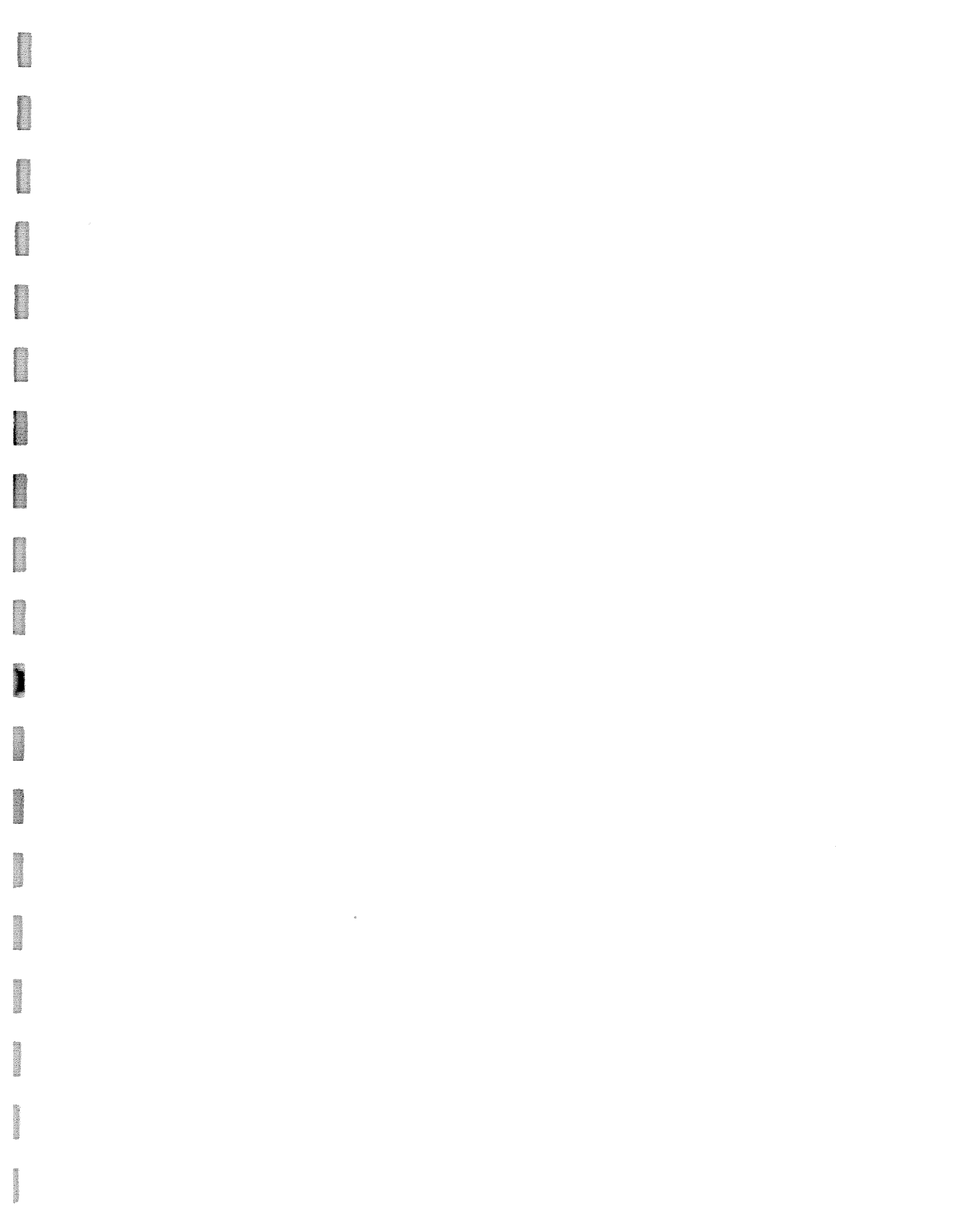
<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>	<u>Postponed Rate</u>	<u>Hours</u>	<u>Fees</u>
Edmond F.B. Lamek	525.00	24.30	12,757.50	275.00	24.30	6,682.50
Donald E. Milner	560.00	0.30	168.00	240.00	0.30	72.00
R. Graham Phoenix	325.00	26.70	8,677.50	125.00	26.70	3,337.50
Richard Butler	315.00	0.30	94.50	115.00	0.30	34.50
Conor O'Neill	275.00	4.90	1,347.50	100.00	4.90	490.00
Caitlin E. Fell	140.00	9.60	1,344.00	60.00	9.60	576.00
Joanne Huynh	140.00	0.70	98.00	60.00	0.70	42.00
Corp. Search 1	100.00	1.00	100.00		1.00	
		Total	67.80	CAD	67.80	CAD
			\$24,587.00			\$11,234.50

Re: **Carnival National Leasing Ltd.**

Our Fees	\$ 24,587.00
HST	3,196.31
	<hr/>
Total Taxes on Fees	\$ 3,196.31
	<hr/>
Total Fees Including Taxes	<u><u>\$ 27,783.31</u></u>
Disbursements	
<u>Non-Taxable</u>	
Bank Act Search	14.78
Certificate of Status/Compliance	52.00
Corporate Search	128.00
PPSA Search	16.00
Sherriff Certification/Execution/Search	72.00
<u>Taxable</u>	
Fax	10.25
Telephone Charges	6.91
Certificate of Status/Compliance	20.00
Corporate Search	200.00
Government Searches	172.00
Printing/Copies	191.75
Sheriff Certificate/Execution/Search	12.00
	<hr/>
Total Disbursements	895.69
HST	79.71
	<hr/>
Total Taxes on Disbursements	\$ 79.71
	<hr/>
Total Disbursements Including Taxes	<u>\$ 975.40</u>
	<hr/>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 28,758.71</u></u>

Tax Summary

HST	3,276.02
	<hr/>
Total Taxes Included in This Bill	<u><u>3,276.02</u></u>



Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

**FASKEN
MARTINEAU** 

Date: May 5, 2011
Matter #: 277219.00003
Invoice #: 564657
HST #: 87937 6127 RT0001

PricewaterhouseCoopers Inc.
Royal Trust Tower, Suite 3000
Toronto-Dominion Centre
77 King Street West
Toronto, ON
M5K 1G8

Attention: Clark Lonergan

For Professional Services rendered through 04/30/2011 in connection with this matter:

Re: Carnival National Leasing Ltd.

Total Fees	\$ 32,824.85
Total Disbursements	1,051.79
Total Taxes	4,380.27
Total Amount Owing This Bill	CAD \$ 38,256.91
Postponed Fee Amount per Receivership Order dated February 15, 2011	\$16,720.65
HST	\$2,173.68
Total Fees Including Taxes	\$18,894.33

Fasken Martineau DuMoulin LLP



Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Page 2

Matter #: 277219.00003

Invoice #: 564657

Re: **Carnival National Leasing Ltd.**

04/01/11	Reviewing and revising Auction proposal wording; call with Lonergan regarding Ramirez Audi A8, Ferrari 430 (Gil); call with Lonergan and letter to Alfa re Alfa/Cohen Jag XKE; calls with Stewien regarding repo of Dodge Commander; reviewing response to Omega letter; call with Lonergan regarding distribution motion.	Edmond F.B. Lamek	3.70 hrs.	\$ 525.00/hr	\$ 1,942.50
04/04/11	Emails and calls with Brian Stewien regarding G. Khoury's Range Rover and Kacki MB S65 AMG.	Edmond F.B. Lamek	1.50 hrs.	\$ 525.00/hr	\$ 787.50
04/05/11	Profile - K.M.S. Fine Cars Inc. per E. Lamek Corp. Search 1		0.20 hrs.	\$ 100.00/hr	\$ 20.00
04/05/11	Emails regarding vehicles seized by OPP; letter to Morris Cooper; email to PwC regarding Frank Guido Range Rover; Uli Bieri Mercedes Benz sale.	Edmond F.B. Lamek	1.50 hrs.	\$ 525.00/hr	\$ 787.50
04/06/11	Emails regarding Hayman; reviewing and begin revising draft Receiver's First Report.	Edmond F.B. Lamek	2.80 hrs.	\$ 525.00/hr	\$ 1,470.00
04/07/11	Most of day revising Receiver's First Report.	Edmond F.B. Lamek	5.50 hrs.	\$ 525.00/hr	\$ 2,887.50
04/08/11	Several emails with PwC regarding contents of First Report; emails re Hayman and OPP vehicles; call with Duncan regarding Carnival OPPSA registration against unknown Bentley.	Edmond F.B. Lamek	2.20 hrs.	\$ 525.00/hr	\$ 1,155.00
04/11/11	Email with Stewien and Lonergan regarding numerous matters relating to upcoming motion and retrieval of new vehicles.	Edmond F.B. Lamek	2.80 hrs.	\$ 525.00/hr	\$ 1,470.00
04/12/11	Working on draft Report and draft motion materials (most of day).	Edmond F.B. Lamek	4.80 hrs.	\$ 525.00/hr	\$ 2,520.00
04/13/11	Email from E. Lamek; drafting undertaking to discharge with instructions; Andrea Centa		0.70 hrs.	\$ 385.00/hr	\$ 269.50
04/13/11	Called commercial list office; completed and submitted request form re Carnival Leasing;	Conor O'Neill	0.50 hrs.	\$ 275.00/hr	\$ 137.50

Page 3

Matter #: 277219.00003
Invoice #: 564657**Re: Carnival National Leasing Ltd.**

04/13/11	Reviewing, revising and receiving comments on draft report; dealing with M Cooper and Lawyer for MB Canada. Edmond F.B. Lamek	4.50 hrs.	\$ 525.00/hr	\$ 2,362.50
04/14/11	Attending 9:30 chambers appointment with Morris Cooper regarding Kacki and MB Canada dispute - follow discussion with Cooper and email exchange with lawyer for MB Canada; working on draft order and receiving comments on it and revising report accordingly; arranging for coordination of service of report and related matters. Edmond F.B. Lamek	5.00 hrs.	\$ 525.00/hr	\$ 2,625.00
04/14/11	Email re: Royal Bailiffs re: status. Circulated to receiver by email. R. Graham Phoenix	0.10 hrs.	\$ 325.00/hr	\$ 32.50
04/15/11	Email from E. Lamek requesting discharge and instructions to T. Holtom to prepare discharge and acknowledgement and direction for lender's signature; Andrea Centa	0.20 hrs.	\$ 385.00/hr	\$ 77.00
04/15/11	Finalizing comments on motion materials and related matters; emails and calls with Stewien regarding Range Rover and Bailiff. Edmond F.B. Lamek	2.60 hrs.	\$ 525.00/hr	\$ 1,365.00
04/15/11	Draft notice of motion. Prepare and finalize motion record. Instructions to assistant re: service of same. R. Graham Phoenix	1.20 hrs.	\$ 325.00/hr	\$ 390.00
04/15/11	Preparation of Acknowledgment and Direction-Discharge of Charge. Tanya Holtom	0.60 hrs.	\$ 199.50/hr	\$ 119.70
04/18/11	Filed Motion Record D. Amyot	0.40 hrs.	\$ 125.00/hr	\$ 50.00
04/18/11	Calls with Lonergan, Stewien, Gupta regarding pay out amounts; Jaguar recovery; disputed proceeds methodology; email exchanges with lawyer for MB Canada regarding possible acquisition of E65 AMG by MB Canada Edmond F.B. Lamek	2.70 hrs.	\$ 525.00/hr	\$ 1,417.50
04/18/11	Finalize confidential supplement. Instructions to assistant re: preparation and filing of the same. R. Graham Phoenix	0.30 hrs.	\$ 325.00/hr	\$ 97.50
04/19/11	Email from and to E. Lamek regarding receipt of monies and instructions to obtain signed acknowledgement prior to discharge; Email to E. Lamek requesting assignment documentation in order to register discharge from PWC; Instructions to T. Holtom re documents to prepare; Andrea Centa	0.60 hrs.	\$ 385.00/hr	\$ 231.00

Page 4

Matter #: 277219.00003

Invoice #: 564657

Re: Carnival National Leasing Ltd.

04/19/11	Calls and emails regarding upcoming motion; reviewing materials from Exclusive; dealing with 30 Idyllwild mortgage discharge; several discussions with Lonergan and Stewein regarding various missing vehicles and status of trade ins, etc.; calls with Gupta and Castonguay regarding lease portfolio sales process; emails with S Venton regarding residual claims and lease language issues			
	Edmond F.B. Lamek	3.80 hrs.	\$ 525.00/hr	\$ 1,995.00
04/19/11	Preparation of Application Trustee Bankruptcy-Instrument and Discharge of Charge by receiver.			
	Tanya Holtom	1.50 hrs.	\$ 199.50/hr	\$ 299.25
04/20/11	Emails with PwC regarding lease disclosures; numerous emails with S. Venton			
	Edmond F.B. Lamek	0.70 hrs.	\$ 525.00/hr	\$ 367.50
04/20/11	Preparation of Application Trustee in Bankruptcy and Discharge of Charge.			
	Tanya Holtom	0.60 hrs.	\$ 199.50/hr	\$ 119.70
04/21/11	Reviewing revised form of acknowledgement and confirm can be circulated for signature;			
	Andrea Centa	0.30 hrs.	\$ 385.00/hr	\$ 115.50
04/21/11	Prepping orders for and attending court motion for approval to sell 85 cars at Auction and related relief; discussions with lawyer for Hirsh; follow up emails with Lau, Stewein, Lonergan, Van Eyk, Counsel to RBC			
	Edmond F.B. Lamek	3.80 hrs.	\$ 525.00/hr	\$ 1,995.00
04/21/11	Preparation and Registration of Receivership Order and Discharge of Charge.			
	Tanya Holtom	1.00 hrs.	\$ 199.50/hr	\$ 199.50
04/25/11	Calls and emails with Lonergan; Lau and Stewein regarding various file matters and mortgage discharge.			
	Edmond F.B. Lamek	0.60 hrs.	\$ 525.00/hr	\$ 315.00
04/26/11	Order, Issued and Entered			
	D. Amyot	0.50 hrs.	\$ 125.00/hr	\$ 62.50
04/26/11	Call and email with Eric Castonguay regarding credit reviews of Carnival Lessees.			
	Edmond F.B. Lamek	0.30 hrs.	\$ 525.00/hr	\$ 157.50
04/26/11	Drafting settlement agreement re: Allan Palmer.			
	R. Graham Phoenix	1.00 hrs.	\$ 325.00/hr	\$ 325.00
04/26/11	Preparation and registration of Receivership Order and Discharge of Charge.			
	Tanya Holtom	0.20 hrs.	\$ 199.50/hr	\$ 39.90
04/28/11	Calls with Duncan Lau regarding MTO issues; call with Pearl Gupta regarding independent contractor agreement; call with Morris Cooper regarding Kacki			

Page 5

Matter #: 277219.00003

Invoice #: 564657

Re: **Carnival National Leasing Ltd.**

settlement; emails with Gupta regarding disclosure requirements for damage to vehicle.

Edmond F.B. Lamek 1.90 hrs. \$ 525.00/hr \$ 997.50

04/29/11 Reviewing draft Security Contract; discussing with N Melanson; several calls with Duncan and Brian regarding Ferrari with \$83,000 of 407 Charges; call with John Petrosoniak of MTO legal, calls with Duncan regarding sales procedures and bill of sale.

Edmond F.B. Lamek 4.70 hrs. \$ 525.00/hr \$ 2,467.50

04/29/11 Draft contract re: security guard service.

Nicole Melanson 3.70 hrs. \$ 224.00/hr \$ 828.80

04/29/11 Drafting letter of settlement.

R. Graham Phoenix 1.00 hrs. \$ 325.00/hr \$ 325.00

Professional Summary

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>	<u>Postponed Rate</u>	<u>Hours</u>	<u>Fees</u>
Edmond F.B. Lamek	525.00	55.4	29,085.00	275.00	55.4	15,235.00
R. Graham Phoenix	325.00	3.6	1,170.00	125.00	3.6	450.00
Conor O'Neill	275.00	.5	137.50	100.00	.5	50.00
Andrea Centa	385.00	1.80	693.00	165.00	1.8	297.00
Nicole Melanson	224.00	3.7	828.80	96.00	3.7	355.20
Tanya Holtom	199.50	3.9	778.05	85.50	3.9	333.45
D. Amyot	125.00	.9	112.50			
Corp. Search 1	100.00	.2	20.00			
Total		70.0	CAD		68.90	CAD
			\$32,824.85			\$16,720.65

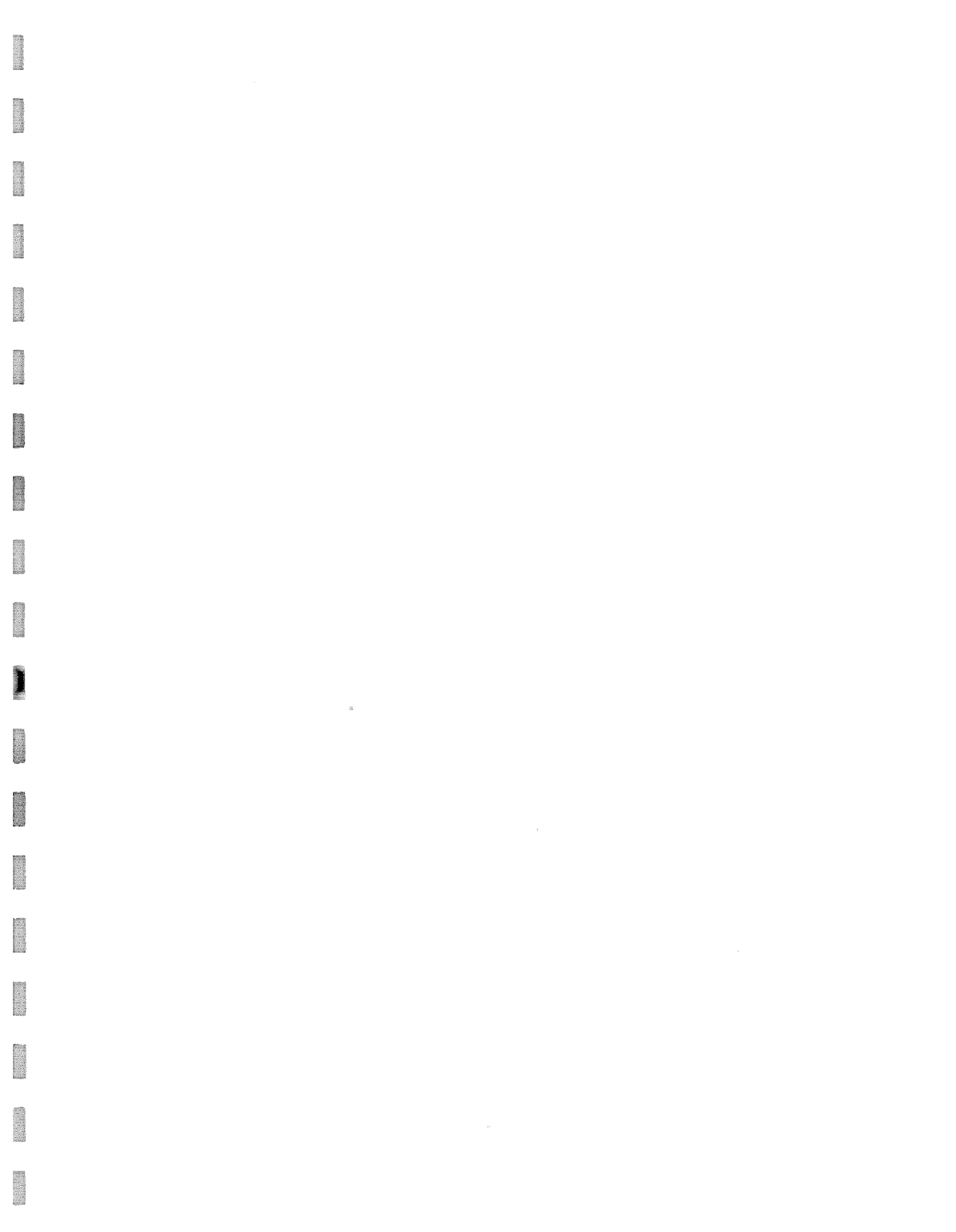
Page 6

Matter #: 277219.00003

Invoice #: 564657

Re: Carnival National Leasing Ltd.

Our Fees	\$ 32,824.85
HST	4,267.23
	<hr/>
Total Taxes on Fees	\$ 4,267.23
	<hr/>
Total Fees Including Taxes	<u>\$ 37,092.08</u>
Disbursements	
<u>Non-Taxable</u>	
Bank Act Search	14.78
Corporate Search	16.00
Court Cost Fee	127.00
Government Searches	16.00
Title Search	9.00
<u>Taxable</u>	
Fax	4.25
Binding	3.04
Bank Act Search	14.78
Corporate Search	20.00
Delivery/Courier Expense	138.69
Printing/Copies	456.25
Document Scan	26.00
Title Search	11.00
Carswell LawSource Searches	195.00
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Total Disbursements	1,051.79
HST	113.04
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Total Taxes on Disbursements	\$ 113.04
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Total Disbursements Including Taxes	\$ 1,164.83
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Total Fees, Disbursements and Taxes	<u>CAD \$ 38,256.91</u>
Tax Summary	
HST	4,380.27
	<hr/>
Total Taxes Included in This Bill	<u>4,380.27</u>



Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

**FASKEN
MARTINEAU** 

Date: May 27, 2011
Matter #: 277219.00003
Invoice #: 570472
HST #: 87937 6127 RT0001

PricewaterhouseCoopers Inc.
Royal Trust Tower, Suite 3000
Toronto-Dominion Centre
77 King Street West
Toronto, ON
M5K 1G8

Attention: Clark Lonergan


For Professional Services rendered through 05/15/2011 in connection with this matter:

Re: Carnival National Leasing Ltd.

Total Fees	\$ 14,938.25
Total Disbursements	484.42
Total Taxes	1,989.40
Total Amount Owing This Bill	<u>CAD \$ 17,412.07</u>

Postponed Fee Amount per Receivership Order dated February 15, 2011	\$7,484.46
HST	<u>\$972.98</u>
Total Fees Including Taxes	<u>\$8,457.44</u>

Fasken Martineau DuMoulin LLP


Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Page 2

Matter #: 277219.00003

Invoice #: 570472

Re: **Carnival National Leasing Ltd.**

05/02/11	Dealing with various sales process issues; follow up issues regarding Auction sale; 407 charges; emails and calls with Stewien; Lonergan; Van Eyk, Gupta, Lau. Edmond F.B. Lamek	3.80 hrs.	\$ 525.00/hr	\$ 1,995.00
05/02/11	Draft contract for security guard services on premises. Nicole Melanson	0.50 hrs.	\$ 224.00/hr	\$ 112.00
05/03/11	Receipt and review of signed acknowledgement; sign-off on Receivership Order in teraview; Andrea Centa	0.30 hrs.	\$ 385.00/hr	\$ 115.50
05/03/11	Dictating letter to Cooper & Seers regarding Kacki MB Canada dispute; discussing with Stewien; reviewing credit card processing law; calls re security deposits and other performing lease portfolio issues; call with John Petrosniak of MTO; call to Morris Cooper; Edmond F.B. Lamek	3.70 hrs.	\$ 525.00/hr	\$ 1,942.50
05/03/11	Review and revise security service agreement. Nicole Melanson	1.50 hrs.	\$ 224.00/hr	\$ 336.00
05/03/11	Complete registration of Receivership Order and Discharge of Charge. Tanya Holtom	0.70 hrs.	\$ 199.50/hr	\$ 139.65
05/04/11	Revising and sending letter to Cooper/Seers; reviewing and discussing Exclusive Lien claims with Brian Stewien; several other calls with Stewien; Gupta, Lau regarding various file administration matters; dictating and sending letter to lawyer for Uli Bieri regarding lien on Cohen Mercedes and trade in of Jag. Edmond F.B. Lamek	3.70 hrs.	\$ 525.00/hr	\$ 1,942.50
05/04/11	Review and revise security service agreement. Nicole Melanson	1.00 hrs.	\$ 224.00/hr	\$ 224.00
05/04/11	Discussion with E. Lamek re lien claimant; reviewing PPSA summaries re registration of liens. R. Graham Phoenix	0.20 hrs.	\$ 325.00/hr	\$ 65.00
05/05/11	Reviewing and revising draft security services agreement with Sentinel; calls regarding lifting liens on auctioned cars; 407 charges issue; security deposits issue; Edmond F.B. Lamek	2.20 hrs.	\$ 525.00/hr	\$ 1,155.00
05/05/11	Review revisions of E. Lamek to security services agreement, correspondence with E. Lamek re: same, draft email to P. Gupta enclosing draft agreement for comments. Nicole Melanson	0.60 hrs.	\$ 224.00/hr	\$ 134.40

Re: Carnival National Leasing Ltd.

05/06/11	Calls and emails regarding discharging PPSA and RSLA registrations against cars sold at May 1 Auction; many follow up calls and email exchanges. Edmond F.B. Lamek	2.70 hrs.	\$ 525.00/hr	\$ 1,417.50
05/06/11	Revising draft settlement letter to include appended consents; distributing draft to Receiver; discussion with E. Lamek re PPSA discharges. R. Graham Phoenix	1.50 hrs.	\$ 325.00/hr	\$ 487.50
05/06/11	Meeting with Edmond Lamek re: PPSA discharges. Drafted discharges (3) per Edmond Lamek; electronically filed same; confirmed filing. Reviewed PPSA search; prepared additional discharges (13) Stephanie Real	2.00 hrs.	\$ 161.00/hr	\$ 322.00
05/09/11	PPSA - Carnival National Leasing Limited per E. Lamek Corp. Search 1	0.20 hrs.	\$ 100.00/hr	\$ 20.00
05/09/11	Reviewing PPSA discharges and PPSA search; confirming same; executing discharges. R. Graham Phoenix	0.80 hrs.	\$ 325.00/hr	\$ 260.00
05/09/11	Reviewed PPSA search; prepared PPSA discharges per Edmond Lamek. Prepared and sent email to Graham Phoenix and Stuart Brotman re: PPSA discharges; discussed same with Graham Phoenix. Electronically sent discharges for filing Stephanie Real	2.80 hrs.	\$ 161.00/hr	\$ 450.80
05/11/11	PPSA - Carnival National Leasing Limited per S. Real Corp. Search 1	0.20 hrs.	\$ 100.00/hr	\$ 20.00
05/11/11	Drafting letter to Rosekat for review by PwC; reviewing draft Sentinel Agreement. Edmond F.B. Lamek	1.90 hrs.	\$ 525.00/hr	\$ 997.50
05/11/11	Reviewed verification statements to verify information recorded on same. Ordered post registration search to confirm filings Stephanie Real	0.40 hrs.	\$ 161.00/hr	\$ 64.40
05/12/11	Dealing with MBC and Kacki; dictating form letter to lien claimants; numerous emails regarding Munich motors BMW and sundry vehicle recovery matters. Edmond F.B. Lamek	2.20 hrs.	\$ 525.00/hr	\$ 1,155.00
05/13/11	Finalizing letter to Rosekat re Exclusive, reviewing and commenting on draft Sentinel Agreement; emails re 407 Ferrari. Edmond F.B. Lamek	2.50 hrs.	\$ 525.00/hr	\$ 1,312.50
05/13/11	Revisions to Service Agreement as per P. Gupta, email correspondence with E. Lamek re: same. Nicole Melanson	0.70 hrs.	\$ 224.00/hr	\$ 156.80

Page 4

 Matter #: 277219.00003
 Invoice #: 570472

Re: Carnival National Leasing Ltd.

05/13/11 Reviewed post registration search to confirm PPSA discharges. Prepared and sent email to Edmond Lamek seeking further instructions. Prepared additional discharge per Edmond Lamek; forwarded same to Edmond Lamek for approval; electronically submitted discharge for filing; confirmed filing

Stephanie Real 0.70 hrs. \$ 161.00/hr \$ 112.70

Professional Summary

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>	<u>Postponed Rate</u>	<u>Hours</u>	<u>Fees</u>
Edmond F.B. Lamek	525.00	22.70	11,917.50	275.00	22.70	6,242.50
R. Graham Phoenix	325.00	2.50	812.50	125.00	2.50	312.50
Nicole Melanson	224.00	4.30	963.20	96.00	4.30	412.80
Andrea Centa	385.00	.30	115.50	165.00	.30	49.50
Stephanie Real	161.00	5.90	949.90	69.00	5.90	407.10
Tanya Holtom	199.50	.70	139.65	85.80	.70	60.06
Corp. Search 1	100.00	.40	40.00			
Total		36.80	CAD \$14,938.25		36.80	CAD \$7,484.46

Page 5

 Matter #: 277219.00003
 Invoice #: 570472

Re: Carnival National Leasing Ltd.

Our Fees	\$ 14,938.25
HST	1,941.97
	<hr/>
Total Taxes on Fees	\$ 1,941.97
	<hr/>
Total Fees Including Taxes	<u><u>\$ 16,880.22</u></u>
Disbursements	
<u>Non-Taxable</u>	
Real Estate Registration Fees	120.00
<u>Taxable</u>	
Fax	1.75
Delivery/Courier Expense	29.09
Printing/Copies	235.00
Quicklaw Searches	42.58
PPSA Registration	36.00
Real Estate Registration Fees	20.00
	<hr/>
Total Disbursements	484.42
	<hr/>
HST	47.43
	<hr/>
Total Taxes on Disbursements	\$ 47.43
	<hr/>
Total Disbursements Including Taxes	<u>\$ 531.85</u>
	<hr/>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 17,412.07</u></u>
Tax Summary	
HST	1,989.40
	<hr/>
Total Taxes Included in This Bill	<u><u>1,989.40</u></u>



Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile



Date: June 6, 2011
Matter #: 277219.00003
Invoice #: 571799
HST #: 87937 6127 RT0001

PricewaterhouseCoopers Inc.
Royal Trust Tower, Suite 3000
Toronto-Dominion Centre
77 King Street West
Toronto, ON
M5K 1G8

Attention: Clark Lonergan

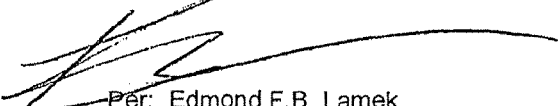
For Professional Services rendered through 05/31/2011 in connection with this matter:

Re: Carnival National Leasing Ltd.

Total Fees	\$ 26,032.20
Total Disbursements	54.50
Total Taxes	3,391.27
Total Amount Owing This Bill	<u>CAD \$ 29,477.97</u>

Postponed Fee Amount per Receivership Order dated February 15, 2011	\$13,313.80
HST	<u>\$1,730.79</u>
Total Fees Including Taxes	<u>\$15,044.59</u>

Fasken Martineau DuMoulin LLP


Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Re: Carnival National Leasing Ltd.

05/16/11	Revising Sentinel Security draft #2; various emails with Venton, Pepper, Bennett regarding Culligan Trailers; call with Jane at Big Dog Bailiffs; calls with Lonergan, Castonguay, Stewein; Lau re various issues; reviewing Big Dog invoice materials. Edmond F.B. Lamek	3.70 hrs.	\$ 525.00/hr	\$ 1,942.50
05/16/11	Review and revise security service agreement as per comments of E. Lamek, draft email enclosing same to P. Gupta. Nicole Melanson	0.60 hrs.	\$ 224.00/hr	\$ 134.40
05/17/11	Drafting form of letter to lien claimants; drafting Big Dog letter; email with Brian Stewien; email exchange with M Seers of McMillan regarding Kacki settlement. Edmond F.B. Lamek	4.10 hrs.	\$ 525.00/hr	\$ 2,152.50
05/17/11	Reviewed PPSA search; prepared PPSA discharge per Edmond Lamek; forwarded same to Edmond Lamek for approval. Electronically sent PPSA discharge for filing; confirmed filing Stephanie Real	0.50 hrs.	\$ 161.00/hr	\$ 80.50
05/18/11	Several emails and calls with B Stewien regarding various vehicle issues and Big Dog; Calls with lawyer for Sylvia Pelleteri; email exchange with Venton re the same; letter to lawyer for Alpha Motors; discuss with Stewien; telephone discussion with Morris Cooper re terminating lease; Edmond F.B. Lamek	3.60 hrs.	\$ 525.00/hr	\$ 1,890.00
05/19/11	Follow up call to Jane at big Dog regarding HST and related lien issues; discussion with N Melanson regarding letters to conditional payment payors; searching for Lease Portfolio Service Agreement precedents; telephone discussion with Eric Castonguay re same; Call with Dom Magisano regarding Mr Hirsh's desire to participate in Lease portfolio service bid process; email to Lonergan and Castonguay regarding same. Edmond F.B. Lamek	4.50 hrs.	\$ 525.00/hr	\$ 2,362.50
05/19/11	Draft letters to Mr. Miller and Mr. Mitnick, draft email to E. Lamek enclosing same. Nicole Melanson	2.70 hrs.	\$ 224.00/hr	\$ 604.80
05/20/11	Reviewed and commented on Lease Termination and Mutual Release Agreement; Conor O'Neill	0.50 hrs.	\$ 275.00/hr	\$ 137.50
05/20/11	Drafting Kacki Lease termination and Mutual release Agreement; email exchanges with Lawyer for Hirsh; call with Lonergan; working on Performing Lease Portfolio management agreement; calls and emails with S.Venton regarding Winnick; Snipes/Culligan. Edmond F.B. Lamek	5.50 hrs.	\$ 525.00/hr	\$ 2,887.50
05/20/11	Began drafting letters to lien claimants re: PPSA discharges per Edmond Lamek			

Page 3

Matter #: 277219.00003

Invoice #: 571799

Re: Carnival National Leasing Ltd.

	Stephanie Real	1.50 hrs.	\$ 161.00/hr	\$ 241.50
05/24/11	Most of day drafting form of Lease Portfolio Administration Agreement; calls and emails with B Stewien of PwC regarding GTA Tire and other vehicle recovery and lien issues.			
	Edmond F.B. Lamek	6.80 hrs.	\$ 525.00/hr	\$ 3,570.00
05/24/11	Continued drafting letters to lien claimants. Prepared and sent email to Pearl Gupta			
	Stephanie Real	0.40 hrs.	\$ 161.00/hr	\$ 64.40
05/25/11	Instructions from E. Lamek; reviewed and revised Portfolio Administration Agreement;			
	Conor O'Neill	2.50 hrs.	\$ 275.00/hr	\$ 687.50
05/25/11	Working on Admin Agt; discussion with C. O'Neill; email exchanges with Morris Cooper regarding Kacki settlement and release.			
	Edmond F.B. Lamek	1.80 hrs.	\$ 525.00/hr	\$ 945.00
05/25/11	Prepared letters and enclosures to secured parties re: PPSA discharges per Edmond Lamek; delivered same to Edmond Lamek			
	Stephanie Real	3.00 hrs.	\$ 161.00/hr	\$ 483.00
05/26/11	Review of proposed changes to Portfolio Administration Agreement; emails with E. Lamek;			
	Conor O'Neill	0.20 hrs.	\$ 275.00/hr	\$ 55.00
05/26/11	Telephone discussion with lawyer for Exclusive Auto; emails with S. Venton regarding Culligan; emails and calls with Gupta, Lau, Stewien re various day to day matters; reviewing PwC revisions to Portfolio Administration Agt; discuss Portfolio Admin issues with Lonergan.			
	Edmond F.B. Lamek	3.50 hrs.	\$ 525.00/hr	\$ 1,837.50
05/26/11	Reviewed email from Edmond Lamek to Pearl Gupta re: lien claimants/secured parties			
	Stephanie Real	0.10 hrs.	\$ 161.00/hr	\$ 16.10
05/27/11	Review of latest revisions to Portfolio Administration Agreement;			
	Conor O'Neill	0.60 hrs.	\$ 275.00/hr	\$ 165.00
05/27/11	Working on revisions to Portfolio Administration Agreement template; several calls and emails with Geoff Polon of PwC; emails and calls regarding offer from Equilease; email exchanges with lawyer for Exclusive Car Repair re their lien; email exchanges with P Gupta regarding approved distribution amounts; emails with Lonergan.			
	Edmond F.B. Lamek	4.80 hrs.	\$ 525.00/hr	\$ 2,520.00
05/30/11	Calls and emails with Lau, Gupta and Lonergan regarding distributions, Big Dog,			

Page 4

Matter #: 277219.00003

Invoice #: 571799

Re: Carnival National Leasing Ltd.

GTA Tire, additional distribution powers; Aubrey Graham.

Edmond F.B. Lamek 3.50 hrs. \$ 525.00/hr \$ 1,837.50

05/31/11 Call with GTA Tire, calls and emails regarding Kacki/Lux MBC settlement; call regarding Equilease offer.

Edmond F.B. Lamek 2.70 hrs. \$ 525.00/hr \$ 1,417.50

Professional Summary

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>	<u>Postponed Rate</u>	<u>Hours</u>	<u>Fees</u>
Edmond F.B. Lamek	525.00	44.5	23,362.50	275.00	44.5	12,237.50
Conor O'Neill	275.00	3.8	1,045.00	100.00	3.8	380.00
Nicole Melanson	224.00	3.30	739.20	96.00	3.30	316.80
Stephanie Real	161.00	5.50	885.50	69.00	5.50	379.50
Total		57.10	CAD		57.10	CAD
			\$26,032.20			\$13,313.80

Page 5

 Matter #: 277219.00003
 Invoice #: 571799
Re: **Carnival National Leasing Ltd.**

Our Fees	\$ 26,032.20
HST	3,384.19
	<hr/>
Total Taxes on Fees	\$ 3,384.19
	<hr/>
Total Fees Including Taxes	<u><u>\$ 29,416.39</u></u>
Disbursements	
<u>Taxable</u>	
Printing/Copies	54.50
	<hr/>
Total Disbursements	54.50
	<hr/>
HST	7.08
	<hr/>
Total Taxes on Disbursements	\$ 7.08
	<hr/>
Total Disbursements Including Taxes	\$ 61.58
	<hr/>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 29,477.97</u></u>
Tax Summary	
HST	3,391.27
	<hr/>
Total Taxes Included in This Bill	<u><u>3,391.27</u></u>



Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents



333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

416 366 8381 Telephone
416 364 7813 Facsimile

Date: June 21, 2011
Matter #: 277219.00003
Invoice #: 575888
HST #: 87937 6127 RT0001

PricewaterhouseCoopers Inc.
Royal Trust Tower, Suite 3000
Toronto-Dominion Centre
77 King Street West
Toronto, ON
M5K 1G8

Attention: Clark Lonergan

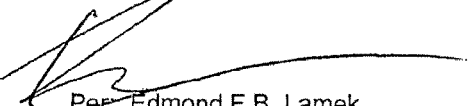
For Professional Services rendered through 06/17/2011 in connection with this matter:

Re: Carnival National Leasing Ltd.

Total Fees	\$ 16,383.50
Total Disbursements	557.05
Total Taxes	2,190.87
Total Amount Owing This Bill	<u>CAD \$ 19,131.42</u>

Postponed Fee Amount per Receivership Order dated February 15, 2011	\$8,246.50
HST	<u>\$1,072.05</u>
Total Fees Including Taxes	<u>\$9,318.55</u>

Fasken Martineau DuMoulin LLP


Per: Edmond F.B. Lamek
E. & O. E.

Terms: payment due upon receipt. Pursuant to the *Solicitors Act*, interest will be charged at the rate of 1.3% per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered. Any disbursement not posted to your account on the date of this statement will be billed later.

Vancouver Calgary Toronto Ottawa Montréal Québec City London Paris Johannesburg

Page 2

Matter #: 277219.00003

Invoice #: 575888

Re: **Carnival National Leasing Ltd.**

06/01/11	Review email from E. Lamek; review teaser document and portfolio administration agreement; consider issues on the asset purchase agreement Carole Hunter	1.00 hrs.	\$ 332.50/hr	\$ 332.50
06/01/11	Email exchanges with Vern Da Rae regarding Snipes settlement; email exchanges with C. Hunter regarding form of asset purchase agreement. Edmond F.B. Lamek	1.20 hrs.	\$ 525.00/hr	\$ 630.00
06/02/11	Review Receivership Order and First Report of Receiver; Draft form of asset purchase agreement Carole Hunter	2.50 hrs.	\$ 332.50/hr	\$ 831.25
06/03/11	Draft and revise form of asset purchase agreement Carole Hunter	2.30 hrs.	\$ 332.50/hr	\$ 764.75
06/03/11	Emails with Da Rae, Gupta and Lau regarding various vehicle recovery issues; reviewing TGF mark up to form of administration agreement; emails with Sambasivan regarding TGF mark up . Edmond F.B. Lamek	1.10 hrs.	\$ 525.00/hr	\$ 577.50
06/06/11	Emails with Seers and Cooper re Kacki settlement; emails and call with Lonergan regarding realizations to date and proposed interim distribution; reviewing and commenting on draft Equilease form of Asset Purchase Agreement from CJH. Edmond F.B. Lamek	3.70 hrs.	\$ 525.00/hr	\$ 1,942.50
06/07/11	Reviewing and discussing with CL Alfa response regarding 1974 Jaguar ; telephone discussion with CL regarding Equilease Offer and financial comparison to Administration agreement recoveries; emails regarding Aaron Miller; emails regarding Aubrey Graham. Edmond F.B. Lamek	3.10 hrs.	\$ 525.00/hr	\$ 1,627.50
06/08/11	Sseveral email exchanges regarding the Administration Agreement and CAL assets; long call with Lonergan going over financial analysis of Administration scenarios. Edmond F.B. Lamek	1.70 hrs.	\$ 525.00/hr	\$ 892.50
06/08/11	Prepared two discharges per Edmond Lamek; forwarded same to Edmond Lamek for approval. Electronically sent discharges for filing; confirmed filings Stephanie Real	0.70 hrs.	\$ 161.00/hr	\$ 112.70
06/09/11	Calls and emails with A Sambasivan, D Lau, C Lonergan regarding various file matters including administration agreement, MPI, CAL, Kacki/Lux, Big Dog Freightliner; omnibus motion; Douglas Ford. Edmond F.B. Lamek	4.20 hrs.	\$ 525.00/hr	\$ 2,205.00

Re: Carnival National Leasing Ltd.

06/10/11	Emails regarding A Graham; Administration Agreement; financial analysis and proposed motion; review materials from lawyer for Douglas Ford and Antonio Clarizio.	Edmond F.B. Lamek	1.40 hrs.	\$ 525.00/hr	\$ 735.00
06/13/11	Telephone discussions with CL and DL regarding MPI.	Edmond F.B. Lamek	1.30 hrs.	\$ 525.00/hr	\$ 682.50
06/15/11	Reviewing and commenting on MPI NDA; telephone discussion with C Lonergan re same and next steps with MPI.	Edmond F.B. Lamek	1.20 hrs.	\$ 525.00/hr	\$ 630.00
06/16/11	Douglas Ford, Clarizio claim; Extreme, Millar, Big Dog; telephone calls with Lonergan; email exchanges with Gupta and Melanson.	Edmond F.B. Lamek	2.30 hrs.	\$ 525.00/hr	\$ 1,207.50
06/16/11	Review correspondence re: statement of claim from C. Cole, meeting with E. Lamek re: same, precedent searches for Notice of Stay of Proceedings.	Nicole Melanson	2.10 hrs.	\$ 224.00/hr	\$ 470.40
06/17/11	Profile & BN Searches - Lazzara Holdings Limited & Extreme Garage per E.Lamek Corp. Search 1		0.40 hrs.	\$ 100.00/hr	\$ 40.00
06/17/11	Working on various vehicle dispute issues - Extreme/Lazzarra, Coretta Cole; Kacki/MB Canada; letter to Sereda; working on Aubrey Graham claim.	Edmond F.B. Lamek	3.70 hrs.	\$ 525.00/hr	\$ 1,942.50
06/17/11	Search for precedent re: Statement of claim for breach of contract for A. Graham claim.	Nicole Melanson	0.50 hrs.	\$ 224.00/hr	\$ 112.00
06/17/11	Draft Notice of Stay of Proceedings and cover letter to C. Cole re: same, drafts to E. Lamek and P. Gupta for review, revisions as per comments of E. Lamek.	Nicole Melanson	2.60 hrs.	\$ 224.00/hr	\$ 582.40
06/17/11	Review correspondence from counsel to Douglas Ford. Voicemail to counsel re: the same. Discussion with E. Lamek re: the same.	R. Graham Phoenix	0.20 hrs.	\$ 325.00/hr	\$ 65.00

Re: Carnival National Leasing Ltd.

Professional Summary

<u>Professional</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>	<u>Postponed Rate</u>	<u>Hours</u>	<u>Fees</u>
Edmond F.B. Lamek	525.00	24.9	13,072.50	275.00	24.9	6,847.50
Carole Hunter	332.50	5.8	1,928.50	142.50	5.8	826.50
R. Graham Phoenix	325.00	.2	65.00	125.00	.2	25.00
Nicole Melanson	224.00	5.2	1,164.80	96.00	5.2	499.20
Stephanie Real	161.00	.7	112.70	69.00	.7	48.30
Corp. Search 1	100.00	.4	40.00		.4	
	Total	37.2	CAD		37.2	CAD
			\$16,383.50			\$8,246.50

Page 5

Matter #: 277219.00003

Invoice #: 575888

Re: Carnival National Leasing Ltd.

Our Fees	\$ 16,383.50
HST	2,129.86
	<hr/>
Total Taxes on Fees	\$ 2,129.86
	<hr/>
Total Fees Including Taxes	<u><u>\$ 18,513.36</u></u>
Disbursements	
<u>Non-Taxable</u>	
PPSA Search	88.00
<u>Taxable</u>	
Printing/Copies	146.55
Document Scan	5.50
PPSA Registration	252.00
PPSA Search	16.00
Carswell LawSource Searches	49.00
	<hr/>
Total Disbursements	557.05
HST	61.01
	<hr/>
Total Taxes on Disbursements	\$ 61.01
	<hr/>
Total Disbursements Including Taxes	\$ 618.06
	<hr/>
Total Fees, Disbursements and Taxes	<u><u>CAD \$ 19,131.42</u></u>
Tax Summary	
HST	2,190.87
	<hr/>
Total Taxes Included in This Bill	<u><u>2,190.87</u></u>

VEHICLE LEASE PORTFOLIO ADMINISTRATION AGREEMENT

Made as of July 8, 2011

BETWEEN

**PRICEWATERHOUSECOOPERS INC., IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF THE PROPERTY, ASSETS AND UNDERTAKING OF
CARNIVAL NATIONAL LEASING LIMITED AND
CARNIVAL AUTOMOBILES LIMITED**

(the "Receiver")

- and -

**[REDACTED] , [REDACTED]
(together, the "Owners")**

**and AUTOBANK INC.
(the "Servicer")**

WHEREAS the owners have incorporated the Servicer to carry out the obligations of Servicer under this Agreement;

AND WHEREAS the Receiver desires to engage the Servicer to administer the wind-down of the Portfolio on behalf of the Receiver;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Agreement, unless the context requires otherwise, the following terms shall have the following meanings, respectively:

“Accounts Receivable” means the Accounts Receivable listed on Schedule “D” hereto, together with any additional accounts receivable of Carnival in respect of which the Receiver requests the Servicer to provide Services under this Agreement;

“Authorization Limits” means the limits set out in Schedule “F” hereto;

“Business Day” means any day (other than a Saturday, Sunday or public holiday) on which Schedule I Chartered Banks are open for business in Toronto, Ontario;

“Buy Out” means a transaction whereby a Leased Vehicle is sold by the Servicer on behalf of the Receiver to the Lessee or to a Third Party prior to, at, or after the expiry of the term of a Lease, for a purchase price to be calculated in accordance with the Buy Out procedures set out in Schedule B hereto;

“Carnival” means Carnival National Leasing Limited;

“Casualty” means, with respect to any Leased Vehicle, that such Leased Vehicle is lost, stolen (and not recovered within 60 days of being reported stolen), destroyed, seized or otherwise rendered permanently unfit or unavailable for use;

“Casualty Payment” means the proceeds of applicable insurance policies covering a Casualty;

“Collection Proceeds” means amounts collected by the Servicer, including by way of legal proceedings or settlement, on account of Accounts Receivable, Legal Claims, defaulted Lease Payments, partial payments on Leases, catch up payments on Leases, residual guarantee amounts and other amounts owing under a Vehicle Lease not paid by the Lessee and guarantees thereof in accordance with the terms of the Lease;

“Court” means the Ontario Superior Court of Justice

“Court Approval” means an order of the Court approving this Agreement, and authorizing the Receiver to execute this Agreement and to carry out the transactions contemplated by this Agreement, in form satisfactory to the Servicer and the Receiver;

“Court Orders” means the orders of the Court made from time to time in the Carnival receivership proceedings, bearing Court file number CV-10-9029-00CL;

“Deposits” means amounts paid by Lessees to Carnival as deposits under Leases;

"Documents" means with respect to any Vehicle, all Leases, disclosure statements, credit applications, customer authorizations, Lessee insurance disclosure, bills of sale, repair invoices, Carfax reports, vehicle permits and registrations, records and other documentation and information relating to the Vehicle, the Lease of the Vehicle and the Lessee, which are in the possession of the Receiver on the Effective Date;

"Effective Date" means July 18, 2011;

"Exotic Vehicle" includes Ferrari, Lamborghini, Maserati, Aston Martin or Bentley branded Vehicles and any Vehicle to be sold by the Servicer which the Servicer believes would achieve a materially (greater than \$10,000) increased Net Proceeds if sold by way of consignment rather than by way of wholesale sale or auction.

"FINTRAC Reporting" means any prescribed reporting to the Financial Transactions and Reports Analysis Centre of Canada as may be required by applicable law, in respect of funds received by the Servicer from third parties during the course of carrying out its obligations under this Agreement;

"Gross Proceeds" means all Lease Payments, Vehicle Proceeds, Collection Proceeds and all other amounts generated in respect of any dealings with the Portfolio that is the subject matter of this Agreement, all of which are to be deposited by the Servicer into the Joint Trust Account on a daily basis in accordance with the terms of this Agreement;

"Joint Trust Account" means a bank account to be established by the Receiver and the Servicer jointly into which the Servicer shall deposit or cause the deposit of all Gross Proceeds on a daily basis;

"Lease" means, a lease listed on Schedule "A" hereto;

"Lease Expiry Date" means the earlier of (i) the date upon which the term of a Lease expires pursuant to the terms of the Lease; and (ii) the date upon which the Servicer and a Lessee terminate a Lease by written agreement;

"Lease Payments" means the ordinary course monthly payments made by Lessees under a Lease together with the gross proceeds received in respect of the buy out of a Leased Vehicle for a Lease that is in good standing or upon the Lease Expiry Date;

"Lease Term" means, with respect to a Leased Vehicle, the date commencing on the Effective Date and ending on the Lease Expiry Date;

"Leased Vehicle" means any Vehicle leased by Carnival to a Lessee pursuant to the terms of a Lease;

"Legal Claims" means the legal proceedings commenced by Carnival or the Receiver listed in Schedule "E" hereto;

"Lessee" means a lessee, co-signer or guarantor in respect of a Lease;

"Monthly Servicer Fee" means the fee payable to the Servicer pursuant to subsection 2.5(A) hereof;

"Net Proceeds" means the Gross Proceeds minus the Third Party Collection & Recovery Costs, Sales Taxes, Portfolio insurance costs and the Monthly Servicer Fee;

"Participation Fee" means the fee payable to the Servicer and calculated pursuant to subsection 2.5(B) hereof.

"Portfolio" means, the Accounts Receivable, the Leases, Legal Claims and Vehicles listed on Schedule "A" hereto, provided however that Schedules "A", "D" and "E" shall be amended and updated by the Receiver as at the Effective Date, and that up to 10% of the Vehicles and Leases on Schedule "A", 10% of the Accounts Receivable on Schedule "D" as of the date of execution of this Agreement and any number of Legal Claims may be deleted therefrom (**"Allowable Excluded Assets"**) as at the Effective Date and such Allowable Excluded Assets shall not be included in the Portfolio for purposes of calculating Servicer Fees payable to the Servicer hereunder;

"Premises" has the meaning ascribed thereto at Section 2.8;

"Receiver's Vehicle Accounting Methodology" means the Receiver's process for accounting for Vehicle Proceeds, Lease Payments, Collection Proceeds and Casualty Payments on a Vehicle by Vehicle, Lease by Lease basis, as more particularly described in Schedule "C" hereto;

"Records" means all contracts, books, records, microfiche and other documents of Carnival or of the Receiver in the possession of the Receiver on the Effective Date which relate to the Portfolio, other than the Documents;

"Replacement Servicer" means a party, including the Receiver itself, appointed by the Receiver as a servicer under this Agreement in place of the Servicer, pursuant to Section 2.18;

"Sale Agreement" means any agreement pursuant to which a Leased Vehicle is sold by the Servicer as agent for the Receiver, whether or not in writing, and includes any agreement entered into to facilitate a Leased Vehicle being sold at auction;

"Sales Taxes" means sales and other taxes exigible upon, collected by the Servicer on behalf of the Receiver, and remitted by the Receiver, in accordance with applicable law, in respect of Lease Payments, Vehicle Proceeds, Casualty Payments and Collection Proceeds;

"Security Interest" means any lien, security interest, charge, encumbrance, mortgage, lease, title retention agreement, hypothecation, claim, pledge, deed of trust, priority, assignment (whether or not by way of security), ownership interest, right of set-off or preferential arrangement or other right or claim of any Person;

"Servicer Fees" means the fees payable by the Receiver to the Servicer pursuant to section 2.5 of this Agreement;

"Servicer Replacement Date" means the date upon which the Receiver appoints a Replacement Servicer under section 2.15 hereof;

"Servicer Termination Event" has the meaning ascribed thereto in Section 3.1;

"Servicer Transfer" has the meaning ascribed thereto in Section 3.2;

"Services" means the services to be performed by the Servicer described in section 2.10 of this Agreement;

"Term" means the period commencing on the Effective Date and ending on the Termination Date;

"Termination Date" has the meaning ascribed thereto in Section 6.6;

"Third Party Collection & Recovery Costs" means amounts paid (subject to the specific Authorization Limits set out on Schedule "F" hereto) by the Servicer to third parties not related to the Servicer from funds in the Joint Trust Account in respect of: Bailiff fees; repair and storage lien payments that are properly due and owing; Vehicle transportation costs; Vehicle repairs; legal costs expended in the pursuit of Collection Proceeds and Vehicle recovery; selling and brokers fees; PPSA charges, Equifax Reports, Carfax/Carproof reports, and other amounts as may be approved in advance by the Receiver in writing;

"Vehicle" means a motor vehicle or item of equipment listed on Schedule "A" hereto;

"Vehicle Proceeds" means the gross proceeds of disposition of a Vehicle and Casualty Payments; and

"Vehicle Sales Protocol" means the Protocol attached hereto as Schedule "B" setting out the procedures for the valuation and sale of Vehicles by the Servicer.

1.2 General Agreement.

The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, section, subsection, paragraph, clause, Schedule or other portion hereof and include the recitals and any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, sections, subsections, paragraphs, clauses and Schedules are to Articles, sections, subsections, paragraphs, clauses and Schedules of this Agreement.

1.3 Number, Gender, Etc.

Words importing the singular number shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa.

1.4 Non-Business Days.

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, unless otherwise specifically provided for herein, such payment shall be made or such action shall be taken on the next succeeding Business Day.

1.5 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereto hereby attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.6 Reference to Statutes.

All references herein to any statute or any provision thereof shall, unless otherwise specified herein, mean such statute or provision as the same may be amended, re-enacted or replaced from time to time.

1.7 Severability.

In the event that one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.

1.8 Currency.

All amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.

1.9 Schedules.

The following schedules annexed hereto are incorporated herein by reference and are deemed to be part hereof:

- | | |
|------------|----------------------------|
| Schedule A | Lease and Vehicle Schedule |
| Schedule B | Vehicle Sales Protocol |

Schedule C	Receiver's Vehicle Accounting Methodology
Schedule "D"	Accounts Receivable
Schedule "E"	Legal Claims
Schedule "F":	Authorization Limits

ARTICLE 2
ADMINISTRATION

2.1 Designation of the Servicer.

Subject to Court Approval, the Receiver hereby engages the Servicer to administer the wind-down of the Portfolio on behalf of the Receiver and to perform the duties and obligations of the Servicer pursuant to the terms hereof. Subject to the provisions of this Agreement, the Servicer shall also administer and manage the disposition of the Vehicles as agent for the Receiver.

2.2 Standard of Care.

The Servicer shall at all times perform its duties hereunder with prudence, care and diligence, using that degree of skill and attention that the Servicer exercises in managing, servicing, administering, collecting on and performing similar functions relating to comparable assets that it services for itself or other Persons, which in all circumstances shall be at least as high as the degree of skill and attention that a prudent person, as owner of comparable assets, would use in servicing such assets, including in the case of all collection and end of Lease process (including disposal of Vehicles) activities, concerning:

(a) the nature, timing and frequency of contacts with Lessees or other relevant Persons after the occurrence of each payment delinquency or other event or circumstance that under the Servicer's own diligence and competence standards require any contact with a Lessee or other Person;

(b) end of Lease process activities (including activities with respect to the recovery of and disposition of Vehicles, whether through purchase by the Lessee, sale at auction, consignment, or otherwise); and

(c) collection staffing, portfolio size per collector, collection staff experience, collection staff performance parameters and targets, collection staff hours of operation and use by collection staff of defined technology and collection processes.

2.3 Authorization of Servicer.

Without limiting the generality of the authority granted by the designation of any Person as Servicer, and subject to the other provisions of this Agreement including the Authorization Limits set out on Schedule "F", the Servicer is hereby authorized and empowered by the Receiver to take any and all reasonable steps in the name of Carnival or the Receiver and on its behalf necessary or desirable to effectively and efficiently administer the Portfolio on behalf of the Receiver. Pursuant to the authority hereby conferred, the Servicer shall have the power to take all actions that are required, in the determination of the Servicer, to collect all amounts due under any Lease including, without limitation, to execute and deliver, on behalf of the Receiver and its successors and assigns, any and all instruments of satisfaction or cancellation, or partial or full release or discharge, and all other comparable instruments, with respect to the sale of any Leased Vehicle on behalf of the Receiver. The Receiver shall furnish the Servicer with any powers of attorney and other documents that are within the ability of the Receiver to furnish and which are reasonably necessary or appropriate for the limited purpose of enabling the Servicer to carry out its servicing and administrative duties hereunder as agent of the Receiver.

2.4 Joint Trust Account.

The Receiver and the Servicer shall establish a Joint Trust Account with the Bank of Montreal, in which the Servicer shall deposit on a daily basis all Gross Proceeds, and from which the Servicer may pay Third Party Collection & Recovery Costs. The Servicer shall obtain the prior written approval of the Receiver to issue any cheque on account of Third Party Collection & Recovery Costs in excess the Authorization Limits. The Receiver may withdraw the balance in the Joint Trust Account on a daily basis, providing however that an amount of not less than \$[REDACTED] remains in the account to satisfy outstanding Third Party Collection & Recovery Costs incurred by the Servicer in accordance with the terms of this Agreement. Concurrent with the opening of the Joint Trust Account, the Receiver shall deposit \$[REDACTED] into the Joint Trust Account to fund initial Third Party Collection & Recovery Costs.

The Owners hereby jointly and severally indemnify the Receiver and save the Receiver harmless of and from all losses resulting from the conduct of the Servicer in respect of the Joint Trust Account, including, without limitation, the failure of the Servicer to deposit funds received by it into the Joint Trust Account, exceeding the Authorization Limits on Third Party Collection & Recovery Costs, or making unauthorized payments or withdrawals from the Joint Trust Account, and the failure of the Servicer to reimburse the Receiver for such losses.

2.5 **Servicer Fees.**

In consideration for the provision of Services, the Receiver shall pay to the Servicer:

A. A fee calculated as of the second Business Day of each calendar month between the Effective Date and the Termination Date (or prior Servicer Replacement Date), equal to \$[REDACTED] plus applicable harmonized sales taxes (“HST”) for each Lease being administered by the Servicer in respect of which the Lease Expiry Date has not by that date occurred (the “**Monthly Servicer Fee**”); and

B. For each three calendar month period during the Term of the Agreement (a “**Quarter**”), a participation fee, calculated as [REDACTED] % of the Net Proceeds withdrawn by the Receiver from the Joint Trust Account during the preceding Quarter (the “**Participation Fee**”) plus applicable HST. No participation fee shall be payable in respect of the initial \$[REDACTED] deposited by the Receiver in the Joint Trust Account.

The Servicer shall also be entitled to a Monthly Servicer Fee on account of each Lease for which the Lease Expiry Date has occurred prior to August 1, 2011 and the Leased Vehicle remains in the possession of the Lessee on an overholding basis, until the earlier of: November 3, 2011 (ie: four months), and the date upon which the Leased Vehicle is recovered by the Servicer from the Lessee, or is sold by the Servicer as a Buy Out.

The Servicer shall provide the Receiver with a detailed invoice in respect of the Monthly Servicer Fee on or about the third Business Day of each calendar month. The Receiver shall pay any undisputed invoice received within five Business Days of receipt of the Servicer’s invoice.

The Receiver shall be responsible for the calculation of the Participation Fee, and shall provide a copy of the Receiver’s calculation to the Servicer within five Business Days of the end of a Quarter. The Receiver shall pay an amount equal to 1/3 of the Participation Fee for a Quarter within ten Business Days of the end of the Quarter. The remaining 2/3 of the Participation Fee for each Quarter during the Term (the “**Participation Fee Balance**”) shall be payable to the Servicer as follows: (i) within ten Business Days of the end of the next Quarter the Receiver shall pay 50% of the Participation Fee Balance; and (ii) within ten Business Days of the end of the Quarter after that, the Receiver shall pay the final 50% of the Participation Fee Balance. Any Participation Fee Balance remaining unpaid on the Termination Date will be payable to the Servicer within 30 days following the Termination Date. PROVIDED HOWEVER that in the event that a Servicer Transfer is effected by the Receiver as a result of a Servicer Termination Event, the Servicer shall immediately forfeit its entitlement to receive the unpaid Participation Fee Balance, and to participate in any future Participation Fee entitlements.

2.6 Enforcement.

Subject to the Authorization Limits set out on Schedule "F" hereto, the Servicer is authorized to enforce and protect Carnival's rights and interests in and under the Leased Vehicles and the Receiver's right to receive payment under any Lease, and the Servicer may commence or defend proceedings in the name of Carnival (or with the Receiver's prior written permission, the name of the Receiver) for the purpose of enforcing or protecting any such rights. Unless the Receiver shall have given its express prior written consent thereto, the Servicer shall not take any action that would make the Receiver a party to any litigation.

2.7 Assignment for Purpose of Enforcement.

If the Servicer shall commence a legal proceeding to enforce any rights under any Lease or otherwise with respect to a Vehicle, the Receiver shall thereupon be deemed to have automatically assigned its rights under such Lease or otherwise as of the day prior to such commencement, solely for the purpose of and only to the extent necessarily incidental to the enforcement by the Servicer of such rights. The Servicer shall hold such assigned rights in trust for the Receiver and the same shall be deemed to have been automatically re-assigned to the Receiver when the assignment to the Servicer ceases to be necessary for the enforcement by the Servicer of such rights. If in any enforcement suit or legal proceeding it shall be held that the Servicer may not enforce a right under a Lease or otherwise with respect to the sale of a Vehicle on the grounds that it shall not be a real party in interest or a holder entitled to enforce rights, the Receiver shall, at the Servicer's expense and direction, take such steps as are necessary to enforce the relevant Lease.

2.8 Use of Carnival Premises.

The Servicer shall have access (at no cost to the Servicer) to the Carnival premises at 79 Martin Ross Avenue (the "**Premises**") from the Effective Date to the close of business on August 14, 2011, during business hours, for purposes of assembling and removing the Documents and carrying out the Services. The Servicer shall vacate the Premises and shall ensure that all Vehicles and records relating to the Portfolio are removed from the Premises by the close of business on August 14, 2011.

2.9 Use of Casitron System.

The Servicer shall have access (at no cost to the Servicer) to the Carnival Casitron computer system located at the Premises until the close of business on August 14, 2011 during business hours, for purposes of transitioning Records onto the Servicer's own lease management computer system, or making its own arrangements with Casitron (at the Servicer's own cost). At all times during the currency of this Agreement the Servicer shall provide access to the Receiver to all Documents and information relating to the Portfolio (howsoever stored and wherever located), including remote electronic access to all Records maintained by the Servicer relating to the Portfolio. The requirement of the Servicer to provide full access to the Receiver is

irrespective of whether the Servicer utilizes its own lease management computer system, makes arrangements with Casitron or another provider, or otherwise.

2.10 Description of Services.

The Servicer shall at its expense, unless the Receiver directs otherwise, take or cause to be taken all such reasonable actions as may be necessary or advisable from time to time to administer and manage the collection of all amounts payable under the Leases, and to dispose of Vehicles in accordance with this Agreement and applicable law. Without limiting the generality of the foregoing, and subject to section 2.4 and the Authorization Limits in Schedule "F", the Servicer shall:

- (a) take possession of the Documents from the Receiver on the Effective Date and safeguard the Documents until the earlier of the Termination Date or delivery to a Replacement Servicer on the Servicer Replacement Date;
- (b) collect Lease Payments and arrange for new Lessee pre-authorized debits to be directed into the Joint Trust Account [for greater certainty, existing pre-authorized debits being made by Lessees into the Carnival bank accounts will be swept by the Receiver into the Joint Trust Account daily and shall constitute Lease Proceeds for purposes of this Agreement];
- (c) communicate with Lessees including, without limitation, providing Lessees with notice of the appointment of the Servicer, and obtaining updated contact details and records of insurance from Lessees;
- (d) provide notice to the Receiver and the Receiver's insurer in respect of any Lessee who the Servicer determines no longer holds the insurance coverage required by the Lease, and require the Lessee to obtain or renew the requisite insurance as soon as possible;
- (e) file and administer Casualty claims;
- (f) calculate, and prepare all forms and returns necessary for the Receiver to remit all applicable Sales Taxes on a timely basis, and calculate, report on, and remit Third Party Collection & recovery Costs from the Joint Trust Account;
- (g) work with the Receiver to confirm appropriate mechanisms and procedures for reporting upon, accounting for, and remitting into the Joint Trust Account all Gross Proceeds;
- (h) take steps to monetize Vehicles in a manner that maximizes Vehicle Proceeds;
- (i) effect repairs to and arrange for storage of Vehicles as necessary;

- (j) administer the sale of Leased Vehicles to Lessees (including early buy-outs) or to third parties as soon as possible after the Lease Expiration Date in accordance with the Vehicle Sales Protocol, including without limitation working with the Receiver to effect the transfer of Vehicle permits at the Ministry of Transportation of Ontario (“MTO”);
- (k) take or cause to be taken all such actions as may be necessary or desirable from time to time to collect any amounts owing by Lessees, collect Accounts Receivable, pursue Legal Claims, engage bailiffs to recover Vehicles, and engage counsel to commence litigation against Lessees, third parties in possession of Vehicles, and Account Receivable debtors;
- (l) keep an individual record of Gross Proceeds received in respect of each Lease and Vehicle, in accordance with the Receiver’s Vehicle Accounting Methodology;
- (m) complete and submit all FINTRAC Reporting;
- (n) prepare and submit any required regulatory filings;
- (o) consult with and work with the Receiver in respect of any repair and storage liens asserted against Vehicles and any liens registered against Vehicles; and
- (p) consult with and work with the Receiver in advance of distributing any significant communication to the Lessees.

2.11 Casualty Obligations.

If a Leased Vehicle becomes a Casualty, then the Servicer shall promptly notify the Receiver of such occurrence, obtain the required sign-off of the Vehicle Lessee, and as soon as possible file the insurance claim with the Lessee’s insurance company or the Receiver’s insurance company, as applicable, on behalf of the Receiver. The Servicer shall act as agent for the Receiver in dealing with insurers. Upon receipt of any Casualty Payment or other recovery payments applicable to such Vehicle, the Servicer shall pay such amounts into the Joint Trust Account as Vehicle Proceeds. In the event that the Casualty Payment received by the Servicer in respect of a Casualty exceeds the amount owing by the Lessee under the applicable Lease, the Servicer shall refund the excess proceeds to the Lessee.

2.12 Legal Proceedings.

Subject to the Authorization Limits, the Servicer may engage legal counsel of their choice to commence litigation against Lessees, third parties in possession of Vehicles and Account Receivable debtors. At the beginning of each quarter, commencing August 1, 2011, the Servicer shall prepare and submit forecast of the anticipated legal costs to be expended for the quarter to the Receiver.

2.13 Servicer Buy-Outs.

The Servicer or any party that is an affiliate of the Owners may effect a Buy Out of a Leased Vehicle if the Net Proceeds are at least [REDACTED] % of the Buy Out purchase price determined in accordance with the Buy Out provisions of Schedule "B" hereto. The Receiver will pay the costs of the MTO transfer in respect of such Buy Outs.

2.14 Affirmative Covenants of the Servicer

From the date of this Agreement until the Termination Date, the Servicer covenants and agrees that it shall, unless the Receiver shall otherwise consent in writing:

- (a) comply with all applicable laws, rules, regulations and orders with respect to it, its business and properties and all Leased Vehicles, where the failure to so comply would materially adversely affect the interests of the Receiver in the Leased Vehicles or the ability of the Servicer to perform its obligations hereunder;
- (b) at its own cost at all times maintain or cause to be maintained insurance with respect to property and business against loss or damage of the kinds customarily insured against by corporations of established reputation engaged in the same or similar businesses and similarly situated, of such types and in such amounts as are customarily carried under similar circumstances by such other corporations;
- (c) give the Receiver not less than 30 days' prior notice of any change in its corporate name, or the location of its chief executive office or chief place of business or of any office in which Documents are kept;
- (d) at its own expense, employ and provide general administrative, supervisory and accounting staff and general overhead as may from time to time be reasonably required to carry out its obligations hereunder, including without limitation, retaining any former employees of Carnival or parties previously engaged by the Receiver, and to allow the Receiver to have reasonable access to such former employees of Carnival or parties previously engaged by the Receiver during business hours during the Term for purposes of assisting the Receiver with matters in the administration of the Carnival receivership which are beyond the scope of this Agreement;
- (e) provide access to the Documents, Records and all information maintained by the Servicer in respect of the Portfolio to the Receiver at all times;
- (f) pay from its own funds all general administrative expenses and other costs incurred by it in carrying out its obligations hereunder and all fees and expenses of any administrator appointed or subcontractor retained by it;

- (g) provide the Receiver with three days prior written notice of any anticipated Gross Proceeds to be received by the Servicer for deposit into the Joint Trust Account that would be in excess of \$[REDACTED] on any single transaction or series of transactions with one party;
- (h) maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate or cause to be recreated, to the extent within their control, Documents in the event of the destruction of the originals of such Documents) to keep and maintain, and keep and maintain, all Documents and other information reasonably necessary or advisable to enable any Replacement Servicer to produce the information required to be produced by it pursuant hereto or reasonably necessary or advisable for the administration and sale of the Leased Vehicles; and
- (i) (i) at any time and from time to time during regular business hours, upon three days' prior notice, and (ii) immediately following the occurrence of a Servicer Termination Event that has not been waived or cured, (A) assemble such of the Documents as may be requested by the Receiver and make the same available to the Receiver at the principal place of business of the Servicer and permit the Receiver, its agents and representatives to examine and make copies of such Documents and (B) permit the Receiver, its agents and representatives to visit the offices and properties of the Servicer for the purpose of discussing matters relating to the Leased Vehicles and the Servicer's performance hereunder with any of the Servicer's officers or employees having knowledge of such matters.

2.15 Negative Covenants of Servicer.

From the date of this Agreement until the Termination Date, the Servicer covenants and agrees that it shall not, unless the Receiver shall otherwise consent in writing;

- (a) except as otherwise provided herein, and whether by operation of law or otherwise, sell, assign or otherwise dispose of, or create or suffer to exist any Security Interest upon or with respect to any Lease or any Leased Vehicle (other than a repair or storage lien incurred by a Lessee without the knowledge of the Servicer), any Account Receivable, any Legal Claim or assign any right to receive payment thereunder or in respect thereof;
- (b) apply materially different administrative policies and procedures to Leased Vehicles, including with respect to the timing and manner of sale of such Vehicles, than it applies with respect to vehicles which are owned and used by it in its own business;
- (c) enter into any non-arm's length transactions other than as set out in section 2.13 or 2.17(a) of this Agreement;

- (d) enter into any contracts for services to be provided by a third party to the Servicer which provides for aggregate compensation to be paid by the Servicer, as a Third Party Collection & Recovery Cost, in excess of \$[REDACTED] plus HST;
- (e) receive any form of direct or indirect compensation in respect of the Portfolio or performing the Services;
- (f) act in contravention of any Court Orders made in the Carnival receivership proceedings or breach any term of this Agreement;
- (g) (i) enter into any transaction of reorganization, consolidation, amalgamation, merger or arrangement, as a result of which any other Person, including for these purposes a continuing corporation resulting from the amalgamation of the Servicer with any other body corporate, becomes, by operation of law or otherwise, the owner of all or substantially all the assets of the Servicer, that materially and adversely affects the Servicer's (or such continuing corporation's) ability to perform any of its obligations under this Agreement, or (ii) liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution) or transfer, sell, lease or otherwise dispose of its assets as an entirety or substantially as an entirety;
- (h) take or omit to take any action if the taking or omitting to take such action by the Servicer would constitute a breach by the Servicer of any representation, warranty or covenant in this Agreement or in any other document delivered hereunder or thereunder or contemplated hereby or thereby; or
- (i) resign as Servicer without providing the Receiver with not less than 90 days' prior written notice (provided, for greater certainty, that nothing herein contained shall limit the ability of the Receiver to appoint a Replacement Servicer in accordance with the provisions of this Agreement).

2.16 Affirmative Covenants of the Owners.

From the date of this Agreement until the Termination Date, the Owners covenant and agree that they shall, unless the Receiver shall otherwise consent in writing, cause the Servicer to fulfil its obligations under this Agreement and to provide the Servicer with such resources and staffing necessary for it to do so.

2.17 Negative Covenants of the Owners.

From the date of this Agreement until the Termination Date, the Owners covenant and agree that they shall not, unless the Receiver shall otherwise consent in writing;

- (a) enter into any contract with the Servicer for services to be provided by an Owner to the Servicer which provides for compensation to be paid by the Servicer to an Owner as a Third Party Collection & Recovery Cost;
- (b) receive any form of direct or indirect compensation in respect of the Portfolio or performing the Services;
- (c) act in contravention of any Court Orders made in the Carnival receivership proceedings;
- (d) (i) enter into any transaction of reorganization, consolidation, amalgamation, merger or arrangement, as a result of which any Person other than the Owners becomes, the owner of all or substantially all the shares or assets of the Servicer, or that materially and adversely affects the Servicer's ability to perform any of its obligations under this Agreement, or (ii) liquidate, wind-up or dissolve or transfer, sell, lease or otherwise dispose of its assets as an entirety or substantially as an entirety;
- (e) take or omit to take any action if the taking or omitting to take such action would cause the Servicer to breach any representation, warranty or covenant in this Agreement or in any other document delivered hereunder or thereunder or contemplated hereby or thereby; or
- (f) authorize the Servicer to resign as Servicer without providing the Receiver with not less than 90 days' prior written notice (provided, for greater certainty, that nothing herein contained shall limit the ability of the Receiver to appoint a Replacement Servicer in accordance with the provisions of this Agreement).

ARTICLE 3
SERVICER TERMINATION EVENTS.

3.1 Servicer Termination Events

Upon the occurrence or existence of one or more of the following events or facts which is continuing and has not been remedied by the Servicer within the time period specified, if any, with respect to such events or facts (a "**Servicer Termination Event**"), the Receiver shall be entitled to effect a Servicer Transfer:

- (a) any failure of the Servicer to pay or deposit any amount to be paid or deposited by it under this Agreement into the Joint Trust Account within two Business Days of such payment or deposit being received by the Servicer from a Lessee, insurer or other payor;
- (b) other than as referred to in paragraph (a) above, any failure on the part of the Servicer to duly perform or observe any terms, conditions, covenants or

agreements of the Servicer set forth in this Agreement, which individually or collectively could be expected to have a material adverse effect on the Receiver, the Leased Vehicles, and if such failure is capable of being remedied, such failure continues unremedied for a period of 15 days after notice thereof has been delivered to the Servicer;

- (c) any representation or warranty made or deemed to have been made by the Servicer or an Owner (or any of their officers) in or pursuant to this Agreement or any document or instrument delivered pursuant hereto proves to have been false, misleading or incorrect in any material respect when made and, if capable of being cured, has not been cured within 15 days after notice thereof has been delivered to the Servicer;
- (d) the occurrence and continuance of an event of default, as defined in any indenture or instrument under which the Servicer has at any time, or shall after the date of this Agreement have, outstanding any indebtedness in an amount greater than \$100,000, if such indebtedness shall have become accelerated and such acceleration shall not have been rescinded or annulled or such event of default shall not be waived (and such waiver remains effective), remedied or cured, whether by payment or otherwise, by the Servicer within the time provided in such indenture or instrument, as a result of which the ability of the Servicer to comply with its obligations as Servicer under this Agreement, in the opinion of the Receiver, acting reasonably, is likely to be impaired in any material respect;
- (e) the taking of possession by an encumbrancer (including a receiver, receiver manager or trustee) of any assets of the Servicer or an Owner (other than solely to perfect a security interest therein), or the levying or enforcement or a distress or execution or any similar process against the assets of the Servicer that remains unsatisfied for such period as would permit a sale or other disposition of any assets of the Servicer;
- (f) the failure by the Servicer or an Owner to generally pay its debts as they become due, the admission in writing by the Servicer of its inability to pay its debts generally or the making by the Servicer of an assignment for the benefit of its creditors;
- (g) the filing by the Servicer or of an Owner of a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, or an application under the *Companies' Creditors Arrangement Act* or other similar legislation in the applicable jurisdiction;
- (h) the commencement or filing of a petition, notice or application by or against the Servicer or an Owner of any proceedings to adjudicate it a bankrupt or insolvent or seeking liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law of any

jurisdiction, whether now or after the date of this Agreement in effect, relating to the dissolution, liquidation or winding-up, bankruptcy, insolvency, reorganization of insolvent debtors, arrangement of insolvent debtors, readjustment of debt or moratorium of debts, or to obtain an order for relief by the appointment of a receiver, receiver manager, administrator, inspector, liquidator or trustee or other similar official for it or for any substantial part of its property and, if any such proceeding has been instituted against the Servicer or an Owner, either such proceeding has not been stayed or dismissed within 30 days (or to the extent being contested in good faith by the Servicer or Owner, within 60 days) or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official) are granted in whole or in part, or the performance by the Servicer or Owner of any act, or the omission to perform any act, that authorizes or indicates its consent to, approval of or acquiescence in, any such proceeding; and

- (i) the occurrence of any material adverse change in the financial condition, change in control or operations of the Servicer or an Owner, that in the reasonable opinion of the Receiver materially and adversely affects the Servicer's ability to perform its obligations under this Agreement.

3.2 Effecting a Servicer Transfer.

At any time following the occurrence of a Servicer Termination Event that has not been cured or waived, the Receiver may terminate the Servicer's appointment as Servicer hereunder (a "**Servicer Transfer**") by giving notice to the Servicer of its decision to terminate the Servicer's engagement as Servicer, which termination shall take effect at the time specified in such notice, or, failing the specification of any time, upon the appointment of a Replacement Servicer.

3.3 Appointment of Replacement Servicer.

At any time following the occurrence of a Servicer Termination Event that has not been cured or waived, the Receiver may by instrument in writing designate and appoint the Replacement Servicer.

3.4 Additional Servicer Covenants Following a Servicer Transfer.

From and after a Servicer Transfer until the Termination Date, the Servicer covenants and agrees that it shall at its own expense, in addition to any other obligations hereunder, upon the request of the Receiver:

- (a) remit to the Replacement Servicer all payments received by the predecessor Servicer in respect of amounts owing to the Receiver hereunder;

- (b) segregate all cash, cheques and other instruments constituting Proceeds of Disposition in a manner acceptable to the Receiver and, immediately upon receipt, deposit all such cash, cheques and instruments, duly endorsed or with duly executed instruments of transfer, to the Joint Trust Account or as the Receiver may direct;
- (c) deliver copies or originals of all Documents to the Receiver or as it may direct in writing (or retain the same in segregated storage if so directed), and provide the Receiver or its agent with all reasonable assistance necessary to decipher the Documents; and
- (d) perform any and all acts and execute and deliver any and all documents as may reasonably be requested by the Receiver in order to effect the purposes of this Agreement or to enable the Replacement Servicer to administer the disposition of the Leased Vehicles.

ARTICLE 4
RECEIVER'S OBLIGATIONS

4.1 **Approvals and Consents**

To the extent that any provision under this Agreement requires the Servicer to obtain the prior written approval or consent of the Receiver, the Receiver shall use its best efforts to provide the Servicer with its response to such request for approval or consent within 24 hours of receiving the Servicer's request for approval or consent. For purposes of this section, requests shall be directed by the Servicer to Duncan Lau of the Receiver at duncan.lau@ca.pwc.com or another PwC employee as directed by the Receiver, and the Receiver shall communicate its response by reply email to the sender of the request.

4.2 **Insurance**

The Receiver shall maintain or cause to be maintained, personal injury and damage insurance with respect to the Vehicles, and shall, in consultation with the Servicer, adjust coverage as required during the Term.

4.3 **Security**

The Receiver shall at its own cost maintain or cause to be maintained 24/7 security at the Premises from the Effective Date to the close of business on August 14, 2011.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 General Representations and Warranties of the Servicer and the Owners.

The Servicer and the Owners represent and warrants to and in favour of the Receiver, and acknowledges that the Receiver is relying upon such representations and warranties in consummating the transactions contemplated hereby, as follows:

- (a) The Servicer is a corporation duly incorporated, validly existing and in good standing under its jurisdiction of incorporation and has full power and authority to execute and deliver this Agreement and the other documents to be delivered hereunder and to perform the terms and conditions hereof and is duly qualified, licensed or registered in each of the provinces of Canada to carry on its present business and operations except where the failure to be so qualified, licensed or registered does not and will not materially adversely affect such operations or the Leased Vehicles;
- (b) the execution, delivery and performance by the Servicer of this Agreement, and all other instruments, agreements and documents to be delivered by it hereunder, and the transactions contemplated hereby and thereby, are within its powers, have been duly authorized by all necessary corporate or other action (as applicable) and do not contravene (i) its constating documents or by-laws, or (ii) any law or any contractual restriction binding on or affecting it and do not result in or require the creation of any Security Interest (other than the Security Interests created pursuant to this Agreement), upon or with respect to any of its properties, and the consummation of the transactions contemplated hereby does not require approval of shareholders or beneficiaries or approval or consent of any Person under any contract to which it is a party other than such consent as shall have been obtained by it, copies of which have been delivered to the Receiver;
- (c) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required for the due execution, delivery and performance by the Servicer of this Agreement, or any other instrument, agreement or document to be delivered hereunder;
- (d) this Agreement and the other instruments, agreements and documents to be executed and delivered by the Servicer and the Owners hereunder constitute legal, valid and binding obligations, enforceable against it in accordance with their terms;
- (e) as of the date hereof the Servicer's chief place of business is located at **[REDACTED]** (the "Servicer Offices") and all Documents once removed from the Premises will be maintained and located at the Servicer Offices;

- (f) there is no order, judgment or decree of any court, arbitrator or similar tribunal or Governmental Authority purporting to enjoin or restrain, and there are no proceedings before any court, arbitrator or similar tribunal or Governmental Authority seeking to enjoin or restrain, it from granting the Leases hereunder, or which might otherwise adversely affect its ability to perform its obligations hereunder; and
- (g) there are no actions, suits or proceedings in existence or pending or, to its knowledge, threatened, against or affecting it or its property in any court, or before any arbitrator of any kind, or before or by any governmental body, which may materially adversely affect its financial condition or materially adversely affect its ability to perform its obligations under this Agreement and all instruments, agreements and documents contemplated to be executed and delivered by it hereunder.

ARTICLE 6
MISCELLANEOUS

6.1 Amendments, Waivers, Entire Agreement.

No amendment or waiver of any provision of this Agreement nor consent to any departure therefrom shall, except as permitted herein, be effective unless the same shall be in writing and signed by (i) each of the parties hereto and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. This Agreement contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written agreements or undertakings.

6.2 Notices, Etc.

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telecopied or e-mailed) and telecopied, mailed, e-mailed or delivered to each party hereto at its address set forth under its name on the signature page hereof or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, in the case of written notice, on the Business Day it is delivered, and, in the case of notice by e-mail or telecopy, when e-mailed or telecopied and receipt confirmed back, in each case addressed as aforesaid.

6.3 No Waiver; Remedies.

No failure on the part of the Receiver to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

6.4 Binding Effect; Assignability.

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, that the Servicer may not assign its rights hereunder or any interest herein without the prior written consent of the Receiver.

6.5 Confidentiality.

Each of the parties hereto shall make all reasonable efforts to hold all non-public information obtained pursuant to this Agreement and the transactions contemplated hereby or effected in connection herewith in accordance with its customary procedures for handling its confidential information of this nature, provided that, notwithstanding the foregoing, such parties may make disclosure of such non-public information (i) as requested or required by any Governmental Authority or representative thereof or pursuant to legal process or when required under applicable law, (ii) to their respective professional advisors who use such information solely for the purposes of the transactions contemplated hereby; provided that, unless specifically prohibited by applicable law or court order, each party hereto shall notify the other party hereto of any request by any Governmental Authority or representative thereof or other Person for disclosure of any such non-public information prior to disclosure of such information to permit the party affected to contest such disclosure, if possible.

6.6 Termination.

This Agreement shall terminate upon earlier of: (i) the date upon which the wind-down of the Portfolio by the Servicer has been completed; (ii) a date agreed to in writing by the Receiver and the Servicer; or (iii) the date of fulfilment (or waiver by the Receiver) of the Servicer's obligations under section 2.10 following a Servicer Transfer (the "**Termination Date**"); provided, however, that any party's rights and remedies with respect to any incorrect representation or warranty made or deemed to be made, the failure to comply with any covenant herein contained, shall be continuing and will survive any termination hereof for a period of two years commencing on the Termination Date.

6.7 Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement or caused it to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

PRICEWATERHOUSECOOPERS INC., in its capacity as Court Appointed Receiver of the property, assets and undertaking of Carnival National Leasing Limited

Per: _____
Name: _____
Title: _____
I have authority to bind the Corporation

Autobank Inc.

Per: _____
Name: _____
Title: _____
I have authority to bind the Corporation

[REDACTED]

Per: _____
Name: _____
Title: _____
I have authority to bind the Corporation

[REDACTED]

Per: _____
Name: _____
Title: _____
I have authority to bind the Corporation

[REDACTED]

**SCHEDULE A
LEASE AND VEHICLE SCHEDULE**

[REDACTED]

**SCHEDULE B
VEHICLE SALES PROTOCOL**

[REDACTED]

**SCHEDULE C
RECEIVER'S VEHICLE ACCOUNTING METHODOLOGY**

[REDACTED]

SCHEDULE "D"
ACCOUNTS RECEIVABLE

[REDACTED]

SCHEDULE "E"
LEGAL CLAIMS

[REDACTED]

SCHEDULE "F"
AUTHORIZATION LIMITS
FOR THIRD PARTY COLLECTION & RECOVERY COSTS

[REDACTED]