

Court File No. CI 11-01-72347

THE QUEEN'S BENCH
Winnipeg Centre

**IN THE MATTER OF THE APPOINTMENT OF A RECEIVER
PURSUANT TO SECTION 243 OF THE *BANKRUPTCY AND
INSOLVENCY ACT* R.S.C. 1985 c.B-3 AS AMENDED**

BETWEEN:
GE Canada Finance Holding Company
(the "Applicant")

and

Paramount Truck Lines Ltd.
(the "Respondent")

ERNST & YOUNG INC.
Receiver of the Respondents

FIFTH REPORT OF THE RECEIVER

FEBRUARY 23, 2012

INTRODUCTION

1. On June 1, 2011 this Honourable Court granted an order (the “Receivership Order”) appointing Ernst & Young Inc. as receiver (“E&Y” or the “Receiver”) of certain assets, property and undertaking of Paramount Truck Lines Ltd. (“Paramount”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c.B-3, as amended.
2. E&Y filed its first report dated June 7, 2011 (the “First Report”) which provided an update on the Receiver’s activities to date.
3. E&Y filed its second report dated July 25, 2011 (the “Second Report”) which provided an update on the Receiver’s activities, a summary of expected retrieval costs, a plan for allocation of the retrieval costs, and an allocation of payroll source deduction obligations. E&Y filed its supplemental report to the Second Report on July 29, 2011, providing a further update on amounts claimed by Canada Revenue Agency.
4. E&Y filed its third report dated August 29, 2011 (the “Third Report”), along with a confidential report to this Honourable Court dated August 29, 2011, which provided information and recommendations in respect of the Receiver’s request for liquidation proposals for the Paramount fleet.
5. E&Y filed its fourth report dated January 24, 2012 (the “Fourth Report”) which provided an update on the Receiver’s activities, Canada Revenue Agency’s (“CRA”) amended claims for unpaid source deductions, and the Receiver’s proposed interim distribution. E&Y filed its supplemental report to the Fourth Report on January 30, 2012, providing further information regarding the components of the amounts proposed to be allocated to the secured creditors of Paramount.
6. The purpose of this fifth report of the Receiver (the “Fifth Report”) is to provide information to this Honourable Court with respect to:

- a) the Receiver's activities to February 20, 2012;
 - b) the Receiver's efforts to sell the real estate owned by Paramount;
 - c) the Receiver's analysis of the Sale Agreement; and
 - d) the Receiver's conclusions and recommendations.
7. In preparing this Fifth Report, the Receiver has relied upon unaudited financial information, books and records of the Company, financial information prepared by the Company and discussions with management of the Company and the Applicant. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Receiver expresses no opinion or other form of assurance on the information contained in this Fifth Report.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

RECEIVER'S ACTIVITIES TO FEBRUARY 20, 2012

Bankruptcy of Paramount

9. On February 15, 2012, a bankruptcy order was granted adjudging Paramount to be bankrupt (the "Bankruptcy Order"). Ernst & Young Inc. was named as trustee in bankruptcy, pending affirmation of such appointment at the first meeting of creditors. A copy of the Bankruptcy Order is attached as Appendix "A".
10. The Office of the Superintendent of Bankruptcy has set the first meeting of creditors to take place at the offices of Ernst & Young Inc. on March 7, 2012.

Interim Distribution

11. The Receiver has issued the interim distributions to the Applicant and GE Canada Equipment Finance G.P., GE Canada Leasing Services Company, General Electric Canada Equipment Finance G.P., GE Technology Finance, GE VFS Canada Limited Partnership (collectively "GE Equipment") as contemplated by the order of this

Honourable Court pronounced on January 31, 2012. Subsequent to the Bankruptcy Order being granted, the payments to be made to CRA, Daimler Chrysler Financial, DCFS Canada Corp. (collectively “Daimler”), Beaver Truck Centre (“Beaver”), CIT Financial Ltd. (“CIT”), and Stoughton Trailers Inc. (“Stoughton”) were issued.

Employee matters

12. The Receiver has prepared T4 slips for former Paramount employees, and has filed such T4 slips with CRA.
13. The Receiver has received and responded to inquiries from former Paramount employees in respect of preparation and signature of forms to enable the former employees to complete their annual income tax returns.

RECEIVER’S EFFORTS TO SELL THE REAL PROPERTY OF PARAMOUNT

Status of title

14. Paramount operated from owned premises at 1196-1200 Fife Street in Winnipeg (the “Property”). The Property is comprised of two certificates of title:
 - (a) Title 2382691 – civic addresses 1200/1214/1216 Fife Street, Winnipeg, MB;
and
 - (b) Title 2382695 – civic address 1196 Fife Street, Winnipeg, MB.
15. Statuses of title from the Winnipeg Land Titles Office (“WTLO”) are attached as Appendix “B”, and disclose the following active title charges:

Title 2382691

- (a) Caveat number 2636475 in respect of an easement granted to MTS Communications Inc.;

- (b) Mortgage granted in favour of Reimer World Properties Corp. (“RWPC”) registered July 10, 2009;
- (c) Caveat in respect of an equitable mortgage filed by the Applicant registered August 4, 2011; and
- (d) Caveat in respect of an equitable mortgage filed by 3072427 Nova Scotia Company, et al, on behalf of GE Equipment.

Title 2382695

- (e) Caveat number 186776 issued by the City of Winnipeg on October 15, 1962;
 - (f) Caveat number 2494603 in respect of an easement granted to MTS Communications Inc.;
 - (g) Mortgage granted in favour of RWPC registered July 10, 2009;
 - (h) Caveat in respect of an equitable mortgage filed by the Applicant registered August 4, 2011; and
 - (i) Caveat in respect of an equitable mortgage filed by 3072427 Nova Scotia Company, et al, on behalf of GE Equipment.
16. On September 29, 2011, RWPC issued a Notice of Exercising Power of Sale (the “NEPS”) to Paramount and to the Receiver, pursuant to the provisions of the Real Property Act. A copy of the NEPS is attached as Appendix “C”.
 17. The balance claimed by RWPC as set out in paragraph 4(c)(v) of the NEPS is \$908,791.18 as at July 1, 2011. The Receiver has not paid any amounts to RWPC in respect of the mortgage since the commencement of the receivership.
 18. The Receiver’s counsel has completed its review of the mortgage security held by RWPC, and has advised the Receiver that the security appears to be valid and enforceable according to its terms.

19. The Second Report noted that a caveat was registered on both titles on April 7, 2011 to secure advances made to Paramount by Sunrise Equipment Ltd. ("Sunrise"). The Receiver's counsel requested that legal counsel for Sunrise provide evidence in support of its claim, however no such evidence was provided.
20. The Receiver's legal counsel prepared and filed with the WLTO a Request to Issue Thirty Day Notice to Caveator, pursuant to section 150(1) of the *Real Property Act*. WLTO officials issued the 30 day notice on October 5, 2011, and instructed the Receiver's legal counsel to serve the notice on Sunrise.
21. The 30 day notice was served on Sunrise by registered mail, which was confirmed as delivered on October 11, 2011. The Receiver or its legal counsel did not receive any of the requested evidence in support of its claim, and no proceedings were commenced as set out in the 30 day notice. As a result, the Receiver's legal counsel prepared and filed a request to lapse the Sunrise caveat on November 16, 2011, which was processed by WLTO officials on the same date.
22. On November 29, 2011, the Receiver and its legal counsel were provided with a copy of a statement of claim filed on November 4, 2011 by Sunrise, requesting a declaration that the Sunrise equitable mortgage forms a charge on the Paramount real property. Sunrise did not seek leave of the Court to file the claim or obtain an order to lift the stay of proceedings in the Receivership Order. The Receiver's legal counsel contacted Sunrise's legal counsel, who offered to provide supporting information in respect of certain assertions set out in the Statement of Claim. As of the date of this Fifth Report, the Receiver or its legal counsel has not received any of the requested information.
23. On January 31, 2012, the Receiver's legal counsel was contacted by legal counsel to Sunrise, who advised that Sunrise would provide information in support of its claim to an equitable mortgage. As of the date of this Fifth Report, the Receiver or its legal counsel has not received any such material.

Marketing Efforts

24. In August 2011, the Receiver sought proposals from two commercial real estate firms. Upon review of the proposals, the Receiver retained the firm of Pratt McGarry Inc., (operating as Colliers International (“Colliers”)) on September 23, 2011 to list the Property for sale.
25. Colliers has undertaken the following activities in respect of the Property:
 - (a) Installed signage at the Property advertising that the land and buildings were listed for sale;
 - (b) Created a marketing brochure for prospective interested parties, a copy of which is attached as Appendix “D”;
 - (c) Advertised the Property on a web-site maintained by Colliers (www.collierscanada.com/2726);
 - (d) Communicated the listing of the Property to all Winnipeg commercial property brokerage firms;
 - (e) Developed a call list of targeted users in north-west Winnipeg as potential purchasers;
 - (f) Responded to various inquiries from potentially interested parties; and
 - (g) Facilitated site tours of the Property by potentially interested parties.
26. Colliers has been contacted by 20 parties in respect of the Property.
27. In addition to the efforts undertaken by Colliers, the Receiver has fielded calls from potentially interested parties, and in August 2011 was presented with an unsolicited offer to purchase the property by a Winnipeg-based transportation company.

28. The offer to purchase presented to the Receiver was in the approximate amount of the outstanding registered first mortgage granted to RWPC and would not generate any surplus equity for the other stakeholders of Paramount in excess of the RWPC indebtedness, and was rejected by the Receiver.

Offer to Purchase

29. On October 13, 2011, the Receiver was presented with an offer to purchase the premises by 338148 Manitoba Ltd. (the "Prospective Purchaser"). After a series of counter offers, the Receiver entered into an agreement of purchase and sale (the "Sale Agreement") on November 30, 2011.
30. The Sale Agreement will be presented to this Honourable Court on a confidential basis, subject to the Receiver's motion to obtain a sealing order.
31. The Sale Agreement was subject to certain due diligence and financing conditions on the part of the Prospective Purchaser, and is subject to the approval of this Honourable Court.
32. On February 1, 2012, the Prospective Purchaser waived its conditions. On the same date, the Receiver and the Prospective Purchaser agreed to extend the closing date of the Sale Agreement to March 1, 2012.
33. The Prospective Purchaser has agreed to accept title to the Property subject to the following permitted encumbrances (the "Permitted Encumbrances"):
- (a) Caveat number 2636475 in respect of an easement granted to MTS Communications Inc.;
 - (b) Caveat number 186776 issued by the City of Winnipeg on October 15, 1962;
 - (c) Caveat number 2494603 in respect of an easement granted to MTS Communications Inc.; and

- (d) Security interest of National Leasing Group Inc. as evidenced in Personal Property Security Registry registration number 200820560506, as security for the lease of an oil-fired burner system.
34. The only remaining condition to be satisfied is the granting of an order by this Honourable Court authorizing the completion of the sale and the granting of an order vesting title to the Property in the name of the Prospective Purchaser.

RECEIVER'S ANALYSIS OF THE SALE AGREEMENT

35. In July 2011, the Receiver commissioned the firm of Hoffer Wilkinson & Associates Ltd. to prepare an appraisal of the Property (the "Appraisal"). The Appraisal will be presented to this Honourable Court on a confidential basis, subject to the Receiver's motion to obtain a sealing order.
36. The purchase price for the Property is greater than 85% of the appraised value. The Appraisal specifically notes that the appraised value is prepared on the assumption that the site is free and clear of any environmental contamination.
37. The Receiver was advised by RWPC that there were possible environmental contamination issues, and the Property had been the subject of certain environmental monitoring procedures from 1998 to 2004. The Receiver is aware that the Prospective Purchaser has undertaken a Phase 1 environmental site assessment, and indicated in its final counter offer that the offered purchase price had been reduced based on the anticipated remediation of the Property.
38. The Property has been listed for sale by Colliers since September 2011, a period of approximately five months. Two offers were presented in respect of the Property – the offer from a local transportation company, and the offer from the Prospective Purchaser. The Prospective Purchaser's offer is significantly greater than the offer from the local transportation company.

39. In order to continue to market the Property, the Receiver will incur ongoing costs of approximately \$8,000 per month, comprised of utilities, insurance, and property taxes. RWPC has advised the Receiver that per diem interest charges for the first-ranking mortgage is \$208.66, or approximately \$6,000 per month.
40. The Receiver's notice of motion in support of the application for an approval and vesting order includes a motion for authorization to pay out the RWPC mortgage concurrent with the closing of the Sale Agreement. The Receiver is of the view that payout of the RWPC mortgage will be beneficial for the remaining stakeholders of Paramount because ongoing interest charges will be eliminated, increasing the residual equity remaining for distribution to the stakeholders.
41. The Receiver is of the view that the Sale Agreement will result in superior realizations for the stakeholders of Paramount, and it is unlikely that an offer would be generated that will result in greater net proceeds for the stakeholders.

CONCLUSION AND RECOMMENDATIONS

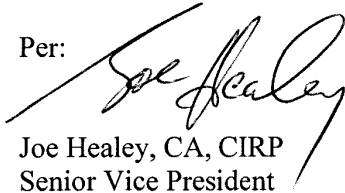
42. The Receiver respectfully recommends that this Honourable Court grant an order authorizing the Receiver to close the Sale Agreement, and grant a vesting order.

All of which is respectfully submitted this 23rd day of February, 2012.

ERNST & YOUNG INC.

In its capacity as Receiver of Paramount Truck Lines Ltd.

Per:



Joe Healey, CA, CIRP
Senior Vice President

Appendix A

File No. BK 12-01-02587

**THE QUEEN'S BENCH
WINNIPEG CENTRE
IN BANKRUPTCY**

IN THE MATTER OF: THE BANKRUPTCY OF PARAMOUNT TRUCK LINES LTD.

BETWEEN:

GE CANADA FINANCE HOLDING COMPANY

Applicant,

- and -

PARAMOUNT TRUCK LINES LTD.

Respondent.

CERTIFIED A TRUE COPY

BANKRUPTCY ORDER

AIKINS, MacAULAY & THORVALDSON LLP

Barristers and Solicitors
30th Floor - 360 Main Street
Winnipeg, Manitoba
R3C 4G1

J.J. BURNELL

Telephone: (204) 957-4663
Facsimile: (204) 957-4285
File No. 1101040

BOX NO. 3

THE QUEEN'S BENCH
Winnipeg Centre
IN BANKRUPTCY

REGISTRAR)
)
BERTHAUDIN) Wednesday, the 15th day of February, 2012

IN THE MATTER OF: THE BANKRUPTCY OF PARAMOUNT TRUCK LINES LTD.

BETWEEN:

GE CANADA FINANCE HOLDING COMPANY

Applicant,

- and -

PARAMOUNT TRUCK LINES LTD.

Respondent.

CERTIFIED A TRUE COPY

BANKRUPTCY ORDER

ON the Application of GE Canada Finance Holding Company ("Applicant"), a creditor of Paramount Truck Lines Ltd. ("Paramount"), in the Province of Manitoba, filed on Thursday, the 2nd day of February, 2012;

Having heard the submissions for counsel for the Applicant;

AND having seen the exhibits;

AND it appearing to the Court that the following acts of bankruptcy have been committed:

- a. The Respondent permitted an execution or other process issued against it under which its property was seized, levied on or taken in execution to remain unsatisfied until within five days after the time fixed by the executing officer for the sale of the property and it has permitted its property to be sold by the executing officer.
 - b. The Respondent ceased to meet its liabilities generally as they became due.
 - c. The aggregate of the Respondent's property is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, is not sufficient to enable payment of all of its obligations, due and accruing due.
1. The Court hereby orders that Paramount, of The City of Winnipeg, in the Province of Manitoba, be adjudged bankrupt by virtue of a Bankruptcy Order hereby made on this date.
 2. The Court further orders that Ernst & Young Inc. of The City of Winnipeg, of the Province of Manitoba be appointed as Trustee of the estate of the bankrupt

3. The Court further orders that the Trustee give security in cash or by bond or suretyship without delay, in accordance with subsection 16(1) of the Act.
4. The Court further orders that service of the Bankruptcy Order, the Affidavit of David Kopchick sworn February 2, 2012, the Notice of Hearing, the Consent of the Trustee and the Notice of Motion on the respondent is validated and declares that no further service thereof is required.

Dated at Winnipeg, Man. Can., this 15th day of February, 2012.



Judge or Registrar.

CERTIFIED A TRUE COPY

CLERK OF THE COURT
COURT OF QUEENS BENCH

Appendix B

DATE: 2011/11/17
TIME: 22:50

MANITOBA
STATUS OF TITLE

TITLE NO: 2382691

PAGE: 1

STATUS OF TITLE.....	ACCEPTED	PRODUCED FOR..	PITBLADO
ORIGINATING OFFICE...	WINNIPEG	ADDRESS.....	2500-360 MAIN ST.
REGISTERING OFFICE...	WINNIPEG		COMMODITY EXCHANGE TOWER
REGISTRATION DATE....	2009/07/10	LTO BOX NO....	WINNIPEG MB R3C 4H6
COMPLETION DATE.....	2009/07/16	CLIENT FILE...	111
		PRODUCED BY...	ERNST+YOUNG-3992/6
			SYSTEM for Series : 4150924

LEGAL DESCRIPTION:

PARAMOUNT TRUCK LINES LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

SP LOT 5 PLAN 27659 WLTO
IN OTM LOTS 44 AND 45 PARISH OF SAINT JOHN
IN OTM LOTS 1 TO 3 PARISH OF KILDONAN AND
CLOSED GOVERNMENT ROAD ALLOWANCE

ACTIVE TITLE CHARGE(S):

2636475 WPG ACCEPTED DESCRIPTION: FROM/BY: TO: CONSIDERATION:	CAVEAT EASEMENT MTS COMMUNICATIONS INC.	REG'D: 2001/09/07
		NOTES: AFF: SLY 1.5 METRES PERP
3799845 WPG ACCEPTED FROM/BY: TO: CONSIDERATION:	MORTGAGE PARAMOUNT TRUCK LINES LTD. REIMER WORLD PROPERTIES CORP. \$1,000,000.00	REG'D: 2009/07/10
		NOTES:
CHARGES AFFECTING THIS INSTRUMENT: 4130792 WPG ACCEPTED NOTICE EXERCISING POWER OF SALE		
4106483 WPG ACCEPTED DESCRIPTION: FROM/BY: TO: CONSIDERATION:	CAVEAT EQUITABLE MORTGAGE GE CANADA FINANCE HOLDING COMPANY	REG'D: 2011/08/04
		NOTES:
4108939 WPG ACCEPTED DESCRIPTION: FROM/BY: TO: CONSIDERATION:	CAVEAT EQUITABLE MORTGAGE 3072427 NOVA SCOTIA COMPANY, ETAL NIGEL J. THOMPSON AS AGENT	REG'D: 2011/08/10
		NOTES:

CERTIFIED TRUE EXTRACT PRODUCED FROM THE LAND TITLES DATA
STORAGE SYSTEM ON 2011/11/17 OF TITLE NUMBER 2382691

***** STATUS OF TITLE 2382691 WPG CONTINUED ON NEXT PAGE *****

DATE: 2011/11/17
TIME: 22:50

MANITOBA
STATUS OF TITLE

TITLE NO: 2382691

PAGE: 2

STATUS OF TITLE.....	ACCEPTED	PRODUCED FOR..	PITBLADO
ORIGINATING OFFICE...	WINNIPEG	ADDRESS.....	2500-360 MAIN ST.
REGISTERING OFFICE...	WINNIPEG		COMMODITY EXCHANGE TOWER
REGISTRATION DATE....	2009/07/10		WINNIPEG MB R3C 4H6
COMPLETION DATE.....	2009/07/16	LTO BOX NO....	111
		CLIENT FILE...	ERNST+YOUNG-3992/6
		PRODUCED BY...	SYSTEM for Series : 4150924

ACTIVE TITLE CHARGE(S):

4130792 WPG ACCEPTED	NOTICE EXERCISING POWER OF SALE	REG'D: 2011/09/29
DESCRIPTION:	INTEREST RATE OF 8% PER ANNUM FROM 2011/07/01	
FROM/BY:	REIMER WORLD PROPERTIES CORP.	
TO:	DAVID J. SKINNER AS AGENT	
CONSIDERATION:	\$908,791.18	NOTES:

ADDRESS(ES) FOR SERVICE:
EFFECT NAME AND ADDRESS

POSTAL CODE

ACTIVE	PARAMOUNT TRUCK LINES LTD. 1214 FIFE STREET WINNIPEG MB	R2X 2N6
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ORIGINATING INSTRUMENT(S):

REGISTRATION NUMBER	TYPE	REG. DATE	CONSIDERATION	SWORN VALUE
3799844 WPG	T	2009/07/10	\$1,200,000.00	\$1,200,000.00
PRESENTED BY:	W.A. REDEKOPP			
FROM:	REIMER WORLD PROPERTIES CORP.			
TO:	PARAMOUNT TRUCK LINES LTD.			

FROM TITLE NUMBER(S):

1375752 WPG ALL

LAND INDEX:

LOT	BLOCK	SURVEY PLAN
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5		27659
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NOTE:

ACCEPTED THIS 10TH DAY OF JULY, 2009
BY B.MCEACHERN FOR THE DISTRICT REGISTRAR OF
THE LAND TITLES DISTRICT OF WINNIPEG.

CERTIFIED TRUE EXTRACT PRODUCED FROM THE LAND TITLES DATA
STORAGE SYSTEM ON 2011/11/17 OF TITLE NUMBER 2382691.

***** END OF STATUS OF TITLE 2382691 WPG *****

DATE: 2011/11/17
TIME: 22:50

MANITOBA
STATUS OF TITLE

TITLE NO: 2382695

PAGE: 1

STATUS OF TITLE.....	ACCEPTED	PRODUCED FOR..	PITBLADO
ORIGINATING OFFICE...	WINNIPEG	ADDRESS.....	2500-360 MAIN ST.
REGISTERING OFFICE...	WINNIPEG		COMMODITY EXCHANGE TOWER
REGISTRATION DATE....	2009/07/10		WINNIPEG MB R3C 4H6
COMPLETION DATE.....	2009/07/16	LTO BOX NO....	111
		CLIENT FILE...	ERNST+YOUNG-3992/6
		PRODUCED BY...	SYSTEM for Series : 4150924

LEGAL DESCRIPTION:

PARAMOUNT TRUCK LINES LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

LOT 2 BLOCK 4 PLAN 6464 WLTO
IN OTM LOTS 44 AND 45 PARISH OF ST JOHN

ACTIVE TITLE CHARGE(S):

186776 WPG ACCEPTED FROM/BY: TO: CONSIDERATION:	CAVEAT CITY OF WINNIPEG	REG'D: 1962/10/15
		NOTES: NLY 5 FT OF WLY 200 FT
2494603 WPG ACCEPTED DESCRIPTION: FROM/BY: TO: CONSIDERATION:	CAVEAT EASEMENT MTS COMMUNICATIONS INC.	REG'D: 2000/06/06
		NOTES: AFF: N1.5 M.P OF W18 M.P.
3799845 WPG ACCEPTED FROM/BY: TO: CONSIDERATION:	MORTGAGE PARAMOUNT TRUCK LINES LTD. REIMER WORLD PROPERTIES CORP. \$1,000,000.00	REG'D: 2009/07/10
		NOTES:
CHARGES AFFECTING THIS INSTRUMENT: 4130792 WPG ACCEPTED NOTICE EXERCISING POWER OF SALE		
4106483 WPG ACCEPTED DESCRIPTION: FROM/BY: TO: CONSIDERATION:	CAVEAT EQUITABLE MORTGAGE GE CANADA FINANCE HOLDING COMPANY	REG'D: 2011/08/04
		NOTES:
4108939 WPG ACCEPTED DESCRIPTION: FROM/BY: TO: CONSIDERATION:	CAVEAT EQUITABLE MORTGAGE 3072427 NOVA SCOTIA COMPANY, ETAL NIGEL J. THOMPSON AS AGENT	REG'D: 2011/08/10
		NOTES:

CERTIFIED TRUE EXTRACT PRODUCED FROM THE LAND TITLES DATA
STORAGE SYSTEM ON 2011/11/17 OF TITLE NUMBER 2382695

***** STATUS OF TITLE 2382695 WPG CONTINUED ON NEXT PAGE *****

DATE: 2011/11/17
TIME: 22:50

MANITOBA
STATUS OF TITLE

TITLE NO: 2382695

PAGE: 2

STATUS OF TITLE.....	ACCEPTED	PRODUCED FOR..	PITBLADO
ORIGINATING OFFICE...	WINNIPEG	ADDRESS.....	2500-360 MAIN ST.
REGISTERING OFFICE...	WINNIPEG		COMMODITY EXCHANGE TOWER
REGISTRATION DATE....	2009/07/10		WINNIPEG MB R3C 4H6
COMPLETION DATE.....	2009/07/16	LTO BOX NO....	111
		CLIENT FILE...	ERNST+YOUNG-3992/6
		PRODUCED BY...	SYSTEM for Series : 4150924

ACTIVE TITLE CHARGE(S):

4130792 WPG ACCEPTED	NOTICE EXERCISING POWER OF SALE	REG'D: 2011/09/29
DESCRIPTION:	INTEREST RATE OF 8% PER ANNUM FROM 2011/07/01	
FROM/BY:	REIMER WORLD PROPERTIES CORP.	
TO:	DAVID J. SKINNER AS AGENT	
CONSIDERATION:	\$908,791.18	NOTES:

ADDRESS(ES) FOR SERVICE:

EFFECT	NAME AND ADDRESS	POSTAL CODE
ACTIVE	PARAMOUNT TRUCK LINES LTD. 1214 FIFE STREET WINNIPEG MB	R2X 2N6

ORIGINATING INSTRUMENT(S):

REGISTRATION NUMBER	TYPE	REG. DATE	CONSIDERATION	SWORN VALUE
3799844 WPG	T	2009/07/10	\$1,200,000.00	\$1,200,000.00
PRESENTED BY:	W.A. REDEKOPP			
FROM:	REIMER WORLD PROPERTIES CORP.			
TO:	PARAMOUNT TRUCK LINES LTD.			

FROM TITLE NUMBER(S):

1375751 WPG ALL

LAND INDEX:

LOT	BLOCK	SURVEY PLAN
2	4	6464
NOTE:	OTM LOTS 44 & 45 JO	

ACCEPTED THIS 10TH DAY OF JULY, 2009
BY B.MCEACHERN FOR THE DISTRICT REGISTRAR OF
THE LAND TITLES DISTRICT OF WINNIPEG.

CERTIFIED TRUE EXTRACT PRODUCED FROM THE LAND TITLES DATA
STORAGE SYSTEM ON 2011/11/17 OF TITLE NUMBER 2382695.

***** END OF STATUS OF TITLE 2382695 WPG *****

Appendix C

SEE OTHER SIDE FOR AN IMPORTANT CONSUMER SCAM ALERT

Form A

Manitoba
Finance
Land Titles

Notice of Exercising Power of Sale under The Real Property Act

District of WINNIPEG

1. TO: PARAMOUNT TRUCK LINES LTD.

AND TO WHOM IT MAY CONCERN

2. TITLE NUMBER(S) 2382695, 2382691

MORTGAGE NUMBER 3799845

CIVIC ADDRESS / LOCATION 1214 Fife Street and 1196 Fife Street, Winnipeg

3. LAND DESCRIPTION

CT NO. 2382695 - LOT 2 BLOCK 4 PLAN 6464 WLTO IN OTM LOTS 44 AND 45 PARISH OF ST JOHN
CT NO. 2382691 - SP LOT 5 PLAN 27659 WLTO IN OTM LOTS 44 AND 45 PARISH OF SAINT JOHN IN OTM LOTS 1 TO 3 PARISH OF KILDONAN AND CLOSED GOVERNMENT ROAD ALLOWANCE

*see schedule ☐

4. REIMER WORLD PROPERTIES CORP.

(the Mortgagee) gives notice that:

IT IS HEREBY COMMENCING MORTGAGE SALE AND FORECLOSURE PROCEEDINGS under *The Real Property Act*,

(a) the Mortgage has been in default for a least one month.

(b) THE DATE OF DEFAULT under the mortgage is July 1st, 2011

(c) The particulars of the default are as follows: *Strike out inappropriate statement(s)*

- (i) ~~A default in the payment of principal and interest under the mortgage occurred on the day of _____ installments totalling \$ _____ as of the _____ day of _____ have not been paid.~~
- (ii) ~~Property taxes plus accrued interest and penalties in the amount of \$ _____ have not been paid. The first missed payment of property taxes occurred on the day of _____.~~
- (iii) ~~Proof of payment of insurance premiums for property has not been provided to the mortgagee. This proof was due to the mortgagee on the day of _____.~~
- (iv) ~~This mortgage has matured and has not been renewed. The entire outstanding balance of \$ _____ came due on the day of _____ and payment has not been made to date.~~
- (v) ~~This is a demand mortgage. Demand was made for \$908,791.18 on the 1st day of July, 2011 (date of default) and payment has not been made to date.~~
- (vi) _____

*see schedule ☐

(d) The Mortgagee has incurred and is incurring costs as a result of such default for which you may be liable.

5. YOU MAY STOP THESE PROCEEDINGS AT ANY TIME PRIOR TO THE SALE OF THE PROPERTY OR THE ISSUANCE OF TITLE TO THE MORTGAGEE BY EITHER BRINGING YOUR MORTGAGE BACK INTO GOOD STANDING OR PAYING THE ENTIRE MORTGAGE DEBT.

(a) HOW TO BRING THE MORTGAGE BACK INTO GOOD STANDING: *Strike out inappropriate statement(s)*

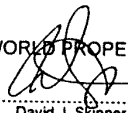
- (i) ~~Remedy the default set out in paragraph 4. (c) above; and~~
- (ii) ~~If the default set out above includes unpaid property taxes, you must pay all unpaid property taxes plus accrued interest and penalties that are due to the taxing authority at the time you remedy the default; and~~
- (iii) ~~Pay the costs of the Mortgagee for these proceedings; and~~
- (iv) ~~Pay any further installments of principal, interest and/or taxes which may have become due after the day of _____. Your current monthly/weekly/bi-weekly installments of principal, interest and/or taxes are \$ _____ and are payable to the Mortgagee as specified in the mortgage and any amendments thereto; and~~
- (v) ~~Pay to the Mortgagee all amounts paid by it to bring into good standing your taxes and/or insurance premiums together with interest on such amounts at the rate of % per annum from the date of such payment by the Mortgagee to the date of your payment to the Mortgagee; and~~
- (vi) ~~Pay to the Mortgagee interest at the rate of % per annum on any installments of principal, interest and/or taxes that were not paid by you when due from the date such installments were due to the date of your payment to the Mortgagee.~~

(vii) _____

*see schedule ☐

(b) HOW TO PAY OFF THE ENTIRE MORTGAGE DEBT

If you decide to pay the entire mortgage debt, you must pay the amount of \$908,791.18 plus interest at the rate of 8% per annum from the 01 day of July, 2011 (currently \$193.95 per day) and you must also pay the costs of the Mortgagee for these proceedings.

6. FAILURE TO STOP THESE PROCEEDINGS: If you do not either (i) Remedy the Default or (ii) Pay off the Entire Mortgage Debt, as set out in 5. above, the Mortgagee will be entitled to resort to all the remedies provided under <i>The Real Property Act</i>, including: (a) SALE: The land may be sold by public auction or private contract or both. The parties with liability under the mortgage are liable for the entire indebtedness thereunder, and are also liable for any deficiency suffered by the Mortgagee after a sale of the land; (b) FORECLOSURE: If the land is not sold at public auction or by private contract and if the Mortgage is still in default six months after the date of default referred to above, the Mortgagee may apply to become the owner of the land (foreclose).
7. PAYMENT AND/OR INQUIRY MAY BE MADE TO: SAME AS SET OUT IN BOX #9 BELOW OR
8. SIGNATURE OF MORTGAGEE(S)/AGENT REIMER WORLD PROPERTIES CORP. Per:  (Name) (Signature) David J. Skinner, solicitor & agent DATE Y M D 11.09.29
9. INSTRUMENT PRESENTED FOR REGISTRATION BY: *Include address, postal code, contact person and phone no. and mortgage reference # Taylor McCaffrey LLP, Barristers and Solicitors, 9th Floor, 400 St. Mary Avenue, Winnipeg, MB, R3C 4K5, David J. Skinner, Phone: 988-0368, File No. 83363-1

MORTGAGE SALE SCAMS

Losing your home or real estate through a mortgage sale, foreclosure is frightening. Manitoba property owners are falling victim to con artists who offer to help you save your property, but will only make things worse.

The offer may sound good, but it is probably a scam.

- The con artist may urge you to sign a paper that gives your property to the con artist in exchange for low or no payments.
- The con artist may promise to give your property back to you after you meet certain conditions, such as making payments in very tight time limits.
- The con artist may tell you this is just another way to secure a loan.

If you are contacted by somebody who says they will "help you save your property":

- Contact your lender. They may be able to work out an agreement with you that is within your budget.
- Get advice from a trusted lawyer or accountant.
- Don't sign anything until you talk to a trusted advisor.
- Don't trust any offer to lease back your property so you can buy it back over time. The offer may sound good but the conditions often make it impossible to buy back the property.
- Don't sign any papers in blank or with blank parts; information can be added later without you knowing. Demand copies of all documents you sign.

If you feel you have been the victim of fraud, contact the police.

LTO USE ONLY	
FEES CHECKED	REFUND AMOUNT
CERTIFICATE OF REGISTRATION Registered this date _____ as No. _____ I certify that the within instrument was registered in the _____ Land Titles Office and entered on Title No. _____ _____ Deputy or Assistant District Registrar New Certificate of Title No. _____	
Notice of Exercising Power of Sale	

DATE: December 9, 2011.

MORTGAGE NO.: 3799845

CERTIFICATE OF TITLE NO.: 2382691 and 2382695

ORDER FOR SUBSTITUTIONAL SERVICE

FIRM: TAYLOR MCCAFFREY LLP (83363-1) Box 139

MANITOBA
THE REAL PROPERTY ACT
District of Winnipeg

Land Titles Office

RE: MORTGAGE NO. 3799845
IN THE MATTER OF THE APPLICATION OF REIMER WORLD PROPERTIES CORP.

for an Order of Substitutional Service of Notice of Exercising Power of Sale hereinafter referred to as the NOTICE, under Mortgage registered in the Winnipeg Land Titles Office as No. 3799845, upon PARAMOUNT TRUCK LINES LTD., which Mortgage affects the following described land, namely:

Title No. 2382691
SP LOT 5 PLAN 27659 WLTO
IN OTM LOTS 44 AND 45 PARISH OF SAINT JOHN
IN OTM LOTS 1 TO 3 PARISH OF KILDONAN AND
CLOSED GOVERNMENT ROAD ALLOWANCE

Title No. 2382695
LOT 2 BLOCK 4 PLAN 6464 WLTO
IN OTM LOTS 44 AND 45 PARISH OF ST JOHN

UPON THE APPLICATION OF the said REIMER WORLD PROPERTIES CORP.

and upon reading evidence in support thereof filed herein, and upon hearing
DAVID J. SKINNER, Solicitor,

I DO ORDER that service of Notice under Mortgage registered in the Winnipeg Land Titles Office on July 10, 2009, as No. 3799845, upon the said PARAMOUNT TRUCK LINES LTD., may be effected:

- (A) By mailing a true copy of the Notice of Sale and a true copy of this Order by registered mail to:

PARAMOUNT TRUCK LINES LTD., 1214 Fife Street, Winnipeg, Manitoba R2X 2N6

Ernst & Young Inc., Receiver for PARAMOUNT TRUCK LINES LTD.

2700 – 360 Main Street, Winnipeg, Manitoba R3C 4G9

- (B) By mailing a true copy of the Notice of Sale and a true copy of this Order by regular mail to:

PARAMOUNT TRUCK LINES LTD., 1214 Fife Street, Winnipeg, Manitoba R2X 2N6

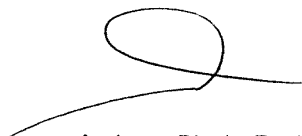
Ernst & Young Inc., Receiver for PARAMOUNT TRUCK LINES LTD.

2700 – 360 Main Street, Winnipeg, Manitoba R3C 4G9

- (C) By affixing a true copy of the Notice and of this Order to the building situate on the mortgaged land.

AND that such service so made shall be good and sufficient service of the said Notice upon the said PARAMOUNT TRUCK LINES LTD. and shall have the same effect as personal service of the Notice on the said PARAMOUNT TRUCK LINES LTD.

DATED at the Land Titles Office, Winnipeg, Manitoba, on December 9, 2011.


Assistant District Registrar

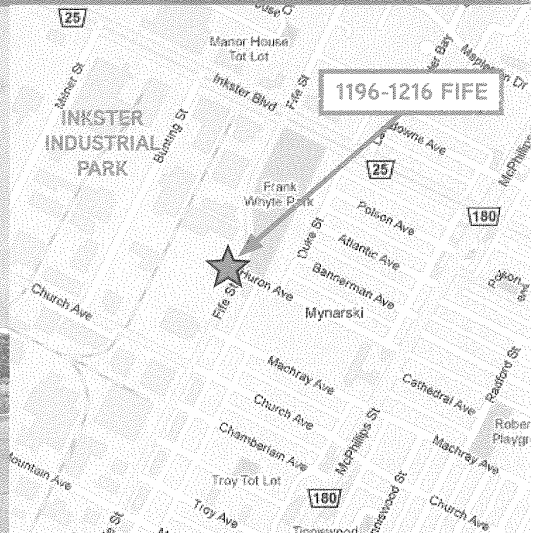
Appendix D

FOR SALE - OFFICE/WAREHOUSE BUILDINGS

1196-1216 Fife Street

WINNIPEG, MB R2X 2N6

Colliers
INTERNATIONAL



1196-1216 Fife Street - Office/Warehouse Buildings

1196-1216 Fife is located on the west side of Fife Street at Huron Avenue in Inkster Industrial Park in northwest Winnipeg. This location is in close proximity to two of Winnipeg's major transportation corridors - Inkster Boulevard and McPhillips Street and is a short drive to the James Richardson International Airport and Winnipeg's Perimeter Highway.

Property Description

The property is comprised of two rectangular sites.

The site at 1196 Fife Street is ~3.6 acres (157,879 SF) with ~314.5 ft. of frontage along Fife Street and a depth of ~502 ft. There are no building improvements on this site.

The site at 1200/1214/1216 Fife Street is ~1.8 acres (79,818 SF) with ~159 ft. of frontage continuing along Fife Street and depth of ~502 ft. This property has three buildings: an 8,000 SF office/warehouse building, a 5,600 SF heavy equipment service building with four overhead doors, and a 2,000 SF office building.

Sale Price

\$1,875,000.00

Property Taxes

\$31,817.65

Contact Us

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ggoodman@colliers.mb.ca

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Winnipeg, MB R3C 3J7
Main +1 204 943 1600
Fax +1 204 943 4793
www.colliers.com

1196-1216 Fife Street > Building Details

1200 FIFE STREET

Building Size - 8,000 SF one-storey office/warehouse building primarily developed as office space

Ceiling Height - ~14 ft.

Electrical Service - 600 amp, 3-phase, 230V with various single phase 120V sub-panels

Heating System -

Front office: gas-fired, hot water heating system with wall-mounted radiators and rooftop system

Rear office: forced-air gas furnace and air-conditioning system with condenser unit

Features - large fenced compound area



1200 Fife Street

1214 FIFE STREET

Building Size - 5,600 SF one-storey, heavy equipment service building

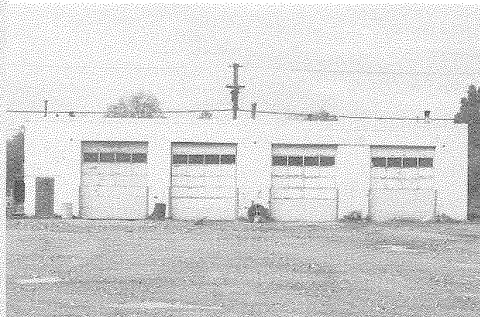
Ceiling Height - ~20 ft.

Loading - 4 (12 ft. x 14 ft.) overhead grade level wooden doors

Electrical Service - 200 amp service and a 60 amp service

Heating System - overhead gas-fired shop heaters

Features - floor drains, water tank, waterproof fluorescent lights in end bay



1214 Fife Street

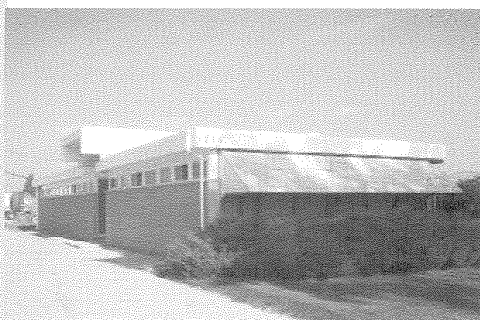
1216 FIFE STREET

Building Size - 2,000 SF one-storey, wood-frame office building with a large private office, open office area, break room, washrooms, and storage.

Ceiling Height - ~9ft.

Electrical Service - 200 amp, 1-phase service

Heating System - forced-air gas-fired furnace and roof-mounted air-conditioning system



1216 Fife Street

LOT SIZES

1196 Fife Street - 157,879 SF

1200/1214/1216 Fife Street - 79,818 SF

ZONING

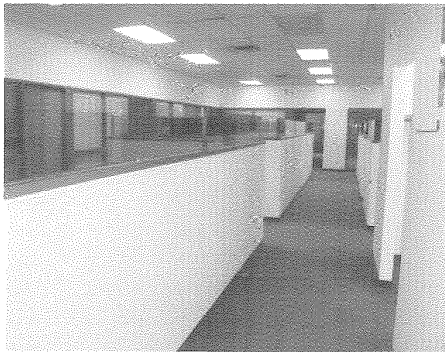
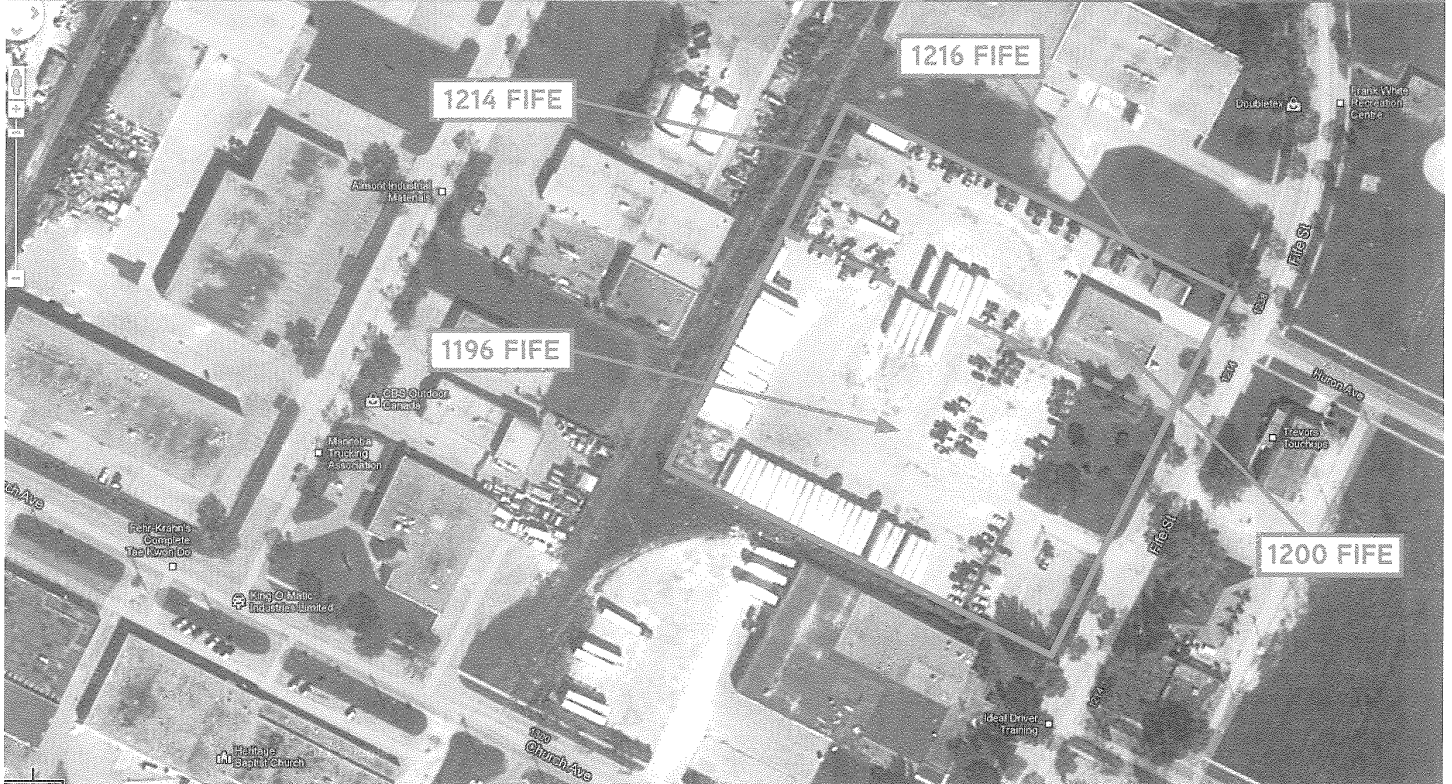
M2 Industrial

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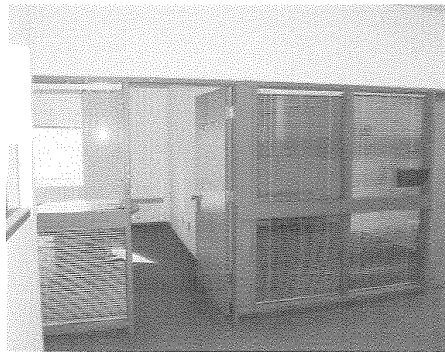
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1196-1216 Fife Street



1200 Fife Street - Open Office Area



1200 Fife Street - Private Offices



1196-1200 Fife Street - Rear Compound

This brochure does not purport to be all inclusive or to contain all the information that a prospective purchaser/tenant may require in deciding whether or not to buy/lease the property. Information contained herein has been obtained from various sources deemed reliable. We have no reason to doubt its accuracy but neither the Owner/Landlord nor Colliers International (the Agent) make any representations, declarations or warranties, expressed or implied, as to the accuracy or completeness of the information or statements contained herein. The Owner/Landlord and the Agent expressly disclaim any and all liability for any errors or omissions in the brochure or any other written or oral communication transmitted or made available to prospective purchasers/tenants. The property is subject to prior sale, lease, withdrawal or changes without notice. Prospective purchasers/tenants are strongly advised to undertake a thorough review of all important facts relative to the property. Agency Disclosure: Colliers International represents the Owner/Landlord and does not represent prospective purchasers/tenants in the sale/lease of the property.

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