

Phase I Environmental Site Assessment

515 Munroe Avenue

Winnipeg, Manitoba



Prepared for:
Laba Holdings Inc.
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Attention: Mr. Frank Laba

June 18, 2009

Pinchin File: 52721

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EXECUTIVE SUMMARY

Pinchin Environmental Ltd. (“Pinchin”) was retained on April 29, 2009 through an Authorization to Proceed signed by Mr. Frank Laba of Laba Holdings Inc. (“Client”) to conduct a Phase I Environmental Site Assessment (“ESA”) of the property located at 515 Munroe Avenue, Winnipeg, Manitoba (hereafter referred to as the “Site”).

The Site is primarily undeveloped (with some gravel-surfaced driving lanes) with one small (930 Square Feet (“ft”)) storage building, hereafter referred to as the (“Site Building”).

Pinchin was advised by the Client that the purpose of the Phase I ESA was to assess potential issues of environmental concern in relation to the potential financing of the Site. Client indicated that financing for the Site will be provided by Sonova Credit Union and, as such, Sonova Credit Union will be relying on the contents of this Phase I ESA report, subject to the limitations stipulated in Section 8.0 of this report and on the contract/agreement between Pinchin and Client.

The Phase I ESA was completed in general accordance with the Canadian Standards Association (“CSA”) document entitled “*Phase I Environmental Site Assessment, CSA Standard Z768-01*” dated November 2001, including a review of readily available historical records, a review of readily accessible regulatory records, a Site visit, interviews, an evaluation of information and reporting, subject to the limitations outlined in Section 8.0 of this report

Based on the results of the Phase I ESA completed by Pinchin, the following could give rise to potential subsurface impacts in connection with the Site:

- the Radio Oil Refinery with numerous aboveground storage tanks (“ASTs”) of varying sizes were located approximately 20 m south of the Site in the 1961 Fire Insurance Plan (“FIP”), 1948, 1960, 1968 and 1979 aerial photographs and city directories from the early-1950s to the late-1970s;
- the underground storage tank (“UST”) located on the Canada Dry Bottling Plant property located north of the Site;
- a railway spur line located on-Site on the north side of the former manufacturing plant;
- a 10,000 gallon fuel oil AST located on the south side of the former manufacturing plant located on Site;
- hazardous waste formerly generated at the Site;
- 2,727 L gasoline UST located on-Site identified in the FIP and Property Underwriter Report (“PUR”);
- hydrocarbon odours detected in four of the six boreholes advanced at the Site by M. Block may indicate the potential presence of petroleum hydrocarbon (“PHC”) impacted soils at the Site;
- the storage of asphalt on the northeast portion of the Site; and

- an automotive repair/servicing facility was listed immediately adjacent to the north of the Site from 1990 until present. This property was located approximately 36 m north of the Site.

Based on the findings noted above, Pinchin recommends completing a Phase II ESA at the Site.

Given the year of construction of the Site Building (1956), there is a potential for friable and non-friable asbestos-containing material (“ACM”) to be present in the Site Building. No potential ACMs were observed during the Site visit. However, Pinchin did not conduct an asbestos survey as part of this Phase I ESA, nor was any destructive or intrusive sampling or inspection conducted as part of this Phase I ESA. The Site Representative advised Pinchin that no asbestos surveys have been previously conducted at the Site and that an Asbestos Management Program (“AMP”) has not been developed for or implemented at the Site. In accordance with Manitoba Regulation 217/2006, an asbestos survey should be performed in buildings that are known or suspected of containing ACM. If an asbestos survey confirms the presence of ACMs, an AMP should be developed and implemented, as per the requirements of Manitoba Regulation 217/2006.

The potential presence of ACM could give rise to management issues and future costs if renovation or demolition activities are undertaken at the Site. The extent of such potential issues could not be assessed as part of this Phase I ESA.

This Executive Summary is subject to the same standard limitations as contained in the report and must be read in conjunction with the entire report.

This report has been issued without having received responses from Manitoba Conservation and The City of Winnipeg. Once a response from these regulatory bodies is received, the information will be reviewed by Pinchin and, if there is any information that represents a potential issue of environmental concern, a copy of the response will be forwarded to the Client under separate cover. Our conclusions and recommendations may be amended based on this information.

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1.0 INTRODUCTION

1.1 Background

Pinchin Environmental Ltd. (“Pinchin”) was retained on April 29, 2009 through an Authorization to Proceed signed by Mr. Frank Laba of Laba Holdings Inc. (“Client”) to conduct a Phase I Environmental Site Assessment (“ESA”) of the property located at 515 Munroe Avenue, Winnipeg, Manitoba (hereafter referred to as the “Site”).

The Site is primarily undeveloped (with some gravel surfaced driving lanes) with one small (930 Square Feet (“ft”)) storage building, hereafter referred to as the (“Site Building”).

Pinchin was advised by the Client that the purpose of the Phase I ESA was to assess potential issues of environmental concern in relation to the potential financing of the Site. Client indicated that financing for the Site will be provided by Sonova Credit Union and, as such, Sonova Credit Union will be relying on the contents of this Phase I ESA report, subject to the limitations stipulated in Section 8.0 of this report and on the contract/agreement between Pinchin and Client.

1.2 Scope of Work

The Phase I ESA was completed in general accordance with the Canadian Standards Association (“CSA”) document entitled “*Phase I Environmental Site Assessment, CSA Standard Z768-01*” dated November 2001, including a review of readily available historical and regulatory records, a Site visit, interviews, an evaluation of information and reporting, all subject to the limitations outlined in Section 8.0 of this report.

The Client indicated that the person most knowledgeable of the Site conditions is Mr. Frank Laba, hereafter referred to as the “Site Representative”.

In addition, Pinchin reviewed the following document as provided by the Client

- report entitled “*Soils Investigation for the Proposed Development, 515 Munroe Avenue, Winnipeg, Manitoba*” prepared by M. Block & Associates Ltd. (“M. Block”) for Boge & Boge Engineers (“Boge & Boge”), dated July 13, 1992 (the “M. Block Soils Investigation Report”).

2.0 SITE DESCRIPTION

2.1 Site Location and Physical Description

As indicated on Figure 1 (Key Map), the Site is located on the northeast corner of the intersection between Munroe Avenue and Golspie Street in Winnipeg, Manitoba. It should be noted that for purposes of this report, Munroe Avenue is inferred to be oriented in an east-west direction. The Site is situated in an area that predominantly consists of commercial, light industrial and residential land uses. Figure 2 illustrates the Site and surrounding area.

A summary of the physical description of the Site, including the Site Building, is provided below:

Topic	Findings
Site Area	2.05 hectares (5.06 acres)
Buildings on-Site	One
Approx. Year of Construction and Significant Additions or Renovations	1956
Number of Floors (including ground level)	One
Subsurface Levels	None observed and none reported by the Site Representative
Approx. Footprint Area of Building	86 m ² (930 ft ²)
Approx. Total Area of Building	86 m ² (930 ft ²)
Heating/Cooling	None observed and none reported by the Site Representative
Elevators	None observed and none reported by the Site Representative
Emergency Generators	None observed and none reported by the Site Representative
Landscaped/Grassed/Bare Ground Areas	None observed and none reported by the Site Representative
Paved or Other Sealed Surface Materials	The majority of the Site consists of undeveloped land

2.2 Topographic, Geologic and Hydrogeologic Setting

Topic	Findings
Topography of Site and Surrounding Area	The Site and surrounding area are generally flat
Site Grade Relative to the Adjoining Properties	The Site is at a similar grade to all adjoining properties
Subsurface Soils	Glacial Lake Agassiz clay of Pleistocene age with possible inclusions of silt layers based on the location of the Site within Winnipeg
Fill Materials	None observed and none reported by the Site Representative
Bedrock Type	Palaeozoic carbonate formations consisting of limestone and dolomitic limestone
Inferred Bedrock Depth	Approximately 21.6 to 27.4 metres below ground surface ("mbgs")
Inferred Groundwater Depth	Unknown based on the information reviewed
Nearest Open Water Body	The Red River is located approximately 1,245 m west of the Site
Inferred Groundwater Flow Direction	West based on the location of the Red River

2.3 Site Operations

The Site Building is a small storage building (comparable to the size of a typical 2-car garage). The Site Building is not equipped with running water, heating equipment or connection to a hydro source. The Site is also currently used for the storage of building materials as well as automobiles and trailers. It was reported to Pinchin, by the Site Representative, that the Site Building was scheduled for future renovations to make it suitable for occupancy.

3.0 HISTORICAL RECORDS REVIEW

3.1 Site Interviews and Records

The Site Representative indicated the following with respect to the historical occupancy and operations at the Site:

- the Site Building was constructed in approximately 1956 on previously undeveloped land;
- the Site Building has always been used for storage purposes;
- no dry cleaning operations have historically taken place at the Site; and
- no Retail Fuel Outlets (RFOs”) have operated at the Site.

3.2 Aerial Photographs

Copies of aerial photographs dated 1948, 1960, 1968, 1979, 1988 and 1998 were obtained from the Manitoba Conservation's Canada Map Sales in Winnipeg, Manitoba and reviewed by Pinchin. A summary of information obtained with respect to the Site is provided in the following table:

Year of Photograph	Site
1948	The Site appeared to consist of vacant undeveloped land
1960	A building that was similar in configuration to the current Site Building appeared to have been constructed on the Site. A commercial or light industrial building was located in the central portion of the Site and storage on the eastern portion of the Site. A railway spur line was located on the eastern portion of the Site travelling to the north side of the commercial/light industrial building.
1968	Similar to the 1960 aerial photograph; however, the railway spur line was not observed
1979	Similar to the 1968 aerial photograph
1988	Similar to the 1979 aerial photograph
1998	Similar to the 1988 aerial photograph

A summary of information obtained with respect to the surrounding area is provided in the following table:

Year of Photograph	North	East	South	West
1948	Vacant undeveloped land	Vacant undeveloped land followed by Raleigh Street	Munroe Avenue followed by sparse commercial buildings with numerous aboveground storage tanks ("ASTs"), several of which are along the north property line	Vacant land followed by residential dwellings, then Watt Street
1960	A commercial building followed by Dobbie Avenue	Small commercial building followed by a number of small commercial buildings	Similar to the 1948 aerial photograph	Golspie Street followed by vacant land, then a commercial building
1968	Similar to the 1960 aerial photograph	A commercial building with storage area followed by commercial buildings	Similar to the 1960 aerial photograph	Similar to the 1960 aerial photograph
1979	Similar to the 1968 aerial photograph; however, additional commercial buildings were observed	Similar to the 1968 aerial photograph	Similar to the 1968 aerial photograph	Similar to the 1968 aerial photograph; however, a commercial or multi-tenant commercial building was observed beyond the commercial building
1988	Similar to the 1979 aerial photograph	Similar to the 1979 aerial photograph	Munroe followed by a commercial or light industrial building	Similar to the 1979 aerial photograph
1998	Similar to the 1988 aerial photograph	Similar to the 1988 aerial photograph	Similar to the 1988 aerial photograph	Similar to the 1988 aerial photograph

Based on Pinchin's review of the above-noted aerial photographs, the following could give rise to potential subsurface impacts in connection with the Site:

- a railway spur line observed on the north side of the former manufacturing plant located on Site in the 1960 aerial photograph
- commercial/light industrial building observed on-Site in the 1960, 1968, 1979, 1988 and 1998 aerial photographs; and
- numerous ASTs observed on the property located south of the Site in the 1948, 1960, 1968 and 1979 aerial photographs.

3.3 RMS Information

Pinchin contacted Risk Management Services ("RMS") to obtain Fire Insurance Plans ("FIPs") related to the Site and surrounding area, as well as Property Underwriters' Reports ("PURs") and Property Underwriters' Plans ("PUPs") for the Site. Manitoba Archives was also contacted regarding availability of FIPs related to the Site and surrounding area. A response was received from RMS dated May 14, 2009, indicating that no FIPs, one PUR (1993) and no PUPs were located for the Site. A copy of the RMS response is provided in Appendix I of this report. The following information was provided to Pinchin for review (see Appendix I).

- FIPs dated 1919 and 1961 for the area including the Site (from Manitoba Archives); and
- PUR dated June 1993 (from RMS).

Based on Pinchin's review of the FIPs, the following was noted:

- In 1919, the Site and areas to the east were not covered by the FIP. Areas to the south were occupied by United Grain Growers with railway spur lines on the property. Areas to the west were occupied by vacant land followed by Watt Street.
- In 1961, the Site was occupied by Fibreboard Manufacturing Co. Ltd. The Site Building was observed on the southwest portion of the Site. A large fibreboard manufacturing plant was located centrally and occupied a large portion of the Site. The eastern portion of the Site had a storage shed. One underground storage tank ("UST") was located on the southwest portion of the Site east of the Site Building. One 10,000 gallon fuel oil AST was noted on the south side of the manufacturing plant. A railway spur line was observed along the north side of the manufacturing plant.
- Canada Dry Ltd. Bottling Plant was located north of the Site. A UST was located on the west side of the building. Areas to the east of the Site were occupied by commercial buildings. Areas to the west of the Site beyond Golspie Street were occupied by a combination of vacant land, a multi-tenant residential building and a church. Areas to the south of the Site beyond Munroe Avenue were occupied by the Radio Oil Refinery. Numerous ASTs of varying sizes were located in various locations of the property, several of which were located along the north property line.

Based on Pinchin's review of the PUR, the following was noted:

- the Site was occupied by International Fibreboard for the manufacturing and storage of fibreboard;
- logs are chipped and ground in three Bauer double disc grinders, steam treated and mixed with aluminum sulphate, emulsified wax and glass and blended into a slurry. The slurry is mixed with recycled paper and fed to the board machine where it is pressed, shaped and cut. The formed boards are then conveyed in layers through the Coe tunnel dryer. Dryer has three Natural Gas-Fired ("NGF") furnaces on top with automatic firing and safety controls;
- 12mm (1/2") fibreboard sheets are laminated together using heated roofing tar;
- there were formerly two buildings located on-Site;
- bunker oil was formerly used for back up fuel for burners used in the manufacturing plant formerly located on-Site;
- hard rock asphalt was stored on the northeast portion of the Site;
- gasoline was stored in a 2,727 litre ("L") UST, located on the exterior of the Site and utilized for the refuelling of trucks and fork lifts.

Based on Pinchin's review of the information provided by RMS and Manitoba Archives, the following could give rise to potential subsurface impacts in connection with the Site:

- the Radio Oil Refinery with numerous ASTs of varying sizes were located approximately 20 m south of the Site in the 1961 FIP;
- the UST located on the Canada Dry Bottling Plant property located north of the Site;
- a railway spur line located on-Site on the north side of the former manufacturing plant;
- the storage of asphalt on the northeast portion of the Site;
- a 10,000 gallon fuel oil AST located on the south side of the former manufacturing plant located on-Site;
- a 2,727 L gasoline UST located on-Site was identified in the PUR and 1961 FIP; and
- former use of bunker oil indicates the potential for an AST located at the Site.

3.4 City Directories

City directories for the years 1920 to 2000 were reviewed by Pinchin at Manitoba Legislative Library. It should be noted that no city directories were available for the City of Winnipeg subsequent to 2000. A summary of information obtained with respect to the Site is provided in the following table:

Year(s)	Occupant Listings for Site Address
1950-1960	Fibre Board Manufacturing
1965-1970	Building Products of Canada
1970-1990	Welclad Fibre Board
1990-2000	International Fibre Board Manufacturing

In general, the city directories indicated that the surrounding area has been historically occupied by commercial, light industrial and residential land uses since the early-1930s. No historical dry cleaning operations, RFOs or other operations of potential environmental concern were identified, with the exception of the following:

- Radio Oil Refinery Ltd. was listed south of the Site from the early-1950s to the late-1970s. This property was located approximately 20 m south of the Site; and
- an automotive repair/servicing facility was listed immediately adjacent to the north of the Site from 1990 until present.

Based on Pinchin's review of the above-noted city directories, the following could give rise to potential subsurface impacts in connection with the Site:

- Radio Oil Refinery Ltd. located approximately 20 m south of the Site from the early 1950s to the late 1970s; and
- an automotive repair/servicing facility was listed at 530 Dobbie Avenue, located immediately adjacent to the north of the Site from 1990 until present.

3.5 Previous Environmental Reports

M. Block Soils Investigation Report

- The work undertaken was to assess soil conditions at the Site in relation to the former on-Site activities and off-Site activities to the south identified by Boge & Boge.
- Six boreholes were advanced at the Site and a total of seven bulk soil samples were submitted for laboratory analysis of gasoline and diesel oil (hydrocarbon) determination.
- Slight gasoline and diesel (petroleum hydrocarbon) odours were noted in four of the six boreholes.
- All soil samples were below the detection limits for gasoline, 400 parts per million ("ppm") and diesel, 430 ppm.
- M. Block stated that the Manitoba Department of the Environment states that the maximum total hydrocarbons allowable in commercial properties are 800 ppm.
- M. Block stated that all the hydrocarbon content in the soil was far below the limit at the Site.
- M. Block concluded that "soil contamination at the Site was negligible".

Pinchin reviewed the analytical data presented in the M. Block Soils Investigation Report, and compared the data to the currently applicable criteria presented in Canadian Council of Ministers of the Environment ("CCME") *"Environmental Quality Guidelines"* Update 7.0 dated September, 2007 and the CCME *"Canada-Wide Standards for Petroleum Hydrocarbons in Soil"* dated 2008 (the "Current Regulatory Criteria"). With respect to soil, there is no clear indication as to how the measured concentrations of gasoline and diesel compare to the Current Regulatory Criteria, since the Current Regulatory Criteria utilizes the major constituents of petroleum hydrocarbons including Benzene, Toluene, Ethylbenzen and Xylenes ("BTEX") in addition to

carbon fractions in hydrocarbons to characterize soil. Given that the Current Regulatory Criteria for BTEX and Petroleum Hydrocarbons ("PHC") is much lower than previous the criteria utilized to assess the subsurface conditions at the Site, there is a potential that PHC soil contamination is present at the Site.

Based on Pinchin's review of the above-referenced report, the following could give rise to potential subsurface impacts in connection with the Site:

- hydrocarbon odours detected in four of the six boreholes advanced at the Site by M. Block may indicate the potential presence of PHC impacted soils at the Site.

3.6 Historical Summary

Based on the results of the historical review, the following could give rise to potential subsurface impacts in connection with the Site:

- the Radio Oil Refinery with numerous ASTs of varying sizes were located approximately 20 m south of the Site in the 1961 FIP, 1948, 1960, 1968 and 1979 aerial photographs and city directories from the early-1950s to the late-1970s;
- the UST located on the Canada Dry Bottling Plant property located north of the Site
- a railway spur line located on-Site on the north side of the former manufacturing plant;
- a 10,000 gallon fuel oil AST located on the south side of the former manufacturing plant located on-Site;
- 2,727 L gasoline UST located on-Site identified in the FIP and PUR;
- hydrocarbon odours detected in four of the six boreholes advanced at the Site by M. Block may indicate the potential presence of PHC-impacted soils at the Site;
- the storage of asphalt on the northeast portion of the Site; and
- an automotive repair/servicing facility was listed immediately adjacent to the north of the Site from 1990 until present.

4.0 REGULATORY INFORMATION AND CORRESPONDENCE

4.1 Site Regulatory Information

Pinchin requested copies of permits, approvals and registrations from the Site Representative and was advised that there is no regulatory information with respect to the Site.

4.2 Manitoba Conservation

Inquiries were made with Manitoba Conservation with regards to any orders, violations or spills. At the time of writing this report, a written response had not been received from Manitoba Conservation. When a formal response is received, it will be reviewed by Pinchin. If there is any information that represents a potential issue of environmental concern, a copy of the response will be forwarded to the Client under separate cover. Our conclusions and recommendations may be amended based on this information.

A copy of the request is provided within Appendix II.

The Site is not listed on Manitoba Conservation's Contaminated Sites Database that was last updated in 2007.

Ms. Sonja Bridges of Manitoba Conservation was contacted regarding hazardous waste generation. Manitoba Conservation's records indicate that the Site was registered for the generation of the following waste types and quantities:

- International Fibreboard, a former tenant of the Site was registered as producing 1,850 L per month Flammable Liquids not otherwise specified ("n.o.s."), 615 L per month printing ink or printing ink related material, 40 kilograms ("kg") per month corrosive solids n.o.s. and a one-time generation of 1,200 L dyes or dye liquid, corrosive liquid, 40 L corrosive liquid n.o.s., 40 kg corrosive solids n.o.s., 36 kg compressed gas, flammable, n.o.s. and 1,000 kg Polychlorinated Biphenyls ("PCBs").

Given that the PCBs and other hazardous wastes produced for the one-time generation were likely the result of removing chemicals used on-Site and fluorescent light ballasts prior to demolition of the former fibreboard manufacturing plant, the one-time hazardous waste generation is not expected to have impacted the Site. However, the use of the various hazardous wastes produced at the Site during the operation of the former fibreboard manufacturing plant have the potential to impact the subsurface of the Site.

In addition, the property located south of the Site was registered as a waste generator for various hazardous wastes including: limited quantities of used oil, paint/paint products, flammable liquids, sulphur, xylenes, etc. However, based on the information provided, observations made during the Site visit, the location/distance between these properties and the Site, as well as the inferred direction of groundwater flow, it is Pinchin's opinion that this property is not likely to give rise to potential subsurface impacts in connection with the Site.

Mr. Dale McEachern of Manitoba Conservation was contacted regarding underground storage tanks ("USTs") and ASTs registered in the vicinity of the Site. Manitoba Conservation has no record of any USTs or ASTs being located at the Site or in the vicinity of the Site.

4.3 Local and Municipal Government

Inquiries have been made to the City of Winnipeg to inquire if any records indicating environmental concerns (i.e., violations, sewer-use infractions, spills or leaks, waste disposal sites, etc.) at the Site had been compiled. At the time of writing this report, no response had been received from the City of Winnipeg. When a formal response is received, it will be reviewed by Pinchin. If there is any information that represents a potential issue of environmental concern, a copy of the response will be forwarded to the Client under separate cover. Our conclusions and recommendations may be amended based on this information. A copy of Pinchin's request submitted to the City of Winnipeg is provided in Appendix II of this report.

In addition, Pinchin reviewed The City of Winnipeg's map entitled "Boundaries of Landfills and Dumps in the Winnipeg Area" which indicates the approximate boundaries of former and current landfills and dump sites in the City of Winnipeg. Landfill materials have the potential to produce methane gas during the decomposition of organic matter, which can subsequently migrate into buildings through pathways in building foundation. However, no landfills or dump sites were observed within 200 m of the Site. As such, it is Pinchin's opinion that former and present landfills and dump sites are not likely to give rise to potential impacts in connection with the Site.

4.4 Regulatory Information Summary

Based on Pinchin's review of the regulatory information reviewed, the following could give rise to potential subsurface impacts in connection with the Site:

- various types and quantities of hazardous wastes formerly generated at the Site; and
- International Fibreboard, a former tenant of the Site was registered as producing 1,850 L per month Flammable Liquids not otherwise specified ("n.o.s."), 615 L per month printing ink or printing ink related material, 40 kilograms ("kg") per month corrosive solids n.o.s. and a one-time generation of 1,200 L dyes or dye liquid, corrosive liquid, 40 L corrosive liquid n.o.s., 40 kg corrosive solids n.o.s., 36 kg compressed gas, flammable, n.o.s. and 1,000 kg Polychlorinated Biphenyls ("PCBs");

5.0 SITE VISIT

Mr. Femi Ferreira of Pinchin conducted a Site visit on April 29, 2009, and was accompanied by the Site Representative. The Site visit included a walk-through of accessible areas of the interior of the Site Building and exterior areas of the Site while accompanied by the Site Representative. At the time of the Site visit, the ground surface was dry and the weather was clear. The Site visit was documented with notes and photographs. The results of the Site visit are discussed below. Photographs of some of the features noted during the Site visit are attached in Appendix III.

5.1 Hazardous Materials

Topic	Findings
Chemicals	Small quantities of paint were found, stored in their original containers within the Site Building
Hazardous Waste	None observed and none reported by the Site Representative

No spills or evidence of historical spills (i.e., staining) were observed in the chemical storage areas noted above. The interior floor slab was observed to be in good condition (i.e., no cracking or pitting). No floor drains or catch basins are present in the vicinity of the chemical storage areas.

5.2 Storage Tanks

5.2.1 Aboveground Storage Tanks

No ASTs were observed on-Site, and none were reported by the Site Representative. Although ASTs are commonly associated with buildings of this age (1956), Pinchin was unable to confirm or refute the presence of former on-Site ASTs. No evidence of former ASTs was observed by Pinchin.

5.2.2 Underground Storage Tanks

No evidence of USTs (i.e., fill/vent pipes) was observed on-Site, however one tank was reportedly located on-Site and has been removed. The tank was approximately 2000 L in capacity, and reportedly was used to store Parafin Wax.

5.3 Water and Wastewater

Topic	Findings
Water Supply Source	Not applicable to the Site Building
Water Use	Not applicable to the Site Building
Sanitary/Process Wastewater Receptor	Not applicable to the Site Building
Pits, Sumps or Lagoons	None observed and none reported by the Site Representative
Grease Traps	None observed and none reported by the Site Representative
Oil/Water Separators	None observed and none reported by the Site Representative
Storm Water Flow and Receptor	Storm water would likely run overland to percolate naturally through the soil or discharge into the municipal storm sewers
Wells	None observed and none reported by the Site Representative
Watercourses, Ditches or Standing Water	None observed and none reported by the Site Representative

5.4 Polychlorinated Biphenyls

The use of polychlorinated biphenyls (“PCBs”) as dielectric fluids in electrical equipment such as transformers, fluorescent lamp ballasts and capacitors was common up to about 1980. The Federal Chlorobiphenyls Regulation, SOR/91-152, prohibits the use of PCBs in the aforementioned electrical equipment installed after July 1, 1980.

Given that the Site Building has never historically had a connection to a major hydro provider, and does not currently possess any connection, it is unlikely that PCBs are present in the Site Building.

The Federal Chlorobiphenyls Regulation, SOR/91-152, prohibits the use of PCBs in “closed loop” equipment, such as hydraulic equipment, installed after September 1, 1977.

No hydraulic equipment was observed on-Site and none was reported.

5.5 Asbestos-Containing Materials

Asbestos-containing materials (“ACMs”) are commonly found in building construction materials (particularly in older buildings constructed prior to 1985). Friable asbestos (friable is defined as a material that can be crumbled, powdered or pulverized by hand pressure) was widely used in sprayed fireproofing until 1973, and in decorative or finishing plasters, and thermal systems insulation until the early 1980s. Non-friable or manufactured asbestos products were widely used in building construction including in vinyl floor tiles, sheet flooring, ceiling tiles, pipe gaskets, roofing materials, asbestos cement boards, and numerous other products until the mid-1980s. A very limited number of non-friable asbestos products in limited quantities are still in use currently in building construction.

Given the year of construction of the Site Building (1956), there is a potential for friable and non-friable ACM to be present in the Site Building. During the site visit, the following potential ACMs were observed.

- cement boards used to clad a portion of the south side of the Site Building.

Pinchin did not conduct an asbestos survey as part of this Phase I ESA, nor was any destructive or intrusive sampling or inspection conducted as part of this Phase I ESA. The Site Representative advised Pinchin that no asbestos surveys have been previously conducted at the Site and that an Asbestos Management Program (“AMP”) has not been developed for or implemented at the Site.

5.6 Lead-Containing Paints

Although paints containing lead were banned from uses on exterior or interior surfaces of buildings, furniture or household products in the 1970s, various commercial paints (i.e., road paint) are still known to contain lead.

Given the year of construction of the Site Building (1956), there is a potential for paints containing lead to be present on Site, including Site Building interior surfaces. Pinchin did not conduct a survey of lead in painted surfaces as part of this Phase I ESA, and the Site Representative advised Pinchin that no surveys have been previously conducted at the Site. During Pinchin’s Site visit, no interior painted surfaces were observed, as interior walls and ceilings were absent. The painted exterior surfaces were observed in poor condition (i.e., peeling or flaking).

Prior to any demolition or renovation activities, a designated substance (including lead) survey would be required.

5.7 Ozone-Depleting Substances

The bulk storage of ozone-depleting substances (“ODSs”) was not observed. The Site Representative reported that the bulk storage of ODSs has not been carried out at the Site.

The Site Building does not possess heating or cooling mechanical equipment.

5.8 Radon

Based on information presented by the Canadian Centre for Occupational Health and Safety, the area in which the Site is located is known to have elevated radon levels. However, the Site Building does not have a basement and, therefore, the potential presence of elevated radon levels in the area of the Site is not considered an environmental issue of concern.

5.9 Mould or Microbial Contamination

The presence of mould or other microbiological contamination in buildings has become a concern to building tenants and owners due to potential health effects on occupants and users. The Workplace Safety and Health Division of Manitoba Department of Labour and Immigration has produced “Guidelines for the Investigation, Assessment, and Remediation of Mould in Workplaces” dated March 2001. The presence of water leaks or high humidity can cause the growth or amplification of mould within building environments.

A comprehensive inspection for mould, which would require intrusive testing, was not performed as part of this Phase I ESA. However, suspect mould growth was observed on the wood beam and deck surfaces, likely due to condensation and poor ventilation. The extent of the suspect mould growth within the building cavities was not assessed as part of this Phase I ESA. In order to further assess the potential presence of suspect mould growth, a mould survey would be required.

5.10 Air Emissions

Topic	Findings
Washroom Vents	Not applicable to the Site Building
Kitchen Vents	Not applicable to the Site Building
Electricity Emergency Generator On-Site	None observed and none reported by the Site Representative
Heating/Cooling System	None observed and none reported by the Site Representative
Process Vents	None observed and none reported by the Site Representative
Odours	No strong, pungent or noxious odours were identified.
Permits/Approvals	The Site Representative indicated that no permits/approvals exist for the Site, as related to air emissions or discharges

5.11 Staining and Stressed Vegetation

Evidence of historical chemical discharges or releases (i.e., staining or stressed vegetation) was observed during the Site visit. Although the Site Representative reported that no known historical chemical spills have occurred on-Site, ground staining was observed in the south east portion of the site

5.12 Non-Hazardous Wastes

Topic	Findings
Non-hazardous Wastes	None observed and none reported by the Site Representative
Recyclables	None observed and none reported by the Site Representative

6.0 ACTIVITIES ON ADJACENT PROPERTIES

The Site is located in an urban area that is predominantly developed with commercial, light industrial and residential land uses. A description of the adjacent properties is summarized in the following table, based on Pinchin's observations from the Site and publicly accessible locations:

Topic	North	South	East	West
Operation or Activity	Commercial Building (Polar Max Windows, Pankiw Auto Body)	Munroe Avenue followed by a commercial building (Jeld Wen Windows)	Commercial Building (Superior Sod)	Golspie Avenue followed by Abandoned Commercial building, followed by apartment building and a church
Direction with Respect to Inferred Groundwater Flow	Transgradient	Transgradient	Upgradient	Downgradient
Visible Emissions	None Observed	None observed	None observed	None observed
Visible Outdoor Storage of Hazardous Materials	None observed	None observed	None observed	None observed

Based on Pinchin's observations of the adjacent properties, the following could give rise to potential subsurface impacts in connection with the Site:

- There is an automotive repair/servicing facility on the adjoining property to the north. This property is transgradient from the Site with respect to the inferred direction of groundwater flow. The automotive repair/servicing facility is located approximately 36 m from the Site boundary. Based on the information obtained from the historical review (Section 3.0), it appears that this automotive repair/servicing facility has been in operation for at least 18 years.

7.0 FINDINGS AND RECOMMENDATIONS

Based on the results of the Phase I ESA completed by Pinchin, the following could give rise to potential subsurface impacts in connection with the Site:

- the Radio Oil Refinery with numerous ASTs of varying sizes were located approximately 20 m south of the Site in the 1961 FIP, 1948, 1960, 1968 and 1979 aerial photographs and city directories from the early-1950s to the late-1970s;
- the UST located on the Canada Dry Bottling Plant property located north of the Site
- a railway spur line located on-Site on the north side of the former manufacturing plant;
- a 10,000 gallon fuel oil AST located on the south side of the former manufacturing plant located on-Site;
- hazardous waste formerly generated at the Site;
- 2,727 L gasoline UST located on-Site identified in the FIP and PUR;
- hydrocarbon odours detected in four of the six boreholes advanced at the Site by M. Block may indicate the potential presence of PHC-impacted soils at the Site;
- the storage of asphalt on the northeast portion of the Site; and
- an automotive repair/servicing facility was listed immediately adjacent to the north of the Site from 1990 until present. This property was located approximately 36 m north of the Site.

Based on the findings noted above, Pinchin recommends completing a Phase II ESA at the Site.

Given the year of construction of the Site Building (1956), there is a potential for friable and non-friable ACM to be present in the Site Building. No potential ACMs were observed during the Site visit. However, Pinchin did not conduct an asbestos survey as part of this Phase I ESA, nor was any destructive or intrusive sampling or inspection conducted as part of this Phase I ESA. The Site Representative advised Pinchin that no asbestos surveys have been previously conducted at the Site and that an AMP has not been developed for or implemented at the Site. In accordance with Manitoba Regulation 217/2006, an asbestos survey should be performed in buildings that are known or suspected of containing ACM. If an asbestos survey confirms the presence of ACMs, an AMP should be developed and implemented, as per the requirements of Manitoba Regulation 217/2006.

The potential presence of ACM could give rise to management issues and future costs if renovation or demolition activities are undertaken at the Site. The extent of such potential issues could not be assessed as part of this Phase I ESA.

8.0 STANDARD LIMITATIONS

This Phase I ESA was performed in order to identify potential issues of environmental concern associated with the Site located at 515 Munroe Avenue, Winnipeg, Manitoba, at the time of the Site visit. This Phase I ESA was performed in general accordance with currently acceptable practices for completing Phase I ESAs and specific Client requests, as applicable to this Site. This report was prepared for the sole use of the Laba Holdings Inc. and Sonova Credit Union, subject to the conditions and limitations contained in the duly authorized workplan. Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the sole responsibility of the third parties. If additional parties require reliance on this report, written authorization from Pinchin will be required. Such reliance will only be provided by Pinchin following written authorization from Laba Holdings Inc. Pinchin disclaims responsibility of consequential financial effects on transactions or property values, or requirements for follow-up actions and costs. No other warranties are implied or expressed.

Pinchin will not be responsible for any consequential or indirect damages. Pinchin will only be held liable for damages resulting from negligence of Pinchin. Pinchin will not be liable for any losses or damage if Client has failed, within a period of 2 years following the date upon which the claim is discovered within the meaning of the Limitations Act, 2002 (Ontario), to commence legal proceedings against Pinchin to recover such losses or damage.

The information provided in this report is based upon analysis of available documents, records and drawings and personal interviews. In evaluating the Site, Pinchin has relied in good faith on information provided by other individuals noted in this report. Pinchin has assumed that the information provided is factual and accurate. In addition, the findings in this report are based, to a large degree, upon information provided by the current owner/occupant. Pinchin accepts no responsibility for any deficiency, misstatement or inaccuracy contained in this report as a result of omissions, misinterpretations or fraudulent acts of persons interviewed, contacted or reports that were reviewed. The scope of work for this Phase I ESA did not include an intrusive investigation for designated substances (i.e., asbestos, mould, etc.) and, therefore, these materials may be present in concealed areas.

Pinchin makes no other representations whatsoever, including those concerning the legal significance of its findings, or as to other legal matters touched on in this report, including, but not limited to, ownership of any property, or the application of any law to the facts set forth herein. With respect to regulatory compliance issues, regulatory statutes are subject to interpretation and these interpretations may change over time.

The CSA document entitled "*Phase I Environmental Site Assessment, CSA Standard Z768-01*" dated November 2001, does not apply to environmental auditing or environmental management systems. Therefore, with respect to Site operations and conditions, compliance with applicable

Federal, Provincial or Municipal acts, regulations, laws and/or statutes was not evaluated as part of the Phase I ESA.

9.0 CLOSURE

The conclusions and recommendations represent the best judgement of the assessor based on the Site conditions observed on April 29, 2009 and current environmental standards.

This report has been issued without having received responses to a requests for information from the City of Winnipeg and Manitoba Conservation. Our conclusions and recommendations may be amended based on information obtained from these regulatory agencies.

We trust that the information provided in this report meets your current requirements. If you have any questions or concerns, please do not hesitate to contact the undersigned.

Yours truly,

PINCHIN ENVIRONMENTAL LTD.



per: Femi Ferreira, B.A.
Environmental Scientist
Environmental Due Diligence &
Remediation
fferreira@pinchin.com



per: Grant Eftoda, B.Sc.(Eng)
Manage
Environmental Due Diligence &
Remediation
geftodal@pinchin.com

File:\Job\ 52721 – 515 Munroe Avenue, Winnipeg, Manitoba – Phase I ESA Report – June 18, 2009

10.0 REFERENCES

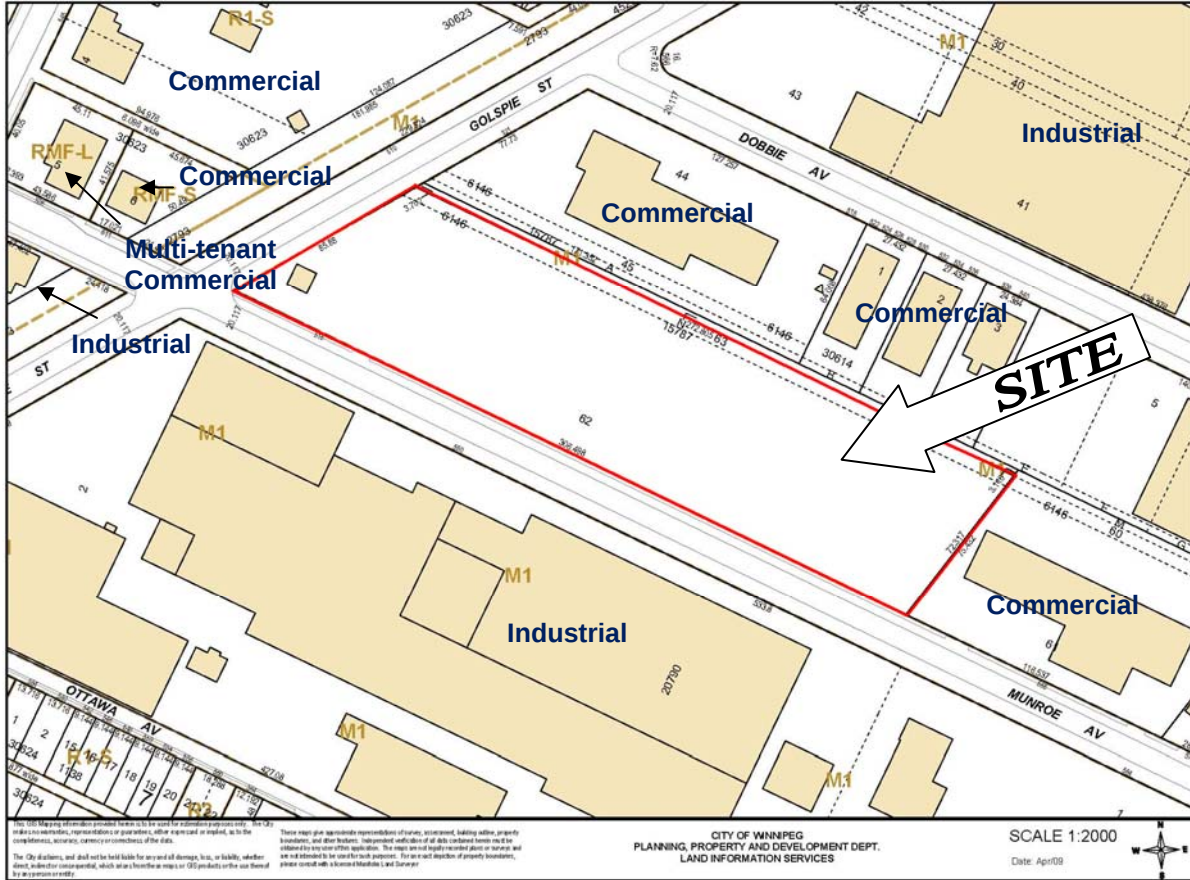
The following documents, persons or organizations provided information used in this report:

1. Mr. Frank Laba, Site Representative
2. Ms. Sonja Bridges, Manitoba Conservation
3. Mr. Dale McEachern, Manitoba Conservation
4. Manitoba Conservation's Contaminated Site's List
5. Manitoba Conservation's Canada Map Sales
6. Risk Management Services
7. City of Winnipeg
8. Manitoba Archives
9. Manitoba Legislative Library
10. *"Geohydrology of the Metropolitan Winnipeg Area as Related to Groundwater Supply and Construction"* prepared by F.W. Render, dated 1970
11. *"Boundaries of Landfills and Dump in the Winnipeg Area"* prepared by the City of Winnipeg Works and Operations Division Waterworks Waste and Disposal Department, dated 1993
12. *"Geological Engineering Maps & Report for Urban Development of Winnipeg"* prepared by the Department of Geological Engineering University of Manitoba, dated 1983

FIGURES



PROJECT NAME			FIGURE No. 1
PHASE I ENVIRONMENTAL SITE ASSESSMENT			
CLIENT NAME			
LABA HOLDINGS INC.			
PROJECT LOCATION			
515 MUNROE AVENUE, WINNIPEG, MB			
DRAWING NAME			
KEY MAP			
SCALE	PROJECT NO.	DATE	
NTS	52721	JUNE 2009	



← INFERRED
GROUNDWATER
FLOW DIRECTION



PROJECT NAME			FIGURE No. 2
PHASE I ENVIRONMENTAL SITE ASSESSMENT			
CLIENT NAME			
LABA HOLDINGS INC.			
PROJECT LOCATION			
515 MUNROE AVENUE, WINNIPEG, MB			
DRAWING NAME			2
SITE AND SURROUNDING LAND USE PLAN			
SCALE	PROJECT NO.	DATE	
NTS	52721	JUNE 2009	

APPENDIX I
RMS RESPONSE

RMS Environmental Services

Historical Environmental Reporting System (HEIRS™)

Pinchin Environmental Ltd.
54 Terracon Place
Winnipeg, MB R2J 4G7

May 14, 2009

Project No. 52721

Regarding: 515 Munroe, 515 Munroe Avenue, Winnipeg, MB

As requested, we have searched our records concerning the above site and the following information as listed below is appended hereto:

Information	Dates
Fire Insurance Plan(s)	NRF
Property Underwriters' Report(s)	June 1993
4 day Rush fee	

NRF: No Records Found

Our invoice in the amount of \$170.00 (+ GST) for the information provided will follow.

Thank you for employing the services of Risk Management Services.

Janice Cole
Environmental Services

TERMS AND CONDITIONS

Report. The documents (hereinafter referred to as the "Documents") to be released as part of the report (hereinafter referred to as the "Report") to be delivered to the purchaser as set out above are documents in RMS's records relating to the described property (hereinafter referred to as the "Property"). RMS makes no representations or warranties respecting the Documents whatsoever, including, without limitation, with respect to the completeness, accuracy or usefulness of the Documents, and does not represent or warrant that these are the only plans and reports prepared in association with the Property. The Documents are current as of the date(s) indicated on them. Interpretation of the Documents, if any, is by inference based upon the information which is apparent and obvious on the face of the Documents only. RMS does not represent, warrant or guarantee that interpretations other than those referred to do not exist from other sources. The Report will be prepared for use by the purchaser of the services as shown above hereof only.

Disclaimer. RMS disclaims responsibility for any losses or damages of any kind whatsoever, whether consequential or other, however caused, incurred or suffered, arising directly or indirectly as a result of the services (which services include, but are not limited to, the preparation of the Report provided hereunder), including but not limited to, any losses or damages arising directly or indirectly from any breach of contract, fundamental or otherwise, from reliance on RMS Reports or from any tortious acts or omissions of RMS's agents, employees or representatives.

Entire Agreement. The parties hereto acknowledge and agree to be bound by the terms and conditions hereof. The request form constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, negotiations and discussions, whether oral or written, and there are no representations or warranties, or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver, or termination of the request shall be binding, unless confirmed in writing by the parties hereto.

Governing Document. In the event of any conflicts or inconsistencies between the provisions hereof and the Reports, the rights and obligations of the parties shall be deemed to be governed by the request form, which shall be the paramount document.

Law. This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.



#800, 7015 Macleod Trail SW
Calgary, Alberta
T2H 2K6

T: 403.296.1300
Toll Free: 1.800.465.4264
F: 403.296.6450

An SCM company
www.scm-rms.ca

CONFIDENTIAL

LOSS CONTROL ENGINEERING DEPARTMENT

Mid-West

INSURED:	INTERNATIONAL FIBREBOARD	12 May 2009
	515 Munroe Avenue Winnipeg, Manitoba	File No. SR02887 Reference 006929
MAILING ADDRESS:	515 Munroe Avenue Winnipeg, Manitoba R2K 1H7	
CONTACT:	Mr. Mark Smerchanski Plant Manager	

SURVEY-FIRE AND EXTENDED COVERAGE INSURANCE

The survey of the above property on June 10, 1993 was made on behalf of participating insurance companies. The information gathered on this survey is used by these insurers to aid in deciding whether to underwrite the risk, and if so, at what cost.

The following comments were developed from this survey, and are based on conditions, practices observed, other pertinent data supplied by management personnel at the risk, and information secured at the time of survey.

Please note that the following recommendations have been made with the intention of pointing out those areas in which remedial action could have the beneficial effect of making your premises safer.

RECOMMENDATIONS IN CAPITAL LETTERS ARE OF PARTICULAR IMPORTANCE, AND THEIR EARLY IMPLEMENTATION IS ENCOURAGED.

Thank you for your co-operation during this visit, and please do not hesitate to get in touch with us if we can be of any further assistance.

Representative: R. P. Calesso

IAO reports, prepared in compliance with commonly accepted risk control standards existing at the time services are rendered, are developed from an inspection of the premises and/or from data supplied by or on behalf of the Purchaser. IAO does not purport to list all hazards. While changes and modifications referred to in the reports are designed to upgrade protection and loss prevention of the premises, IAO assumes no responsibility for management and control of these activities. IAO will not be responsible to the Purchaser for any loss or damages, whether consequential or other, however caused, incurred or suffered, as a result of the service being provided.

REMARKS:

1. Recommendations 79-6 and 83-2 have received attention.
2. The Coe tunnel dryer underground burners have been equipped with automatic temperature control thermostats and excess temperature shut off switches.
3. Bunker fuel oil is no longer used as a backup fuel supply for the burners.

RECOMMENDATIONS:

- 93-1 The idle wood pallets stored along the east wall should be stored a minimum of 15m (50') from the building.

WITHDRAWN RECOMMENDATIONS:

- 79-2 (Revised 1984) All four of the water spray systems should be interlocked with the oven burners to provide automatic shut down in a fire situation.
- 79-4 A zoned annunciator panel should be provided at an attended and accessible location to indicate which sprinkler or water spray system is operating.

INSURERS' ADVISORY ORGANIZATION
Mid-West

CONFIDENTIAL

INSPECTION REPORT

File No. 02887
Reference: 006929

Sheet Block NOP

NAME OF RISK: INTERNATIONAL FIBREBOARD

LOCATION: 515 Munroe Avenue
Winnipeg, Manitoba

SURVEYED BY: R. P. Calesso

SURVEY DATE: June 10, 1993

IAO reports, prepared in compliance with commonly accepted risk control standards existing at the time services are rendered, are developed from an inspection of the premises and/or from data supplied by or on behalf of the Purchaser. IAO does not purport to list all hazards. While changes and modifications referred to in the reports are designed to upgrade protection and loss prevention of the premises, IAO assumes no responsibility for management and control of these activities. IAO will not be responsible to the Purchaser for any loss or damages, whether consequential or other, however caused, incurred or suffered, as a result of the service being provided.

GENERAL COMMENTS

OCCUPANCY: Fibreboard manufacturing

OPINION OF RISK: Good

CONSTRUCTION

FIRE DIVISIONS: Risk is comprised of two buildings located in a single fire division. See Multiple Fire Section Sheets.

HAZARDS

COMMON HAZARD:

Heating: Safe. One labelled gas fired high pressure Cleaver Brooks boiler in open and one natural gas Clayton steam generator adjacent to dryer. Heat transfer is by means of ceiling suspended unit heaters. Boiler has 30 second prepurge, scanner shut down, and vent to heavy steel stack through roof. Permanent baseboard electric heaters in office area.

...\Page 2

Fuel Supply: Municipal, underground

Chimneys and Flues: Standard

Air-Conditioning: 10% Central (Building No. 1 only)

Electrical: Safe. Circuit breakers used. Wiring installed and updated in last 30 years. Transformers PCB filled: No.

SPECIAL HAZARDS: Safe. The "Coe" tunnel dryer is a constant fire hazard (operating temperature 154-177 degs.C (310-350 degs.F). Fires inside the tunnel are caused by auto-ignition of overdried residue dust. Fire and/or explosion is not restricted to one zone of the drier but tends to move down the tunnel. The drier is equipped with three manually operated deluge sprinkler systems and one automatic deluge system in the last zone of the "Coe" dryer. This is the most hazardous area since the moisture content is reduced from 25% to 3%. The burners have been equipped with temperature regulators set at 202 degs.C (395 degs.F) and excess temperature switches arrange to shut down the burners at approximately 218 degs.C (425 degs.F). Emulsified wax is steam heated to approximately 71-93 degs.C (160-200 degs.F).

HOUSEKEEPING: Safe

HAZARDOUS MATERIAL: Safe. Hard rock asphalt is stored at the northeast end of the risk (not heated before mixing with water). 2727.6L (600 gals.) of gasoline are in outside underground tank, used to refuel trucks and fork lifts.

North	Protection Required: N Protection Provided: N Moderate, with poor protection by frame wall facing a 1 1/2 storey masonry building located 21m (70') away.
South	Protection Required: Y Protection Provided: Y Moderate, with poor protection by frame wall facing assured's stock piles located 15m (50') away.
East	Protection Required: Y Protection Provided: Y Moderate, with fair protection by frame wall facing assured's stock piles located 15m (50') away.
West	Protection Required: N Protection Provided: N None

ACTIVITY: Moderate - Busy. 24 Hrs/Day 5 Days/Wk.

No. of production workers: 25-30

SMOKING RESTRICTED: Yes

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PROCESS DESCRIPTION: Hazards considerable, fairly well protected. Logs are chipped and ground in three Bauer double disc grinders, steam treated and mixed with aluminum sulphate, emulsified wax and glass and blended into a slurry. The slurry is mixed with recycled paper and fed to the board machine where it is pressed, shaped and cut. The formed boards are then conveyed in layers through the Coe tunnel dryer. Dryer has three natural gas fired furnaces on top with automatic firing and safety controls. Dryer has overall length of 61m (200'). Moisture content is reduced from 60% to 5%.

12mm (1/2") fibreboard sheets are laminated together using heated roofing tar.

Hot air is forced through dryer by blowers. About 1/3 is vented off and 1/3 of fresh air is drawn in from outside. The maximum operating temperature is 191 degs.C (375 degs.F). Manually operated deluge sprinklers in three zones protect tunnel and ducts.

PROTECTION

OVERALL GRADING: See Multiple Fire Section Sheets.

Area Sprinklered (excluding concealed spaces): 100%
100% Dry

Sprinkler Installation Date: 53%: 1956; 8%: 1970; 34%: 1975; 5%: 1985

Protection Against Freezing: Standard

Equipment Standard: Plant - (Standard) 6mm/min. (.15 gpm/sq.ft.) (ordinary hazard Group III) is required. Flow test taken August 21, 1975, indicates that 7mm/min. (.177 gpm/sq.ft.) is available.

Warehouse - (slightly sub-standard) (for storage not exceeding 4.6m (15')). 7.4mm/min. (.18 gpm/sq.ft.) (Class III commodities) is required. Flow test taken August 21, 1975 indicates that 7mm/min. (.177 gpm/sq.ft.) is available.

The Coe dryer is equipped with three manually operated deluge sprinkler systems in three zones and one automatic. Deluge system in the last zone protects tunnels and ducts.

Alarms: Local alarms consisting of an outside water gong and inside electric bell.

Primary Water Supplies: Standard. Single supply from a 200mm (8") connection to a 250mm (10") street main fed both ways. Static pressure 449 kPa (65 psi) residual pressure, 435 kPa (63 psi) with 50mm (2") drain flowing fully open.

OTHER PROTECTION:

Extinguishers: Standard

Standpipe and Hose: Non-standard. Six inside standpipes with 15m (50') of hose and nozzles protect plant areas. Warehouses are not equipped with

...\Page 4

standpipe and hose.

OUTSIDE PROTECTION:

Public Hydrants: Standard

Public Fire Department: Municipal, Paid.

Distance to Fire Hall: .8 km (.5 miles)

F.U.S. Municipality Classificaiton: 2

Accessibility: Good

EXTENDED COVERAGE

No unusual hazards overall.

WINDSTORM - Two metal stacks extending 3m (10') and 4.6m (15') and one cyclone extending 3m (10') above roof.

RIOT, VANDALISM, MALICIOUS ACTS

EARTHQUAKE - Zone: 0

IMPACT HAZARDS:

By Road Vehicles: Vehicles enter risk and adjacent lot.

BUSINESS INTERRUPTION

No unusual conditions or situations.

Seasonal: Yes, during peak season plant operates 24 hours per day, 5 days per week.

Operational: Single train production consisting of pressing, drying and cutting line. Dryer would take up to 12 months to replace. Dryer divided into four zones operating continuously. It is possible to use three zones with one shut down. Three grinders for grinding logs to pulp.

UNDESIRABLE FEATURES

OTHER:

1. Local alarms.
2. No interlocks with automatic sprinkler.

MANAGEMENT - LOSS PREVENTION PROGRAMMES

MULTIPLE FIRE SECTION [1] SHEET:

LOCATION / BUILDING NO.1

PERCENT SPRINKLERED:100%

OCCUPANCY: Fibreboard manufacturing and storage.

OPINION OF RISK: Good

BUILT IN: 1951

Additions: 1970, 1975 and 1985

Repair: Fair

HEIGHT: 1, 1=2 and 2 Stos. 12.2m (40')

Basement: Unfinished

WALLS: Construction: 35% metal on steel, 28% fibreboard on wood frame, 28% wood frame metal clad, 9% hollow concrete block.

Type of Walls: Independent, bearing and non-bearing. Steel frame bearing in 35% of wall area.

FLOORS: 98% reinforced concrete slab, 2% wood joist.

ROOF: 64% wood joist and truss, 36% metal on unprotected steel; non-combustible surface

AREA:

Grade: 3800 sq.m (40,900 sq.ft.)

Total: 3939 sq.m (42,400 sq.ft.)

VERTICAL OPENINGS: 100% open. One stairway grade to basement, two stairways grade to second.

INTERIOR FINISH - Walls: 60% open hollow concrete block and steel, 35% non-combustible plasterboard, 5% combustible wood.

INTERIOR FINISH - Ceilings: 96% open wood and steel, 3% non-combustible plasterboard, 1% combustible tentest tile.

COMBUSTIBLE CONCEALED SPACES: Major. Combustible roof space over 100% of area.

NON-COMBUSTABLE CONCEALED SPACES: Minor non-combustible ceiling space.

SPRINKLER PROTECTION: 99 (EF) x 95/100 (RF) x 100/100 (AT) = 94

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EF - deficient automatic sprinkler density
RF - dry pipe valve
AT - dry pipe valve trip test three years overdue

MULTIPLE FIRE SECTION [2] SHEET:

LOCATION / BUILDING NO.2

PERCENT SPRINKLERED:Nil

OCCUPANCY: Miscellaneous storage building

OPINION OF RISK: Good

BUILT IN: 1960 (est).

Repair: Good

HEIGHT: 1 Sto. 3.6m (12')

WALLS: Construction: 100% wood frame

Type of Walls: Independent, bearing

FLOORS: Concrete on earth

ROOF: Wood joist; non-combustible surface

AREA:

Grade: 37 sq.m (400 sq.ft.)

Total: 37 sq.m (400 sq.ft.)

INTERIOR FINISH - Walls: 100% non-combustible

INTERIOR FINISH - Ceilings: 100% non-combustible

< SR02887 / 006929 / 40069297 >

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APPENDIX II
CORRESPONDENCE WITH REGULATORY AGENCIES

Manitoba Conservation



FILE SEARCH REQUEST FORM

NOTE: Please **COMPLETE** the questions below in order that Manitoba Conservation can effectively respond to your request for information as to outstanding Licenses, Orders or Violations, etc. against the indicated property. **A cheque or money order, in the amount of \$96.30 (\$90.00 + \$6.30 G.S.T.) made payable to the Minister of Finance, must accompany this request. We will endeavour to respond to your request within 30 days of receipt.** Please direct all inquiries and return the completed form, along with your payment, to:

**Cashier's Office
Manitoba Conservation
#42, 200 Saulteaux Crescent
Winnipeg MB R3J 3W3
Attention: Marie Collins**

GST Registration #R107863847

**Telephone: 945-7098
Fax: 945-2385**

*****BUSINESS NAME (TENANT) & STREET ADDRESS OF PROPERTY INVOLVED
MUST BE INCLUDED (SEE QUESTIONS #2A & #3B)**

1. Who is requesting the information?

Name of Requestor: **Leo Camirand**

Company Name: **Pinchin Environmental
54 Terracon Place
Winnipeg, Manitoba
R2J 4G7**

Telephone: **(204) 452-0983**

Fax: **(204) 453-0788**

2. If you are representing someone else respecting this request, please provide the following information: (*****This is not the property being searched**)

Business/Individual Name: **Laba Holdings Inc.**
Legal Name (if different from above):
Address: **Box 263**
Whitemouth, MB R0E 2E0

Telephone: **(204) 771-0610**
Fax: **(204) 654-1747**

- (a) **BUSINESS NAME OF PRESENT OR PREVIOUS TENANT who is/was actually on the the subject property (not numbered company name) MUST BE INCLUDED:**
(If this is a shopping centre/strip mall please provide complete list of tenants)

**Previously International Fibreboard Inc.,
Presently, used for storage.**

3. (a) Legal description of property involved:

Lots 62-63 Plan 6146 87/94 K

- (b) **STREET ADDRESS (INCLUDING CITY/TOWN, RURAL MUNICIPALITY) OF PROPERTY INVOLVED MUST BE INCLUDED:**
(Please provide a diagram if civic/numerical address is not available)

515 Munroe Avenue, Winnipeg, Manitoba

4. What information is being requested - please be as specific as possible?

**Environmental orders, spills, spills on adjacent properties,
discharge orders, underground storage tanks, tank
removal orders, fill materials used, landfills on property.**

If known, and if applicable, please indicate what legislation the information being requested pertains to:

The Environment Act

☒

The Public Health Act

☐

The Dangerous Goods
Handling and Transportation Act

☒

The Ozone Depleting
Substances Act

☐

The Waste Reduction and
Prevention Act

☐

The Contaminated Sites
Remediation Act

☒

5. For what purpose is the information required (i.e. sale of business/property, financing arrangements, etc.)?

Unknown

6. Type/description of business/operation presently being carried out on subject property (if not currently in operation, and if known, please identify past business/operation carried out on subject property):

Storage

7. Description of intended use of subject property:

Unknown

May 5, 2009

Request Date

Signature of Requestor

****** PLEASE NOTE THAT INCOMPLETE FORMS WILL CAUSE A DELAY IN THIS SEARCH BEING PROCESSED. PLEASE BE SURE TO INCLUDE ALL AVAILABLE DETAILS.**



May 25, 2009

Our File No. 52721

City of Winnipeg
Water & Waste Department
2230 Main Street
Winnipeg, Manitoba
R2V 4T8

Attention: Ms. Dorothy Steele

Dear Ms. Steele:

**Re: Phase I Environmental Site Assessment
515 Munroe Avenue, Winnipeg, Manitoba**

Please accept this letter as a request for information for the property located at 515 Munroe Avenue in Winnipeg, Manitoba. The owner of the property is Frank John Laba, Jr II.

We would appreciate any information you may have regarding this property with respect to outstanding orders or violations, records of past orders, complaints related to hazardous substances, storage, violations or spills.

We thank you for your co-operation in this matter and are looking forward to your reply. If you should require further information, please do not hesitate to contact me at the address noted below.

Yours truly,

Pinchin Environmental Ltd.

Per:

A handwritten signature in blue ink, appearing to read "S. Coughtrey", is written over a horizontal line.

per: Scott Coughtrey, B.Env.Sc.
Environmental Scientist

File: 52721 - 515 Munroe - Letter - City of Winnipeg - May 25, 2009.doc

Attach.

APPENDIX III
PHOTOGRAPHS



Photo 1 – The Site Building located at 515 Munroe Ave., Winnipeg, Manitoba



Photo 2 – Light industrial building located south of the Site.



Photo 3 – Munroe and Golspie Intersection - Church located east of the Site



Photo 4 – Commercial buildings located northeast of the Site



Photo 5 – Commercial building located east of the Site



Photo 6 – Building materials stored on the southeast portion of the Site

APPENDIX IV
QUALIFICATION OF ASSESSORS



Femi Ferreira, B.A. is an Environmental Scientist experienced in Phase I Environmental Site Assessments. Mr. Ferreira graduated with a Bachelor of Arts Degree in Geography, specializing in Environmental Science from the University of Manitoba. In addition Mr. Ferreira attended Niagara College of Applied Arts and Technology, where he took post graduate studies in Environmental Management and Assessments. Mr. Ferreira has experience in Phase I and II Environmental Site Assessments, Asbestos Remediation and Mould air clearance testing.

Grant Eftoda, B.Sc. (Eng) is Manager of Environmental Due Diligence and Remediation, Manitoba Region. Mr. Eftoda has conducted work throughout Western Canada for the upstream and downstream oil and gas industry, provincial government agencies, and private industry. Mr. Eftoda holds a Bachelors of Science degree in Geological Engineering from the University of Manitoba. Mr. Eftoda's education and experience has been in the areas of bioremediation and bioaugmentation, drinking water treatment, environmental site assessments, geology, geophysics, geotechnical engineering, groundwater hydrology and contamination, mine engineering, oil exploration and development, organic residuals composting, remediation of contaminated land, and wastewater treatment. In addition Grant has over four years experience in the field of waste reduction and utilization, including design and operation of composting facilities, waste characterization studies, and design of waste reduction strategies.