

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

ACS PRECISION COMPONENTS PARTNERSHIP

Respondent

**SECOND REPORT TO THE COURT
SUBMITTED BY ZEIFMAN PARTNERS INC. AS RECEIVER**

INTRODUCTION

1. By Order of the Honourable Mr. Justice Campbell dated May 6, 2010, Zeifman Partners Inc. (the "Receiver") was appointed as receiver without security of all of the assets, undertakings and properties of ACS Precision Components Partnership ("ACS") acquired for, or used in relation to a business carried on by ACS (the "Receivership Order"). Attached as **Schedule A** is a copy of the Receivership Order.

PURPOSE OF REPORT

2. The purpose of this Report is to provide the Court with the facts relating to the Receiver's motion for an Order requiring Aalbers Tool & Mold Inc. ("Aalbers") to deliver up to the Receiver possession of tooling built by Aalbers for ACS and which is currently in the possession of Aalbers. The tooling is required on an urgent basis for the production of parts for the Volkswagen Jetta motor vehicle currently in production at the Volkswagen assembly plant in Puebla, Mexico, the existing supply of which will be exhausted by Monday, May 31, 2010, failing which the production line for that vehicle will be shut down shortly thereafter.

FACTUAL BACKGROUND

The Business of ACS

3. ACS is a registered Ontario partnership of A-C (Plastics) Holdings Inc. ("Plastics") (as to a 51% interest) and 2178124 Ontario Inc. ("217") (as to a 49% interest). Plastics is in turn owned by Anderson-Cook, Inc., an American manufacturing company with operations in four countries. 217 is in turn ultimately owned and controlled by Douglas Spittal, a businessman with turnaround expertise in the automotive industry.
4. Prior to the making of the Receivership Order, ACS carried on a plastic injection molding and related mold building business from leased premises located at 1574 Eagle Street North, Cambridge, Ontario. The customer base of ACS consists primarily of tier one parts suppliers to the automotive industry. The Receiver has continued to operate the business of ACS while the customers re-source their production requirements.

The Aalbers Tooling

5. In June, 2009 Aalbers issued a quote to ACS to build a mold and related insert (collectively the "Roller Cage Mold") to be used by ACS in the production of roller cages. A copy of Quote Number 2211 dated June 30, 2009 issued by Aalbers to ACS to build the Roller Cage Mold is attached as **Schedule B**.
6. Roller cages are long thin pieces of plastic into which ball bearings are inserted. The roller cages are supplied by ACS to its customer, Brose Canada Inc. ("Brose"), which in turn incorporates the roller cages into seat assemblies supplied by Brose to automobile manufacturers. The Roller Cage Mold without the insert is used to produce roller cages for power seat assemblies. The Roller Cage Mold with the insert is used to produce roller cages for manual seat assemblies.
7. Brose has advised the Receiver that it requires roller cages for manual seat assemblies currently being supplied by Brose to Volkswagen for Jetta motor vehicles currently in production at the Volkswagen assembly plant in Puebla, Mexico. The seat assemblies

are supplied by Brose to Volkswagen on a just in time basis. Brose has advised the Receiver that it only has a sufficient supply of roller cages for the Jetta to last until Monday, May 31, 2010. If the Roller Cage Mold is not delivered up to the Receiver immediately to allow the Receiver to produce parts for Brose, the Volkswagen Jetta production line will be shut down shortly thereafter.

8. Brose has also advised the Receiver that the Roller Cage Mold is required for production of roller cages to be used in manual seat assemblies to be supplied by Brose for the Volkswagen Beetle which is to be manufactured at the Volkswagen assembly plant in Puebla, Mexico and manual and power seat assemblies to be supplied by Brose for a compact sedan which is to be manufactured by Volkswagen at its assembly plant in Tennessee. Neither of those two vehicles is currently in production. However, Brose has advised the Receiver that it must commence shipment to Volkswagen of pre-production requirements for those two vehicles in the week of May 31, 2010.
9. On July 6, 2009 ACS issued a purchase order to Aalbers to build and supply the Roller Cage Mold to ACS. A copy of Purchase Order number 331148 issued July 6, 2009 by ACS to Aalbers for the Roller Cage Mold is attached as **Schedule C**.
10. The purchase price for the Roller Cage Mold was \$173,300 plus G.S.T.
11. Aalbers built the Roller Cage Mold. The Roller Cage Mold was delivered to the premises of ACS in Cambridge for the first tryout run in October, 2009. Following the first tryout run, the Roller Cage Mold was returned to Aalbers for modification and returned to ACS in November, 2009 for the second tryout run.
12. Engineering changes were made to the Roller Cage Mold. Attached as **Schedule D** are copies of Quote Numbers ECR655 and ECR703 dated November 2, 2009 and January 23, 2010 respectively by which Aalbers quoted on the additional work required as a result of the engineering changes.
13. Aalbers' quotes for the additional work required by the engineering changes were accepted by ACS. Attached as **Schedule E** are copies of Purchase Order numbers

331963 and PC000095 dated November 19, 2009 and February 4, 2010 issued by ACS to Aalbers for the additional work required by the engineering changes.

14. The Roller Cage Mold was moved from the premises of ACS to Aalbers in mid February, 2010 to complete the work required by the engineering changes.
15. Aalbers issued an invoice to ACS to build and supply the Roller Cage Mold and two invoices for the additional work required by the engineering changes. Attached as **Schedule F** are copies of the following invoices issued by Aalbers to ACS:
 - (a) Invoice No. 11232C dated December 17, 2009 in the amount of \$173,300 plus G.S.T. for the cost of building the Roller Cage Mold;
 - (b) Invoice Nos. 11314 and 11315 dated February 25, 2010 in the amounts of \$6,075 and \$4,465 plus G.S.T. for the work related to the engineering changes.
16. According to the records of ACS, no payments were made by ACS to Aalbers on account of any of the three invoices issued by Aalbers to ACS attached as **Schedule F**. Those invoices are unpaid and outstanding in full.
17. After the completion of the additional work related to the engineering changes, the Roller Cage Mold was returned to the possession of ACS at its Cambridge premises where it remained until May 3, 2010.
18. From January to May, 2010, the Roller Cage Mold was used to produce parts supplied by ACS to Brose. In that time period ACS used the Roller Cage Mold to produce 53,898 parts shipped to Brose.
19. On May 3, 2010 the Roller Cage Mold was returned to the possession of Aalbers by ACS. The Receiver is unaware as to why the Roller Cage Mold was returned to the possession of Aalbers at that time.
20. The Roller Cage Mold remains in the possession of Aalbers.

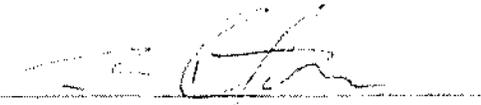
21. Attached as **Schedule G** is a copy of a letter sent on May 25, 2010 by the Receiver's legal counsel to Aalbers requesting Aalbers to immediately deliver up possession of the Roller Cage Mold to the Receiver.
22. Attached as **Schedule H** is a copy of the response received to that letter from Aalber's legal counsel. In that letter, Aalbers takes the position that property in the Roller Cage Mold has not passed to ACS and Aalbers remains the owner of the Roller Cage Mold.
23. The Receiver recognizes that because ACS has not made any payments to Aalbers on account of the purchase price for the Roller Cage Mold, an issue exists as to whether property in the Roller Cage Mold passed to ACS. The Receiver is of the opinion that the better view is that property in the Roller Cage Mold passed to ACS despite ACS not having made any payments for the following reasons:
 - (a) the Roller Cage Mold was built specifically for ACS;
 - (b) the Roller Cage Mold was delivered by Aalbers to ACS in 2009, was returned to the possession of Aalbers for the completion of additional work arising from engineering changes and returned to the possession of ACS after that work was completed;
 - (c) Aalbers has issued invoices to ACS for the full purchase price of the Roller Cage Mold plus the work related to the engineering changes;
 - (d) the Roller Cage Mold has been in production at and used by ACS to produce parts for Brose; and
 - (e) the application of the Rules in Section 19 of the *Sale of Goods Act* of Ontario to ascertain the intention of parties to a contract for the sale of goods as to passage of property in those goods.
24. The Roller Cage Mold is unique and designed to produce particular parts for specific models of Volkswagen motor vehicles and cannot be used for other purposes without modification, if at all.

25. Although the Receiver believes the better view is that property in the Roller Cage Mold has passed to ACS, the Receiver understands that Aalbers disputes that view. That issue does not need to be determined at this time. To preserve and protect the rights and interests of all parties, the Receiver recommends that the Roller Cage Mold be delivered up to the possession of the Receiver without prejudice to the rights and claims of all persons claiming an interest in same, including Aalbers. To do so will alleviate the imminent prejudice to be suffered by Brose and its customers, Volkswagen, without prejudice to Aalbers or any other party which may have an interest in the Roller Cage Mold.

Respectfully submitted this 26th day of May, 2010.

**ZEIFMAN PARTNERS INC., Court
Appointed Receiver of ACS Precision
Components Partnership**

Per:


Jonathan Rutman

SCHEDULE A
Receivership Order

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 6TH DAY
)
MR. JUSTICE CAMPBELL) OF MAY, 2010
)

BANK OF MONTREAL

Applicant

- and -

ACS PRECISION COMPONENTS PARTNERSHIP

Respondent



ORDER

THIS APPLICATION made by the Applicant for, *inter alia*, an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Zeifman Partners Inc. ("ZP") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ACS Precision Components Partnership (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Alex McIntosh sworn May 4, 2010 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Debtor and ATS Automation Tooling Systems Inc., the Debtor consenting, and on reading the consent of ZP to act as the Receiver,

SERVICE

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

APPOINTMENT

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

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and

negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to file an assignment for the general benefit of the creditors of the Debtor or consent to the making of a Bankruptcy Order on behalf of the Debtor; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

SPECIFIC PROVISIONS

4. THIS COURT ORDERS that the Agreement Regarding Receivership dated May 4, 2010 (the "Agreement") among the Applicant, the Debtor and ZP, a copy of which is attached hereto as Schedule "A", including Exhibits "A" and "B" attached thereto, be and it is hereby ratified and approved, and shall have full force and effect in the within proceedings. In the event of any inconsistency between the terms of the Agreement and the provisions of this Order, the terms of the Agreement shall govern.

5. THIS COURT ORDERS that, without limiting paragraph 4 above, the Receiver is authorized to do all things contemplated to be done by the Receiver in the Agreement, as and when contemplated to be done therein. For certainty, the Receiver shall be under no obligation to cause the Debtor to produce component parts for any customers of the Debtor save and except in accordance with the Agreement.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) and 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$600,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

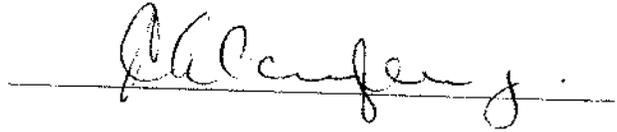
25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any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

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

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

A handwritten signature in cursive script, appearing to read "J. Campbell", is written over a horizontal line.

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

MAY 06 2010

PER / PAR: TV

SCHEDULE "A"
AGREEMENT REGARDING RECEIVERSHIP

AGREEMENT REGARDING RECEIVERSHIP

ACS Precision Components Partnership, an Ontario partnership ("Borrower"), Bank of Montreal ("Lender") and Zeifman Partners Inc. ("ZP") enter into this Agreement Regarding Receivership (this "Agreement") on May 4, 2010.

BACKGROUND

A. Pursuant to a Commitment Letter dated December 16, 2008 and related loan and security documents (together, the "Loan Documents"), Lender provided secured financing to Borrower. Borrower is in default of its obligations to Lender and Lender has demanded repayment of the obligations outstanding under the Loan Documents and issued a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (the "Act").

B. Borrower acknowledges that as of April 22, 2010, its obligations to Lender (inclusive of its obligations arising from Borrower's guarantee of the obligations of OMEX Manufacturing ULC) totalled \$3,704,134.28 plus accrued but unpaid interest from and after April 22, 2010 and costs and expenses called for by the Loan Documents (the "Loans").

C. In an effort to maximize the value of its assets and provide an opportunity for its customers to orderly re-source their production to other suppliers, subject to the terms of this Agreement, Borrower has agreed to consent to the appointment of a receiver and manager over its assets and operations.

Based on the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

TERMS AND CONDITIONS

1. Borrower consents to each of the following:
 - (a) the granting of an Order (the "Order") by the Ontario Superior Court of Justice, Commercial List (the "Court") on the application of the Lender for the appointment of a receiver (the "Receiver") of all of the assets, undertakings and properties of the Borrower under Section 243 of the Act and Section 101 of the Courts of Justice Act; and
 - (b) the appointment in the Order of ZP as Receiver.
2. Borrower acknowledges that it is in default under the Loan Documents and pursuant to Section 244 of the Act hereby waives the 10 day notice period prescribed thereby.
3. In consideration of Borrower's consents and waivers set forth in this Agreement, Lender agrees to allow the Receiver, in acting pursuant to the Order, to use

cash proceeds of accounts receivable and inventory ("Cash Collateral") on the following terms:

- (a) the Receiver will not be allowed to use any cash proceeds from fixed asset sales (such proceeds will be segregated by the Receiver in a separate account pending Court approval for the distribution of such proceeds).
- (b) Cash Collateral may be used only to the extent the following formula is satisfied (the "Formula");
 - (i) remaining Cash Collateral being held by Receiver in a segregated deposit account; plus
 - (ii) 90% of accounts subject to a setoff limitation substantially in the form of paragraph 3 of the form Accommodation Agreement attached as Exhibit A (the "Form Accommodation Agreement"); plus
 - (iii) 70% of raw materials and finished goods inventory which are subject to a purchase obligation under a Form Accommodation Agreement or Letter Agreement; plus
 - (iv) 85% of the amount of any tooling accounts that customers agree in writing to pay within 30 days without setoff or reduction on any basis;

is equal to or greater than the sum of the following:

- (i) the balance of the Loans (inclusive of unpaid interest and fees), plus
 - (ii) a reserve of \$100,000 (the "Wind Down Reserve"), plus
 - (iii) a reserve of \$300,000 (the "Employee Claim Reserve"), plus
 - (iv) a reserve equal to Receiver's good faith estimate of unpaid professional fees and costs owing to Receiver and its counsel (the "Fee Reserve").
- (c) The Formula will be calculated on a daily basis based on Cash Collateral, accounts receivable and inventory balances, with all amounts [other than inventory values] updated daily. [Inventory values adjusted on Tuesday of each week based on actual inventory levels as of the close of business on the prior Friday].

- (d) the Receiver will not be allowed to use any Cash Collateral for production after May 13, 2010 for any customer representing 4% or more of Borrower's historical sales unless the customer agrees to the accommodations outlined in the Form Accommodation Agreement.
- (e) Subject to the Formula and there being sufficient Cash Collateral available to fund such expenses, the Receiver may use (i) the Employee Claim Reserve to fund vacation pay and accrued but unpaid wages owing to Borrower's employees as of the effective date of the receivership, (ii) the Wind Down Reserve to fund costs and expenses incurred by Receiver after production ceases for all customers, and (iii) the Fee Reserve to pay professional fees owing to Receiver and its legal counsel.
- (f) For certainty, any "Surcharges" (as that term is defined in the Form Accommodation Agreement or the Letter Agreement, as defined below) paid by Customers will be Cash Collateral.
- (g) Lender will have no obligation to make any new advances to Borrower or the Receiver.

4. Lender will:

- (a) promptly seek the appointment of ZP as Receiver; and
- (b) consent to the Receiver's sale of dedicated machinery, equipment, tooling and fixtures owned by Borrower ("Dedicated Assets") for an amount not less than 90% of appraised fair market value as provided for in the Corporate Assets Valuations Appraisal dated April 23, 2010; for certainty, "dedicated" means used solely by Borrower in producing component parts for a particular customer and not reasonably useable in producing component parts for third parties).

5. Subject to being appointed as Receiver and this Agreement and the exhibits hereto being approved by the Court, and subject to any further Order of the Court, ZP agrees that it will:

- (a) use its best efforts to cause Borrower to produce parts banks for customers who execute the Form Accommodation Agreements substantially in the form of Exhibit "A" ("Participating Customers") and to otherwise cooperate with the Participating Customers in their re-sourcing activities;

- (b) seek expedited court approval, if necessary, to sell Dedicated Assets on the terms of subsection 4(b) above;
- (c) not allow any customer to remove Tooling (as defined in the Form Accommodation Agreement) from Borrower's possession unless (i) required to do so by court order, or (ii) the customer pays (or agrees to pay in a written agreement satisfactory to Receiver) all accounts payable owing to Borrower subject to the setoff limitations provided in the Form Accommodation Agreement (regardless of whether the customer has executed a Form Accommodation Agreement);
- (d) use Cash Collateral consistent with the terms of this Agreement;
- (e) use the Employee Claim Reserve to fund vacation pay and accrued but unpaid wages owing to Borrower's employees as of the effective date of the receivership; and
- (f) use its best efforts to get all customers representing less than 4% of Borrower's historical sales to execute and deliver a letter agreement substantially in the form of Exhibit B (the "Letter Agreement") in exchange for the Receiver allowing Borrower to produce goods for such customers.

6. ZP will have no obligations or duties under this Agreement unless and until it is appointed Receiver and this Agreement and the Exhibits hereto being approved by the Court.

7. This Agreement sets forth the entire agreement and understanding of the parties, and supersedes all prior agreements and understandings between the parties with respect to the assignment. This Agreement will be binding on, and inure to the benefit of, the parties and their successors and assigns.

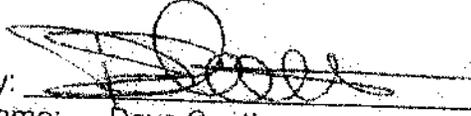
8. This Agreement may be signed in counterparts, each of which will be an original and both of which taken together will constitute one agreement, and facsimile signatures will be treated as original for all purposes.

9. This Agreement may not be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

[End of document –signatures are set forth on the next page]

[Signature page to Agreement Regarding Receivership dated May 4, 2010]

BANK OF MONTREAL

By: 
Name: Dave Coutts
Title: Account Manager
I have authority to bind the Bank

ZEIFMAN PARTNERS INC.

By: _____
Name: Allan Rutman
Title: President
I have authority to bind the
Company

**ACS PRECISION COMPONENTS
PARTNERSHIP**

By: _____
Name: Matthew Richey
Title: Chief Executive Officer

And
By: _____
Name: Douglas Spittal
Title: Executive V-P
We have authority to bind the
Partnership

[Signature page to Agreement Regarding Receivership dated May 4, 2010]

BANK OF MONTREAL

By: _____
Name: Dave Coultts
Title: Account Manager
I have authority to bind the Bank

ZEIFMAN PARTNERS INC.

By: 
Name: Allan Rutman
Title: President
I have authority to bind the
Company

**ACS PRECISION COMPONENTS
PARTNERSHIP**

By: _____
Name: Matthew Richey
Title: Chief Executive Officer

And

By: _____
Name: Douglas Spittal
Title: Executive V-P
We have authority to bind the
Partnership

[Signature page to Agreement Regarding Receivership dated May 4, 2010]

BANK OF MONTREAL

By: _____
Name: Dave Coutts
Title: Account Manager
I have authority to bind the Bank

ZEIFMAN PARTNERS INC.

By: _____
Name: Allan Rutman
Title: President
I have authority to bind the
Company

**ACS PRECISION COMPONENTS
PARTNERSHIP**

By: Matthew Richey
Name: Matthew Richey
Title: Chief Executive Officer

And
By: Douglas Spittal
Name: Douglas Spittal
Title: Executive V-P
We have authority to bind the
Partnership

EXHIBIT A

CUSTOMER ACCOMMODATION AGREEMENT

Zeifman Partners Inc., solely in its capacity as receiver and manager of ACS Precision Components Partnership, an Ontario partnership ("ACS") and _____ ("Customer") enter into this Customer Accommodation Agreement (this "Agreement") as of May __, 2010.

BACKGROUND

A. ACS manufactures component parts for Customer (the "Component Parts") pursuant to various purchase orders and supply contracts (each a "Purchase Order" and collectively, the "Purchase Orders").

B. ACS defaulted on its obligations to its senior lender, Bank of Montreal ("BMO") and BMO demanded payment of all outstanding obligations on April 27, 2010.

C. On May 6, 2010 at approximately _____ p.m. E.D.T. (the "Effective Date"), the Ontario Superior Court of Justice, Commercial List (the "Receivership Court") entered an order (the "Receivership Order") appointing Zeifman Partners Inc. as receiver and manager of ACS (the "Receiver").

D. The Receivership Order provides that the Receiver is under no obligation to allow ACS to continue to produce Component Parts for any customer unless such customer enters into acceptable arrangements with the Receiver.

E. Subject to the terms and conditions of this Agreement, Receiver has agreed to allow ACS to manufacture and supply Component Parts to Customer.

BASED on the foregoing background and for good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

TERMS AND CONDITIONS

1. Payment of Existing Accounts. For convenience, all amounts owing by Customer to ACS for Component Parts shipped on or before the Effective Date or for tooling that has received so-called "PPAP" or equivalent approval on or before the Effective Date are collectively referred to as the "Pre-Effective Date Payables". Customer acknowledges and agrees that the Pre-Effective Date Payables are equal to at least CDN \$_____ and that subject to any Allowed Setoffs (defined below), Customer claims no rights of setoff or any other claim of any nature whatsoever and that the foregoing amount is due and owing, in full, by the Customer to ACS. By May __, 2010 Customer will pay all Pre-Effective Date Payables subject to the terms of Section 3 below; payment will be made by cheque and must be received by the

Receiver on or before May _____, 2010 at the address set forth under the Receiver's signature below or via wire transfer as follows:

_____, Toronto Canada
SWIFT No: _____
Account No: _____
Account Name: Zeifman Partners, as receiver and manger of
ACS Precision Components Partnership

2. Expedited Payment Terms. For shipments of Component Parts to Customer after the Effective Date (the "Post-Effective Date Payables"), Customer will pay for shipments on terms of net 7 days or better.

3. Limitation of Setoff Rights. With respect to all accounts payable owing to ACS, whether arising before or after the Effective Date, Customer agrees to suspend and not assert any defenses, rights and claims for setoffs, deductions and/or recoupment other than for Allowed Setoffs. For purposes of this Agreement, "Allowed Setoffs" means setoffs, recoupments or deductions for defective or nonconforming products, short shipments, misshipments, or *bona fide* billing errors (improper invoices or mispricing). Provided further that under no circumstances will (a) Allowed Setoffs exceed ten percent (10%) of the face amount of any *bona fide* invoice, or (b) setoffs or recoupments, including Allowed Setoffs, be taken against the Surcharge (as defined below).

4. Surcharges. For all Component Parts shipped to Customer after the Effective Date, Customer agrees to pay a thirty percent (30%) surcharge (the "Surcharge") in excess of the applicable Purchase Order price. Additionally, Customer will bear the cost of premium freight to the extent it is incurred in connection with delivery of Component Parts to Customer. If Receiver, acting reasonably, believes that the Surcharge is insufficient to fully fund Customer's pro-rata share of all cash losses incurred or to be incurred in producing Component Parts for Customer (including Receiver's and its counsel's professional fees and costs, the cost of winding down the operations of ACS when all production ceases and payment of any employee claims other than termination and severance pay), on 5 days' written notice to Customer, unless Customer agrees in writing to increase its Surcharge to the level requested by Receiver, Receiver will have the right to cause ACS to cease production for Customer.

5. Tooling Purchase Orders. Customer previously entered into purchase orders or other agreements (the "Tooling Purchase Orders") with ACS for the tooling, gauges, molds, fixtures, and appurtenances thereto described on Schedule A (collectively, the "Tooling"). In turn, ACS entered into agreements with third parties to manufacture the Tooling (the "Tool Vendor"); as of the Effective Date, the Tooling was not completed such that payment was not due under the applicable Tooling Purchase Order. In respect of the Tooling Purchase Orders, Customer agrees to (a) assume full responsibility for dealing with Tool Vendors (by assuming ACS' obligations to Tool Vendor or entering into a new contract with Tool Vendor(s)), (b) within 10 days after

receipt of reasonable documentation from the Receiver to evidence the amount due, pay to Receiver an amount equal to the sum of any payments previously made by ACS to the Tool Vendors in respect of the Tooling, with such payments made without setoff, recoupment or deduction for any reason, and (c) upon the Tooling receiving final PPAP approval, pay to the Receiver (without setoff or deduction on any basis) an amount equal to the difference between (i) the applicable ACS Tooling Purchase Order price, minus (ii) amounts paid by Customer to Tool Vendors in respect of the Tooling, minus (iii) amounts paid to Receiver under subpart (b) above. Upon Customer's payment of the foregoing amounts, any right, title or interest of the Receiver or ACS to the subject Tooling will pass to Customer and Customer will thereafter be released from any further payment obligation to the Receiver or ACS on account of the Tooling Purchase Order.

6. Inventory Purchase. At the earlier of the time Customer re-sources any Component Part from ACS or when ACS ceases production of Component Parts, Customer agrees to purchase from Receiver (free and clear of all liens, security interests and charges), all raw materials, work in process and finished goods inventory related to the manufacture, production or assembly of the subject Component Part (the "Customer Inventory") that is "useable" and in a "merchantable" condition. The price for the Customer Inventory to be purchased under this Paragraph 6 will be calculated as follows:

- (a) for raw material – 100% of the cost of the raw material, with cost based on ACS' actual landed cost;
- (b) for work-in-process – 100% of the applicable Purchase Order price plus the Surcharge, with such amount pro-rated on a percentage of completion basis; and
- (c) for finished Component Parts – 100% of the applicable Purchase Order price plus the Surcharge.

For the purpose of this Agreement, the term "useable" means inventory in quantities that are reasonably useable by Customer or Customer's new suppliers in the production of Component Parts. The term "merchantable" as used in this Agreement means of good quality and in conformance with any applicable Purchase Order specifications. Customer will pay the purchase price for the Customer Inventory without setoff, recoupment or other deduction of any kind or nature prior to taking delivery of such Customer Inventory.

7. Continue to manufacture; allocation of resources. Subject to the availability of sufficient financing, raw materials, labor, machine capacity and the terms of Paragraph 4 above, Receiver will use its best efforts to cause ACS to continue to manufacture Component Parts in accordance with Customer's requirements. Production capacity and available resources will be allocated equitably among all customers providing accommodations substantially equivalent to those provided in this

Agreement (such customers are referred to collectively as the "Participating Customers").

8. Inventory Bank. Upon Customer's reasonable request and subject to availability of sufficient financing, raw materials, labor, machine capacity and the terms of Paragraph 4 above, Receiver will use its best efforts to cause ACS to build inventory banks of Component Parts ("Inventory Banks"). Inventory Banks will be shipped as produced and Customer will pay for same in accordance with Paragraphs 2, 3, and 4. Receiver will use its best efforts to cause ACS to allocate available capacity and resources equitably among the Participating Customers. For purposes of Paragraph 7 and this Paragraph 8, an "equitable allocation" means that Customer's production will receive at least a pro-rata share of available resources or capacity (including any excess capacity used to produce parts banks) based on the dollar value of Customer's and other Participating Customers' respective purchases from ACS during the one (1) year period prior to the Effective Date.

9. Cooperation in Re-Sourcing. Receiver will cause ACS to provide Customer and its new supplier(s) reasonable access to ACS' manufacturing operations to facilitate the transfer of production of the Component Parts provided such access does not unreasonably interfere with production for other Participating Customers. Further, Customer agrees to give Receiver as much advance notice as possible, and in no event less than twenty-one (21) days' notice, regarding Customers re-sourcing plans so Receiver can manage ACS' operations in an efficient and economical manner.

10. Tooling Acknowledgement.

- (a) Within ten (10) days of execution of this Agreement, Customer will provide Receiver a list of all tooling, dies, test and assembly fixtures, jigs, gauges, paint racks, patterns, casting patterns, cavities, molds and documentation including engineering specifications and test reports together with any accessions, attachments, parts, accessories, substitutions, replacements, and appurtenances used by ACS in connection with its manufacture of Component Parts for the Customer (collectively "Tooling") and claimed to be owned by the Customer. Customer and Receiver will exercise best efforts in good faith to resolve any discrepancy or dispute relating to the ownership of such Tooling.
- (b) As soon as practicable, but in any event no later than forty-five (45) days after the execution of this Agreement, Receiver will attach to this Agreement Schedule B listing all Tooling Customer claims to be owned by Customer and to which the Receiver acknowledges and agrees are owned by Customer (the "Customer's Tooling"). By appending Schedule B, Receiver acknowledges and agrees that Customer's Tooling is owned by the Customer and that no person or entity other than Customer has any right, title or interest in

Customer's Tooling other than ACS' right, subject to Customer's unfettered discretion, to utilize Customer's Tooling in the manufacture of Component Parts pursuant to the terms of the Purchase Orders (as amended by this Agreement). Subject to Customer's compliance with the terms of this Agreement, Customer will have the right to take immediate possession of the Customer's Tooling at any time, should Customer elect to exercise such right, and Receiver agrees to cooperate with Customer in its taking possession of the Customer's Tooling.

- (c) In the event of a dispute as to the ownership of any one or more items of Tooling, Customer will have the right to apply to the Ontario Superior Court of Justice, Commercial List in the receivership proceeding of ACS to determine ownership of such Tooling.

11. No liability. The Receiver will not be deemed to be a successor to ACS in respect of any obligations under the Purchase Orders or the Tooling Purchase Orders (collectively, the "Customer Agreements") and Receiver is acting solely in its capacity of receiver and manager of ACS and with no personal or corporate liability. Subject to the Allowed Setoffs, Customer further agrees that Receiver will have no liability to Customer for, and Customer will indemnify and hold Receiver harmless from and against any claims of third parties for, (a) any failure to supply Component Parts, including without limitation, in the quantities or at the times requested by Customer, (b) breaches by ACS of any agreements it has with Customer, and (c) any liability for non-conforming or defective Component Parts sold to Customer, including in respect of product liability claims and claims for latent defects in such Component Parts. **FURTHER, RECEIVER HAS NOT GIVEN AND WILL NOT BE DEEMED TO HAVE GIVEN ANY CUSTOMER OR ITS SUCCESSORS OR PERMITTED ASSIGNS ANY WARRANTIES (INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), IN RESPECT OF ANY COMPONENT PARTS OR CUSTOMER INVENTORY. ALL CONDITIONS AND WARRANTIES EXPRESSED OR IMPLIED BY THE SALE OF GOODS ACT OF ONTARIO DO NOT APPLY HERETO AND HAVE BEEN WAIVED BY THE CUSTOMER.**

12. General Terms.

A. Authorization. The parties executing this Agreement warrant that they have the corporate power and authority to execute this Agreement and this Agreement has been duly authorized by the parties.

B. Cooperation. Each party agrees to cooperate fully and in good faith with the other parties and to take all additional actions that may be necessary to give full force and effect to this Agreement.

C. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation of this Agreement.

D. No Waiver; Cumulative Remedies; Unenforceability. No party to this agreement will by any act, delay, indulgence, omission, or otherwise be deemed to have waived any right or remedy under this Agreement, or any other agreement between the parties or between Customer and ACS, or of any breach of the terms and conditions of this Agreement or any other agreement between the parties or between Customer and ACS. A waiver by any party of any right or remedy under this Agreement on any one occasion will not be construed as a bar to any right or remedy which that party would otherwise have had on a subsequent occasion. No failure to exercise, nor any delay in exercising, any right, power, or privilege under this Agreement, by any party will operate as a waiver, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies under this Agreement are cumulative, may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by any other agreements or applicable law. If any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement will not be affected thereby.

E. Reservation of Rights. Subject to the terms of this Agreement, Customer expressly reserves and does not waive any claims it has against ACS, including without limitation, for breaches of any Purchase Order, or obligations under any other agreements between Customer and ACS.

F. Waivers and Amendments; Successors and Assigns. No term or provision of this Agreement may be waived, altered, modified, or amended except by a written instrument, duly executed by the parties hereto. This Agreement and all of the parties' obligations are binding upon their respective successors, and together with the rights and remedies of the parties under this Agreement, inure to the benefit of the parties and their respective successors; provided, further, no party will assign any of its rights under this Agreement.

G. Counterparts. This Agreement may be executed in any number of counterparts and by each party hereto on separate counterparts, each of which when so executed and delivered will be an original, but all of which together will constitute one and the same instrument, and it will not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. For purposes of this Agreement, facsimile signatures will be treated as originals.

H. Jurisdiction. Customer agrees to submit to the jurisdiction of the Ontario Superior Court of Justice, Commercial List in connection with any dispute under this Agreement and agrees that if the Receiver is required to seek the assistance of the Receivership Court to enforce this Agreement, in addition to any other remedies

available under applicable law, the Receiver will be entitled to recover its reasonable lawyer's fees and costs so incurred.

I. Entire Agreement; Conflicts; Ambiguous Language. This Agreement, together with any other agreements and schedules referenced to herein or executed in connection with this Agreement, constitutes the entire understanding of the parties in connection with the subject matter hereof. To the extent any term or condition of this Agreement is inconsistent or in conflict with the terms of any other agreements between ACS or the Receiver and the Customer, the terms of this Agreement will govern and control to the extent necessary to resolve such inconsistency or conflict. This Agreement is being entered into among competent persons who are experienced in business and represented by counsel, and has been reviewed by the parties and their respective counsel. Therefore, any ambiguous language in this Agreement will not necessarily be construed against any particular party as the drafter of such language.

J. Governing Law. This Agreement is made in the Province of Ontario and shall be governed by, and construed and enforced in accordance with, the laws of the Province of Ontario and of Canada applicable therein and the parties irrevocably attorn to the jurisdiction of the Court and other appropriate courts of the Province of Ontario in respect of any matters and disputes arising in connection with this Agreement.

K. CONSULTATION WITH COUNSEL. THE PARTIES ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO CONSULT WITH COUNSEL BEFORE EXECUTING THIS AGREEMENT AND ARE EXECUTING SUCH AGREEMENT WITHOUT DURESS OR COERCION AND WITHOUT RELIANCE ON ANY REPRESENTATIONS, WARRANTIES OR COMMITMENTS OF THE RECEIVER, OTHER THAN THOSE SPECIFICALLY SET FORTH IN THIS AGREEMENT.

[Intentionally left blank, signature page continued on following page]

[Signature page to Customer Accommodation Agreement]

"Receiver"

ZEIFMAN PARTNERS INC., solely in its capacity as Receiver and Manager of ACS Precision Components Partnership and with no personal or corporate liability

By: _____

Its: _____

Address for notices:

One Toronto Street
PO Box 28
Suite 910
Toronto, Ontario M5C 2C6 Canada

"CUSTOMER"

By: _____

Its: _____

Address for notices:

EXHIBIT B

[ZEIFMAN PARTNERS INC. LETTERHEAD]

May ____, 2010

Re: ACS Precision Components Partnership ("ACS")

Dear Customer:

ACS manufactures various component parts (the "Component Parts") for _____ ("Customer" or "you") pursuant to various purchase orders and supply contracts (each a "Purchase Order" and collectively the "Purchase Orders"). At approximately ____ p.m. E.D.T. on May 6, 2010 (the "Effective Date"), the Ontario Superior Court of Justice, Commercial List, entered an order (the "Receivership Order") appointing Zeifman Partners Inc. as receiver and manager (the "Receiver") of ACS.

The Receivership Order provides that the Receiver is under no obligation to allow ACS to continue to produce Component Parts for any customer unless such customer enters into acceptable arrangements with the Receiver. The purpose of this letter agreement is to set forth the terms and conditions pursuant to which the Receiver will allow ACS to manufacture Component Parts for you.

Subject to the availability of sufficient financing, raw materials, labor and machine capacity and subject to the following terms, the Receiver will use its best efforts to cause ACS to continue to manufacture Component Parts in accordance with Customer's requirements:

1. **Payment of Existing Accounts.** You acknowledge and agree that the aggregate amount owing by you to ACS for Component Parts shipped on or before the Effective Date (the "Pre-Effective Date Payables") is no less than CDN \$ _____. By May ____, 2010, you will pay all Pre-Effective Date Payables in accordance with the terms of Section 3 below.
2. **Expedited Payment Terms.** For shipments of Component Parts to you after the Effective Date (the "Post-Effective Date Payables"), you will pay for all invoices provided by ACS on terms of net seven (7) days or better.

3. **Limitation of Setoff Rights.** With respect to Pre-Effective Date Payables and Post-Effective Date Payables, you agree to suspend and not assert any defenses, rights and claims for setoffs, deductions and/or recoupment other than for Allowed Setoffs. For purposes of this letter agreement, "Allowed Setoffs" means setoffs, recoupments or deductions for defective or nonconforming products, short shipments, misshipments, or billing errors (improper invoices or mispricing). Provided further that under no circumstances shall (a) Allowed Setoffs exceed ten percent (10%) of the face amount of any *bona fide* invoice, or (b) setoffs or recoupments, including Allowed Setoffs, be taken against the Surcharge (as defined below).
4. **Surcharge.** For all Component Parts shipped to you after the Effective Date, you agree to pay a [thirty percent (30%)] increase (the "Surcharge") in excess of current Purchase Order prices.
5. **Inventory Purchase.** You agree to purchase from Receiver, at the time of resourcing any Component Part, all raw materials, work in process and finished goods inventory related to the manufacture, production or assembly of the subject Component Part (collectively, the "Customer Inventory") that is "useable" and in a "merchantable" condition. The price for the Customer Inventory to be purchased under this Section will be calculated as follows:
 - (a) for raw material – 100% of the cost of the raw material, with cost based on ACS' actual landed cost;
 - (b) for work-in-process – 100% of the applicable Purchase Order price plus the Surcharge, with such amount pro-rated on a percentage of completion basis; and
 - (c) for finished Component Parts – 100% of the applicable Purchase Order price plus the Surcharge.

For the purpose of this Agreement, the term "useable" means inventory in quantities that are reasonably useable by you or your new suppliers in the production of Component Parts. The term "merchantable" as used in this Agreement means of good quality and in conformance with any applicable Purchase Order specifications. You agree to pay the purchase price for the Customer Inventory without setoff, recoupment or other deduction of any kind or nature within three (3) days of taking delivery of such Customer Inventory.

6. **No Liability.** Receiver is acting solely in its capacity of receiver and manager of ACS and with no personal or corporate liability. Further, Receiver will not be deemed to be successors to ACS in respect of any obligations under the Purchase Orders. You also agree that the Receiver will have no liability to you for, (a) any failure to supply Component Parts, including without limitation, in the quantities or at the times requested by you, (b) breaches by ACS of any agreements it has with you, and (c) Component Parts sold to you (including in respect of product liability claims and claims for latent defects in such Component Parts).
7. **No Warranty.** RECEIVER HAS NOT GIVEN AND WILL NOT BE DEEMED TO HAVE GIVEN ANY CUSTOMER OR ITS SUCCESSORS OR PERMITTED ASSIGNS ANY WARRANTIES (INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), IN RESPECT OF ANY COMPONENT PARTS OR CUSTOMER INVENTORY. ALL CONDITIONS AND WARRANTIES EXPRESSED OR IMPLIED BY THE SALE OF GOODS ACT OF ONTARIO DO NOT APPLY HERETO AND HAVE BEEN WAIVED BY THE CUSTOMER.

Please acknowledge your agreement to these terms by signing in the space provided. This letter may be signed in counterparts and facsimile copies of signatures will constitute originals for all purposes. This letter sets forth the entire understanding of the parties with respect to the subject matter hereof.

ZEIFMAN PARTNERS INC., solely in its capacity as Receiver and Manager of ACS Precision Components Partnership and with no personal or corporate liability

By: _____

Its: _____

Acknowledged and agreed:
[CUSTOMER]

By: _____

Its: _____
 an authorized representative

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Zeifnan Partners Inc., the receiver (the "Receiver") of the assets, undertakings and properties ACS Precision Components Partnership acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

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

Per: _____

Name:

Title:

BANK OF MONTREAL
Applicant
and
ACS PRECISION COMPONENTS
PARTNERSHIP
Respondent

Court File No: 10-8702-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER

**MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON CANADA N6A 5R8**

Tony Van Klink LSUC#: 29008M
Tel: 519.931-3509
Fax: 519.858.8511

Lawyers for the Applicant

SCHEDULE B

Aalbers Quote No. 2211

Aalbers Tool & Mold Inc.

1325 Main Dr. • Orléans, Ontario • N6R-1L9 • (519) 737-1369 www.aalberstool.com

AC Precision Components
730 Fountain St. N. Building #1
Cambridge, ON
N3H 4R7

Date: June 30, 2009
Requote from: June 27, 2009

Attention: Ed Kroetsch
ekroetsch@andersoncook.com
Copy: Doug Thompson
dthompson@aalberstool.com

Program:
Re: TRACK GUIDE
Part No.: TBD
Quote #: 2211
RFQ #:

We are pleased to submit the following quotation:

Description: To design and build one plastic injection mold to meet or exceed your specifications using P20 steel.

Number of Cavities: 8

Approximate Mold Size: Width 22" Length 34" Shut Height 24"

Cost: \$123,000 (U.S.Funds)
\$173,300.00 US if option A included.

Delivery: 14 weeks after receipt of P.O., math data.

Assumptions: Standard 2-plate mold design with an 8-drop manifold and direct gates.
Texture is not required.
One slide is required per cavity. Critical areas to be inserted. Interchangeable inserts are required for holes/no holes.
Standard ejection is included.
Quote includes two (2) tryouts of 50 shots each. Customer to supply material.
Additional tryouts will be quoted accordingly.
Quote is subject to review upon receipt of final data.

Option a:
New mold size: 24 x 26 x 25
8 drop valve gate manifold. +17,600.00
Insert cavity and core H13 (steel cost and heat treat) +10,500.00
Additional labour cost 22,200.00

Total additional costs: \$50,300.00 US

F.O.B.: Your plant, Cambridge, ON

Terms: Net 30 days after customer part approval
I trust that this is satisfactory. If you have any questions, please do not hesitate to call.
All Duty and taxes are extra

File: F:\Quotes\Anderson-Cook (AC Precision)\2211 0 TRACK GUIDE

Respectfully,
Aalbers Tool & Mold Inc.
Jim Dyck 519-737-1369

SCHEDULE C

Purchase Order No. 331148

Purchase Order

AC Precision Components Cambridge
AC Precision Components Cambridge, 730 Fountain St N, Bldg #1, Cambridge, ON, N3
Tel: (519) 650-6600 Purchasing Fax: (519) 650-5925 Fax: (519) 650-5925

To: AAlbers Tool and Mold Inc
1525 Moro Drive
Oldcastle ON N0R 1L0
Canada
Phone: (519) 737-1369 ext 244
Fax: (519) 737-1711

Ship To: ACS Precision Components Partn
730 Fountain St N, Bldg #1
Cambridge ON N3H 4R7

P.O. Number: 331148
Revision: 0
Issued: Jul 06/9
Currency: USD
F.O.B.: F.O.B.
Ship Via: Net 30
Terms: CPARK
Requested By: 28415248
PST Number: R100331511
GST Number:

Order Taken By:

Note:

Item	Quantity	Unit	Our Part Number	Description 1	Description 2	Date Required	Unit Price	Extended Amount
1	1	EA	VW Roller Cage Mold		Includes Inserts for VW Manual Drawing: Rev:	6-Jul-9	173,300.0000	173,300.00

PLEASE ACKNOWLEDGE ORDER

Note: This purchase order may have been sent previously. Do not duplicate.

FAXED
7/16/09

BILL TO: AC Precision Components Cambridge, 730 Fountain Street North (Bldg #1), Cambridge, ON N3H 4R7

PO NUMBER, PART NUMBER, DESCRIPTION, UOM, AND QUANTITY MUST SHOW ON EACH CARTON, PACKING SLIP, & INVOICE.	SUB-TOTAL \$	173,300.00
Please provide all applicable Material Safety Data Sheets, IMDS Information, and WHMIS Container Labels.	GST \$	8,665.00
One packing slip must accompany each shipment.	PST \$	
Seller must execute acknowledgement copy hereof and return to buyer. No other form of acceptance is binding on buyer. Buyer expressly limits acceptance to the terms stated herein and any additional or different terms proposed by seller shall not be binding on the buyer unless authorized in writing by the buyer whether or not they would materially alter this order.	TOTAL \$	181,965.00

1. Please provide all applicable Material Safety Data Sheets, IMDS Information, and WHMIS Container Labels.
2. One packing slip must accompany each shipment.
3. Seller must execute acknowledgement copy hereof and return to buyer. No other form of acceptance is binding on buyer. Buyer expressly limits acceptance to the terms stated herein and any additional or different terms proposed by seller shall not be binding on the buyer unless authorized in writing by the buyer whether or not they would materially alter this order.
4. Purchaser's standard terms and conditions, in your possession, apply.
5. UNLESS OTHERWISE INDICATED, THE ITEMS ON THIS PURCHASE ORDER ARE: FOB DESTINATION, FREIGHT PAID, NO ADDITIONAL FREIGHT CHARGES WILL BE PAID, UNLESS AUTHORIZED BY THE BUYER.

ACKNOWLEDGMENT BY: _____ DATE: _____ APPROVED BY: *[Signature]* DATE: 7/16/09

VENDOR

SCHEDULE D

Quote Numbers ECR655 and ECR703

Aalbers Tool & Mold Inc.

1525 Main Dr. • Orangeville, Ontario • N9R-1L8 • (519)737-1369

2-Nov-09

AC Precision Components Cambridge
730 Fountain St N. Bldg #1
Cambridge ON
N3H 4R7

Attention: Jamie Wesfall

We are pleased to submit: **Quote for Eng Change**

Re:
Part #: VW Track Guide
Quote # ECR # 655
Your #: 1167D
Job# 1878

Reference: **VW Track Guide**

Description:

Revise the air line circuits in top clamp plate to allow change over of small "version inserts" without removing the hot manifold system.

- ~ Update tool design for new air circuit layout, screw holes, "spacer" blocks
- ~ Drill, plug and modify air lines for new air circuit layout (drilling 12 locations)
- ~ add steel "spacer" blocks in manifold cut out area - to prevent screws from falling into manifold opening
- ~ drill 16 new access lines for insert screws from back of cavity through back plate, manifold spacer plate, and core shoe.
- ~ machine new pocket in manifold spacer plate to house electrical and t/c connectors
- ~ shorten up electrical bracket and tuck wiring into new pocket
- ~ rewire manifold for 12 zones instead of 13.
- ~ re-plumb system for new air circuit design

Cost: **\$4,465.00** (U.S.Funds)

Delivery: **2 1/2 WEEKS** after receipt of P.O.

Note: Please provide Purchase Order to proceed.

F.O.B.: AC - Precision Components Cambridge

Terms: Net 30

I trust that this is satisfactory. If you have any questions, please do not hesitate to call.
Please sign and return to proceed with these changes Fax (519)737-1711

Date:..... Signed:.....

Respectfully, Wayne Baert

Aalbers Tool & Mold Inc.

PC000095

Aalbers Tool & Mold Inc.

1525 Moro Dr. • Oldensie, Ontario • N0R-1L0 • (519) 737-1369

23-Jan-10

AC Precision Components Cambridge
730 Fountain St N. Bldg #1
Cambridge ON
N3H 4R7

Attention: Sean Meyer / Jamie Wesfall

We are pleased to submit: Quote for Eng Change

Part #: VW Track Guide
Quote # ECR # 703
Your #: 1167D
Job# 1878

Reference: VW Track Guide

Description:

- 1) On cavities #1 and #5, reduce the width of the shorter section of rib at one end of the parts.
 - assy / disassembly of mold
 - weld up section of rib on both parts
 - machine down welded areas
 - spot Inserts back into place
 - make up new electrodes
 - EDM "short section" ribs over
 - spot tool
 - handork / polishing
 - shipping (pick up mold from AC Cambridge, and return)
- Cost: \$4,875.00

- 2) Shipping - pick up mold from AC Cambridge, and return mold after work is complete.
- Cost: \$1,200.00

*- 3rd
- 100%
- quoted only
2.
BZ*

Cost: \$6,075.00 (U.S.Funds)

Delivery: 2 WEEKS after receipt of P.O. and mold in our plant

Note: Please provide Purchase Order to proceed.

F.O.B.: AC - Precision Components Cambridge

Terms: Net 30

I trust that this is satisfactory. If you have any questions, please do not hesitate to call.
Please sign and return to proceed with these changes Fax (519)737-1711

Date:.....Signed:.....

Respectfully, Wayne Baert

Aalbers Tool & Mold Inc.

SCHEDULE E

Purchase Order Numbers 331963 and PC000095

Purchase Order

AC Precision Components Cambridge
 AC Precision Components Cambridge, 730 Fountain St N, Bldg #1, Cambridge, ON, N3
 Tel: (519) 650-6600 Purchasing Fax: (519) 650-5925 Fax: (519) 650-5925

To: AAlbers Tool and Mold Inc
 1525 Moro Drive
 Oldcastle ON N0R 1L0
 Canada
 Phone: (519) 737-1369 ext 244
 Fax: (519) 737-1711

Ship To: ACS Precision Components Partn
 730 Fountain St N, Bldg #1
 Cambridge ON N3H 4R7

Note that as of December 1, 2009, our
 ship-to address will be:
 #2-1574 Eagle St. N.
 Cambridge, Ontario N3H 4S5

P.O. Number: 331963
 Revision: 0
 Issued: Nov 19/9
 Currency: USD
 F.O.B.: F.O.B.
 Ship Via: Net 30
 Terms: DSIRE
 Requested By: 28415248
 PST Number:
 GST Number: R100331511

Order Taken By:

Item	Quantity	Unit	Our Part Number	Description 1	Description 2	Date Required	Unit Price	Extended Amount
1	1	EA	VW TRACK GUIDE CHANGER quote ECR#655		Brose ECN #8164 & 8165 Drawing: Rev.:	19-Nov-9	4,465.0000	4,465.00

**PLEASE
 ACKNOWLEDGE
 ORDER**

PAID

BILL TO: AC Precision Components Cambridge, 730 Fountain Street North (Bldg #1), Cambridge, ON N3H 4R7
 PO NUMBER, PART NUMBER, DESCRIPTION, UOM, AND QUANTITY MUST SHOW ON EACH CARTON, PACKING SLIP, & INVOICE.

SUB-TOTAL \$	4,465.00
GST \$	223.25
PST \$	
TOTAL \$	4,688.25

1. Please provide all applicable Material Safety Data Sheets, IMDS Information, and WHIMIS Container Labels.
 2. One packing slip must accompany each shipment.
 3. Seller must execute acknowledgment copy hereof and return to buyer. No other form of acceptance is binding on buyer. Buyer expressly limits acceptance to the terms stated herein and any additional or different terms proposed by seller shall not be binding on the buyer unless authorized in writing by the buyer whether or not they would materially alter this order.
 4. Purchaser's standard terms and conditions, in your possession, apply.
 5. UNLESS OTHERWISE INDICATED, THE ITEMS ON THIS PURCHASE ORDER ARE: FOB DESTINATION, FREIGHT PREPAID. NO ADDITIONAL FREIGHT CHARGES WILL BE PAID, UNLESS AUTHORIZED BY THE BUYER.

VENDOR

ACKNOWLEDGMENT BY: _____ DATE: _____

APPROVED BY: _____ DATE: 11/19/09

APPROVED BY: _____ DATE: 11/19/09

ECN 8164



Anderson Cook - Cambridge
 1674 Eagle Street North
 Building #2
 Cambridge, ON N3H 4S5
 Canada
 Tel 519-650-6600
 Fax 519-650-5925

PURCHASE ORDER PC000095

Supplier: AALTOO AALbers Tool & Mold Inc 1525 Moro Drive Orlcastle ON N6R 1L0 CANADA Phone: 1-519-737-1369 Fax: 1-519-737-1711	PO No: PC000095 PO Date: 2/4/10 Due Date: PO Revision: Revision Date: Ordered By: Sira, Debbie 519-650-6600 Ext: 342
Attention: Baert, Wayne	Pynt Terms: Net 30 FOB: Origin Freight Terms: Note: AS PER QUOTE ECR#703
Ship To: 1574 Eagle Street North Building #2 Cambridge ON N3H 4S5 CANADA	

Items											
Item	Part	Supplier Part No	Tool	Description	Status	Account	Due Date	Order Quantity	CUM Received	Unit Price	Extended Price
1				VW TRACK GUIDE CHANGES TO TOOL 1167D AS OUTLINED IN QUOTE ECR#703	Firm	72000-500	2/19/10	1 Ea	0 Ea	\$4,875.00/Ea	\$4,875.00
2				PICK UP AND DELIVERY	Firm	72000-500	2/19/10	1 Ea	0 Ea	\$1,200.00/Ea	\$1,200.00
United States Dollars Grand Total:											
\$6,075.00											

Notes

ALL PURCHASED MATERIALS SUPPLIED TO AC CAMBRIDGE MUST CONFIRM TO ALL APPLICABLE GOVERNMENT AND SAFETY CONSTRAINTS.
 Note: To receive your payment in a timely manner, the following information must be included on all of your packing slips, invoices, cartons etc., to: AC Precision Components Cambridge, 1574 Eagle St.N., Building #2, Cambridge, ON N3H 4S5.
 1) Purchase Order Number
 2) Part Number
 3) Packing Slip Number
 4) Lot Number
 5) Description
 6) UOM
 7) Quantity

Note: To all suppliers of production material and/or subcontracted operations: AC Cambridge requires that upon your acceptance of this purchase order, your company's quality system is compliant with all the ISO 9001:2008 and ISO/TS 16949:2009 guidelines and 100% on time delivery of all products is required. AC Cambridge retains the right to cancel any purchase agreement without penalty.

- (1) AC Cambridge reserves the right to inspect material/products prior to shipment from your facility.
- (2) Provide all applicable Material Safety Data Sheets, IMDS Information and WHMIS container labels.
- (3) Packing Slip must accompany every shipment.
- (4) Supplier to notify AC Cambridge immediately if put on "Special Status Customer Notification" due to quality and/or delivery issues.

Handwritten signature/initials



Anderson Cock - Cambridge
1574 Eagle Street North
Building #2
Cambridge, ON N3H 4S5
Canada
Tel 519-650-9500
Fax 519-650-5925

PURCHASE ORDER PC000095

Notes

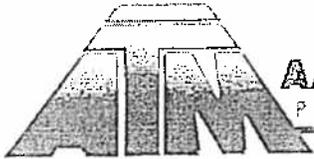
(5) Acceptance of this purchase order confirms Supplier acknowledges receipt and agrees to comply to AC Cambridge Environmental Contractor/Subcontractor Requirements.

This purchase order is governed exclusively by AC Cambridge terms and conditions found at www.andersoncock.com. All other terms are expressly rejected.

Flex Online 2/4/10 2:09 PM dshbac

SCHEDULE F

Invoice Numbers 11232C, 11314 and 11315



AALBERS TOOL & MOLD INC.
PRECISION MOLD SPECIALISTS

1525 MORO DRIVE OLDCASTLE, ONTARIO, CANADA N0R 1L0 (519) 797-1369
Fax # (519) 797-1711

Invoice #: 112320

Date: 12/17/2009

Sold to:

Ship To:

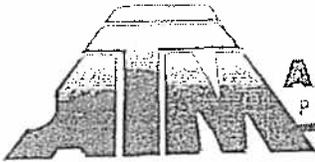
Page #: 1 of 1

AC PRECISION COMPONENTS CAMBRIDGE
730 Fountain Street North
Bldg #1
Cambridge, Ontario
N3H 4R7

AC Precision Components Cambridge
730 Fountain Street North
Bldg #1
Cambridge, Ontario
N3H 4R7

Item	Description	GST	Amount
	PO#: 331148 Our Job #: 1878 Re: Track Guide Item #1 Balance due on your 8 cavity, plastic injection mold, using P20 steel, as per quote 2211 Includes inserts for VW manual 1 piece	5	173,300.00
	Payable: U.S. Funds <i>1 SM</i> 5 - GST 5.00% GST		8,665.00
	Terms: Net 30. Due 01/16/2010.		
ENCODER: AALTOO APPROVAL: <i>[Signature]</i> 14100-000-		PV# 4 VAL DIST DATE	
Comments: Thank you for your business			Total \$ 181,965.00

Aalbers Tool & Mold Inc GST: #10000 2344



AALBERS TOOL & MOLD INC.
PRECISION MOLD SPECIALISTS

1525 MCRO DRIVE OLDCASTLE, ONTARIO, CANADA N0R 1L0 (519) 737-1369
Fax # (519) 737-1711

Invoice #: 11314

Date: 02/25/2010

Sold to:

Ship To:

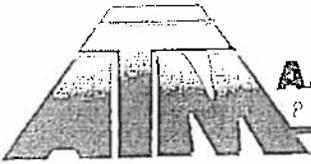
Page #: 1 of 1

AC PRECISION COMPONENTS CAMBRIDGE
1574 Eagle Street North
Bldg #2
Cambridge, Ontario
N3H 4S5

AC PRECISION COMPONENTS CAMBRIDGE
1574 Eagle Street North
Bldg #2
Cambridge, Ontario
N3H 4S5

Item	Description	GST	Amount
	<p>PO #: PC000095</p> <p>Our Job #: 1878 Re: VW Track Guide Your #: 1167D Quote #: ECR #703</p> <p>Cost to reduce width of shorter section of rib at one end of parts on cavities #1 & #5</p> <p>Cost for pick up & delivery <i>ECN 8164/85</i></p> <p>Payable: U.S. Funds</p> <p>E - GST Exempt</p> <p>Terms: Net 30 - Due 03/27/2010.</p>		<p>4,875.00</p> <p>1,200.00</p> <p><i>303.75</i></p>
<p>DOB AALTOO</p> <p>ROYAL SM</p>	<p><i>ADP #151000</i></p> <p><i>14100.000 - due 3/25/10</i></p> <p><i>copy to tool tracking 4/15/10</i></p>		
<p>Aalbers-Tool & Mold Inc GST: #10000 2344</p>			
<p>Comments Thank you for your business</p>		<p>Total</p>	<p>\$ <i>6378.75</i> 6,075.00</p>

net c 1



AALBERS TOOL & MOLD INC.
PRECISION MOLD SPECIALISTS

1325 MORO DRIVE CLDCASTLE, ONTARIO, CANADA N0R 1L0 (519) 737-1389
Fax # (519) 737-1711

Invoice #: 11315

Date: 02/25/2010

Page #: 1 of 1

Sold to:

Ship To:

AC PRECISION COMPONENTS CAMBRIDGE
1574 Eagle Street North
Bldg #2
Cambridge, Ontario
N3H 4S5

AC PRECISION COMPONENTS CAMBRIDGE
1574 Eagle Street North
Bldg #2
Cambridge, Ontario
N3H 4S5

Item	Description	GST	Amount
	PO #: 331963 Our Job #: 1878 Re: VW Track Guide Your Job #: 1167D Quote #: ECR #655 Cost to revise air line circuits in top clamp plate to allow change over of small version inserts ECN #8164 & 8165 <i>ECN 8164 / 8165</i> Payable: U.S. Funds	5	4,465.00
APPROVAL <i>SMA</i> <i>141.6</i>	5 - GST 5.00% GST Terms: Net-30; Due 03/27/2010.		223.25
Aalbers Tool & Mold Inc GST: #10000 2344			
Comments Thank you for your business		Total	\$ 4,688.25

SCHEDULE G

Letter dated May 25, 2010 to Aalbers

MILLER THOMSON LLP

Barristers & Solicitors
Patent & Trade-Mark Agents

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8
T: 519.931.3500
F: 519.858.8511
www.millerthomson.com

May 25, 2010

Tony Van Klink
Direct Line: 519.931-3509
tvanklink@millerthomson.com

URGENT

File: 131002-0001

Private and Confidential

**Delivered Via Fax 1.519.737.1711
and E-mail: wayne@aalberstool.com**

AALBERS Tool & Mold Inc.
1525 Moro Drive
Oldcastle, ON N0R 1L0

Attention: Wayne Baert

Dear Sir:

Re: ACS Precision Components Partnership ("ACS")

We are legal counsel to Zeifman Partners Inc. (the "Receiver"), the court appointed receiver of ACS. It is our understanding that Aalbers Tool & Mold Inc. ("Aalbers") is in possession of certain Volkswagen roller cage tooling (the "Tooling") built by Aalbers for ACS. It is our understanding that the Tooling was completed and delivered by Aalbers to ACS in December, 2009. Further work on the Tooling arising from engineering changes, as set forth in Aalbers quote numbers 655 and 703, was completed and invoiced by Aalbers to ACS in February, 2010. We understand that after the completion of the work relating to the engineering changes, the Tooling was returned to the ACS plant in Cambridge. On May 3, 2010 the Tooling was shipped back to Aalbers, although the Receiver is unaware at this time why the Tooling was shipped back to Aalbers. We understand that ACS has not made any payments to Aalbers for the Tooling.

The Receiver is entitled to possession of the Tooling. On behalf of the Receiver we hereby request that the Tooling be immediately delivered up to the Receiver. We are prepared to discuss with you an arrangement for the preservation of Aalbers' rights, if any, against the Tooling.

The Tooling is required by ACS and its customer Brose Canada Inc. ("Brose") on an urgent basis. The failure to deliver up the Tooling would be improper and, in our view, a breach of the Order of the Ontario Superior Court of Justice by which the Receiver was appointed. A copy of that Order is attached for your reference.

Paragraph 6 of that Order obligates Aalbers to deliver up possession to the Receiver, upon request, all property of ACS in the possession of Aalbers. Paragraph 11 of that Order stays the exercise by Aalbers of any rights, if any, which it may have against ACS or the property of ACS. Paragraph 12 of that Order requires Aalbers to fulfill its contract with ACS, which would include the completion of any work for which the Tooling was recently returned to Aalbers and the return of the Tooling to ACS.

If the Tooling is not delivered up we expect that we will be instructed by the Receiver to take the necessary steps to immediately obtain a court order compelling Aalbers to deliver up the Tooling.

We would ask that you or your legal counsel immediately contact the undersigned at 519-931-3509 to discuss this matter.

Yours very truly,

Tony Van Klink

TVK:lm
Enc.

c. Allan Rutman
c Sherry Kettle

SCHEDULE H

Response from Aalbers

DIPIERDOMENICO LAW FIRM

BARRISTERS, SOLICITORS, NOTARIES PUBLIC

285 SANDWICH STREET SOUTH
AMHERSTBURG, ONTARIO
CANADA N9V 2A7

TELEPHONE: (519) 736-2126
FACSIMILE: (519) 736-2787

LUIGI DIPIERDOMENICO
MIKAEL DALMONTE

FAX COVER SHEET

This facsimile contains privileged and confidential information intended only for the use of the Addressee(s) named below. If you are not the intended recipient, you are hereby notified that any dissemination or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the above address via the postal service. Thank you.

DATE: May 26, 2010 Pages: 4
TO: Tony Van Klink FAX #: (519) 858-8511
Miller Thomson LLP
FROM: Luigi DiPierdomenico
RE: ACS Precision Components Partnership and
Aalbers Tool & Mold Inc.
HARD COPY TO FOLLOW: _____ YES _____ X _____ NO

Comments:

Please see the attached correspondence.

IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL DAYNA AT (519) 736-2126 AS SOON AS POSSIBLE.

DIPIERDOMENICO LAW FIRM

BARRISTERS, SOLICITORS, NOTARIES PUBLIC

285 SANDWICH STREET SOUTH
AMHERSTBURG, ONTARIO
CANADA N9V 2A7

TELEPHONE (519) 736-2126
FACSIMILE (519) 736-2787

LUIGI DIPIERDOMENICO
MIKAEL DALMONTE

May 26, 2010

Miller Thomson LLP
Barristers & Solicitors
One London Place
255 Queens Avenue, Suite 2010
London, Ontario N6A 5R8

via fax: (519) 858-8511

Attention: Mr. Tony Van Klink

Dear Sir:

**Re: Aalbers Tool & Mold Inc. ats Zeifman Partners Inc.
and ACS Precision Components Partnership**

This firm is legal counsel to Aalbers Tool & Mold Inc. ("Aalbers"). Your urgent letter dated May 25, 2010 to Wayne Baert of Aalbers has been supplied to this firm for assessment and review.

I have reviewed your letter of May 25th and I have also reviewed:

- a. a copy of a purported court order made by Mr. Justice Campbell, dated May 6, 2010 between Bank of Montreal (Applicant) and ACS Precision Components Partnership (Respondent) ("ACS");
- b. a copy of a purported agreement between ACS, Bank of Montreal and Zeifman Partners ("ZP") dated May 4, 2010; and
- c. a purported Receiver Certificate.

I have reviewed all of the foregoing to assess your claim that ZP is entitled to possession of a tool owned, built by and in the possession of Aalbers. There does not appear to be any grounds to support the claim of ZP. Would you please supply any document or record in your possession, power or control to support the allegation the ZP, or for that matter, ACS is entitled to possession of this property of Aalbers.

For your information, I have reviewed all of the records that Aalbers has supplied of the terms and conditions of all relevant purchase orders between Aalbers and ACS. There are no productions from Aalbers that have been supplied to this firm signed by Aalbers or any of its' authorized agents with ACS. In addition, Aalbers has not produced any document or record to this firm that describes any purported terms or conditions, of any kind, between Aalbers and ACS. Having said the foregoing, I know turn to the applicable facts pertaining to Aalbers and ACS regarding "tooling".

AC hired Aalbers to build "tooling" for ACS. Aalbers has not received any payments from ACS for any tooling that is described in your letter of May 25. Probably more important, Aalbers has not passed proprietary title of any tooling described in your letter of May 25, 2010 to ACS.

Aalbers does have work in progress ("WIP") at its' shop, that is the property of Aalbers and that was ordered by ACS. However, the WIP is and remains the property of Aalbers in accordance with Aalbers' standard practices and procedures acquiesced by ACS. Aalbers does not accept or approve any terms or conditions of a purchaser inconsistent with the practices, policies and procedures that Aalbers applies to its' WIP.

In this case, there is a Volkswagon roller cage tooling that is the WIP of Aalbers. The WIP was examined by ACS for purchase purposes. ACS specifically returned this tooling to Aalbers in or about May 2010 because it was unacceptable to ACS. The tooling was delivered to Aalbers in May 2010 because ACS expressly rejected the tooling, insisting that Aalbers make substantial modifications to the tooling before ACS "accepted" any proprietary interest in the tooling. Aalbers has been lawfully in possession of its' own property and WIP for almost a month before your letter of May 25, 2010.

Your letter of May 25, 2010 comes as a surprise to Aalbers. This is especially because ACS rejected any proprietary interest or title to the tooling some time ago. Your suggestion that ZP is entitled to possession of the tooling presupposes ACS has any right or title to the tooling. It plainly does not.

Your suggestion that Aalbers is perpetuating a breach of the Order of Justice Campbell purportedly made May 6, 2010 is without grounds.

Very simply, Aalbers has no interest outstanding with ACS or with ZP or with Bank of Montreal regarding the conduct of any receivership between ACS, ZP and Bank of Montreal.

Your reference to paragraph 6 of the Order of Justice Campbell neither contemplates or identifies Aalbers as an object of paragraph 6 of that Order. Paragraph 11 of the Order refers to property of ACS. Clearly, the WIP of Aalbers is the property of Aalbers and no other person or entity.

Paragraph 11 of the Order of Justice Campbell does not purport to extend to the property of Aalbers.

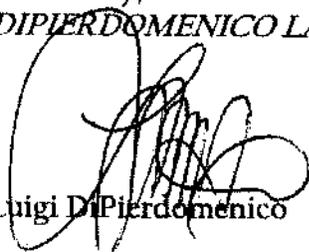
Paragraph 12 of the Order of Justice Campbell does not purport to suspend or reject the contractual obligations of ACS. In accordance with the standard policies, practice and procedure between Aalbers and its' customers, property of Aalbers remains the property of Aalbers until payment of the property is made. There is no right, renewal right, contract, agreement, license or permit that ACS has or holds over the WIP of Aalbers. In accordance with the standards, practices and procedures of Aalbers, payment of the WIP of Aalbers transfers property of the WIP of Aalbers. If no payment is made, no transfer of property occurs.

I write on behalf of Aalbers. The company believes, there is no signed or agreed terms or conditions between ACS and Aalbers that supports the transfer to ACS of the property of the WIP of Aalbers. If ZP or ACS purports to make such claim, I respectfully request that you supply to this firm records to substantiate such claims. Anything produced will be assessed and evaluated by this firm for purposes of advising and directing Aalbers.

I strongly suggest that ACS, ZP and your firm fully consider its' course before implicating Aalbers in any court proceedings that are alien to Aalbers. In this connection, Aalbers will demand its' full costs on a substantial indemnity basis.

Yours truly,

DIPIERDOMENICO LAW FIRM


Luigi DiPierdomenico

LDP/da