

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

**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 Rules 14.05(2) and (3)(d), (g) and (h) of the Rules of Civil Procedure**

**MOTION RECORD OF THE RECEIVER  
(Returnable December 20, 2012)**

Date: December 14, 2012

**BORDEN LADNER GERVAIS LLP**

Barristers and Solicitors  
Scotia Plaza, 40 King Street West  
Toronto, ON M5H 3Y4

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Deerhorn Properties Inc., Carnival National Leasing Limited  
and Carnival Automobiles Limited

**AND TO: MILLER THOMSON LLP**  
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Lawyers for the Bank of Montreal

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

**B E T W E E N :**

**BANK OF MONTREAL**

**Applicant**

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**NOTICE OF MOTION  
(Returnable December 20, 2012)**

**PRICEWATERHOUSECOOPERS INC.** (the “**Receiver**”), in its capacity as receiver of all the assets, undertakings and properties of Carnival National Leasing Limited and Carnival Automobiles Limited (together “**Carnival**”), appointed pursuant to the Order of the Honourable Justice Newbould made February 15, 2011 (the “**Receivership Order**”), will make a motion to a Judge presiding over the Commercial List on Thursday, the 20th day of December, 2012 at 10:00 a.m., or as soon after that time as the motion can be heard at the Courthouse located at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** This motion is to be heard orally.

**THE MOTION IS FOR:**

1. An order, substantially in the form as attached hereto as Schedule "A" hereto, *inter alia*:
  - (a) declaring that the time for service of this Notice of Motion and the materials filed by the Receiver in support of this Notice of Motion is hereby abridged, such that this motion is properly returnable on December 20, 2012 and further service thereof on any other person shall be dispensed with;
  - (b) authorizing the Receiver to enter into an Agreement of Purchase and Sale (the "APS") with Carnival Limited Partnership, by its General Partner, GP Inc. (the "Purchaser") substantially in the form appended to the Third Report of the Receiver, dated December XX, 2012 (the "Third Report"), and approving the APS;
  - (c) Vesting the Purchased Assets in the Purchaser effective upon closing of the transaction contemplated by the APS; and
  - (d) Such further and other relief as counsel may advise and to this Honourable Court may seem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. As authorized by Order of the Court dated April 21, 2011, the Receiver conducted a sales and solicitation process for offers to purchase or proposals to administer the Carnival portfolio of vehicles and vehicle leases (the "Portfolio Assets").
2. As authorized by Order of the Court dated July 18, 2011, the Receiver entered into a Portfolio Administration Agreement with Autobank Inc., now called Autocapital Inc. (the "Servicer"), pursuant to which the Servicer was engaged as agent of the Receiver for the purpose of administering and winding-down the Portfolio Assets.
3. The Purchaser is an entity related to the Servicer. The Servicer has made an offer to the Receiver to terminate the PAA, and to have the Purchaser purchase the Portfolio Assets and ancillary business assets of Carnival used in the administration of the Portfolio Assets (the "Purchased Assets") from the Receiver (the "Transaction").

4. The Receiver has reviewed the business terms of the Transaction with representatives of Bank of Montreal (“**BMO**”) and Royal Bank of Canada (“**RBC**”) and both have approved the Transaction and the form of APS.
5. The Receiver has provided its realization analysis and a draft of the APS to Carnival’s former principal, David Hirsh, who is a guarantor of Carnival’s obligations to BMO and is also the principal of Deerhorn Family Holdings Inc., a subordinated secured creditor of Carnival. The Receiver has attempted to speak with Mr. Hirsh to go over the business terms of the Transaction with him, however due to Mr Hirsh’s recent health issues, has been unable to do so as of the date hereof.
6. In addition to providing a comparable adjusted level of recovery to BMO and RBC as compared to the continued wind-down of the Portfolio Assets, the Transaction also provides certainty of recovery, and substantially eliminates the ongoing costs of the dealings between the Receiver and the Servicer as the Portfolio Assets are wound down (the last vehicle lease term ends in 2016).
7. The PAA can only be terminated by the agreement of the Servicer and the Receiver. As a result, the Receiver is not in a position to solicit purchase offers from other parties, since the Servicer has advised the Receiver that it is not prepared to terminate the PAA to enable the Transaction to take place, unless the Purchased Assets are sold to the Purchaser.
8. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Third Report of the Receiver and the Appendices thereto; and
2. Such further and other evidence as counsel may submit and this Honourable Court may permit.

Date: December 13, 2012

**BORDEN LADNER GERVAIS LLP**

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Lawyers for the Receiver

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**Attention: Lou Brzezinski** ([lbrzezinski@blaney.com](mailto:lbrzezinski@blaney.com))

Lawyers for David Hirsh, Deerhorn Family Holdings Inc.,  
Deerhorn Properties Inc., Carnival National Leasing Limited  
and Carnival Automobiles Limited

**AND TO: MILLER THOMSON LLP**

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**Attention: Arthi Sambasivan** ([asambasivan@millerthomson.com](mailto:asambasivan@millerthomson.com))

Lawyers for the Bank of Montreal

**AND TO: THORNTON GROUT FINNIGAN LLP**

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**Attention: D.J. Miller** ([djmiller@tgf.ca](mailto:djmiller@tgf.ca))

Lawyers for Royal Bank of Canada

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

THE HONOURABLE  
JUSTICE

)  
)  
)

THURSDAY, THE 20<sup>th</sup> DAY  
OF DECEMBER, 2012

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, s.101 of the *Courts 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**

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by PricewaterhouseCoopers Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Carnival National Leasing Limited ("**Carnival Leasing**") and Carnival Automobiles Limited ("**Carnival Automobiles**") and, together with Carnival Leasing, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Carnival Limited Partnership on its own behalf and on behalf of [*an affiliated corporation to be incorporated*] (collectively, the "**Purchasers**")

dated as of December 14, 2012 and appended to the Third Report of the Receiver dated December 14, 2012 (the "**Third Report**"), and vesting in the Purchasers all right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Third Report and on hearing the submissions of counsel for the Receiver, counsel for the Purchasers, no one appearing for any other person on the service list, although properly served as appears from the affidavit of <\*> sworn December <\*>, 2012 filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchasers.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchasers substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchasers, in accordance with the allocation scheme set out in the Sale Agreement, free and clear of and from any and 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 (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated February 15, 2011; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), but excluding any valid encumbrance arising in the ordinary course of business in the nature of a mechanic's lien or repair and storage lien pertaining to any vehicle which is the subject of the Transaction (the "**Permitted Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased

Assets (but excluding the Permitted Encumbrances) are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, notwithstanding the provisions of subsection 171(3) of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the Receiver be and is hereby authorized and directed, upon filing of the Receiver's Certificate, to complete, execute and file articles of amendment for and on behalf of each of each of the Debtors and any officer and director of each Debtor (each such articles of amendment to be deemed to have been signed by a director or an officer of the applicable Debtor and executed in accordance with the OBCA when so signed by the Receiver as directed by this Court) for the sole purpose of changing the corporate name of Carnival Leasing to 1555644 Ontario Limited and the corporate name of Carnival Automobile to 661215 Ontario Limited (and such amendments shall be deemed to have been duly authorized by Section 168 of the OBCA without any shareholder or director resolution approving such amendments being required), and this Court hereby directs the Director (as defined in the OBCA) to endorse thereon certificates of amendment upon receipt from the Receiver of two duplicate originals of each such articles of amendment together with the prescribed fees and any other required documents under the OBCA (which the Receiver be and is hereby authorized and directed to complete, execute and file for and on behalf of the Debtors and any officer and director of the Debtors, if and as required) except for any such documents as have been dispensed or otherwise dealt with pursuant to the deeming provisions contained herein.

1. **THIS COURT ORDERS** that upon filing of the articles of amendment changing the names of each of the Debtors in accordance with paragraph 5 and the Receiver filing with this Court a written confirmation that such name changes have been effected:

- (a) the title of these proceedings shall be and is hereby changed to the following:

BETWEEN:

**BANK OF MONTREAL**

Applicant

- and -

**1555644 ONTARIO LIMITED AND  
661215 ONTARIO 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) and (3)(d), (g) and (h) of the Rules of Civil Procedure**

2. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other

reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

4. **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.

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**Schedule A – Form of Receiver's Certificate**

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

**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 14.05(2) and (3)(d), (g)  
and (h) of the Rules of Civil Procedure**

**RECEIVER'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the "**Court**") dated February 15, 2011, PricewaterhouseCoopers Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Carnival National Leasing Limited and Carnival Automobiles Limited (collectively, the "**Debtor**").

B. Pursuant to an Order of the Court dated December 20, 2012, the Court approved the agreement of purchase and sale made as of December 14, 2012 (the "**Sale Agreement**") between the Receiver and Carnival Limited Partnership on its own behalf and on behalf of an affiliated corporation to be incorporated (collectively, the "**Purchasers**") and provided for the vesting in the Purchasers of all right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the

delivery by the Receiver to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchasers have paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 5 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ on December \_\_\_\_, 2012.

**PRICEWATERHOUSECOOPERS INC., in  
its capacity as Receiver of the undertaking,  
property and assets of Carnival National  
Leasing Limited and Carnival Automobiles  
Limited, and not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

**BANK OF MONTREAL**

- and -

**CARNIVAL NATIONAL LEASING LIMITED et al.**

**Applicant**

**Respondents**

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

**Proceedings Commenced at Toronto**

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**NOTICE OF MOTION**  
**(Returnable DECEMBER 20, 2012)**

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Lawyers for the Receiver

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

**THIRD REPORT OF THE RECEIVER**

**December 14, 2012**

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

**THIRD 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**

**December 14, 2012**

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## I. INTRODUCTION

1. This report is the Receiver's third report (the "**Third 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 (owed \$17.7 million by Carnival as at the date of the receivership application), 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 (owed \$5.6 million by Carnival as at the date of the Receivership application) 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 ("**PPSA 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. The Receiver understands that Deerhorn has contractually subordinated its claims and security interests to the debts and security of the Banks.
5. In July of 2011, the Court issued an order authorizing the Receiver to enter into a portfolio administration agreement ("**PAA**") with Autobank Inc. (now AutoCapital Canada Inc.) (the "**Servicer**") to administer the wind-down of Carnival's vehicle inventory and lease portfolio (the "**Portfolio Assets**") on behalf of the Receiver.

6. This Third Report should be read in conjunction with the Receiver's first report dated April 15, 2011 (the "**First Report**") and the Receiver's second report dated July 12, 2011 (the "**Second Report**"). Copies of the First Report and Second Report without exhibits are attached hereto as **Appendices "B" and "C"** respectively.

## II. PURPOSE OF THIS REPORT

7. The purpose of this Third Report is to:
  - (a) Summarize the business terms of the proposed transaction to sell the business assets of Carnival, including the Portfolio Assets (the "**Transaction**") as contemplated by the proposed Agreement of Purchase and Sale (the "**APS**") between the Receiver as vendor, and Carnival Limited Partnership, by its General Partner Carnival GP Inc. (the "**Purchaser**") an entity affiliated with the Servicer;
  - (b) Summarize the background events that lead the proposed Transaction and APS;
  - (c) Update the Court on the Receiver's receipts and disbursements to date;
  - (d) Recommend that this Honourable Court issue the Approval and Vesting Order.

## III. THE SALE PROCESS

8. Pursuant to an order of the Court dated April 21, 2011 and as more particularly described in the Second Report (filed in support of the motion for the approval of the PAA) the Receiver conducted a sale and solicitation process (the "**Sale Process**") between April and June 2011 to either sell the Portfolio Assets, or find a suitable servicer to administer the wind down of the Portfolio Assets. During the Sale Process, the Receiver contacted 117 parties, distributed 74 general information packages and executed confidentiality agreements with 28 parties.
9. The Receiver received seven expressions of interest to purchase some or all of the Portfolio Assets and received eight proposals to administer the wind down of the Portfolio Assets. The Receiver continued with a limited dual track due diligence process with two Portfolio Asset purchase parties and four Portfolio Asset administration parties, to refine and clarify the terms of their offers and proposals.

10. At the conclusion of that further process, the Receiver received only one offer to purchase the Portfolio Assets, which was not reduced to writing by the offeror, and three written Portfolio Asset administration proposals for the entirety of the Portfolio Assets.
11. Based on the Receiver's analysis of the four offers received, including a detailed analysis and projection of the potential realizations under an outright sale versus administration/run-off of the Portfolio Assets (the "**June 2011 Projections**"), the Receiver, with the approval of BMO and RBC, negotiated and entered into the PAA with the Servicer on July 8, 2011, subject to the approval of the Court. The Court issued an Order on July 18, 2011 approving the PAA.
12. The Servicer has been administering the wind-down of the Portfolio Assets since July 18, 2011, and since that time, (as at September 28, 2012), the number of open vehicle leases has been reduced from approximately 1,390 to 398 leases. The last lease of the remaining 398 leases is scheduled by its terms to expire in May 2016.

#### IV. THE PROPOSED TRANSACTION

13. In early November, 2012, the Servicer proposed to the Receiver an outright purchase of the remaining Portfolio Assets and substantially all other property and assets of Carnival used in connection with or otherwise relating to the Carnival business, including the Company's intellectual property, goodwill, licenses and permits (collectively the "**Purchased Assets**"). Following discussions between the Servicer and the Receiver with respect to the structure and principal economic terms of the proposed Transaction, the Servicer proposed a cash purchase price of \$3,522,339 (the "**Purchase Price**"), subject to adjustment for gross receipts (excluding HST and receipts on Excluded Assets) (the "**Gross Proceeds**") received under the PAA between September 30, 2012 and the proposed Closing Date. The Transaction will exclude certain Carnival assets that the Receiver has continued to realize upon outside of the PAA ("**Excluded Assets**"). A list of the Excluded Assets is scheduled to the APS.
14. To validate the economic terms of the proposed Transaction, the Receiver performed a detailed analysis of the potential realizations of the remaining Portfolio Assets on a lease by lease basis, including but not limited to an analysis of historic results, default rates, legal proceedings and insurance settlements (the "**Realization Analysis**"). Based on the Realization Analysis, the Receiver has determined that the proposed Purchase Price

offered by the Purchaser is substantially in line with the estimated projected recoveries under the PAA if the Portfolio Assets were fully run off by the Servicer factoring in: (i) the time value of money, (ii) historic defaults rates and (iii) other risks.

15. Additionally, the overall anticipated realization of the Portfolio Assets inclusive of the amounts realized by the Receiver under the PAA to date and the proposed Transaction Purchase Price is also in line with the Receiver's original estimate of the realization of the wind-down of the Portfolio Assets in the June 2011 Projections.
16. Upon receiving the purchase proposal from the Servicer, the Receiver determined that it was not appropriate or cost effective to solicit competing offers for the purchase of the Purchased Assets for the following principal reasons:
  - (i) The PAA can only be terminated with the agreement (or default) of the Servicer, and as such the Receiver has no ability to sell the Portfolio Assets without the agreement of the Servicer (as no defaults have occurred). The Servicer has advised that it would not be prepared to terminate the PAA for purposes of the Receiver selling the Portfolio Assets unless the buyer of the Portfolio Assets was the Purchaser;
  - (ii) The Sales Process run by the Receiver in 2011 demonstrated that there was very limited interest in the market for the outright purchase of the Portfolio Assets as only one verbal portfolio purchase offer was received, and its terms were financially inferior to the administration proposals; and
  - (iii) The Servicer has been administering the Portfolio Assets since July, 2011 and therefore has an in-depth understanding of the economics of the Portfolio Assets and a familiarity with the accounting, systems and procedures and books and records of Carnival which allowed the Purchaser to make a credible, closable and cost effective purchase offer, with minimal additional costs to be incurred by the Receiver to implement the Transaction as compared to an outside third party.
17. The Realization Analysis and a draft of the APS were shared with BMO, RBC and counsel to Mr. Hirsh and the Receiver has recommended to them to pursue the proposed Transaction with the Purchaser. BMO and RBC have each advised the Receiver that they are in agreement with moving forward with the purchase proposal.
18. The Receiver and the Purchaser have, subject to the approval of this Honourable Court finalized the terms of the proposed APS. A copy of the APS (redacted of personal information of lessees) is attached hereto as **Appendix "D"**.

19. The Purchase Price offered by the Purchaser was based on the lease portfolio as at September 30, 2012. The APS provides that the Purchase Price will be adjusted based on 80% of the Gross Proceeds received under the PAA from September 30, 2012 to the closing date of the Transaction as indicated in the APA. The 80% factor is reasonable given that historically, 77% to 80% of gross receipts of the Portfolio Assets are realized by the Receiver given the out of pocket and Servicer costs to administer the Portfolio Assets.
20. The adjusted Purchase Price will be paid in full on Closing, which is expected to occur on the day of or immediately following the making of the Approval and Vesting Order should the Court determine the relief sought is appropriate.

#### V. RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

21. The Receiver's statement of cash receipts and disbursements for the period February 15, 2011 to November 2, 2012 (the "**R&D Period**") is found below:

<b>STATEMENT OF RECEIPTS AND DISBURSEMENTS</b> <b>For the period from February 15, 2011 to November 2, 2012</b>	
	<b>Canadian \$</b>
<b>Receipts (Note 1)</b>	
Monthly Lease Rental (net of NSF's)	8,094,101
Residuals and Early Buyouts	4,716,256
Net Insurance Settlements	920,833
Third Party Sales	5,361,336
Other Recoveries	372,117
<b>Total Receipts</b>	<b>19,464,643</b>
<b>Disbursements:</b>	
Pre-Receivership Charges	15,473
Overhead and Operating Expenses	2,215,698
Salaries, Commissions and Benefits	174,007
Security Costs	117,244
HST Payments	1,343,599
Professional Fees	2,173,290
<b>Total Disbursements</b>	<b>6,039,311</b>
<b>Excess of Receipts over Disbursements</b>	<b>13,425,332</b>
Distributions to date	10,888,164
<b>Remaining Excess</b>	<b>2,537,168</b>
Cash Collateral	162,690
<b>Cash on Hand</b>	<b>2,699,858</b>

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

22. All receipts collected and proceeds of realization generated by the Servicer and Receiver are tracked on a lease by lease basis in accordance with paragraph 3(o) of the Receivership Order ("**Vehicle Accounting**"), where Carnival's or the Bank's records enable the Receiver to do so.
23. 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**").
24. The Receiver and Servicer have collected \$8,094,101 in lease rentals through customer pre-authorized payments, cash, cheque and credit card deposits. This amount is net of any returned items as the result of non-sufficient funds ("**NSFs**").
25. The Receiver and Servicer have processed 408 residual and early vehicle buyouts by Carnival lessees or purchasers which the lessees have brought forward to Carnival. The aggregate proceeds of these buyouts are \$4,716,256.
26. The Receiver and Servicer have received 42 insurance settlements on vehicles which were either stolen or in car accidents for aggregate proceeds of \$920,833. This amount is net of any customer refunds where the insurance proceeds were in excess to the amount owed to Carnival. These excess amounts were refunded to the original lessee in accordance with the terms and conditions of the applicable Carnival lease agreement.
27. The Receiver and Servicer have implemented 323 third party vehicle sales, generating aggregate proceeds of \$5,361,336. Third party sales include both private sales to individual third parties and the 98 vehicles sold at the Court approved public vehicle auction held on May 1, 2011 at the Markham Fairgrounds, as outlined in the Second Report.
28. The Receiver and Servicer have recovered \$372,117 in other recoveries which are predominantly realizations of past due Carnival customer accounts which are no longer associated with a specific lease or vehicle, and investment interest.

29. The pre-receivership charges of \$15,473 include certain mechanic, legal and employee costs which the Receiver allowed payment for in order to facilitate initial asset recoveries.
30. The overhead and operating costs of \$2,215,698 include mechanic charges to release certain vehicle liens, bailiff fees, computer costs, license registrations costs, credit card fees, rent, utilities, fees paid to the Servicer and its legal counsel and monthly service charges to maintain certain regulatory registrations (PPSA Canada Inc., CarProof, etc.).
31. Salaries, commissions and benefits of \$174,007 represent payments made to the former Carnival employees that the Receiver retained prior to the transition to the Servicer. Following the appointment of the Servicer, the Receiver terminated all remaining Carnival employees and the Servicer took over responsibility for hiring and paying any personnel used to wind-down the Portfolio Assets.
32. Security costs of \$117,244 represent the security services that the Receiver maintained at the Carnival premises prior to the appointment of the Servicer. Following its appointment the Servicer has borne the cost of security per the PAA.
33. The Receiver has remitted \$1,343,599 in HST based on actual amounts collected, net of input tax credits.
34. The Receiver's "priority" professional fees incurred during the R&D Period totaled \$1,603,446 and the "priority" professional fees of the Receiver's former counsel, Fasken Martineau DuMoulin LLP ("**FMD**") incurred during the R&D Period totaled \$394,611. An additional \$175,233 was paid to PricewaterhouseCoopers Corporate Finance Inc. for their services in managing the Sale Process. Pursuant to paragraph 23 of the Receivership Order, the Receiver and FMD have maintained a Postponed Fee Reserve (as defined in the Receivership Order) which ranks subordinate to the indebtedness and security of BMO and RBC.
35. 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 as 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 is currently completing certain outstanding work on the subdivision in an effort to secure the release of the remaining balance in the Cash Collateral Account.

36. The Receiver has, to date, distributed \$10,888,164 to the Banks in accordance with the Orders of the Court made on April 21 and July 18, 2011. The Receiver will, in the near future, be bringing a motion for the approval of additional distributions to BMO and RBC, the approval of the Receiver's, reports, activities, Statement of Receipts and Disbursements and approval of the fees of its counsel.

**VI. RECOMMENDATION**

37. The Receiver respectfully recommends and requests that the Court grant an order approving the APS, authorizing the Receiver to enter into the APS and carry out the Transaction, and vesting the Purchased Assets in the Purchaser.

**RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of December, 2012,**



**Paul van Eyk, CA**

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

Appendix "A"

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR.

JUSTICE NEWBOULD

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)  
)

TUESDAY  
FRIDAY, THE 11<sup>TH</sup>  
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.

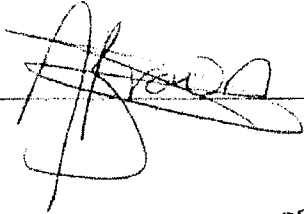
33. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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 "K. K. K.", is written over a horizontal line.

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

FEB 16 2011

PER / PAR:

Handwritten initials "NB" in black ink.

## 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

CARNIVAL NATIONAL LEASING  
LIMITED AND CARNIVAL  
AUTOMOBILES LIMITED

Court File No: CV-10-0029-0001

Respondents

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

Proceeding commenced at Toronto

ORDER

**MILLER THOMSON LLP  
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TORONTO, ON CANADA M5H 3S1**

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Tel: 416.595.8615/8636  
Fax: 416.595.8695

Lawyers for the Applicant. Bank of Montreal



Appendix "B"

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

**FIRST REPORT OF THE RECEIVER**

**April 15, 2011**

*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**

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## 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](http://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 sale<sup>1</sup> 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.

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<sup>1</sup> 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 be '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



**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

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**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](http://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 \$
<b>Receipts (Note 1)</b>	
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
<b>Total Receipts</b>	<b>6,712,915</b>
<b>Disbursements:</b>	
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
<b>Total Disbursements</b>	<b>1,951,836</b>
<b>Excess of Receipts over Disbursements</b>	<b>4,761,079</b>
Cash Collateral	162,361
<b>Cash on Hand</b>	<b>4,923,440</b>
Ordinary Course Distributions	1,367,081
Proposed Non-Ordinary Course Distributions	2,198,481
<b>Estimated Cash Available after Proposed Distributions</b>	<b>1,357,878</b>

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 "**Lamék 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;

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- (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,**

A handwritten signature in black ink, appearing to be 'P. 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

**AGREEMENT OF PURCHASE AND SALE**

**THIS AGREEMENT** made the \_\_\_\_ day of December, 2012

**BETWEEN:**

**PRICEWATERHOUSECOOPERS INC.** solely in its capacity as the Court-appointed receiver of all property, assets and undertaking of Carnival National Leasing Limited and Carnival Automobiles Limited, and not in its personal capacity (the **"Vendor"**)

- and -

**CARNIVAL LIMITED PARTNERSHIP**, an Ontario limited partnership (**"Carnival LP"**), by its general partner, **CARNIVAL GP INC.**, on its own behalf and on behalf of a corporation to be incorporated (**"Carnival II"**, and, collectively with Carnival LP, the **"Purchaser"**)

**WHEREAS:**

- A. the Vendor was appointed as receiver (the **"Receiver"**) of all the assets, properties and undertakings of Carnival National Leasing Limited (**"Carnival Leasing"**) and Carnival Automobiles Limited (**"Carnival Auto"**, and, together with Carnival Leasing, **"Carnival"**) by order of the Ontario Superior Court of Justice (Commercial List) (the **"Court"**) dated February 15, 2011 (the **"Receivership Order"**);
- B. following a court approved sales and marketing process undertaken by the Receiver, the Receiver and certain of the Purchaser's affiliates (collectively in such capacity, the **"Servicer"**) entered into a Vehicle Lease Portfolio Administration Agreement dated July 8, 2011 which was approved by Order of the Court made July 18, 2011 (the **"Administration Agreement"**).
- C. the Servicer has been administering the wind-down of Carnival's business, including its inventory of vehicles and equipment and portfolio of vehicle and equipment leases on behalf of the Receiver;
- D. the Receivership Order provides that the Vendor has the power to sell all or any part of Carnival's property, assets and undertaking, subject to approval of the Court;
- E. the Vendor wishes to sell to the Purchaser and the Purchaser wishes to purchase from the Vendor substantially all of the assets which make up the Carnival Business, including the Portfolio Assets, Goodwill, Intellectual Property (as such terms are defined below), customers lists and other assets;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that, in consideration of the premises, the mutual covenants and agreements herein contained and other good and valuable

consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby covenant and agree as follows:

## ARTICLE 1 - INTERPRETATION

### 1.01 **Definitions.** In this agreement:

- (a) **"Accounts Receivable"** means all accounts receivable of Carnival, including, without limitation, the accounts listed on **Schedule 1.01(a)** hereto;
- (b) **"Act"** means the *Canada Business Corporations Act* as in effect on the date hereof;
- (c) **"Administration Agreement"** has the meaning ascribed thereto in the second recital;
- (d) **"Affiliate"** has the meaning ascribed thereto in the Act;
- (e) **"Approval and Vesting Order"** means an order of the Court in the Receivership Proceeding, in form and substance and on terms (including the contents of the service list) acceptable to the Vendor and the Purchaser and their respective solicitors, acting reasonably, (i) approving this agreement, (ii) authorizing and directing the Vendor to execute and deliver this agreement, (iii) directing the Vendor to complete the Transaction, and (iv) vesting in the Purchaser all right, title and interest of Carnival and the Vendor in the Purchased Assets, free and clear of all claims, mortgages, charges, liens, security interests or encumbrances of every nature or kind whatsoever;
- (f) **"Assumed Liabilities"** means the liabilities to be assumed by the Purchaser pursuant to section 2.08 hereof;
- (g) **"Books and Records"** means all books and records relating to the Purchased Assets (other than (i) those required by law to be retained by the Vendor, copies of which will be made available to Purchasers, and (ii) personnel records), including, without limitation, customer lists, sales records, transaction histories, price lists and catalogues, sales literature, advertising material, manufacturing data, production records, employee manuals, supply records, inventory records and correspondence files (together with, in the case of any such information which is stored electronically, the media on which the same is stored);
- (h) **"Business Day"** means any day, other than a Saturday or Sunday, on which commercial banks in Toronto, Ontario, are open for business during normal banking hours;
- (i) **"Carnival"** has the meaning ascribed thereto in the first recital;
- (j) **"Carnival Leasing"** has the meaning ascribed thereto in the first recital;

- (k) **"Carnival Auto"** has the meaning ascribed thereto in the first recital;
- (l) **"Carnival Business"** means the business carried on by Carnival consisting primarily of providing lease financing to individuals for new and used vehicles;
- (m) **"Cash"** means all cash on hand, cash equivalents and bank deposits of Carnival in existence on the Closing Date;
- (n) **"Closing Certificate"** means the certificate referred to in the Approval and Vesting Order which, when delivered to the Purchaser, gives effect to the vesting provisions contained in the Approval and Vesting Order;
- (o) **"Closing Date"** means the Business Day immediately following the day upon which the Approval and Vesting Order is made by the Court, or such other date as may be agreed to by the Parties;
- (p) **"Collection Proceeds"** means amounts collected by the Servicer, including by the way of legal proceedings or settlement, on account of Accounts Receivable, Legal Claims, defaulted Lease Payments, partial payment on Leases, catch up payments on Leases, residual guarantee amounts and other amounts owing under a Lease not paid by the Lessee and guarantees thereof in accordance with the terms of the Lease;
- (q) **"Commercially Reasonable Efforts"** means, subject to section 1.06 hereof, the efforts that a prudent person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible;
- (r) **"Contract"** means any agreements, indenture, contract, lease, deed of trust, license, option, instrument or other commitment, whether written or oral, but excluding any Lease;
- (s) **"Court"** has the meaning ascribed thereto in the first recital;
- (t) **"Excluded Assets"** means the assets listed on **Schedule 1.01(t)** hereto;
- (u) **"Excluded Leases"** means leases listed on **Schedule 1.01(u)** hereto;
- (v) **"Goodwill"** means all goodwill, together with the ability of the Purchaser to represent itself as carrying on the Carnival Business in succession to Carnival and the right to use any words indicating that the Carnival Business is so carried on, including the right, if any, to use the name "Carnival" in connection with the words "leasing" or "automobiles" or both or any variation thereof, as part of the name or style under which the Carnival Business or any part thereof is carried on by Purchaser.
- (w) **"Gross Proceeds"** means all Lease Payments, Vehicle Proceeds, Collection Proceeds and all other amounts generated in respect of any dealings with the Portfolio Assets, excluding HST or other applicable excise taxes collected, that

are the subject matter of the Administration Agreement, all of which are deposited by the Servicer in the Servicer Account on a daily basis in accordance with the terms of the Administration Agreement, which, for greater certainty, excludes any amounts received from the Excluded Assets and Excluded Leases;

- (x) **"HST"** means harmonized sales tax imposed under the HST Legislation;
- (y) **"HST Legislation"** means Part IX of the *Excise Tax Act* (Canada);
- (z) **"Intellectual Property"** means all trade or brand names, business names, trademarks (including logos), trade-mark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, issued patents and pending applications and other patent rights, industrial design registrations, pending applications and other industrial design rights, trade secrets, proprietary information and know-how, equipment and parts lists and descriptions, instruction manuals, inventions, inventors' notes, research data, blue prints, drawings and designs, formulae, processes, technology and other intellectual property, together with all rights under licences, registered user agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing;
- (aa) **"Leases"** means all leases pursuant to which Carnival is the Lessor including, without limitation, the leases listed on **Schedule 1.01(aa)** hereto and any leases of the Vehicles listed on Schedule 2.02(a) hereto and, each, a **"Lease"**;
- (bb) **"Lease Payments"** means the ordinary course monthly payments made by Lessees under Leases together with the gross proceeds of all Vehicles bought-out by Lessees under Leases which are in good standing;
- (cc) **"Lessee"** means a lessee, co-signor or guarantor in respect of a Lease;
- (dd) **"Legal Claims"** means the legal proceedings commenced by Carnival or the Vendor, as listed on **Schedule 1.01(dd)** hereto;
- (ee) **"Licenses and Permits"** means all transferable licenses, permits, approvals, consents, registrations, certificates and other authorizations relating to the Purchased Assets;
- (ff) **"OMVIC License"** means an Ontario Motor Vehicle Industry Council lease finance dealer license;
- (gg) **"Parties"** means, collectively, the Vendor and the Purchaser, and, each, a **"Party"**;
- (hh) **"Person"** has the meaning ascribed thereto in the Act;
- (ii) **"Portfolio Assets"** means the Leases and the Vehicles;

- (jj) **"Purchased Assets"** has the meaning ascribed thereto in section 2.01;
- (kk) **"Purchase Price"** means the amount referred to in section 2.02;
- (ll) **"Receiver"** has the meaning ascribed thereto in the first recital;
- (mm) **"Receivership Order"** has the meaning ascribed thereto in the first recital;
- (nn) **"Receivership Proceeding"** means the Court proceeding in which the Receivership Order was made;
- (oo) **"Servicer"** has the meaning ascribed thereto in the second recital;
- (pp) **"Servicer Account"** means the Bank of Montreal account held jointly in the name of the Servicer and the Receiver into which Gross Proceeds have been received pursuant to the Administration Agreement;
- (qq) **"Tax Receivables"** means all accounts receivable for provincial or federal sales taxes connected to leases entered into by Carnival as lessor;
- (rr) **"Third Party Collection and Recovery Costs"** means amounts paid by the Servicer to third parties not related to the Servicer from funds in the Servicer 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 have been approved in advance by the Receiver in writing as per the Administration Agreement.
- (ss) **"Time of Closing"** means 1:00 o'clock in the afternoon on the Closing Date or such other time on the Closing Date as the Parties may agree to in writing;
- (tt) **"Transaction"** means the transaction of purchase and sale herein contemplated and provided for;
- (uu) **"Transition Period"** means the time period that begins on the Closing Date and terminates on the earlier of: (i) the fifth Business Day immediately following the date on which the Purchaser obtains an OMVIC License; and (ii) the date that is ninety days after the Closing Date;
- (vv) **"Vehicles"** means all motor vehicles and items of equipment owned by or registered in the name of Carnival, including, without limitation, the motor vehicles and/or items of equipment listed on Schedule 1.01(vv) and Schedule 2.02(a) hereto and, each, a **"Vehicle"**; and
- (ww) **"Vehicle Proceeds"** means the gross proceeds of disposition of Vehicles and any insurance proceeds in respect of Vehicles that are lost, stolen (and not recovered

within sixty days of being reported stolen), destroyed, seized or otherwise rendered permanently unfit or unavailable for use.

- 1.02 **Schedules.** The following schedules are attached to and incorporated in this agreement by reference:

**Schedule 1.01(a)** – Accounts Receivable;

**Schedule 1.01(t)** – Excluded Assets;

**Schedule 1.01(u)** – Excluded Leases;

**Schedule 1.01(aa)** – Leases;

**Schedule 1.01(dd)** – Legal Claims;

**Schedule 1.01(vv)** – Vehicles;

**Schedule 2.02(a)** – Carnival II Vehicles; and

**Schedule 2.02(a)(iii)** – Carnival II Accounts Receivable.

- 1.03 **Currency.** All dollar amounts referred to in this agreement are in lawful money of Canada unless otherwise specifically provided.
- 1.04 **Number and Gender.** Words importing the singular number include the plural and vice versa and words importing gender include all genders. The word “person” as used herein has the meaning ascribed to it in the Act.
- 1.05 **Governing Law.** This agreement is made under the laws of the Province of Ontario and for all purposes, including matters of construction, validity and performance, will be governed by the laws of Ontario and the laws of Canada applicable therein.
- 1.06 **Commercially Reasonable Efforts.** The Parties acknowledge and agree that, for all purposes of this agreement, an obligation on the part of either Party to use Commercially Reasonable Efforts to obtain any waiver, consent, approval, permit, licence or other document shall not require such party to make any material payment to any Person for the purpose of procuring the same, other than payments for amounts due and payable to such Person, payments for incidental expenses incurred by such Person and payments required by any applicable law or regulation.

## **ARTICLE 2- PURCHASE AND SALE OF PURCHASED ASSETS**

- 2.01 **Purchase and Sale.** Subject to the terms and conditions hereof, the Vendor will sell to the Purchaser and the Purchaser will purchase from the Vendor, on the Closing Date, all of the property and assets used in connection with or otherwise relating to the Carnival Business other than the Excluded Assets, whether real or personal, tangible or intangible,

of every kind and description and wherever situate (collectively, the “**Purchased Assets**”), including, without limitation:

- (a) the Leases;
- (b) the Vehicles;
- (c) beneficial interest in Vehicle registrations and insurance, as described in section 2.03;
- (d) the Legal Claims;
- (e) the Licenses and Permits;
- (f) the Intellectual Property;
- (g) the Books and Records;
- (h) the Goodwill; and
- (i) all telephone numbers, internet domain names and websites for the Carnival Business.

2.02 **Allocation of Purchased Assets.** The Vendor and the Purchaser agree that the Purchased Assets shall be conveyed as follows:

- (a) the following Purchased Assets shall be conveyed to Carnival II:
  - (i) all Vehicles listed on Schedule 2.02(a) hereto and any other Vehicles not listed on Schedule 1.01(vv) hereto;
  - (ii) all Leases of the Vehicles listed on Schedule 2.02(a) hereto and any other Leases not listed on Schedule 1.01(aa) hereto;
  - (iii) all Accounts Receivable listed on Schedule 2.02(a)(iii) hereto and any other Accounts Receivable not listed on Schedule 1.01(a) hereto; and
- (b) all other Purchased Assets shall be conveyed to Carnival LP.

2.03 **Registered Ownership of Vehicles.**

- (a) The Vendor and the Purchaser acknowledge that Carnival is recorded as the owner of the Vehicles on the motor vehicle permits issued by the applicable provincial or territorial motor vehicle registries. Upon the termination of the Transition Period, the Purchaser shall immediately cause the transfer of the motor vehicle permits of all Vehicles that have not been sold by the Purchaser during the Transition Period, into the Purchaser’s name and at the Purchaser’s sole expense.

- (b) So long as Carnival remains shown as the registered owner of any Vehicle on its motor vehicle permit, the Vendor agrees that Carnival shall hold such registration on behalf of the Purchaser as a nominee and bare trustee and in no other capacity.
- (c) The Vendor, on behalf of Carnival, hereby nominates, constitutes and appoints the Purchaser, as Carnival's agent and true and lawful attorney during the Transition Period to act on its behalf with full power and authority in its name, place and stead to execute, swear to, acknowledge, deliver and record or file as and where required any document that the Purchaser reasonably determines to be necessary or desirable in order to effect the transfer of the motor vehicle permit of any Vehicle from the name of Carnival to the name of the Purchaser or into the name of any third party vehicle purchaser, at the direction of the Purchaser.
- (d) The Vendor, at the request and expense of the Purchaser, shall execute and deliver all such further documents and do such other acts and things as may be necessary or desirable to affirm, confirm, evidence or effectuate the power of attorney hereinbefore granted to the Purchaser or the transfer of the motor vehicle permit (pursuant to this Section 2.03) of any Vehicle to the Purchaser or to any third party at the direction of the Purchaser.
- (e) Notwithstanding the fact that Carnival shall remain recorded on the motor vehicle permits as the owner of the Vehicles during the Transition Period, (i) the Purchaser shall be the beneficial owner of all of the Vehicles and shall be entitled to all of the incidents and benefits and subject to all of the risks of ownership of the Vehicles, including the sole right to operate, rent, sell and otherwise transfer and dispose of the Vehicles and the licenses, registrations and plates in respect thereof, and (ii) Carnival shall have no direct or indirect ownership or other interest in the Vehicles other than in its capacity as nominee and bare trustee as contemplated in this Section 2.03.
- (f) It is acknowledged that the lessee of any Vehicle is required to insure such Vehicle naming Carnival as the registered owner, lessor and additional insured or loss payee. The Vendor shall cause Carnival to hold the benefit of its rights under all such insurance policies in trust for the benefit of the Purchaser and shall pay or cause to be paid to the Purchaser any insurance proceeds received by Carnival in respect of any Vehicle.
- (g) The Vendor shall, at the Purchaser's sole cost, maintain, or cause to be maintained, personal injury and damage insurance with respect to the Vehicles during the Transition Period and the Purchaser shall reimburse the Vendor for all premiums paid or to be paid in respect of such insurance for the Transition Period.
- (h) In addition to the indemnities contained in sections 2.06 (c) and 2.08, the Purchaser hereby indemnifies and saves harmless the Vendor from and against all manner of claims, demands, liabilities, debts, dues, actions, causes of action, suits, proceedings, judgments, expenses, damages and disbursements of any nature and kind whatsoever arising directly or indirectly as a result of Carnival's continuing

to be recorded on any Vehicle motor vehicle permit as owner of such Vehicle during the Transition Period, where not otherwise covered by the insurance maintained pursuant to subsection 2.03(g).

**2.04 Purchase Price.** The Purchase Price for the Purchased Assets will be the aggregate of:

- (a) \$3,522,339.00, subject to adjustment as set out in section 2.11 hereof; and
- (b) the value of the Assumed Liabilities.

**2.05 Purchase Price Allocation.** Prior to Closing, the Vendor and the Purchaser shall agree to an allocation of the Purchase Price among the Purchased Assets, and shall report the sale of the Purchased Assets for all tax purposes in a matter consistent with such allocation.

**2.06 Payment of the Purchase Price.** The Purchaser will satisfy the Purchase Price as follows:

- (a) subject to any adjustment pursuant to section 2.11 hereof, payment on the Closing Date of \$3,522,339.00 by certified cheque, bank draft or wire; and
- (b) assumption by the Purchaser of the Assumed Liabilities in accordance with section 2.08 hereof.

**2.07 Taxes and Fees.**

- (a) Save as hereinafter set out, the Purchaser will pay on or before the Closing Date, in addition to the Purchase Price, all applicable federal, provincial and other taxes exigible in connection with the purchase and sale of the Purchased Assets, including, without limitation, HST and any applicable registration fees and licence fees. Alternatively, where applicable, the Purchaser will have the option to furnish the Vendor with appropriate exemption certificates, elections or other documentation.
- (b) The Vendor and the Purchaser will use all reasonable efforts to ensure that the purchase and sale of the Purchased Assets does not attract tax under the HST Legislation. In connection therewith, the Purchaser will ensure that it is registered prior to the Closing Date under subdivision d of division V of the HST Legislation. The Purchaser and the Vendor will co-operate and jointly make and execute an election under sub-sections 167(1) and (1.1) of the HST Legislation in the prescribed form and manner. The Purchaser will file such election within the prescribed time as provided for in the said sub-sections 167(1) and (1.1). If any remittance on account of tax under the HST Legislation is required to be made by the Vendor in connection with the purchase and sale of the Purchased Assets and the Purchaser receives an input tax credit (as defined in the HST Legislation) in the amount of such remittance or any part thereof, the Purchaser will refund to the Vendor the amount of any such input tax credit so received.

- (c) The Purchaser will indemnify and save harmless the Vendor from and against all claims and demands for payment of applicable taxes including any liability, costs, expenses or damages incurred or suffered by the Vendor as a result of any failure of the Purchaser either to pay any taxes exigible in accordance with this section, whether arising from reassessment or otherwise, or to file the appropriate exemption certificates, elections or other documentation.

2.08 **Assumption of Liabilities.** Subject to the terms of this agreement, the Purchaser agrees to assume, pay, satisfy, discharge, perform and fulfil, or cause one or more of its Affiliates to assume, pay, satisfy, discharge, perform and fulfil, from and after the Time of Closing, all obligations and liabilities of Carnival as at the Time of Closing under:

- (a) the Licenses and Permits; and
- (b) the Leases, with the exclusion of any liability under any Lease for any overpayment made by a Lessee prior to the date of the Administration Agreement, where the term of such Lease has expired or where such Lease has been terminated by written agreement between the Lessee and one of Carnival, the Receiver and the Servicer.

2.09 **General Indemnity.** The Purchaser hereby indemnifies and saves harmless the Vendor from and against all claims and demands arising against the Vendor (which for greater certainty shall not include Carnival) directly or indirectly as a result of the Purchaser's dealings with the Purchased Assets, the Lessees, and/or the carrying on of the Carnival Business from and after the Closing Date.

2.10 **Insurance.** Notwithstanding the exclusion of policies of insurance from the Purchased Assets pursuant to Schedule 1.01(t), the Purchaser shall have the benefit of:

- (a) any proceeds of Carnival insurance on the Purchase Assets, where such proceeds are received by the Vendor on or after the Closing Date, and the Receiver and Carnival shall hold, and shall be deemed to hold, the same in trust for the Purchaser, separate and apart from other proceeds of the estate of Carnival;
- (b) any proceeds of lessee insurance policies on the Vehicles in accordance with section 2.03(f) hereof; and
- (c) any proceeds of Carnival insurance payable pursuant to section 4.03 hereof unless this agreement is rescinded pursuant to section 4.03(b) hereof.

2.11 **Purchase Price Adjustment.** The Purchase Price (and, in particular, the cash portion of the Purchase Price payable pursuant to sections 2.04(a) and 2.06(a) hereof) shall be reduced on the Closing Date by an amount equal to 80% of the Gross Proceeds received between September 30, 2012 and the Closing Date:

### ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

3.01 **Vendor's Representations and Warranties.** The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on the accuracy of each of such representations and warranties in entering into and completing this agreement:

- (a) the Vendor has been validly and effectively appointed as Receiver and has full right, power and authority to enter into this agreement and to convey to the Purchaser Carnival's and the Vendor's right, title and interest in and to the Purchased Assets in accordance with the provisions of this agreement;
- (b) the Vendor has done no act to encumber or dispose of the Purchased Assets or any part of them;
- (c) the Vendor is not a "non-resident person" for the purposes of section 116 of the *Income Tax Act* (Canada);
- (d) the Vendor has not received any demands for repossession in writing from any third parties in respect of the Purchased Assets, pursuant to section 81.1 of the *Bankruptcy and Insolvency Act*;
- (e) to the best of the knowledge of the Vendor, no action or proceeding, at law or in equity, is pending or threatened by any person, government authority, regulatory body or agency to disallow, enjoin or prohibit the Transaction or any part thereof;
- (f) no individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency or board or commission or authority or other form of entity or organization has any agreement, option, undertaking, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment, for the purchase from the Vendor of any of the Purchased Assets; and
- (g) other than the Approval and Vesting Order, the Vendor is not under any obligation, contractual or otherwise, to request or obtain the consent of any person to the Transaction or any part thereof or to the conveyance of any of the Purchased Assets or to notify any person of the Transaction or any part thereof.

3.02 **Purchaser's Representations and Warranties.** The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on the accuracy of each of such representations and warranties in entering into and completing this agreement:

- (a) the Purchaser is a limited partnership duly formed pursuant to and validly subsisting under the *Limited Partnerships Act* (Ontario) with full power and authority, by its general partner, to enter into this agreement and to perform its obligations hereunder;

- (b) the Purchaser, by its general partner, has taken all necessary corporate action to authorize the entering into of this agreement and the performance of its obligations hereunder, and this agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms; and
  - (c) the Purchaser is a "Canadian" for the purposes of the *Investment Canada Act*.
- 3.03 **"As Is, Where Is".** The Purchaser acknowledges and confirms that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis as they exists on the date hereof and that, except as expressly provided herein, the Vendor has not made or given and does not make or give any representations, warranties, statements or promises, express, implied, oral, written, legal, equitable, conventional or statutory (including, without limitation, conditions under the *Sale of Goods Act* (Ontario)) or otherwise, as to (a) the Vendor's status or capacity; (b) the existence of or title to the Purchased Assets; (c) the existence of any liens, mortgages, charges, encumbrances or security interests in, on or against the Purchased Assets or the validity, registration, enforceability or priority of any such liens, mortgages, charges, encumbrances or security interests; (d) the assignability, description, value, cost, fitness for any purpose, merchantability, use, quantity, quality, state, condition or location of the Purchased Assets; or (e) any other matter whatsoever concerning the Purchased Assets; and no representation or warranty or condition of any kind can be implied at law or in equity, by statute or otherwise, with respect to the Purchased Assets. The Purchaser acknowledges that it has inspected the Purchased Assets and has relied entirely upon its own inspections and investigations. The description of the Purchased Assets contained in all schedules hereto is for the purpose of identification only and the Vendor gives no representation or warranty concerning the accuracy of such description. The Vendor will not be liable for, nor will the Purchaser have a remedy for recovery of, any damages, including, but not limited to economic loss of any kind, arising out of any claim that the Purchased Assets infringes the rights of any other person.

#### ARTICLE 4 - COVENANTS OF THE PARTIES

- 4.01 **Covenants of the Vendor.** The Vendor covenants and agrees that it will do or cause to be done the following:
- (a) at or before the Time of Closing,
    - (i) seek the Approval and Vesting Order and the other Closing deliveries required of the Vendor pursuant to section 6.02 hereof;
    - (ii) furnish the Purchaser at the Time of Closing with evidence satisfactory to the Purchaser that the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
    - (iii) use its Commercially Reasonable Efforts to ensure that the representations and warranties of the Vendor set forth in section 3.01 are true and correct and fulfilled at the Time of Closing;

- (b) within seven days from the Closing Date, effect or cause to be effected a change in the corporate names of Carnival Leasing and Carnival Auto, to names which do not include the word "Carnival";
- (c) promptly pay all Third Party Collection and Recovery Costs relating to the Purchased Assets accrued prior to the Closing Date where invoices or bills in respect of such are presented to the Vendor by the Purchaser within 45 days after the Closing Date and do not related to costs covered by the Administration Agreement that are required to be paid by the Servicer; and
- (d) promptly pay over to the Purchaser any proceeds of insurance to which the Purchaser is to benefit pursuant to section 2.09 hereof.

4.02 **Covenants of the Purchaser.** The Purchaser agrees that it will do or cause to be done the following:

- (a) at or before the Time of Closing,
  - (i) use its Commercially Reasonable Efforts to provide the Closing deliveries required of the Vendor pursuant to section 6.03 hereof;
  - (ii) furnish the Vendor at the Time of Closing with evidence satisfactory to the Vendor that the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act*;
  - (iii) use its Commercially Reasonable Efforts to ensure that the representations and warranties of the Purchaser set forth in section 3.02 are true and correct and fulfilled at the Time of Closing; and
  - (iv) be registered pursuant to the *Excise Tax Act* (Canada) with an HST registration number; and
- (b) preserve or cause to be preserved the Books and Records delivered to Purchaser on Closing for a period of seven years from the Closing Date, or for such longer period as is required by any applicable law, and permit the Vendor or its authorized representatives reasonable access thereto in connection with the affairs of the Vendor relating to its duties as Receiver, but the Purchaser shall not be responsible or liable to Carnival or the Vendor for or as a result of any accidental loss or destruction of or damage to any such Books and Records.

4.03 **Risk of Loss.** Until the Time of Closing, the Purchased Assets will be and remain at the risk of the Vendor. If, before the Time of Closing, the Purchased Assets or any part thereof is destroyed or damaged by fire or any other casualty or is expropriated or seized by governmental or other lawful authority, the Vendor will promptly give the Purchaser written notice of such destruction, damage, expropriation or seizure, and the Purchaser will have the option, exercisable by notice in writing given to the Vendor within four Business Days after the Purchaser receives the first-mentioned notice from the Vendor:

- (a) to complete the Transaction without reduction of the Purchase Price, in which event all proceeds of insurance or compensation for expropriation or seizure will be payable to the Purchaser and all right and claim of the Vendor to any such amounts not paid by the Closing Date will be assigned to the Purchaser; or
- (b) in the event of substantial damage to the Purchased Assets (meaning physical damage in excess of \$250,000), to rescind this agreement, in which event the Parties will have no further rights and remedies against each other.

## ARTICLE 5 - CONDITIONS OF CLOSING

5.01 **Conditions in Favour of Purchaser.** The obligation of the Purchaser to complete the Transaction is subject to the satisfaction, fulfillment or performance, on or before the Closing Date, of the following conditions which are included herein for its exclusive benefit and which may be waived, in whole or in part, only by the Purchaser:

- (a) that the Vendor has performed each of its obligations under this agreement to the extent required to be performed on or before the Closing Date; and
- (b) that the Purchaser, acting reasonably, is satisfied that the Vendor's representations and warranties set forth herein are true and correct on and as of the Closing Date.

5.02 **Termination.** If any condition set out in section 5.01 has not been satisfied, fulfilled or performed on or before the Closing Date to the satisfaction of the Purchaser, acting reasonably, or otherwise waived in writing by the Purchaser, the Purchaser may terminate this agreement by notice in writing to the Vendor and thereupon the obligations of the Parties hereunder, other than the obligations of the Purchaser under section 7.03, shall be terminated.

5.03 **Conditions in Favour of Vendor.** The obligation of the Vendor to complete the Transaction is subject to the satisfaction, fulfillment or performance, on or before the Closing Date, of the following conditions which are included herein for its exclusive benefit and which may be waived, in whole or in part, only by the Vendor:

- (a) that the Purchaser has performed each of its obligations under this agreement to the extent required to be performed on or before the Closing Date;
- (b) that the Vendor, acting reasonably, is satisfied that the Purchaser's representations and warranties set forth herein are true and correct on and as of the Closing Date; and
- (c) that the Administration Agreement has been terminated on terms acceptable to the Vendor at its sole discretion, acting reasonably, which, for greater certainty shall include (i) the deposit of all cash and cheques received by the Servicer as of the Closing Date into the Servicer Account, (ii) the payment by the Servicer of all amounts due to the Vendor under the Administration Agreement; (iii) the return of all books and records relating to the Excluded Assets and Excluded Leases,

Carnival personnel records and any records required by law to be retained by the Vendor as Receiver.

- 5.04 **Termination.** If any condition set out in section 5.03 has not been satisfied, fulfilled or performed on or before the Closing Date to the satisfaction of the Vendor, acting reasonably, or otherwise waived in writing by the Vendor, the Vendor may terminate this agreement by notice in writing to the Purchaser and thereupon the obligations of the Parties hereunder, other than the obligations of the Purchaser under section 7.03, shall be terminated.
- 5.05 **Conditions in Favour of Purchaser and Vendor.** The obligation of each of the Purchaser and the Vendor to complete the Transaction is subject to the satisfaction, fulfillment or performance, on or before the Closing Date, of the following conditions which are included herein for the benefit of both Parties and which may be waived, in whole or in part, only by both Parties:
- (a) no order, decision or ruling of any court, tribunal or regulatory authority having jurisdiction has been made, and no action or proceeding has been instigated which remains pending before any such court, tribunal or regulatory authority, and no action or proceeding is pending or threatened that, in the opinion of the solicitors acting for the Purchaser or the Vendor, as the case may be, acting reasonably, is likely to result in an order, decision or ruling, to disallow, enjoin, restrain or prohibit the completion of the Transaction; and
  - (b) the Vendor has obtained the Approval and Vesting Order, on terms acceptable to the Purchaser and the Vendor, each acting reasonably.
- 5.06 **Termination.** If any condition set out in section 5.05 has not been satisfied, fulfilled or performed on or before the Closing Date to the satisfaction of the each Party, acting reasonably, either Party may terminate this agreement by notice in writing to the other Party and thereupon the obligations of the Parties hereunder, other than the obligations of the Purchaser under section 7.03, shall be terminated.

## ARTICLE 6 - CLOSING ARRANGEMENTS

- 6.01 **Time and Place.** The closing of the Transaction will take place at the office of Aird & Berlis LLP at the Time of Closing, or at such other place or time as the Parties may mutually agree upon in writing.
- 6.02 **Vendor Deliveries.** At the Time of Closing, the Vendor will tender or deliver to the Purchaser the following:
- (a) the Purchased Assets, to the extent they are not already in the possession of the Purchaser and can be physically delivered;
  - (b) a copy of the Approval and Vesting Order;

- (c) a direction to Bank of Montreal regarding the removal of the Receiver (and, if applicable, Carnival) as joint holders of the Servicer Account;
- (d) such other documents as are necessary, in the opinion of the Vendor and Purchaser, both acting reasonably, to transfer and convey to the Purchaser Carnival's and the Vendor's right, title and interest in and to the Purchased Assets, executed by the Vendor;
- (e) a certificate of an officer of the Vendor that the representations and warranties of the Vendor herein contained are true and accurate as of and on the Closing Date;
- (f) the Closing Certificate; and
- (g) all other documents contemplated by this agreement for delivery by the Vendor to the Purchaser.

6.03 **Purchaser Deliveries.** At the Time of Closing, the Purchaser will tender or deliver to the Vendor the following:

- (a) a bank draft, wire transfer or a certified cheque in payment of the balance of the Purchase Price;
- (b) evidence satisfactory to the Vendor of the payment by the Purchaser of all applicable taxes and/or the filing of appropriate exemption certificates, elections or other documentation, in accordance with section 2.07 hereof;
- (c) the indemnities provided for in section 2.07 hereof;
- (d) a certificate of an officer of the Purchaser that the representations and warranties of the Purchaser herein contained are true and accurate as of and on the Closing Date; and
- (e) all other documents contemplated by this agreement for delivery by the Purchaser to the Vendor.

## ARTICLE 7 - MISCELLANEOUS

7.01 **Tender of Documents.** Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors on the Closing Date. Money may be tendered by bank draft or cheque certified by a chartered bank or trust company, and made payable to the Vendor.

7.02 **Notices.** Any notice or other communication required or permitted to be given hereunder will be deemed to be made or given:

- (a) if personally served upon the party or upon any director, officer, servant, employee or partner of such party, in which case it will be conclusively deemed to have been made or given at the time of such personal service; or

- (b) if sent prepaid to the party by telecopier, email or other similar means of electronic communication to the telecopier number or email address set out below for such party (and if confirmed on the same day by prepaid ordinary mail), in which case it will be conclusively deemed to have been made or given at the time of such sending.

For the purpose of making or giving any notice or other communication hereunder, the address, telecopier number and contact email address of the Vendor are:

PricewaterhouseCoopers Inc.  
PwC Tower  
18 York Street, Suite 2600  
Toronto, Ontario M5J 0B2

Attention: Clark Lonergan  
Facsimile: 416.814.3210  
Email: clark.lonergan@ca.pwc.com

with a copy to:

Borden Ladner Gervais LLP  
Scotia Plaza, 40 King Street West  
44<sup>th</sup> Floor  
Toronto, Ontario M5H 3Y4

Attention: Edmond Lamek  
Facsimile: 416.361.2436  
Email: elamek@blg.com

and the address, telecopier number and contact email address of the Purchaser are:

Carnival Limited Partnership  
c/o AutoCapital Canada Inc.  
200 – 11 Church Street  
Toronto, Ontario M5E 1W1

Attention: Steve Malone  
Facsimile:   
Email: smalone@autocapitalcanada.ca

with a copy to:

Aird & Berlis LLP  
Brookfield Place, 181 Bay Street  
Suite 1800, Box 754  
Toronto, Ontario M5J 2T9

Attention: Steven Graff  
Facsimile: 416.863.1515  
Email: sgraff@airdberlis.com

- 7.03 **Confidentiality.** Without the Vendor's written consent, the Purchaser will not disclose or divulge to any person, including government ministries, newspapers, radio stations and television stations, the contents of this agreement or any information or documents respecting this agreement that is not a matter of public knowledge or record, unless such disclosure is reasonably necessary in connection with the performance of this agreement or is required by law. In the event of termination of this agreement, the Purchaser will forthwith return to the Vendor all information or documents provided by the Vendor to the Purchaser.
- 7.04 **Severability.** If any provision of this agreement is determined to be illegal or unenforceable, such provision will be considered separate and severable from this agreement and the remaining provisions thereof will remain in full force and effect as though the illegal or unenforceable provision had never been included.
- 7.05 **Further Assurances.** At any time and from time to time after the Closing Date, the Vendor will execute and deliver to the Purchaser at the expense of the Purchaser, and the Purchaser will execute and deliver to the Vendor at the expense of the Vendor, such further instruments and other written assurances as the Purchaser or Vendor, respectively, may reasonably request in order to carry out the Transaction.
- 7.06 **Time.** Time is of the essence of this agreement. However, the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors who are hereby expressly appointed in that regard.
- 7.07 **Headings.** All headings appearing in this agreement have been inserted as a matter of convenience and reference only and in no way define, limit or enlarge the scope or meaning of this agreement or any provision hereof.
- 7.08 **Counterparts and Facsimile Delivery.** This agreement may be executed in two counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument. Counterparts may be delivered by facsimile or emailed PDF, provided that the party so delivering forthwith delivers an original executed counterpart by courier or personal delivery to the address of the other party set out in section 7.02.
- 7.09 **Assignment.** Neither party to this agreement will be permitted to assign this agreement without the prior written consent of the other party, which consent may be arbitrarily or unreasonably withheld. Notwithstanding the forgoing, the Purchaser may assign its rights and obligations under this agreement to one or more of its Affiliates.

- 7.10 **Entire Agreement.** This agreement constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes any and all prior negotiations, understandings and agreements between the Parties.
- 7.11 **Amendment.** This agreement may not be varied, amended or modified in any respect except by written instrument dated subsequent to the date hereof and signed by the Parties or their duly authorized representatives.
- 7.12 **Vendor's Capacity.** The Parties hereto agree that PricewaterhouseCoopers Inc. acts solely in its capacity as Receiver, and that PricewaterhouseCoopers Inc. and its agents, officers and employees will have no personal or corporate liability under or as a result of this agreement or otherwise in connection herewith.
- 7.13 **Successors and Assigns.** The terms and provisions of this agreement will be binding upon and will enure to the benefit of the Parties and their respective permitted successors and assigns.
- 7.14 **Obligations to Survive.** Notwithstanding the completion of the Transaction or the delivery of documents pursuant to this agreement, the obligations, covenants, representations and warranties of the Parties hereto will survive the completion of the Transaction and will remain in full force and effect and will not merge as a result thereof.

IN WITNESS WHEREOF the Parties have executed this agreement as of the date first above written.

**PRICEWATERHOUSE COOPERS INC.**  
solely in its capacity as the Court-appointed  
receiver of all property, assets and undertaking  
of Carnival National Leasing Limited and  
Carnival Automobiles Limited, and not in its  
personal capacity

Per: \_\_\_\_\_  
Name: \_\_\_\_\_ c/s  
Title: \_\_\_\_\_

**CARNIVAL LIMITED PARTNERSHIP, by  
its general partner, CARNIVAL GP INC.**

Per: \_\_\_\_\_ c/s  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Schedule 1.01 (a): Accounts Receivable**  
(746)

<b>CLIENT</b>	<b>CONTRA CT</b>	<b>Status</b>
A1PR	11906	Active Delinquent
AARW	10910	Deficiency Balance
ABEN	11487	Active Current
ABRB	10731	Deficiency Balance
ABSO	11575	Active Current
ABUJ	11491	Active Delinquent
ABUJ1	11505	Active Delinquent
ADDA	P10477	Deficiency Balance
ADEP	10840	Expired Current
AFMS	9943A	Active Current
AFOB	P11261	Deficiency Balance
AGBK	11755	Active Current
AGHZ	11667	Deficiency Balance
AGUA	11515	Deficiency Balance
AGUM	11883	Active Current
AHMM	11156	Deficiency Balance
AHMS	10945	Deficiency Balance
ALAA	10784A	Active Current
ALAH	P11331	Deficiency Balance
ALAL	10767	Deficiency Balance
ALDL	11431	Active Current
ALDV	P10647	Expired Insurance
ALII	11881	Deficiency Balance
ANAL	P11311	Deficiency Balance
ANDE	11021	Deficiency Balance
ANDKE	11450	Deficiency Balance
ANSK	11503	Active Delinquent
ANSM	P10617	Expired Delinquent
APZD	10866A	Active Current
ARIR	11447	Deficiency Balance
ARIR1	11613	Deficiency Balance
ARIR1	11612	Deficiency Balance
ARIR2	M11750	Deficiency Balance
ARIR2	M11206	Deficiency Balance
ARIR2	11648	Deficiency Balance
ASCL	11429	Deficiency Balance
ASCL	P11734	Deficiency Balance
ASCL	11736	Deficiency Balance
ASDA	11141	Deficiency Balance
ATWB	11523	Active Delinquent
ATWB	11485	Active Delinquent
AVEC	10604	Expired Delinquent

AVES	11869	Active Current
AYEV	11820	Active Current
AYEV	11272	Expired Current
AYEV1	11792	Active Current
BABA1	11521	Deficiency Balance
BAE2	10392	Deficiency Balance
BAEI	10050A	Deficiency Balance
BAIE	11664	Active Current
BAJM	11517A	Deficiency Balance
BAKJ	T11286	Expired Delinquent
BALT2	11827	Active Current
BANL	9463	Deficiency Balance
BARA2	9868A	Active Current
BARFA	11552	Deficiency Balance
BARM	P10982	Expired Delinquent
BARSN	10255A	Active Current
BART	10710A	Active Current
BASA	11335	Active Current
BAUR	P11216	Deficiency Balance
BEDA	11808	Active Current
BENTO	11873	Deficiency Balance
BENTO	T11771	Deficiency Balance
BEPE2	P11601	Deficiency Balance
BEPE3	11844	Deficiency Balance
BERB1	9283C	Deficiency Balance
BERIS	P11404	Active Delinquent
BERIS1	P11313	Active Current
BERZ	11421	Deficiency Balance
BEWA	T9603	Expired Delinquent
BEWA2	T11494	Expired Delinquent
BHAK	11410	Active Current
BIAG	10899A	Active Current
BIEU	11833	Active Delinquent
BIEU	11774	Active Delinquent
BIEU1	11791	Active Current
BLAN	10901A	Deficiency Balance
BLAT	P11436	Active Delinquent
BLLI	CNL377	Deficiency Balance
BLUP	11439	Deficiency Balance
BOAC	P11107	Expired Delinquent
BOBT	B10486	Active Current
BODI	P11405	Deficiency Balance
BODY	11353	Active Current
BOOL	11267	Deficiency Balance
BOSR	10311	Deficiency Balance
BOZR	11342	Deficiency Balance
BRBR	11328	Active Current

BRCY	11229	Expired Current
BREN	10475A	Active Current
BREX	T11722	Active Current
BREX	11779	Active Current
BRIN	11673	Active Current
CABAN	P11402	Deficiency Balance
CABI	11152	Active Current
CACE1	9265A	Expired Delinquent
CACR1	10953A	Inventory
CADD	10631	Deficiency Balance
CAJA	C9532A	Active Current
CAMA	11872	Deficiency Balance
CARAN	9189A	Active Current
CASM	11006	Deficiency Balance
CASM	10804	Deficiency Balance
CASM	10807	Deficiency Balance
CELP	11557	Active Current
CHAL	11371	Active Current
CHAMI1	11901	Active Current
CHAND	10619	Deficiency Balance
CHEE	11212	Deficiency Balance
CHEN	11490	Deficiency Balance
CHIL	10929	Deficiency Balance
CHIL1	P11205	Deficiency Balance
CHIP	P11305	Deficiency Balance
CHMA	10371A	Active Current
CHOV	P10760	Deficiency Balance
CHRP	P11925	Active Current
CICM	P11121	Active Current
CLAC2	11532	Active Current
CLAK1	11543	Deficiency Balance
CLARC	P11606	Deficiency Balance
COCH	P11174	Deficiency Balance
CODB	11553	Active Current
CODB	11807	Active Current
COLC	P10755	Expired Delinquent
COMD	11053	Deficiency Balance
COMD	10491	Deficiency Balance
COMM	11589	Active Current
CONF	11211A	Expired Delinquent
COPR1	11866	Active Current
CRAA	10884	Deficiency Balance
CRAN	11180	Deficiency Balance
CREO2	11300	Expired Current
CRJ2	10925	Deficiency Balance
CRJ2	10926	Deficiency Balance
CRJF	11619	Deficiency Balance

CRJO	11615	Deficiency Balance
CRJO	11624	Deficiency Balance
CRJO	11628	Deficiency Balance
CUDI	11847	Active Current
DALD	11920	Deficiency Balance
DALD	11838	Inventory
DAPL	11530	Active Current
DARM	10023A	Active Delinquent
DEFH	10162	Problem Accounts
DEGE	10763A	Expired Current
DEJR	11740	Active Current
DELC	11524	Active Current
DELM	11204	Expired Current
DELU	10914	Deficiency Balance
DEWC	11564	Active Current
DHAM	10551	Inventory
DIAG	11451	Active Current
DICK	10539	Deficiency Balance
DIND	11879	Expired Delinquent
DINI	9171	Expired Delinquent
DINI3	9282	Expired Delinquent
DINI6	E9237	Expired Delinquent
DITU1	10492A	Deficiency Balance
DJNE2	T10939	Deficiency Balance
DOBE	11596	Active Current
DOGA	10630A	Deficiency Balance
DOGS	10677	Deficiency Balance
DOGS	8222C	Deficiency Balance
DOHO	10889	Deficiency Balance
DOIF	11446	Active Current
DOOM	9616	Expired Delinquent
DOPP	10854A	Expired Delinquent
DOPP2	11717	Active Current
DOUB2	11473	Active Current
DOUB3	11477	Active Current
DOUCH	10135	Deficiency Balance
DOWT	CNL400	Active Delinquent
DREDM1	11290	Deficiency Balance
DUBD	11378	Deficiency Balance
DUGD	9310A	Expired Current
DUNG	11781	Active Current
EAGS	10584	Expired Delinquent
EDWT1	11406	Deficiency Balance
ENZC	11616	Active Delinquent
ENZC	P11902	Active Delinquent
EPSS	11489	Active Current
ESCL	11757	Active Current

FABJ	P11401	Active Current
FACA	9970A	Active Current
FAJS1	9264A	Active Current
FANY	B9567A	Deficiency Balance
FARA	11823	Active Current
FARA	11878	Active Current
FASH	11692	Active Current
FASL	10978	Deficiency Balance
FASL1	P11593	Deficiency Balance
FENY	P11787	Active Current
FERM	11381	Deficiency Balance
FINN	11773	Active Current
FISM	10781	Active Current
FISU1	10857	Expired Current
FITS	11864	Active Current
FLUK	10687	Deficiency Balance
FOGM	11424	Deficiency Balance
FORB	11671	Active Delinquent
FORB1	11790	Active Current
FORR	11309	Deficiency Balance
FOXA1	11830	Deficiency Balance
FRASH1	11876	Active Delinquent
FREJ1	11749	Deficiency Balance
FREJ2	P11801	Deficiency Balance
FRIJ	9778A	Deficiency Balance
FRIJ	10316A	Deficiency Balance
FULD1	11047	Deficiency Balance
FULD2	11818	Deficiency Balance
GAIM	8833A	Deficiency Balance
GAME	P11508	Active Current
GAMM	9322A	Active Current
GAMM	8895A	Active Current
GAUD	11918	Deficiency Balance
GCDT	10944	Deficiency Balance
GEMC	11887	Deficiency Balance
GENI	10744	Deficiency Balance
GEOY	11475	Active Current
GERP	E10933	Expired Current
GHOS	11166	Deficiency Balance
GIAD5	11232	Deficiency Balance
GIAH1	11227	Expired Current
GIAP	11122	Deficiency Balance
GIAP1	P11703	Deficiency Balance
GILM	11362	Deficiency Balance
GIME	11892	Active Delinquent
GODG	11710	Active Current
GOFF1	10125A	Expired Delinquent

GOFZ3	10267A	Expired Delinquent
GOLJA	11603	Active Current
GOLO1	11088	Deficiency Balance
GOMO	11162	Deficiency Balance
GOOF	11860	Deficiency Balance
GOOS1	10294A	Inventory
GOZA	B9511	Deficiency Balance
GOZA1	B9574A	Expired Delinquent
GRATR	11713	Active Delinquent
GRDA	11809	Active Current
GREC	P11327	Active Delinquent
GRECO	P11584	Active Current
GREG	11542	Active Current
GREL	11409	Active Current
GREL1	CNL395	Expired Current
GRIGD	P11858	Deficiency Balance
GRNA	P11105	Deficiency Balance
GRUJ	11795	Active Current
GTOM	B11484	Active Delinquent
GUDT	11835	Active Current
GUML2	11236	Deficiency Balance
GWIG	11665	Active Delinquent
GWSD	10274A	Active Current
HADA	11289	Expired Current
HASN	11751	Active Current
HATL1	11680	Deficiency Balance
HATL1	11130	Deficiency Balance
HAYE	P10886	Expired Delinquent
HCQT	11376	Deficiency Balance
HEDM	11336	Active Current
HELB1	10018	Deficiency Balance
HEMB	11293	Deficiency Balance
HENE	11610	Deficiency Balance
HILA	11104	Active Current
HIRD	10814	Problem Accounts
HLHA	10824	Deficiency Balance
HODK	11623	Active Current
HODM	P11280	Expired Current
HOFA	P10745	Expired Delinquent
HOLC	P10698	Expired Current
HOLJ	11927	Active Current
HOMC	11609	Active Current
HOOW	11908	Active Current
HOOW	11690	Active Current
HORA	11562	Active Current
HORV	9667A	Active Current
HOSS	11103	Deficiency Balance

HOSW	10916	Deficiency Balance
HOSW	10175	Deficiency Balance
HOTL	P10513	Deficiency Balance
HOWM	11037	Deficiency Balance
HRIC	11586	Active Delinquent
HUYT	P10753	Deficiency Balance
HYLN	P10515	Expired Delinquent
IANN1	CNL399	Active Delinquent
IDIE	11652B	Deficiency Balance
IMAN	10787A	Deficiency Balance
IRMD	11498	Deficiency Balance
IROV	11561	Active Current
IROV1	11668	Active Current
ITZM	9849	Deficiency Balance
JABS	11602	Deficiency Balance
JAMC	11697	Deficiency Balance
JAMC1	P11709	Active Delinquent
JANM2	9975A	Active Current
JANP1	11786	Deficiency Balance
JASS	11655	Active Current
JAST	P10921	Deficiency Balance
JATO	11108	Deficiency Balance
JIAW	B10317	Expired Delinquent
JMVF1	11811	Active Current
JMVF1	11810	Active Current
JMVF1	11812	Active Current
JMVF1	11813	Active Current
JOCH2	11805	Active Current
JONB	11677	Deficiency Balance
JONP	11704	Active Current
JOOR	10820A	Deficiency Balance
JOSC	11568	Active Current
KABD	P11285	Deficiency Balance
KAHK	11798	Active Current
KALA	11268	Deficiency Balance
KALK	11686	Active Current
KAMN	11702	Active Current
KANR	11728	Active Current
KANR2	9279A	Active Current
KAUD	10803	Deficiency Balance
KAVK	10163A	Active Current
KAZN	10752	Deficiency Balance
KAZN	11228	Deficiency Balance
KAZN	9863	Expired Delinquent
KEBA	10893	Deficiency Balance
KECM	11754	Active Current
KEPE	P11544	Deficiency Balance

KEZA	10967	Deficiency Balance
KHAK1	11149A	Deficiency Balance
KHOV	11154	Expired Delinquent
KIDA	P11219	Deficiency Balance
KIMT	11716	Active Current
KIRA	11917	Active Current
KIRP	11898	Active Current
KIRP	11899	Active Current
KIRP	11891	Active Current
KIRP	11890	Active Current
KNIR	11643	Active Current
KNOL	10275A	Active Current
KOLN	11493	Active Current
KONS	11897	Active Current
KONS	11900T	Active Current
KOOM	11871	Active Current
KOOR	10122A	Active Current
KOOR1	11745	Active Current
KORE	P11066	Inventory
KRAL	8664B	Deficiency Balance
KRID	9125A	Expired Current
KUNM	11359	Expired Current
KUNR	11828	Active Current
KWIM	P11318	Deficiency Balance
KWIM1	P11317	Deficiency Balance
LAKE1	P11323	Active Current
LANJ	P11307	Deficiency Balance
LAZH	T11012	Active Delinquent
LAZH	11747	Active Delinquent
LAZH	11225	Deficiency Balance
LAZH	10500	Deficiency Balance
LAZH	11913	Deficiency Balance
LAZH	9642A	Expired Delinquent
LEBA	11698	Active Delinquent
LEEJ	P11841	Active Current
LEIGM	11803	Active Current
LEJA	P11303	Active Delinquent
LESP	P11249	Deficiency Balance
LESP	P10990	Deficiency Balance
LEUC	11501A	Active Current
LEVB1	CNL397	Active Current
LEVG	10428A	Active Current
LEVMA	11857	Active Current
LEVS	9384A	Active Current
LEWIS	11339	Active Current
LEWW	10774A	Expired Current
LICI1	8025E	Expired Delinquent

LICI1	21	Expired Delinquent
LICI6	11338	Deficiency Balance
LICI6	11237	Expired Delinquent
LIMA	10277A	Active Current
LIOS	10903	Expired Insurance
LIRJ	11851	Active Current
LITB	10561	Deficiency Balance
LITE	11337	Active Current
LITM	10532	Deficiency Balance
LJUC	10891	Deficiency Balance
LOND	10203	Expired Delinquent
LONT	10981	Deficiency Balance
LOUP	P11140	Expired Delinquent
LUHU	11826	Active Delinquent
LUJE	P11742	Active Current
LUPW	9653A	Expired Delinquent
LUPW	9569A	Expired Delinquent
LUPW1	11377	Expired Delinquent
LUPW1	10381A	Expired Delinquent
MAAH	11597	Active Current
MACEM	11649	Active Current
MACM	10034A	Active Current
MADA	11358	Active Current
MAEX	T11258	Active Current
MAEX	CNL396	Active Current
MAFE	11213	Expired Delinquent
MAFJ	10427A	Active Current
MAHO	11315A	Active Current
MAJI	11620	Deficiency Balance
MAJW	8688	Deficiency Balance
MAKE	11417A	Deficiency Balance
MALG3	11614	Expired Current
MALV	P10497	Expired Delinquent
MAMM	10965	Deficiency Balance
MARCJ	11765	Active Current
MARIC	11526	Active Current
MARS1	10821	Deficiency Balance
MASR1	11822	Deficiency Balance
MASS1	9006	Deficiency Balance
MAWI	11816	Active Current
MAZW	10117A	Active Current
MCDC	11683	Active Current
MCGT	11814	Active Current
MCIJ	10859	Deficiency Balance
MCMK	11861	Deficiency Balance
MCQD	P10615	Deficiency Balance
MCRO	11719	Deficiency Balance

MCRO1	11806	Deficiency Balance
MCRO1	11895	Deficiency Balance
MCRW	11571	Active Current
MEDE	11914	Deficiency Balance
MEDO	10715A	Active Current
MENN	11179	Active Current
MERP	P10278	Active Delinquent
MEST	9633A	Inventory
MICHG	11845	Active Delinquent
MIKM	11618	Active Current
MILK	9726A	Expired Current
MINK	11398	Active Current
MIRH	11397	Deficiency Balance
MIRK	10918	Deficiency Balance
MITCJ	11587	Active Current
MOAS1	10790	Deficiency Balance
MOBA	10456	Expired Delinquent
MOBA	10697	Expired Delinquent
MOFH	11831	Active Delinquent
MOHM	B9983	Expired Delinquent
MOKAA	11403	Active Current
MOKS	11399	Deficiency Balance
MOKY	11322	Active Current
MOLA	11852	Active Current
MONA	11904	Active Current
MONE	11767	Active Current
MONTG	11039A	Active Current
MOOL	P11525	Active Current
MORMT	10932	Deficiency Balance
MORP	9140B	Active Delinquent
MORRD	11666	Active Delinquent
MORRL	9244	Deficiency Balance
MOYY	8915A	Active Current
MPUV	11566	Deficiency Balance
MUHS	P11675	Deficiency Balance
MURS	9623A	Active Current
NADF	11379	Active Current
NAII	10959	Deficiency Balance
NAII	11098	Deficiency Balance
NALM	11551	Active Delinquent
NATT	11695	Active Current
NAVB	11301	Deficiency Balance
NAVB	11297	Deficiency Balance
NAVB1	11471	Deficiency Balance
NAVB2	11531	Active Delinquent
NAVB3	11670	Deficiency Balance
NAVM	11394	Deficiency Balance

NAVT	P11535	Active Current
NDUI	11760	Deficiency Balance
NERW	11784	Active Current
NGJO	11263	Expired Current
NICC	P11840	Active Delinquent
NOOR	10504	Deficiency Balance
NOOR1	10599A	Active Delinquent
NOYD	11590	Active Current
NURO	11915	Active Current
ODAY	P11464	Deficiency Balance
ORLV1	11148	Expired Current
OSIG1	P11672	Active Current
PAIL1	8644A	Deficiency Balance
PAIL2	8741A	Deficiency Balance
PALL	11329	Active Delinquent
PANI1	10846	Expired Delinquent
PANV	11325A	Active Current
PARF3	T11739	Active Current
PARL	11849	Active Current
PARL	11348	Active Current
PARW	10721A	Active Current
PATN	11441	Active Current
PATO	10747	Deficiency Balance
PATT	11783	Active Current
PAUN	10678	Deficiency Balance
PECN	11109	Deficiency Balance
PELL	B10177	Deficiency Balance
PENG	11817	Active Current
PETK	11746	Active Current
PIRP	CNL394	Active Delinquent
PIVV	10975	Deficiency Balance
PLMR	P10779	Deficiency Balance
PORM1	10977	Deficiency Balance
POTT	P11626	Deficiency Balance
PRID	10181	Deficiency Balance
PRSE	11585	Active Current
PULL	10333A	Active Current
PURN	8948A	Deficiency Balance
QUAP	9920	Expired Delinquent
QUAP1	CNL361	Expired Delinquent
QUAP1	CNL362	Expired Delinquent
RABI	11884	Active Current
RABT	10210A	Active Delinquent
RADA	P11169	Expired Current
RADA1	T11638	Active Current
RADA2	T11741	Active Current
RAIG	11516	Deficiency Balance

RAMI	11528	Deficiency Balance
RANH	11385	Inventory
RATL	11538	Active Delinquent
RAYC	11357	Active Current
RAZR	P11201	Expired Current
REAS	11412	Active Current
RECE	10531	Deficiency Balance
RECE	T10483	Expired Delinquent
RECE	T10482	Expired Delinquent
RECE6	11260	Expired Delinquent
REGJ	B10524	Deficiency Balance
REJE	10950	Deficiency Balance
REJE1	10851	Expired Delinquent
RELD	11426	Active Current
RESK2	9411A	Active Delinquent
REYD	10076A	Deficiency Balance
REYK	10985	Expired Delinquent
RIDA1	10650	Deficiency Balance
RIHE	11721	Active Current
RILE	B9989A	Deficiency Balance
RIVG	11637	Active Current
RIZD	11218	Deficiency Balance
RIZD	11116	Inventory
RMSA	11203	Deficiency Balance
ROCA	10049A	Active Current
ROJO	11788	Active Current
ROPE	10250A	Expired Current
ROSK	11513	Active Current
ROUS	11374	Active Delinquent
RSSB	9976	Deficiency Balance
RUBP	9314A	Deficiency Balance
RUPL	9872B	Active Delinquent
RUSV	11759	Active Current
SADB	11093	Deficiency Balance
SADH	11554	Active Current
SAFM	11889	Active Current
SAIM	11556	Deficiency Balance
SALT	11748	Active Current
SARM	11565	Active Current
SAST	11834	Deficiency Balance
SAUB	11310	Active Current
SAUJ1	11726	Active Current
SCHW1	10027	Deficiency Balance
SCHW2	11727	Deficiency Balance
SCOM	P10716	Deficiency Balance
SCOMI	T11799	Deficiency Balance
SCRD	11846	Active Current

SEBJ1	11138	Deficiency Balance
SEDA	11870	Deficiency Balance
SEDA1	11875	Deficiency Balance
SEDI	11617A	Deficiency Balance
SEID	11367	Active Current
SEJA	11274	Expired Current
SENT	11853	Deficiency Balance
SERN	8888A	Deficiency Balance
SERRJ	9554A	Deficiency Balance
SERRJ1	9241	Deficiency Balance
SETM	9964A	Active Current
SEVE	10552	Expired Current
SEWV	10837	Expired Delinquent
SEYN1	11083	Active Delinquent
SEYN1	11368A	Inventory
SHAE1	9474A	Active Delinquent
SHAF	11894	Active Current
SHAG1	11064	Active Current
SHAKR	11024	Deficiency Balance
SHAKR	9629	Expired Delinquent
SHAM1	11540	Active Current
SHAM1	11234	Expired Current
SHAV	10598	Deficiency Balance
SHAV2	9727	Expired Delinquent
SHBR	10570A	Active Delinquent
SHEU	11819	Active Current
SHIR1	9980	Deficiency Balance
SHJU	11266	Active Current
SHOM1	11604	Inventory
SHOM2	11886	Inventory
SHRO	10841	Expired Delinquent
SHSM	11696	Active Delinquent
SHUB	10325	Deficiency Balance
SHUT	11712	Active Current
SIAM	11778	Active Current
SIDD	P11400	Deficiency Balance
SIEG	P10832	Deficiency Balance
SIGG2	11334	Active Current
SIGO	11731	Active Current
SILHO1	11769	Active Current
SIMW	11319	Active Delinquent
SIMW	11045	Expired Delinquent
SINN	8863	Deficiency Balance
SINVA	P11057	Expired Current
SISS1	11882	Active Delinquent
SIVAS2	11100	Deficiency Balance
SLOB	11443	Active Current

SMDI	9762A	Expired Delinquent
SMIS	10855	Deficiency Balance
SMITJ	10375A	Active Delinquent
SMITJ	T10525	Expired Delinquent
SMITJ	10086	Expired Delinquent
SMITJ	8843A	Expired Delinquent
SMITJ1	11423	Problem Accounts
SMITJ1	11472	Problem Accounts
SMITJ2	11907	Active Delinquent
SMOP	P11573	Deficiency Balance
SMSE	11611	Active Delinquent
SMSE1	11659	Active Current
SMSE2	T11793	Active Current
SNGG1	11408	Active Current
SOAN	9611	Deficiency Balance
SOBEA1	11699	Deficiency Balance
SOKD	10496	Deficiency Balance
SOKK	11842	Active Current
SOKM	11916	Active Current
SOLN	10141	Problem Accounts
SPED	11802	Active Delinquent
SPED	9317A	Deficiency Balance
SPMA	11129A	Active Current
SRIJ	11537	Active Current
STAB	P11046	Deficiency Balance
STAH	9329	Deficiency Balance
STARR	8785	Deficiency Balance
STEF	10969	Deficiency Balance
STEK	11868	Active Delinquent
STEO	P10791	Deficiency Balance
STRH	11072	Active Current
STRU	11862	Active Delinquent
STUE	11919	Active Current
SUGG1	11737	Active Delinquent
SULA	B10603	Deficiency Balance
SULA2	11444	Deficiency Balance
SULA3	11506	Deficiency Balance
SULA3	11445	Deficiency Balance
SULA4	T11467	Deficiency Balance
SULA4	E11509	Deficiency Balance
SULA4	E11511	Deficiency Balance
SULA4	T11466	Deficiency Balance
SULA4	E11510	Expired Delinquent
SULA4	E11478	Expired Delinquent
SULA4	E11512	Expired Delinquent
SULA4	E11496	Expired Delinquent
SUPD	11723	Active Current

SUSH	11195	Expired Delinquent
SUTE	11189A	Deficiency Balance
SZEC	P11239	Expired Current
TADC	11387	Deficiency Balance
TAGR	11078	Deficiency Balance
TAHF	11295	Expired Current
TANJI	P11452	Deficiency Balance
TAUJ	11724	Active Delinquent
TEAC	11355A	Deficiency Balance
TECH	11063	Active Current
TELT	11762	Active Current
TERB	P11158	Deficiency Balance
TEWM	11785	Deficiency Balance
THMA	11147B	Active Current
THMI	9673A	Active Delinquent
THMI	11761	Deficiency Balance
THOC	P10200	Active Current
THOJ	9934	Expired Delinquent
THOW	11775	Active Current
TOED	11924	Active Current
TOLL1	9412A	Deficiency Balance
TOLL3	10264A	Deficiency Balance
TOMR2	10843	Deficiency Balance
TONT	P11350	Deficiency Balance
TORE	P11004	Deficiency Balance
TORJ	9924A	Active Current
TOUA	11433	Active Current
TROE	B10645	Expired Delinquent
TROE2	P11036	Deficiency Balance
TROOP	11457	Active Insurance
TUCS	11782	Active Current
TURZ	11701	Deficiency Balance
UKWS	11800	Active Delinquent
URQR	10183A	Expired Current
VACC	10703	Deficiency Balance
VAIO	11157	Deficiency Balance
VAIO	11296	Deficiency Balance
VAIO1	11298	Deficiency Balance
VALA	P11133	Deficiency Balance
VALL	11202	Deficiency Balance
VALR	11856	Deficiency Balance
VARP1	11644	Active Current
VAUL	10858	Deficiency Balance
VINA1	11574	Active Current
VINM	11794	Active Current
VUJB	P10536	Deficiency Balance
WADC	8854	Deficiency Balance

WAGD1	11547	Active Current
WALC2	P11735	Deficiency Balance
WALE	11217	Deficiency Balance
WALE	11231	Deficiency Balance
WALKJ1	11859	Active Delinquent
WALV	P10852	Expired Insurance
WALW	11789	Deficiency Balance
WALZ	11247	Deficiency Balance
WALZ	11264	Inventory
WAMI	10256A	Deficiency Balance
WANC	11738	Active Current
WANQ	P10616	Deficiency Balance
WANZ	B9664A	Active Current
WASM	10026A	Deficiency Balance
WAXI	10434	Deficiency Balance
WAZH	P11687	Active Current
WAZI	11569	Deficiency Balance
WEBS	11073	Active Current
WEL1	10393	Deficiency Balance
WELG2	11223	Active Current
WEND	10966A	Active Current
WICH	9233A	Active Current
WILE	P11124	Expired Delinquent
WILJR1	E11661	Deficiency Balance
WILLD	P11824	Active Current
WILO	P11279	Deficiency Balance
WILW	11839	Active Current
WIMJ	P11622	Active Delinquent
WOHB	11706	Active Delinquent
WOHB	11171	Deficiency Balance
WOUD	10222A	Active Current
WRSH	11855	Inventory
XIAM	P11396	Deficiency Balance
XIAN	11768	Active Current
YIEU	11449	Active Current
YOUR6	11730	Deficiency Balance
YOUS	11843	Active Delinquent
ZANK	11142	Deficiency Balance
ZARA	11370A	Deficiency Balance
ZHAL	P11097	Expired Delinquent
ZHEY	11646	Active Current
ZHID	11605	Active Current
ZHUX	10070A	Active Current
ZIPA	9174A	Deficiency Balance
ZIVA	P11633	Active Delinquent
ZUFB	9769A	Active Current

**SCHEDULE 1.01(T)**  
**EXCLUDED ASSETS**

The Excluded Assets are comprised of:

1. all Cash;
2. subject to section 2.09 hereof, all policies of insurance and rights thereunder;
3. the judgment obtained by Carnival against P. Boussoulas and Royal Edge Inc. relating to accounts: BOUP/9766; BOUP/10193; BOUP/10646; BOUP/B9219; BOUP/9476; BOUP/10435; BOUP/10436; and BOUP/10511;
4. all letters of credit relating to Carnival;
5. equity in Crystal Beach property (related to SWAD);
6. 2008 Ferrari 430 Convertible with VIN ending in "161917", relating to account GIGH/11689;
7. the Excluded Leases, any vehicles or equipment subject thereto and any accounts receivable relating thereto;
8. all Tax Receivables;
9. all tax instalments paid by Carnival and the right to receive any refund of taxes paid by Carnival;
10. all prepaid expense refunds, including in respect of insurance premiums;
11. all minute books, stock ledgers and tax records of Carnival;
12. all personnel records of Carnival;
13. all Contracts;
14. all licenses, permits, approvals, consents, registrations, certificates and other authorizations relating to any of the property or assets listed on this Schedule 1.01(t); and
15. all rights of the Vendor and Carnival under this agreement.

**SCHEDULE 1.01(U)**  
**EXCLUDED LEASES**

CLIENT	LEASE	YR	MAKE - MODEL	SER#
SUGG	11454	7	LANDROVER RANGE R	987173
DUBK	11888	8	BMW 750I	T11135
LISS	11099	5	MERCEDES SL65 AMG	91032
SENF	11427	7	MERCEDES S550V	85217
KASV	11718	05	CAYENNE	A91400
WALKJ	11854	5	AUDI S4 SPORT	33421
KANT	11777	10	NISSAN SKYLINE GT	231443
PARV	B9669A	5	MERCEDES E55	782302
DESI	9971	2	FERRARI MODENA	128129
			LANDROVER	
GRAU	11416	6	RANGERO	216551
GRAU1	11691	9	BMW X3	J27483
GRAU2	11682	8	MERCEDES CL63 AMG	5428
GRAU1	11595	6	BENTLEY CONTINENT	32546
GRAU1	11678	9	CADILLAC ESCALADE	162908
PALAN	11848	9	MERCEDES BENZ C30	227555
CARN1	11837	10	MERCEDES BENZ E55	4604
SWAD	CNL373	S,	1 AIR COMPRESSOR	
SWAD	10657	7	US CARGO TRAILER	30946
SWAD	10658	7	US CARGO TRAILER	30947
SWAD	10659	7	US CARGO TRAILER	30948
SWAD	10655	0	FORD LARIAT	A08546
SWAD	CNL372	S,	1 AIR COMPRESSOR	
SWAD	10654	2	FORD F350 LTD	A16962
HIRL	11392	09	IMPREZZA	806566
TWIE	8945A	04	E5004M	X11748
HAYG	11720	7	MASERATI QUATTROP	27861
DEPR	11694	7	MERCEDES E63 AMG	996298
GIAC	11546	05	S600	447852
GIAC	11545	5	CADILLAC STS	168564

**Schedule 1.01 (aa): Leases**

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**CLIENT CONTRACT**

A1PR	11906
ABEN	11487
ABSO	11575
ABUJ	11491
ABUJ1	11505
ADEP	10840
AFMS	9943A
AGBK	11755
AGUM	11883
ALAA	10784A
ALDL	11431
ALDV	P10647
ANSK	11503
ANSM	P10617
APZD	10866A
ATWB	11523
ATWB	11485
AVEC	10604
AVES	11869
AYEV	11820
AYEV	11272
AYEV1	11792
BAIE	11664
BAKJ	T11286
BALT2	11827
BARA2	9868A
BARM	P10982
BARSN	10255A
BART	10710A
BASA	11335
BEDA	11808
BERIS	P11404
BERIS1	P11313
BEWA	T9603
BEWA2	T11494
BHAK	11410
BIAG	10899A
BIEU	11833
BIEU	11774
BIEU1	11791
BLAT	P11436
BOAC	P11107

BOBT	B10486
BODY	11353
BRBR	11328
BRCY	11229
BREN	10475A
BREX	T11722
BREX	11779
BRIN	11673
CABI	11152
CACE1	9265A
CAJA	C9532A
CARAN	9189A
CELP	11557
CHAL	11371
CHAMI1	11901
CHMA	10371A
CHRP	P11925
CICM	P11121
CLAC2	11532
CODB	11553
CODB	11807
COLC	P10755
COMM	11589
CONFE	11211A
COPR1	11866
CREO2	11300
CUDI	11847
DAPL	11530
DARM	10023A
DEGE	10763A
DEJR	11740
DELC	11524
DELM	11204
DEWC	11564
DIAG	11451
DIND	11879
DINI	9171
DINI3	9282
DINI6	E9237
DOBE	11596
DOIF	11446
DOOM	9616
DOPP	10854A
DOPP2	11717
DOUB2	11473
DOUB3	11477
DOWT	CNL400

DUGD	9310A
DUNG	11781
EAGS	10584
ENZC	11616
ENZC	P11902
EPSS	11489
ESCL	11757
FABJ	P11401
FACA	9970A
FAJS1	9264A
FARA	11823
FARA	11878
FASH	11692
FENY	P11787
FINN	11773
FISM	10781
FISU1	10857
FITS	11864
FORB	11671
FORB1	11790
FRASH1	11876
GAME	P11508
GAMM	9322A
GAMM	8895A
GEOY	11475
GERP	E10933
GIAH1	11227
GIME	11892
GODG	11710
GOFF1	10125A
GOFZ3	10267A
GOLJA	11603
GOZA1	B9574A
GRATR	11713
GRDA	11809
GREC	P11327
GRECO	P11584
GREG	11542
GREL	11409
GREL1	CNL395
GRUJ	11795
GTOM	B11484
GUDT	11835
GWIG	11665
GWSD	10274A
HADA	11289
HASN	11751

HAYE	P10886
HEDM	11336
HILA	11104
HODK	11623
HODM	P11280
HOFA	P10745
HOLC	P10698
HOLJ	11927
HOMC	11609
HOOW	11908
HOOW	11690
HORA	11562
HORV	9667A
HRIC	11586
HYLN	P10515
IANN1	CNL399
IROV	11561
IROV1	11668
JAMC1	P11709
JANM2	9975A
JASS	11655
JIAW	B10317
JMVF1	11811
JMVF1	11810
JMVF1	11812
JMVF1	11813
JOCH2	11805
JONP	11704
JOSC	11568
KAHK	11798
KALK	11686
KAMN	11702
KANR	11728
KANR2	9279A
KAVK	10163A
KAZN	9863
KECM	11754
KHOV	11154
KIMT	11716
KIRA	11917
KIRP	11898
KIRP	11899
KIRP	11891
KIRP	11890
KNIR	11643
KNOL	10275A
KOLN	11493

KONS	11897
KONS	11900T
KOOM	11871
KOOR	10122A
KOOR1	11745
KRID	9125A
KUNM	11359
KUNR	11828
LAKE1	P11323
LAZH	T11012
LAZH	11747
LAZH	9642A
LEBA	11698
LEEJ	P11841
LEIGM	11803
LEJA	P11303
LEUC	11501A
LEVB1	CNL397
LEVG	10428A
LEVMA	11857
LEVS	9384A
LEWIS	11339
LEWW	10774A
LIC1	8025E
LIC1	21
LIC6	11237
LIMA	10277A
LIOS	10903
LIRJ	11851
LITE	11337
LOND	10203
LOUP	P11140
LUHU	11826
LUJE	P11742
LUPW	9653A
LUPW	9569A
LUPW1	11377
LUPW1	10381A
MAAH	11597
MACEM	11649
MACM	10034A
MADA	11358
MAEX	T11258
MAEX	CNL396
MAFE	11213
MAFJ	10427A
MAHO	11315A

MALG3	11614
MALV	P10497
MARCJ	11765
MARIC	11526
MAWI	11816
MAZW	10117A
MCDC	11683
MCJT	11814
MCRW	11571
MEDO	10715A
MENN	11179
MERP	P10278
MICHG	11845
MIKM	11618
MILK	9726A
MINK	11398
MITCJ	11587
MOBA	10456
MOBA	10697
MOFH	11831
MOHM	B9983
MOKAA	11403
MOKY	11322
MOLA	11852
MONA	11904
MONE	11767
MONTG	11039A
MOOL	P11525
MORP	9140B
MORRD	11666
MOYY	8915A
MURS	9623A
NADF	11379
NALM	11551
NATT	11695
NAVB2	11531
NAVT	P11535
NERW	11784
NGJO	11263
NICC	P11840
NOOR1	10599A
NOYD	11590
NURO	11915
ORLV1	11148
OSIG1	P11672
PALL	11329
PANI1	10846

PANV	11325A
PARF3	T11739
PARL	11849
PARL	11348
PARW	10721A
PATN	11441
PATT	11783
PENG	11817
PETK	11746
PIRP	CNL394
PRSE	11585
PULL	10333A
QUAP	9920
QUAP1	CNL361
QUAP1	CNL362
RABI	11884
RABT	10210A
RADA	P11169
RADA1	T11638
RADA2	T11741
RATL	11538
RAYC	11357
RAZR	P11201
REAS	11412
RECE	T10483
RECE	T10482
RECE6	11260
REJE1	10851
RELD	11426
RESK2	9411A
REYK	10985
RIHE	11721
RIVG	11637
ROCA	10049A
ROJO	11788
ROPE	10250A
ROSK	11513
ROUS	11374
RUPL	9872B
RUSV	11759
SADH	11554
SAFM	11889
SALT	11748
SARM	11565
SAUB	11310
SAUJ1	11726
SCRD	11846

SEID	11367
SEJA	11274
SETM	9964A
SEVE	10552
SEWV	10837
SEYN1	11083
SHAE1	9474A
SHAF	11894
SHAG1	11064
SHAKR	9629
SHAM1	11540
SHAM1	11234
SHAV2	9727
SHBR	10570A
SHEU	11819
SHJU	11266
SHRO	10841
SHSM	11696
SHUT	11712
SIAM	11778
SIGG2	11334
SIGO	11731
SILHO1	11769
SIMW	11045
SIMW	11319
SINVA	P11057
SISS1	11882
SLOB	11443
SMDI	9762A
SMITJ	T10525
SMITJ	10086
SMITJ	8843A
SMITJ	10375A
SMITJ2	11907
SMSE	11611
SMSE1	11659
SMSE2	T11793
SNGG1	11408
SOKK	11842
SOKM	11916
SPED	11802
SPMA	11129A
SRIJ	11537
STEK	11868
STRH	11072
STRU	11862
STUE	11919

SUGG1	11737
SULA4	E11510
SULA4	E11478
SULA4	E11512
SULA4	E11496
SUPD	11723
SUSH	11195
SZEC	P11239
TAHF	11295
TAUJ	11724
TECH	11063
TELT	11762
THMA	11147B
THMI	9673A
THOC	P10200
THOJ	9934
THOW	11775
TOED	11924
TORJ	9924A
TOUA	11433
TROE	B10645
TROOP	11457
TUCS	11782
UKWS	11800
URQR	10183A
VARP1	11644
VINA1	11574
VINM	11794
WAGD1	11547
WALKJ1	11859
WALV	P10852
WANC	11738
WANZ	B9664A
WAZH	P11687
WEBS	11073
WELG2	11223
WEND	10966A
WICH	9233A
WILE	P11124
WILLD	P11824
WILW	11839
WIMJ	P11622
WOHB	11706
WOUD	10222A
XIAN	11768
YIEU	11449
YOUS	11843

ZHAL	P11097
ZHEY	11646
ZHID	11605
ZHUX	10070A
ZIVA	P11633
ZUFB	9769A

**Schedule 1.01 (dd): Legal Claims**

(120)

Customer #	Lease
AFOB	11261
AGUA	11515
ALAH	11331
ALAL	9621
APPD	10767
ANDKE	11450
ARUA2	11639
BARM	10982
BASO	10872
BAUR	11216
BEPE2	11601
BEPE2	11844
BLLI	377
BODT	8285
BOZR	11342
BROG	10568
BROOM	10218
CASM	10804
CASM	10807
CASM	11006
CHARM	10722
CHIP	11305
CLAK1	11122
CLAK1	11543
CLARC	11606
COCH	11174
CONFE	11211
CRAN	11180
CREO	10450
CREO	375
CREO	389
CUSD	11369
DASH	11700
DOHO	10889
DOUL	7567
DOWT	400
DURN	9037
FASL1	11593
GEMC	11887
GILM	11362
GOOF	11860
GREC	11327

GUML2	11236
HENE	11610
HOSS	11103
HOSS1	11314
HOSW	10175
HOWM	11037
HYLN	10515
IANN1	399
JUDM	10020
KAKJ	11576
KAUD	10803
KHAK1	11149
KIDA	11219
KRAL	8664
KWIM	11318
KWIM1	11317
LANJ	11307
LESP	10990
LONT	10981
MAHD	10124
MARS1	10821
MCQD	10615
MEDS	9851
MIFD	9878
MIRK	10918
MLAN	10302
MOKS	11399
MPUV	11566
NAVB2	11531
NDUI	11760
IMAN	10787
NOOR	10504
NOOR1	10599
NOUS	9375
PATO	10747
PHOT	10878
PIRP	10942
PIRP	394
PIVV	10975
PLMR	10779
POTT	11626
PURN	9343
PURN	8948
REYD	10076
RIDA1	10650
RUBP	9314
SEDI	11617

SERN	9241
STEO	10791
TAGR	11078
TAUJ	11724
TEAC	11355
VACC	10703
VAIO1	11298
WADC	8854
WALV	10852
WALE	11217
WALE	11231
WANQ	10616
WIKI1	11453
WILE	11124
WILO	11279
AIRH	9113
AIRH	9114
KORT	10107
WEJS	10954
VALL	11202
MOBA	10456
KOEP	B10031
ZEPM	10260
DREP	9605
APPC	RL122
DINI	9171
DINI3	9282
DINI6	9237
POBJ	10219
SOLN	10141
ONJI	9586

**Schedule 1.01 (vv): Vehicles**

(437)

**CONTRA**

CT	YR	MAKE - MODEL	Serial #
9769A	6	HONDA CRV SE AWD	JHLRD78556C800937
P11633	5	BMW X5 4.8	5UXFA93525LE82948
10070A	3	BMW X5 4.4 SPORT	5UXFB33593LH43046
11605	6	FORD F150 SUPERCR	1FTRW14W66FB49691
11646	8	MERCEDES ML63	4JGBB77E28A306034
P11097	3	PORSCHE CAYENNE T	WP1AC29P13LA90364
11843	3	BMW X5 3.0 PREMIU	5UXFA53533LV88019
11449	7	BMW 335I	WBAVB73577P100563
11768	4	INFINITI FX35	JNRAS08W94X203019
10222A	3	FORD F550 DUMP	1FDAF57F53EA51135
11706	6	JEEP LIBERTY LIMI	1J4GL58K56W120241
P11622	6	LANDROVER RANGERO	SALMF13476A232479
11839	4	VOLVO XC90 AWD	YV1CZ59H541065042
P11824	7	BMW M5	WBSNB93587CX07280
P11124	5	BMW 545I SPORT	WBANB33555B088836
9233A	5	INFINITY FX45	JNRBS08W55X400856
10966A	4	TOYOTA COROLLA CE	2T1BR32E24C813442
11223	8	ACURA RDX	5J8TB18528A804255
11073	0	JEEP WRANGLER TJ	1J4FA29P3YP763209
P11687	7	MERCEDES GL450	4JGBF71E07A275152
B9664A	6	BMW 325I	WBAVB13566KX48114
11738	6	TOYOTA CAMRY	4T1BE32K96U118667
P10852	1	911 TWIN TURBO CO	WP0AB29991S685939
11859	4	BENTLEY GT CONTIN	SCBCR63W04C022349
11547	5	MERCEDES E320 4MA	WDBUF82J65X170302
11794	6	HUMMER H2	5GRGN22U56H101152
11574	4	BMW X5 4.4 PREMIU	5UXFB53564LV03012
11644	5	HUMMER H2	5GRGN22U45H105708
10183A	3	INFINITI G35	JNKC51E83M003634
11800	7	HONDA CIVIC DXG	1HGFA16307L800841
11782	6	LAND ROVER RANGE	SALSF25406A906563
11457	6	BMW M5 SEDAN	WBSNB93586B581233
B10645	3	BMW 760LI	WBAGN83493DK10118
11433	9	PONTIAC VIBE 4 DO	5Y2SL678X9Z465456
9924A	6	MINI COOPER CONVE	WMWRH33536TK57540
11924	5	INFINITI FX45T 4D	JNRBS08W65X402549
11775	1	VOLKSWAGON PASSAT	WVWKH23B01E037547
9934	1	MERCEDES E320	WDBJF82J91X044464
P10200	3	MERCEDES CLK320	WDBTJ65JX3F023297
9673A	2	CHRYSLER SEBRING	1C3EL65R42N307303
11147B	3	BMW X5	5UXFB33573LH39853
11762	10	DODGE GRAND CARAV	2D4RN4DEXAR275505

11063	4 ACURA 3.2 TL	19UUA66244A801901
11724	6 MERCEDES CLK500 C	WDBTK75G66T060005
11295	7 BMW X5 4.8 PREMIU	5UXFE83577LZ41969
P11239	6 MERCEDES E350 4MA	WDBUF87JX6X180504
11195	3 MERCEDES C240	WDBRF61JX3F360019
11723	10 MERCEDES ML350 BL	4JGBB2FB6AA552245
E11510	97 GREAT TRAILERS FV	1GRAA0624VB028508
E11478	97 GREAT TRAILERS FV	1GRAA0627VB028535
E11512	97 GREAT TRAILERS FV	1GRAA0625VB028632
E11496	97 GREAT TRAILERS	1GRAA0629VB028634
11737	7 AUDI RS4 QUATTRO	WUARU78E87N903632
11919	7 NISSAN VERSA 1.8	3N1BC13E17L366837
11862	4 BMW X5 4.4	5UXFB53534LV00097
11072	8 INFINITY G35X	JNKBV61F88M262853
11868	6 ACURA CSX	2HFFD56766H205114
11537	6 BMW M5	WBSNB93546CX06528
11129A	6 TOYOTA COROLLA SE	2T1BR32E66C701486
11802	5 HONDA CIVIC LX	1HGEM22585L808182
11916	7 BMW X3 3.0 SI	WBXPC93457WF15971
11842	7 PONTIAC G6	1G2ZH36N074128752
11408	6 BMW 750LI EXECUTI	WBAHN83586DT29411
T11793	5 FREIGHTLINER M2	1FVHCYDC85HV19467
11659	5 LINCOLN NAVIGATOR	5LMFU28545LJ06413
11611	5 VOLVO VNL64T DAYC	4V4MC9GF45N381826
11907	9 GMC SAVANA G3500	1GDJG31K491149449
T10525	7 GMC CT7500	1GDL7C1C37F401287
10086	5 GMC 7500 TOP KICK	1GDL7C1C25F533048
8843A	4 FREIGHTLINER	1FVACWDD24HN53210
10375A	7 GMC C7500	1GDL7C1C77F401390
9762A	3 HYUNDAI SANTE FE	KM8SB13D63U547256
11443	3 HUMMER H2	5GRGN23U23H103239
11882	7 GMC ACADIA SLE	1GKEV13707J106169
P11057	4 BMW X5	5UXFA13554LU28833
11045	6 YUKON DENALI	1GKEK63U76J141849
11319	5 LANDROVER LR3	SALAD25445A317175
11769	6 TOYOTA SIENNA	5TDZA29C16S491794
11731	10 FORD EDGE	2FMDK4KC5ABB30958
11334	9 TOYOTA COROLLA XR	2T1BE40EX9C026167
11778	5 MERCEDES S55 AMG	WDBNG74J65A442374
11712	10 DODGE CARAVAN SE	2D4RN4DEXAR161214
11696	6 NISSAN MAXIMA SE	1N4BA41EX6C800423
10841	5 BMW 645	WBAEK73425B326527
11266	5 DODGE GRAND CARAV	2D4GP44L65R205554
11819	7 BMW 525I	WBANE53587CW66072
10570A	7 TOYOTA CAMRY LE V	4T1BK46K67U034784
9727	2 AUDI A4	WAULC68E52A058817
11540	5 TOYOTA CAMRY XLE	4T1BF30K85U599462

11234	8 TOYOTA COROLLA CE	2T1BR32E18C855705
9629	3 PORSCHE 911 CARER	WP0CA29913S650567
11064	3 HONDA ODYSSEY	2HKRL18093H013667
11894	7 LAND ROVER RANGER	SALSH23467A984568
9474A	5 FORD MUSTANG V6 C	1ZFT84N055204729
11083	7 AUDI Q7 4.2 QUATT	WA1AV74L37D011221
10837	4 FORD EXPLORER	1FMZU75W24UB99936
10552	3 TOYOTA CAMRY LE	JTDBF32K630090802
9964A	4 PORSCHE CAYENNE	WP1AA29P54LA22639
11274	4 AUDI A4 3.2 LT	WAULT68E74A084337
11367	5 TOYOTA SIENNA LE	5TDZA29C85S235327
11846	10 DODGE JOURNEY	3D4PH6FV1AT217657
11726	10 MITSUBISHI OUTLAN	JA4JT3AX5AZ600450
11310	5 NISSAN MURANO SL	JN8AZ08W85W401016
11565	7 BMW 328I	WBAWB33507PV74626
11748	5 BMW 530I	WBANA73545B817144
11889	5 CHRYSLER	2C3JA53G25H107307
11554	9 PORSCHE CAYENNE	WP1AA29P39LA03854
11759	6 FERRARI SPYDER CO	ZFFEW59A360150742
9872B	99 LEXUS RX330	JT6HF10UXX0087076
11374	6 LANDROVER RANGERO	SALSF254X6A956564
11513	2 HONDA CIVIC SI	1HGEM22972L801464
10250A	4 HONDA S2000	JHMAP21484T800187
11788	5 LAND ROVER LR3 HS	SALAG25495A340121
10049A	2 CHEVROLET AVALANC	3GNEK13T42G171190
11637	5 TOYOTA SIENNA CE	5TDZA29C35S380906
11721	7 HONDA FIT	JHMGD38447S809400
10985	7 LINCOLN MKX	2LMDU88C47BJ22615
9411A	5 NISSAN QUEST	5N1BV28UX5N103672
11426	8 BMW M3 COUPE	WBSWD93568PY40550
10851	3 FORD EXPEDITION	1FMPU18L73LB19685
11260	8 ENDEAVOR 41' MOTO	1RF43464182047279
T10483	7 MACK CT713	1M2AL01C37M007107
T10482	7 MACK CT713	1M2AL01C57M007108
11412	7 MERCEDES S550 4MA	WDDNG86X07A098560
P11201	5 PORSCHE CAYENNE S	WP1AB29P85LA65094
11357	3 PORSCHE CAYENNE S	WP1AB29P13LA60249
11538	6 MERCEDES ML350	4JGBB86E26A004540
T11741	5 FREIGHTLINER CC20	1FUJBCKX5LP00260
T11638	5 MACK CXN 613	1M1AK06Y85N004917
P11169	5 LANDROVER RANGERO	SALAG25485A322144
10210A	6 PORSCHE 911 C4 CA	WP0CB29956S769336
11884	7 TOYOTA YARIS LE	JTDBT923371015804
CNL361	6 MULTIVAC R80	185/PC11
CNL362	6 BIZZERBA AUTOMATI	1151-019
9920	5 HUMMER H2	5GRGN23U25H110677
10333A	6 DODGE DAKOTA 4X2	1D7HE42K76S689032

11585	7 BMW 525I	WBANE53597CK91826
CNL394	3 KAWASAKI ULTRA 150	0
11746	5 LEXUS RX330	2T2HA31U75C081624
11817	6 TOYOTA SIENNA CE	5TDZA29C96S519762
11783	7 HUMMER H3	5GTDN13E778212088
11441	6 PORSCHE CAYENNE '	WP1AB29PX6LA60660
10721A	4 HUMMER H2	5GRGN23U14H104352
11849	10 DODGE CARAVAN	2D4RN4DE9AR371562
11348	8 HONDA ACCORD EXL	1HGCP36858A804910
T11739	10 HINO 155 17 FOOT	2AAYX21H999000055
11325A	7 MERCEDES S550	WDDNG71X37A109648
10846	7 AUDI A4 3.2L QUA	WAUDH78E47A031806
11329	8 PORSCHE CAYENNE S	WP1AB29PX8LA40671
P11672	7 LANDROVER RANGERO	SALSK254X7A992171
11148	5 TOYOTA SEQUOIA	5TDBT44A75S239558
11915	8 LANDROVER RANGE R	SALSK25408A125248
11590	9 TOYOTA HIGHLANDER	JTEES43A092142955
10599A	7 MERCEDES S550 4MA	WDDNG71X77A011772
P11840	7 BKKC061	WBAWL13597PX13606
11263	6 JEEP TJ RUBICON	1J4FA69S56P773460
11784	5 MERCEDES SLK350	WDBWK56F75F046764
P11535	4 BMW 325I SPORT PA	WBABD33414JY96805
11531	7 MERCEDES SL55 AMG	WDBSK72FX7F128555
11695	8 BMW X5 3.0 IS	5UXFE43518L031325
11551	6 LANDROVER RANGERO	SALSF25436A931988
11379	7 BMW X5	5UXFE83587LZ40653
9623A	3 LEXUS SC430	JTHFN48Y330041285
8915A	4 TOYOTA ECHO SEDAN	JTDBT123940328553
11666	6 HONDA CRV EX	JHLRD78836C803894
9140B	5 NISSAN XTRAIL SE	JN8BT08V05W104657
P11525	6 BMW 750 LI	WBAHN83586DT34933
11039A	4 ACURA MDX PREMIUM	2HNYD18914H003114
11767	6 HONDA CRV SE	JHLRD785X6C802554
11904	4 BMW 320I	WBAEV13474KL23058
11852	5 CHRYSLER SEBRING	1C3EL65R05N656267
11322	5 PORSCHE CAYENNE T	WP1AC29P85LA92048
11403	6 BMW 525 XI	WBANF33586CS34808
B9983	96 LEXUS ES300	JT8BF12G8T0132093
11831	7 LANDROVER LR3	SALAE25477A439674
10456	3 MERCEDES E320	WDBUF65J33A184044
10697	3 MERCEDES E55 AMG	WDBUF76J03A387803
11587	6 BMW 530 XI	WBANF735X6CG65189
11398	5 BMW X5	5UXFA13595LY12311
9726A	6 HONDA CRV SE	JHLRD78556C802686
11618	6 MAZDA 3 GS	JM1BK12F461435343
11845	7 ACURA MDX	2HNYD28597H002350
P10278	6 HUMMER H1	137PH90306E221618

11179	9 DODGE JOURNEY	3D4GG57VX9T522016
10715A	3 LANDROVER DISCOVE	SALTR16453A819564
11571	6 DODGE RAM 1500 SP	3D3HA18HX6G207510
11814	8 PONTIAC MONTANA S	1GMDV23W68D110453
11683	10 FORD ESCAPE LTD	1FMCU9EG5AKB26156
10117A	6 JEEP GRAND CHEROK	1J4GR48K46C118040
11816	11 AUDI Q5 2.0T QUAT	WA1VFCFP5BA006328
11526	9 INFINITI G37 COUP	JNKCVC64EX9M605025
11765	6 TOYOTA RAV 4	JTMBD31V365028508
P10497	3 BUICK RENDEVOUS	3G5DB03EX3S550894
11614	6 LANDROVER RANGERO	SALME15486A203346
11315A	6 BMW 350I	WBAVB135X6PS64269
10427A	7 LEXUS RX350	2T2HK31U47C026516
11213	7 MERCEDES ML 63A	4JGBB77E87A198677
T11258	5 INTERNATIONAL 430	1HTMMAAP25H153076
CNL396	0 RAYMOND REACH FORKLIFT	DT-D-01-10521
11358	3 INFINITY G35	JNKCVC51E43M300478
10034A	6 MAZDA 3 GS	JM1BK12F661483524
11649	3 MERCEDES S430 4MA	WDBNG83J53A354338
11597	7 BMW X3	WBXPC93427WF14194
11377	9 PORSCHE CAYENNE G	WP1AD29P99LA63645
10381A	6 PORSCHE CAYENNE S	WP1AB29PX6LA65292
9653A	2 MASERATI SPYDER F	ZAMBB18A520005912
9569A	1 FERRARI 360 SPIDE	ZFFYT53A010125109
P11742	4 BMW 530I	WBANA73574B065633
11826	7 LANDROVER RANGERO	SALSH23457A984335
P11140	6 MERCEDES CLS500	WDDDJ75X06A068627
10203	1 PORSCHE 911 TURBO	WP0AB29901S685795
11337	9 TOYOTA MATRIX	2T1KU40E19C120862
11851	5 GMC SAVANA G2500	1GTGG25V351129135
10903	6 BMW M5	WBSNB93596B582729
10277A	6 CADILLAC ESCALADE	1GYEK63N46R158074
11237	6 MERCEDES C230 SPO	WDBRF52J76F736138
8025E	3 MERCEDES BENZ ML3	4JGAB54E23A374346
21	4 NISSAN FRONTIER T	1N6AA07B84N553624
10774A	2 BMW 540I	WBADN534X2GC98842
11339	9 DODGE JOURNEY SXT	3D4GG57V69T521977
9384A	5 ACURA TSX	JH4CL96845C801654
11857	7 LEXUS LS460	JTHBL46F375039051
10428A	7 TOYOTA MATRIX	2T1KR32E57C643422
CNL397	0 DENT-X ENDOS DC INTRAORAL X-RAY	9992700800
11501A	5 PORSCHE CAYENNE T	WP1AC29P15LA92456
P11303	6 MERCEDES CLS500	WDDDJ75X76A014676
11803	7 TOYOTA CAMRY SE	4T1BE46K07U035498
P11841	5 BMW 645CI	WBAEK73445B327582
11698	10 MITSUBISHI LANCER	JA32U2FU2AU602748
T11012	93 MACK 600 TRI-AXLE	1M2B209C5PM010814

11747	10 MILANO TRAILER 24	2M9THG7V0AE062297
9642A	4 CADILLAC DEVILLE	1G6KD54YX4U244170
P11323	8 PORSCHE CAYENNE T	WP1AC29P38LA81463
11828	5 LEXUS RX330	2T2HA31U25C060261
11359	4 BMW 330 CI	WBABD534X4PD96301
9125A	5 MAZDA	1YVFP80C755M04996
11745	7 NISSAN MURANO SL	JN8AZ08W57W619580
10122A	6 HONDA CIVIC DXG	2HGFA163X6H020633
11871	7 HONDA CIVIC	2HGFA163X7H016003
11897	5 MACK CV713 TANDEM	1M2AG11C25M012063
11900T	97 COMPETITION 53' G	1C9SS5128VH473230
11493	9 TOYOTA YARIS 3 DO	JTDJT923595257744
10275A	3 TOYOTA COROLLA LE	2T1BR32E03C727609
11643	10 HONDA ODYSSEY TOU	5FNRL3H80AB501094
11898	10 TOYOTA COROLLA	2T1BU4EE1AC208369
11899	10 TOYOTO COROLLA	2T1BU4EE2AC226430
11891	9 TOYOTA YARIS	JTDBT923691344208
11890	9 TOYOTA YARIS	JTDBT923191344522
11917	4 BMW 330CI SPORT	WBABD53484PD96071
11716	6 MAZDA M3 GS SPORT	JM1BK12F861405973
11154	6 BMW M5	WBSNB93536B583715
11754	5 NISSAN X TRAIL SE	JN8BT08V75W106146
9863	3 MERCEDES CLK 320	WDBTJ65J63F018100
10163A	5 DODGE RAM	1D7HU18D95S129506
9279A	5 HONDA ODYSSEY	5FNRL38815B504382
11728	10 TOYOTA HIGHLANDER	JTEJW3EH3A2040206
11702	6 BMW X3	WBXPA93486WG80854
11686	6 BMW 550I	WBANB53516CP00098
11798	8 DODGE CARAVAN	2D8HN44H38R684072
11568	4 BMW Z4 2.5 I	4USBT33594LR68573
11704	1 HONDA CIVIC LX	2HGES16681H904727
11805	5 ACURA 3.2 TL	19UUA66215A801551
11811	10 VOLKSWAGEN GOLF C	9BWEL4BE0A4000920
11810	10 VOLKSWAGEN GOLF C	9BWEL4BE6A4002378
11812	10 VOLKSWAGEN GOLF C	9BWEL4BE9A4003556
11813	10 VOLKSWAGEN GOLF C	9BWEL4BE2A4003558
B10317	2 ACURA 3.2 TL	19UUA56622A802121
11655	6 LAMBORGHINI GALLA	ZHWGU22T66LA02830
9975A	6 HONDA CIVIC EX CO	2HGFG12876H005460
P11709	3 MERCEDES CLK500	WDBTJ75J33F062111
11668	6 BMW 750 LI	WBAHN83536DT63448
11561	8 MERCEDES GL550	4JGBF86EX8A341657
CNL399	5 Case 85XT	JAF0329788
P10515	3 MERCEDES CLK500 A	WDBTJ75J73F043948
11586	3 MERCEDES E320	WDBUF65J13A120603
9667A	2 AUDI A8	WAUFL44D12N007581
11562	5 HONDA CRV EX	JHLRD78855C808321

11908	6 LAND ROVER RANGE	SALSF25406A959568
11690	7 ASTON MARTIN VANT	SCFBF03B27GC06205
11609	8 MERCEDES ML350	4JGBB86E08A334048
11927	6 JEEP LIBERTY LTD	1J4GL58576W153820
P10698	4 AUDI A4 T AWD	WAULC68E34A139690
P10745	4 LEXUS RX330 PREMI	JTJHA31U140003320
P11280	7 BMW X5 4.8 IS	4USFE83597LY63772
11623	9 PONTIAC G5 SE 2 D	1G2AL18HX97224641
11104	4 JEEP LIBERTY LTD	1J4GL58K14W244911
11336	6 PORSCHE CAYENNE S	WP1AB29P06LA65091
P10886	1 BMW M3	WBSBL93411JR10277
11751	5 MERCEDES C240	WDBRF61J85F584828
11289	7 BMW X3 3.0	WBXPC93457WF01732
10274A	6 HONDA CIVIC	1HGFA16856L805981
11665	5 PORSCHE CAYENNE S	WP1AB29P95LA62320
11835	7 BMW 328XI	WBAVC93567KX54069
B11484	7 PORSCHE 911 TURBO	WP0AD29917S784871
11795	8 FORD TAURUS X	1FMDK02WX8GA28819
CNL395	0 WHEEL LOADER (BWA380-001)	A51263
11409	9 DODGE RAM QUAD	3D3KS28T29G523615
11542	7 BMW X5 4.8	5UXFE83517LZ39439
P11584	6 BMW 550I SPORT PA	WBANB53596CP00544
P11327	7 LEXUS LS460L	JTHGL46F075003128
11809	1 VOLKSWAGEN CABRIO	3VWDC21V11M814443
11713	7 BMW 335I	WBAVB73507PA89232
B9574A	2 FERRARI 360 SPIDE	ZFFYT53A320129429
11603	9 HYUNDAI ELANTRA G	KMHU45D79U773087
10267A	5 MERCEDES SL65	WDBSK79F25F103619
10125A	7 MERCEDES S550V	WDDNG71X27A059034
11710	10 CHRYSLER SEBRING	1C3BC6EV2AN151468
11892	4 CADILLAC ESCALADE	1GYEK63N84R211632
11227	1 FERRARI 360 SPIDE	ZFFYT53A710124863
E10933	D EERE 6430 TRACTOR	
11475	5 MAZDA 3	JM1BK12FX51293952
9322A	1 VOLKSWAGEN JETTA	3VWSB69M11M126973
8895A	4 FORD F150	1FTRX12W64NB17830
P11508	6 BMW M5	WBSNB93516B581199
11876	4 FORD F150	1FTPW14524KB26783
11790	7 MERCEDES CLS500	WDDDJ72X87A100505
11671	8 LANDROVER RANGERO	SALSH234X8A145833
11864	10 DODGE GRAND CARAV	2D4CN1AEXAR307829
10857	7 CADILLAC ESCALADE	1GYFK66847R168597
10781	4 TOYOTA SIENNA LE	5TDZA23C24S019576
11773	7 NISSAN MURANO	JN8AZ08WX7W621938
P11787	7 MERCEDES S600	WDDNG76X57A061207
11692	5 INFINITI FX35 TEC	JNRRAS08W95X208044
11823	5 BMW M3 CABRIOLET	WBSBR93455PK09078

11878	10 NISSAN PATHFINDER	5N1AR1NB1AC623536
9264A	1 HONDA PRELUDE	JHMBB62401C800429
9970A	6 TOYOTA RAV 4	JTMBD33V266004336
P11401	8 LINCOLN MKX	2LMDU88C68BJ34704
11757	7 AUDI A3	WAUNF78P87A040441
11489	7 BMW 335I	WBAVB735X7KY60080
11616	7 MERCEDES CLS63 AM	WDDDJ77X17A083443
P11902	5 LAND ROVER RANGE	SALME11455A183755
10584	7 FORD RANGER 4X4	1FTZR45E07PA71709
11781	10 MERCEDES GJK350 4	WDCGG8HB3AF374304
9310A	3 HUMMER H2	5GRGN23U73H133109
CNL400	2 Case XT60	JAF0390486
11477	7 LEXUS GS450H	JTHBC96SX75007174
11473	6 VOLVO XC90	YV4CZ592961234481
11717	2 LEXUS RX300	JTJHF10U520240798
10854A	3 ACURA MDX	2HNYD18623H004230
9616	3 BMW X5 3.0	5UXFA53543LV78339
11446	5 TOYOTA HIGHALNDER	JTEEP21A250092624
11596	7 TOYOTA FJ CRUISER	JTEBU11F770002727
E9237	94 HITACHI EX 400LC	166-5282
9282	89 CATERPILLAR D8N B	09TC01862
9171	1 MERCEDES BENZ	WDBNG70J51A170190
11879	4 MAYBACH 57 SWB	WDBVF78J54A000889
11451	5 CHEVROLET CORVETT	1G1YY34U555119871
11564	8 BMW 328I	WBAVC53588FZ85283
11204	4 BMW 530I	WBANA73514B061688
11524	5 JEEP GRAND CHEROK	1J4HR582X5C594513
11740	8 CHRYSLER TOWN & C	2A8HR54PX8R644502
10763A	3 PONTIAC MONTANA	1GMDX03E53D160579
10023A	2 MERCEDES BENZ S43	WDBNG70J62A264211
11530	9 CADILLAC SRX	1GYEE437X90117759
11847	6 GMC SAVANA G3500	1GDJG312861200415
11300	9 GMC ACADIA SLE AW	1GKEV13D79J133717
11866	9 GMC SAVANA 2500 1	1GTGG25C191152305
11211A	4 BMW 645CI	WBAEH73434B215210
11589	9 FORD RANGER 4X4 S	1FTZR45E59PA61552
P10755	2 BMW 745LI	WBAGN63412DR05583
11553	9 PONTIAC MONTANA S	1GMDV23129D102694
11807	6 PONTIAC MONTANA S	1GMDV33L76D233249
11532	6 TOYOTA SOLARA	4T1FA38P56U074831
P11121	5 BMW 330CI	WBABW53465PL49548
P11925	3 INFINITI FX35 4DR	JNRRAS08U33X101082
10371A	6 MAZDA M3 SPORT	JM1BK143261493373
11901	8 TOYOTA RAV4 4WD	JTMBD33V786081738
11371	6 TOYOTA SIENNA CE	5TDZA29C96S556570
11557	9 MINI COOPER CONVE	WMWMR33539TJ94290
9189A	4 VOLVOS60	YV1RH59H842408482

C9532A	5 TOYOTA ECHO	JTDBT123650386332
9265A	5 CHEVROLET OPTRA	KL0JK89ZX5K094325
11152	1 BMW 325I	WBAAV33401FU87542
11673	6 MAZDA 3GT SPO0RT	JM1BK143361463296
T11722	7 MACK GRANITE CT 7	1M2AL02C17M005516
11779	10 CHEVROLET CAMARO	2G1FT1EW2A9214251
10475A	7 LEXUS E350	JTHBJ46G872068058
11229	7 BMW 328I	WBAWV13507P117262
11328	7 BMW 328I	WBAWB33517PU88077
11353	7 CADILLAC ESCALADE	1GYFK63837R134087
B10486	6 NISSAN PATHFINDER	5N1AR18W46C610270
P11107	7 LANDROVER RANGERO	SALSK25427A993539
P11436	6 BMW 525I SPORT PA	WBANE53556CK81602
11791	7 HUMMER H2	5GRGN23U87H101176
11833	8 MERCEDES BENZ C30	WDDGF54X88F049124
11774	6 MERCEDES S500	WDBNG75J06A482899
10899A	3 BMW 745LI 4DR	WBAGN63493DS44371
11410	7 HUMMER H2	5GRGN23U87H103722
T11494	4 MACK CV713	1M2AG11C74M009559
T9603	5 FREIGHTLINER M2 1	1FVHCYCS35HU63706
P11313	4 PORSCHE CAYENNE T	WP1AC29P64LA91706
P11404	4 PORSCHE CAYENNE T	WP1AC29P34LA93686
11808	6 BMW 325I	WBAVB13526PT23444
11335	9 HYUNDAI ACCENT GL	KMHCHN35C89U113943
10710A	6 SUBARU IMPREZA	JF1GG676X6H805284
10255A	6 HONDA CIVIC	2HGFA16346H033572
P10982	6 LANDROVER RANGERO	SALSH23446A940289
9868A	6 GMC SIERRA 4X4	1GTHK24U46E173649
11827	6 BMW XIT	WBAVT13566AV98220
T11286	8 PETERBILT 330 WIT	2NPNHM6H38M766296
11664	4 NISSAN MURANO	JN8AZ08W14W319398
11792	7 AUDI A3 2.0 WAGON	WAUNF78P87A033442
11820	7 AUDI Q7	WA1BV74L97D061318
11272	6 MERCEDES ML500	4JGBB75EX6A066456
11869	3 BMW X5 4.4	5UXFB33563LH46857
10604	0 GMC JIMMY 4X4	1GKDT13W9Y2287874
11523	7 MERCEDES S550	WDDNG71X17A019401
11485	7 LINCOLN NAVIGATOR	5LMFU28557LJ17732
10866A	4 BMW 745LI	WBAGL635X4DP73165
P10617	6 LANDROVER RANGERO	SALSF25486A905788
11503	6 LEXUS IS 250 AWD	JTHCK262965002870
P10647	3 BMW 760 LI	WBAGN83453DK10441
11431	5 TOYOTA COROLLA CE	2T1BR32E45C885065
10784A	7 BMW X5	5UXFE43557L014977
11883	10 FORD F150 CREW CA	1FTEW1E84AFD13799
11755	4 CADILLAC SRX	1GYEE63A940186068
9943A	6 HYUNDAI SONATA	KMHET46C86A125610

10840	8 SUBARU FORESTER X	JF1SG66698G718061
11505	6 MERCEDES ML350	4JGBB86E96A066890
11491	4 PORSCHE CAYENNE T	WP1AC29P04LA90664
11575	10 HYUNDAI SONATA GL	5NPET4AC2AH609737
11487	6 PORSCHE CAYENNE	WP1AA29P56LA20697
11906	8 LINCOLN MKX	2LMDU88C28BJ19455
10953A	6 MERCEDES CLS55 AM	WDDDJ76X26A015815
11838	9 DODGE CARAVAN	2D8HN44E79R522551
10551	3 BMW 530I	WBADT63453CK40851
10294A	3 TOYOTA COROLLA	2T1BR32E53C742834
P11066	4 BMW X5	5UXFA93584LE81141
9633A	3 FERRARI SPIDER 36	ZFFYT53A630132276
11385	6 MERCEDES ML350	4JGBB86E86A130644
11116	7 CADILLAC ESCALADE	1GYFK63827R243186
11368A	7 BMW 328I	WBAVA33587KX77016
11604	6 MERCEDES ML500	4JGBB75E16A002497
11886	8 PORSCHE CAYENNE T	WP1AC29P88LA82897
11264	6 LANDROVER RABGERO	SALSF25456A908034
11855	7 BMW 750LI	WBAHN83597DT74357

**Schedule 2.02 (a): Vehicles - Non-Portfolio**

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Year	Make	Model	VIN
2000	MERCEDES	C230	WDBHA24G2YF903096
2002	HONDA		1HGEM21962L812649
2004	ROTH		2RTMC07214M074610
2000	MITSUBISHI		JW6CCJ1G6YL008507
2002	AUDI	A4	WAULC68E22A197027
2007	TOYOTA	FJ	JTEBU11F870035901
2003	LEXUS		JTHBD192730068659
2002	MERCEDES	CL230	WDBRN47J12A296611
2001	DODGE	VIPER	1B3ER65E21V702765
2002	BMW	745	WBAGN63402DR06305
2006	FREIGHTLINER		1FUJCRCK36PW51449
2005	DODGE	SPRINTER	WD0BD444355801816
2002	MERCEDES	C240	WDBRF61JX2F267502
2000	VOLVO	TRACTOR	4V4ND1GH3YN258009
2000	STERLING	TRACTOR	2FZXFXB1YAB78839
2001	VOLVO	TRACTOR	4V4NC9GH51N315513
2003	MINI	COOPER	WMWRE33473TD59745
2004	MAZDA	M3	JM1BK143241208474
2004	SUZUKI	SWIFT	KL5TJ62634B116811
2004	TOYOTA	COROLLA	2T1BR32E84C817477
2004	ACURA	TL	19UUA66274A802413
1997	CHEV		3G1JC1241VS861729
2004	INFINITI	FX35	JNRS08W44X202652
2005	AUDI	S4	WUARL48H65K901209
2007	AUDI	Q7	WA1BY74L67D043401
1999	BMW	323i	WBAAM3331XKC58770
2003	MAZDA	MPV	JM3LW28J030369702
2002	NISSAN	PATHFINDER	JN8DR09Y42W707011
1999	LANDROVER	RANGEROVER	SALPV1248XA423847
2000	TOYOTA		RBT05K05103105000
1992	HONDA		JHMCB7646NC822591
2002	UPUL?		2U9TY260221016004
1995	CHEV	LUMINA	1GNDU06L1ST119062
2003	TOYOTA	COROLLA	2T1BR32E53C737939
2002	JEEP	LIBERTY	1J4GL48K82W360873
2001	TOYOTA		RBT01H05102205123
1999	PORSCHE	996	WP0AA2995XS626107
2002	NISSAN		1N4BL11E0ZC236428
1999	CHEV	ASTRO	1GCDM19W0XB137831
1994	CHEV	ASTRO	1GCDM15Z8RB128569
1999	TOYOTA	4RUNNER	JT3HN86RXX0204487
2001	CHEV		1GBEL19W31B120640

1989	NISSAN	PATHFINDER	JN8HD14YXKW101337
1994	BMW	840	WBAEF6323RCC89374
2001	BMW		WBAAV33491FV00174
1997	BMW		WBADD6325VBW16260
1994	TOYOTA		4T1GK12E9RU025374
1994	FORD	L7000	1FDPR72C5RVA31860
1997	PLYMOUTH	VOYAGER	2P4GP2437VR442907
1988	FORD	LT9000	1FDYA90W3JVA32840
1999	MERCEDES	500SL	WDBFA68FXXF184551
2000	FORD	EXPEDITION	1FMPU18L2YLA30615
2000	SUBARU	LEGACY	4S3BE6453Y7200201
1996	PETERBILT	TRACTOR	1XPFD89X0TN390923
1993	MAZDA	PRECIDIA	JM1EC4341P0224357
1999	TOYOTA	RAV4	JT3HP10V8X7123888
1986	PONTIAC		1G7TB68CXGA718232
1993	FORD	CUBE VAN	1FDKE37M1PHA31303
1998	DODGE	CARAVAN	2B4FP2535WR616230
1992	TOYOTA		1T1AE94E4NC126441
1997	DODGE	CARAVAN	2B4GP243XVR423642
1992	LINCOLN	TOWN CAR	1LNLM81W8NY600675
1991	DODGE	CARAVAN	2B4GK4534MR238915
1986	CHEV		1G1TB08C0GA193396
1992	HONDA		JHMCB7670NC821253
1995	FORD	CUBE VAN	1FLDFY7F2SEA36044
1990	NISSAN		JN1RZ24S9LX000226
1989	MERCURY		1MEBM50U0KG643163
1992	PLYMOUTH	VOYAGER	1P4GH44R6NX246794
1997	FORD		1FMDU34EOVZA55141
1989	BMW		WBAHD2304K2094967
1996	CHEV	EXPRESS	1GCGG35K2TF113603
1996	FORD	CARGO VAN	1FTEE14Y6THB45062
1996	JEEP		1J4EZ78S6TC148144
1996	CHRYSLER		2C3HH46T5TH129554
1995	FORD	ESCORT	1FALP15J9SW335828
1995	BUICK		1G4HP52L8SH532034
1995	DODGE	CARAVAN	2B4GH45RXSR261163
1995	GMC		1GKEL19W9SB533647
1995	JEEP		1J4FY49S0SP223464
1987	MERCEDES		1MBZB76A3HN730585
1994	JEEP		1J4FY19P9RP429998
1994	JEEP		1J4GZ78S5RC108963
1993	TOYOTA		JT2AE04E7P0032975
1993	PONTIAC		1G2WJ11T2PF271224
1993	HONDA		2HGEH2373PH000360
1992	TOYOTA		JT2VK11F8N0017377
1992	MAZDA		JM1EC7339N0133275
1992	PONTIAC		3G2JC51HXNS833208

1992	FORD		1FTEX14N8NKA78390
1992	FORD		1FMDU34XXNUB46139
1991	TOYOTA		JT2ST87L2M0088885
1988	MERCEDES		1MBZB83AXJN748825
1987	PONTIAC		1G7TB61C5HA704573
1990	FORD		1FTEE14N1LHB86446
1987	OLDSMOBILE		1G3GR11A7HP327516
2005	PORSCHE	CAYENNE	WP1AB29PX5LA63234
2006	MERCEDES	CLS55	WDDDJ76X16A033741
1999	NISSAN	PATHFINDER	JN8AR07Y3XW388570
2004	BMW	X5	5UXFA93504LE81652
1998	FORD	TRACTOR	1FTYY96M3WVA39963
2004	INFINITI	G35	JNKC51E14M109165
1999	BMW	528	WBADM6330XBY22503
2007	HONDA	CRV	5J6RE48327L800963
2001	GMC	SAVANA	1GTGG25F111127631
2006	INFINITI	G35	JNKC51F06M607661
2005	RCCO		RC382607030310732
2005	MERCEDES	CLK320	WDBTJ65J04F119117
2003	MERCEDES	ML350	4JGAB57E53A411921
2002	MERCEDES	C240	WDBRF61J12F254296
2004	FORD	EXPLORER	1FMZU77K04UA03468
2005	MAZDA	M3	JM1BK123251328151
2005	CARMATE	TRAILER	5A3C612D45L005362
2005	HELLBOUND	WICKED	1H9FS2S7051399481
2005	LINCOLN	NAVIGATOR	5LMFU28515LJ00312
2002	UNITED	TRAILER	48B500V2621057242
2005	UTILITY	TRAILER	1UYVS25375M362715
2004	BMW	X5	5UXFA93584LE81267
2001	HONDA	ACCORD	1HGCG56451A800287
2004	DODGE	SPRINTER	WD2BD443445702905
2000	BMW	323	WBABM3349YJN60759
2001	BMW	M3	WBSBL93451JR12257
2004	HONDA	ACCORD	1HGCM566X4A801143
2003	MERCEDES		WDBSK74F63F059371
2000	CHRYSLER	300	2C3HE66G0YH381811
2003	HONDA	PILOT	2HKYF18533H005028
2003	MAZDA	PROTÉGÉ	JM1BJ225130115575
1998	TOYOTA	RAV4	JT3HP10V9W0168541
2002	DODGE	RAM	3B7KF23672M289445
2001	BMW	330	WBABS53484JU85527
2002	TOYOTA	SEQUOIA	5TDBT44A42S110267
1997	PLYMOUTH	VOYAGER	2P4FP2538VR182818
2002	BMW	X5	5UXFB33512LH33187
2002	CADILLAC	ESCALADE	1GYEK63N92R240389
1989	FORD	F150	2FTEF14Y5KCA83303
1997	CHEV	MALIBU	1G1NE52MXV6166107

2002	VOLKSWAGEN	JETTA	3VWSB69M82M016391
1999	LEXUS	RX300	JT6HF10U0X0077348
1998	VOLVO	S90	YV1KS9605W1126026
2001	CHEV	ASTRO	1GCDM19WX1B147564
2001	TOYOTA	ECHO	2T1BR12E21C819760
2001	HONDA	ODYSSEY	2HKRL18691H002718
1995	FREIGHTLINER	TRACTOR	1FV3HFAAXSL622885
1999	CHRYSLER		2C3HH46R0XH775496
2001	VOLKSWAGEN	JETTA	3VWTG29M01M040648
1997	MOND		2MN123143V1223614
1990	FORD	ECONOLINE	1FDHS34M6LHB59344
2000	FORD		1FDAF56F3YEE02858
1997	FORD	CUBE VAN	1FDLE47F8VHA63528
1990	UTILITY	TRAILER	1UYVS2482LU322102
2000	TOYOTA		JTDBT123XY0035427
2000	TOYOTA		2T1CF22P8YC798153
2000	CHEV	ASTRO	1GCDM19W1YB162562
1988	PLYMOUTH		1P3BP46D5JF249995
1994	EAGLE	VISION	2E3ED56T3RH208420
2000	HONDA		2HGEJ6683YH912360
2000	DODGE	DURANGO	1B4HS28Z9YF202790
1985	INTERNATIONAL	TRACTOR	2HSFBJVT9FCA12401
1986	GMC	7500	1GDT8C4Y6GV530084
1998	TOYOTA	COROLLA	2T1BR12E9WC731828
1999	DODGE	DURANGO	1B4HS28YXXF678889
1999	GMC	SAVANA	1GTHG35R6X1144146
1999	NISSAN	PATHFINDER	JN8AR07Y9XW363060
1989	TOYOTA		JT2AE93E1K3176521
1999	BMW		WBAAM3339XKC59634?
1998	TOYOTA	COROLLA	2T1BR12E9WC716245
1999	HONDA	CIVIC	1HGEJ8175XL801417
1999	TOYOTA	CAMRY	JT2BG22K1X0281212
1995	VOLKSWAGEN	GOLF	3VWHD81H0SM78415
1999	TOYOTA	COROLLA	2T1BR12E6XC745283
1998	TOYOTA		2T1BR12E4WC739447
1998	HONDA	ACCORD	1HGCG1659WA804965
1998	REME		2REA3S7A7W2Y49584
1988	GMC		2GTEG25H4J4525353
1996	PONTIAC	GRAND AM	1G2NE52M8TC804431
1994	PLYMOUTH	VOYAGER	1P4GH44R6RX180835
1997	PONTIAC	SUNFIRE	3G2JB1245VS819059
1994	FORD	LT9000	1FDYA99X6RVA11469
1998	JEEP	GR CHEROKEE	1J4GZ78SXWC215888
1998	DODGE		1B3EJ46X5WN152089
1997	DODGE	RAM	3B7KF23Z7VG751953
1998	DODGE		1B4GP54LOWB574202
1997	PONTIAC	TRANSPORT	1GMDU06E1VD296764

1993	FORD	AEROSTAR	1FMCA11U4PZC15593
1998	TOYOTA	4RUNNER	JT3HN87R3W9006889
1995	AMG	HUMMER	137YA9030SE165523
1997	GMC	SAVANA	1GTGG25R8V1106145
1997	DODGE		2B4FP2538VR335361
1996	TOYOTA		2T1BA05E3TC126230
1997	TOYOTA	CAMRY	4T1BG22KXVU106630
1991	PLYMOUTH		1P4GH44R2MX538053
1994	SATURN	WAGON	1G8ZF5592RZ272949
1995	TOYOTA		JT4VN13GXS5149706
1997	TOYOTA		4T1BF22KXVU016719
1997	PLYMOUTH	VOYAGER	1P4GP54R4VB334927
1995	FREIGHTLINER		1FV6JFAB4SL581194
1997	JEEP		1J4GZ78Y2VC577152
1996	DODGE		1B7MF36C0TJ157920
1997	CHEV		1GNEK13R5VJ312548
1997	NISSAN		JN8AR05Y3VW110770
1997	PONTIAC		1G2JB52T8V7512479
1996	CHEV		1GNDU06E6TT129489
1996	PLYMOUTH	NEON	1P3ES47CXTD722645
1989	PONTIAC		1G2AF81W7K6273557
1996	FORD		1FALP57U6TG243506
1980	BUDD		190012M
1996	PLYMOUTH		3P3ES47C1TT294586
1992	FREIGHTLINER		1FV6HFAA6NL485851
1977	STOU		7621618
1989	FORD		2FTHF25M3KCA03026
1988	DODGE		1B7HD14Y3JS632056
1993	MERCURY		1MELM5342PG629224
1996	CHRYSLER	TOWN & COUNTRY	1C4GP64L0TB226310
1996	DODGE		2B4GP4534TR553326
1995	JEEP		1J4FY49S7SP288621
1995	CHEV		1GBKC34F5SJ116635
1994	DODGE	CARAVAN	1B4GH54R6RX243178
1995	VOLKSWAGEN		3VWFF01H5SM025471
1995	MERCURY		4M2DV11W2SDJ39001
1995	PONTIAC		3G2JB1248SS823599
1995	OLDSMOBILE		1G3GR62C4S4125657
1995	JEEP	GR CHEROKEE	1J4GZ78Y2SC578832
1995	MERCURY		4M2DV11W4SDJ24340
1995	MERCURY		4M2DV113W3SDJ14446
1989	GMC		1GDL7D1G9KV505709
1994	CHRYSLER		2C3EH56F6RH250184
1994	JEEP		1J4GZ78S9RC264794
1994	CHEV		3G1JC1148RS834048
1994	CHEV	CAVALIER	3G1JC5146RS814503
1993	TOYOTA		JT2SK12F4P0114158

1994	HONDA		1HGCD5652RA805878
1993	PONTIAC		1G2NE51N5PC782078
1993	CHEV	CAVALIER	1G1JF31T2P7194733
1993	MERCURY		2MEBM36X5PB608588
1987	MERCEDES		WDBBA48D5HA070411
1993	MAZDA		1YVGE22A9P5148530
1992	VOLKSWAGEN		WVWPA01G4NW060617
1992	DODGE		JB3XE74C0NY048265
1989	CHEV		1G1JC5116K7113616
1992	MERCURY		1MEBM36X0NK600885
1991	FORD		1FDKE30GXMHA05783
1987	PONTIAC		1G7TB61C8HA701439
1987	PONTIAC		1G7TB61C3HA702773
1987	PONTIAC		1G7TB61C7HA707281
1988	PONTIAC		2G2AG51W0J9250527
1987	MERCURY		1MEBM6037HH695969
1991	MAZDA		JM2UF2139M0146208
1991	HONDA		JHMBA4277MC800854
1991	OLDSMOBILE		1G3CV53L2M4308187
1987	PONTIAC		1G7TB61C8HA704261
1987	PONTIAC		1G7TB61C9HA704267
1987	PONTIAC		1G7TB61C5HA704492
1990	GMC		JGTBJ18UXLW853557
1990	PONTIAC		1G7LT51T4LY707942
1990	CHEV		2GCEG25K4L4143676
1986	DODGE		1B7FD04H9GS056080
1988	FORD		2FTEF15N2JCA80734
1985	MERCEDES		WDBCA32C7FA102898
1988	AMER		1JCMR7842JT117522

**SCHEDULE 2.02(A)(III)**  
**CARNIVAL II ACCOUNTS RECEIVABLE**

(a) (iii)

Schedule 2.02 (c): Accounts Receivable - Non-Portfolio AR  
(382)

CLIENT	STATUS
ABDI1	Non Portfolio A/R
ABDY	Non Portfolio A/R
ABUE	Non Portfolio A/R
ADAL	Non Portfolio A/R
ADVC	Non Portfolio A/R
AIRH	Non Portfolio A/R
AJAL	Non Portfolio A/R
ALHA	Non Portfolio A/R
ALTL	Non Portfolio A/R
AMIN	Non Portfolio A/R
ANDK	Non Portfolio A/R
APPC	Non Portfolio A/R
APPD	Non Portfolio A/R
ASAM	Non Portfolio A/R
AYLD	Non Portfolio A/R
BAKV	Non Portfolio A/R
BASO	Non Portfolio A/R
BATE	Non Portfolio A/R
BATW	Non Portfolio A/R
BCJM	Non Portfolio A/R
BENM	Non Portfolio A/R
BEPE	Non Portfolio A/R
BETM	Non Portfolio A/R
BEWA1	Non Portfolio A/R
BINA	Non Portfolio A/R
BLIM	Non Portfolio A/R
BLUL	Non Portfolio A/R
BMWS	Non Portfolio A/R
BODT	Non Portfolio A/R
BRAI	Non Portfolio A/R
BRAN	Non Portfolio A/R
BRGG	Non Portfolio A/R
BRID2	Non Portfolio A/R
BROG	Non Portfolio A/R
BROOM	Non Portfolio A/R
BROW	Non Portfolio A/R
BUMR	Non Portfolio A/R
BUTH	Non Portfolio A/R
CAMPD	Non Portfolio A/R
CAPP	Non Portfolio A/R
CARGOL	Non Portfolio A/R
CARN	Non Portfolio A/R

CAVS	Non Portfolio A/R
CHAK	Non Portfolio A/R
CHARM	Non Portfolio A/R
CHEG	Non Portfolio A/R
CHID	Non Portfolio A/R
CHOR	Non Portfolio A/R
CHUL	Non Portfolio A/R
CLAK	Non Portfolio A/R
CLIC	Non Portfolio A/R
CODA	Non Portfolio A/R
COHC	Non Portfolio A/R
COHI	Non Portfolio A/R
COLG	Non Portfolio A/R
COPR	Non Portfolio A/R
CREC	Non Portfolio A/R
CREO	Non Portfolio A/R
CUCF1	Non Portfolio A/R
CVEM	Non Portfolio A/R
DALB	Non Portfolio A/R
DAML	Non Portfolio A/R
DANK	Non Portfolio A/R
DASH	Non Portfolio A/R
DAWN	Non Portfolio A/R
DEAA	Non Portfolio A/R
DEAN	Non Portfolio A/R
DEPX	Non Portfolio A/R
DEWM	Non Portfolio A/R
DHAG	Non Portfolio A/R
DHAK	Non Portfolio A/R
DICM	Non Portfolio A/R
DITU	Non Portfolio A/R
DIVE	Non Portfolio A/R
DIXIE	Non Portfolio A/R
DLRC	Non Portfolio A/R
DNJE	Non Portfolio A/R
DOAK1	Non Portfolio A/R
DOHU	Non Portfolio A/R
DOOS1	Non Portfolio A/R
DOUB	Non Portfolio A/R
DOUB1	Non Portfolio A/R
DOUL	Non Portfolio A/R
DREDM	Non Portfolio A/R
DREP	Non Portfolio A/R
DUND1	Non Portfolio A/R
DURN	Non Portfolio A/R
DWOM	Non Portfolio A/R
EAGC	Non Portfolio A/R

EDER	Non Portfolio A/R
EDWT	Non Portfolio A/R
ELLM	Non Portfolio A/R
ERAA	Non Portfolio A/R
ERIN	Non Portfolio A/R
EURO	Non Portfolio A/R
FARM	Non Portfolio A/R
FARME	Non Portfolio A/R
FARS	Non Portfolio A/R
FOXA	Non Portfolio A/R
FOXD	Non Portfolio A/R
FREJ	Non Portfolio A/R
FULD	Non Portfolio A/R
GEMJ	Non Portfolio A/R
GENT1	Non Portfolio A/R
GHOP	Non Portfolio A/R
GIAD	Non Portfolio A/R
GIAD1	Non Portfolio A/R
GIGH2	Non Portfolio A/R
GIGH3	Non Portfolio A/R
GILG	Non Portfolio A/R
GILG1	Non Portfolio A/R
GITM	Non Portfolio A/R
GLOF	Non Portfolio A/R
GLOU1	Non Portfolio A/R
GOAM	Non Portfolio A/R
GOFF	Non Portfolio A/R
GRUR	Non Portfolio A/R
GTAN	Non Portfolio A/R
GUML	Non Portfolio A/R
GUNE	Non Portfolio A/R
HADR	Non Portfolio A/R
HANH	Non Portfolio A/R
HARBO	Non Portfolio A/R
HART	Non Portfolio A/R
HAVN	Non Portfolio A/R
HAYE1	Non Portfolio A/R
HEFO	Non Portfolio A/R
HOWT1	Non Portfolio A/R
ICOE	Non Portfolio A/R
IERF	Non Portfolio A/R
IRIP	Non Portfolio A/R
ITEI	Non Portfolio A/R
ITST	Non Portfolio A/R
JABB	Non Portfolio A/R
JAHS	Non Portfolio A/R
JAME	Non Portfolio A/R

JAMJ	Non Portfolio A/R
JANP2	Non Portfolio A/R
JASS2	Non Portfolio A/R
JAYA	Non Portfolio A/R
JOCH	Non Portfolio A/R
JOFL	Non Portfolio A/R
JOST1	Non Portfolio A/R
JSNS	Non Portfolio A/R
JUDM	Non Portfolio A/R
KAKJ	Non Portfolio A/R
KALE	Non Portfolio A/R
KAML	Non Portfolio A/R
KAPA	Non Portfolio A/R
KAPA1	Non Portfolio A/R
KARG	Non Portfolio A/R
KAUS	Non Portfolio A/R
KENS	Non Portfolio A/R
KIAG	Non Portfolio A/R
KIEC	Non Portfolio A/R
KIOZ	Non Portfolio A/R
KNIB	Non Portfolio A/R
KOEP	Non Portfolio A/R
KONA	Non Portfolio A/R
KORT	Non Portfolio A/R
KUPW	Non Portfolio A/R
LAGR	Non Portfolio A/R
LAMO	Non Portfolio A/R
LARP	Non Portfolio A/R
LEDA	Non Portfolio A/R
LEST	Non Portfolio A/R
LEVB	Non Portfolio A/R
LGER	Non Portfolio A/R
LICI5	Non Portfolio A/R
LIEM	Non Portfolio A/R
LINW	Non Portfolio A/R
LMAR	Non Portfolio A/R
LOLO	Non Portfolio A/R
LOMB	Non Portfolio A/R
LONM	Non Portfolio A/R
MACG	Non Portfolio A/R
MACR	Non Portfolio A/R
MACS	Non Portfolio A/R
MAHD	Non Portfolio A/R
MAHS	Non Portfolio A/R
MAIR	Non Portfolio A/R
MAKT	Non Portfolio A/R
MALCR2	Non Portfolio A/R

MALCR3	Non Portfolio A/R
MALG2	Non Portfolio A/R
MALR	Non Portfolio A/R
MANCU	Non Portfolio A/R
MARA	Non Portfolio A/R
MARL	Non Portfolio A/R
MARY	Non Portfolio A/R
MASD	Non Portfolio A/R
MASR	Non Portfolio A/R
MATO	Non Portfolio A/R
MCCO	Non Portfolio A/R
MCKE	Non Portfolio A/R
MEDI	Non Portfolio A/R
MEDS	Non Portfolio A/R
MEIP	Non Portfolio A/R
MEIP1	Non Portfolio A/R
MELT	Non Portfolio A/R
MENR1	Non Portfolio A/R
MGTR	Non Portfolio A/R
MGTR1	Non Portfolio A/R
MICGE	Non Portfolio A/R
MIFD	Non Portfolio A/R
MILJ	Non Portfolio A/R
MILJ1	Non Portfolio A/R
MILJ2	Non Portfolio A/R
MILJ3	Non Portfolio A/R
MILJ4	Non Portfolio A/R
MIMA	Non Portfolio A/R
MISC	Non Portfolio A/R
MISU	Non Portfolio A/R
MJCA	Non Portfolio A/R
MLAN	Non Portfolio A/R
MLCM	Non Portfolio A/R
MOAS2	Non Portfolio A/R
MORRA	Non Portfolio A/R
MOSC	Non Portfolio A/R
MOTOR	Non Portfolio A/R
MOUK	Non Portfolio A/R
MRTJ	Non Portfolio A/R
MUMA	Non Portfolio A/R
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MURN	Non Portfolio A/R
MUSE	Non Portfolio A/R
MUTJ	Non Portfolio A/R
NALL	Non Portfolio A/R
NALR	Non Portfolio A/R
NAMO	Non Portfolio A/R

NEGP	Non Portfolio A/R
NEWRO	Non Portfolio A/R
NGUYT	Non Portfolio A/R
NIER1	Non Portfolio A/R
NOGR	Non Portfolio A/R
NOUS	Non Portfolio A/R
NUSK	Non Portfolio A/R
NUTR	Non Portfolio A/R
ODAP	Non Portfolio A/R
OMCS	Non Portfolio A/R
OMNI	Non Portfolio A/R
ONJI	Non Portfolio A/R
ORLV	Non Portfolio A/R
ORME	Non Portfolio A/R
OSIG	Non Portfolio A/R
OSTC	Non Portfolio A/R
OSTL	Non Portfolio A/R
OSTRO	Non Portfolio A/R
PAAL	Non Portfolio A/R
PACA	Non Portfolio A/R
PAGF	Non Portfolio A/R
PAIL3	Non Portfolio A/R
PAIV	Non Portfolio A/R
PALM	Non Portfolio A/R
PAND	Non Portfolio A/R
PAVLR	Non Portfolio A/R
PEJE	Non Portfolio A/R
PEQA	Non Portfolio A/R
PEREL	Non Portfolio A/R
PERI	Non Portfolio A/R
PERP	Non Portfolio A/R
PETM	Non Portfolio A/R
PHOT	Non Portfolio A/R
PIKS	Non Portfolio A/R
POBJ	Non Portfolio A/R
POLC	Non Portfolio A/R
PRAS	Non Portfolio A/R
PREC	Non Portfolio A/R
PRET	Non Portfolio A/R
PRET1	Non Portfolio A/R
PRET2	Non Portfolio A/R
PROT	Non Portfolio A/R
QAQS	Non Portfolio A/R
QAQS1	Non Portfolio A/R
QUAJ	Non Portfolio A/R
RAFA	Non Portfolio A/R
RAHO	Non Portfolio A/R

RAMII	Non Portfolio A/R
RAML	Non Portfolio A/R
RAMN	Non Portfolio A/R
RAMV	Non Portfolio A/R
RATL1	Non Portfolio A/R
RECE1	Non Portfolio A/R
RECE2	Non Portfolio A/R
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REEM1	Non Portfolio A/R
REPS	Non Portfolio A/R
REWG	Non Portfolio A/R
REXA	Non Portfolio A/R
REYJ	Non Portfolio A/R
RIBA	Non Portfolio A/R
RIDA	Non Portfolio A/R
RIJA	Non Portfolio A/R
ROAS	Non Portfolio A/R
RONI	Non Portfolio A/R
ROOM	Non Portfolio A/R
RUSC	Non Portfolio A/R
RYDA	Non Portfolio A/R
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SINP1	Non Portfolio A/R
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SIVB	Non Portfolio A/R
SIVB1	Non Portfolio A/R
SMALR	Non Portfolio A/R
SMIE	Non Portfolio A/R

SMIN	Non Portfolio A/R
SOLM	Non Portfolio A/R
SROO	Non Portfolio A/R
SSCI	Non Portfolio A/R
STOP	Non Portfolio A/R
STRP2	Non Portfolio A/R
STRP4	Non Portfolio A/R
STRP5	Non Portfolio A/R
SULA1	Non Portfolio A/R
SULC	Non Portfolio A/R
SURD	Non Portfolio A/R
SZEY	Non Portfolio A/R
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TAYD	Non Portfolio A/R
TENTV	Non Portfolio A/R
THEH	Non Portfolio A/R
THEH4	Non Portfolio A/R
THEH6	Non Portfolio A/R
THON	Non Portfolio A/R
THOS	Non Portfolio A/R
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TIDL2	Non Portfolio A/R
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TOLL	Non Portfolio A/R
TOLL2	Non Portfolio A/R
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TOPA1	Non Portfolio A/R
TOPA2	Non Portfolio A/R
TORI	Non Portfolio A/R
TORS	Non Portfolio A/R
TRPH	Non Portfolio A/R
UZOI	Non Portfolio A/R
VALP	Non Portfolio A/R
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VISH	Non Portfolio A/R
VOOL	Non Portfolio A/R
WADO	Non Portfolio A/R
WALC	Non Portfolio A/R
WALSH	Non Portfolio A/R
WAME	Non Portfolio A/R
WANB	Non Portfolio A/R

WANW	Non Portfolio A/R
WEJS	Non Portfolio A/R
WIKI1	Non Portfolio A/R
WINI	Non Portfolio A/R
YGSA	Non Portfolio A/R
YOUR4	Non Portfolio A/R
ZEDB	Non Portfolio A/R
ZEPM	Non Portfolio A/R
ZHOY	Non Portfolio A/R
ZIPH	Non Portfolio A/R
ZUJF	Non Portfolio A/R

**BANK OF MONTREAL**

- and -

**CARNIVAL NATIONAL LEASING LIMITED et al.**

**Applicant**

**Respondents**

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

**Proceedings Commenced at Toronto**

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**MOTION RECORD**  
**(Returnable DECEMBER 20, 2012)**

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