

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

B E T W E E N:

GENERAL MOTORS CORPORATION

Applicant

- and -

ORCHID INTERNATIONAL ONTARIO DIVISION INC.

Respondent

MOTION RECORD
(returnable April 22, 2010)

April 20, 2010

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Lawyers for Zeifman & Partners Inc.

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TAB 1

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

BETWEEN:

GENERAL MOTORS CORPORATION

Applicant

- and -

ORCHID INTERNATIONAL ONTARIO DIVISION INC.

Respondent

**NOTICE OF MOTION
(returnable April 22, 2010)**

Zeifman Partners Inc. in its capacity as Court-appointed receiver and manager (the “Receiver”) of the undertaking, property and assets (collectively, the “Assets”) of Orchid International Ontario Division Inc. (“Orchid”) will make a motion to a judge of the Commercial List on Thursday, April 22, 2010, at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR orders substantially in the form set out in Tab 3 to the motion record herein, including:

1. Validating service of this Notice of Motion, and the Motion Record herein, and dispensing with any further or other service, such that the motion is properly returnable before the Court;

2. Approving the Receiver's entering into an auction services agreement (the "Auction Services Agreement") with GoIndustry DoveBid Canada Ltd., GoIndustry USA, Inc., and Asset Engineering Corporation (collectively, the "Auctioneer");
3. Temporarily sealing certain parts of the Auction Services Agreement and the Receiver's Second Report;
4. Authorizing and directing the Receiver to distribute to General Motors LLC ("GM"), US\$1,739,735, representing net sale proceeds from the fuel strap assets ("Fuel Strap Assets") to Orchid Maple Stamping, a division of Cosma International Group of Magna International Inc. ("Maple");
5. Approving the fees and disbursements of the Receiver through to March 31, 2010;
6. Approving the fees and disbursements of the Receiver's counsel, both Heenan Blaikie LLP and ThorntonGroutFinnigan LLP, through to March 31, 2010;
7. Approving the Receiver's conduct and activities to date; and
8. Such further and other relief as this Honourable court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The Receiver was appointed by an Order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice dated December 24, 2009 (the "Receivership Order").
2. Subject to the terms of the Receivership Order, the Receiver was empowered, authorized and directed to take possession and control of the Assets and to conduct,

manage, administer and operate the business of Orchid and to sell the Assets out of the ordinary course of business with the approval of this Honourable Court.

3. The Receiver continues to oversee the day-to-day management of Orchid's business since the date of its appointment.
4. Orchid ceased manufacturing operations on or around March 26, 2010.

SALE OF FIXED ASSETS

5. On February 18, 2010, the Receiver contacted approximately fourteen liquidators in request of net minimum guarantee proposals and sharing in excess thereof. In the communication the Receiver requested submissions by a deadline of March 4, 2010.
6. In response, the Receiver received a total of five net minimum guarantee proposals.
7. On March 8, 2010, the Receiver contacted the three highest bidders and requested that their offers be improved and providing a deadline of March 10, 2010. Given the competitiveness of the offers submitted in response, the Receiver went back to the liquidators to request that they each strengthen their offers two more times. Final offers were received on March 16, 2010.
8. The Receiver determined that the offer from the Auctioneer was the best offers as it provided the highest net minimum guarantee with the lowest expenses/commissions and the shortest occupancy period.
9. On April 14, 2010, the Receiver entered into the Auction Services Agreement with the Auctioneer.

TEMPORARY SEALING ORDER

10. The Receiver is of the view that the disclosure of the Auctioneer's net minimum guarantee and other amounts contained in the Auction Services Agreement, as well as the proposals from the two other liquidators that were not accepted, will, if disclosed prior to the completion of the transactions contemplated therein, negatively impact upon the Receiver's ability to resell the remaining Orchid assets if the Auction Services Agreement is not completed.
11. Sealing will not be necessary once the transactions referenced in the Auction Services Agreement are concluded. Should this Honourable Court see fit to grant the requested sealing order then the Receiver undertakes to file an affidavit once the transactions have concluded at which point the confidential copy of this Report can be unsealed and form part of the public record.

FIRST POSITION LOAN AND DISTRIBUTION TO THE SECURED CREDITOR

12. As at December 22, 2009, the first position loan owing to GM was in the amount of US\$6,109,091. Pursuant to the subordinated participation agreement, the first position loan would increase by the following: (i) accrued vacation pay; (ii) limited professional fees; and (iii) accrued interest.
13. On the approval of GM, the Receiver retained the realization on collateral (the "Retained Collateral") in order to fund Orchid operations during the production period. The Retained Collateral includes collections on: (i) pre-receivership accounts

5.

receivable; (ii) pre-receivership inventory; (iii) equipment sales; and (iv) cash in transit. As at April 14, 2010, the Receiver retained US\$1,959,751 in collateral.

14. Orchid's books and record reflect uncollected pre-receivership receivables owed by GM of US\$2,048,046.
15. The sale of the Fuel Strap Assets was previously approved by an Order of the Honourable Justice Karakatsanis made March 2, 2010. Multiple closings referenced in the purchase agreement for the Fuel Strap Assets have concluded, the purchase price in respect to the sale of the Fuel Strap Assets, CAD\$1,750,000, has been collected from Maple and the transaction completed.
16. Given that the net first position loan exceeds proceeds from sale of the Fuel Strap Assets, the Receiver requests that the proceeds from the sale of the Fuel Strap Assets be approved for distribution to GM in partial satisfaction of its first position loan.
17. On April 8, 2010, the Receiver transacted a currency exchange in respect of the CAD proceeds from the sale of the Fuel Strap Assets into USD. Accordingly, the Receiver currently has US\$1,739,735 in its trust account.
18. The Receiver has requested that its independent counsel, Heenan Blaikie LLP ("Heenan"), provide it with a legal opinion as to the enforceability of the security in favour of GM. The Receiver has received the legal opinion which provides, subject to customary qualifications and assumptions, that the security of GM is valid and enforceable.

PROFESSIONAL FEES

19. The Receiver and its legal counsel have maintained detailed records of their professional time and costs since the Receivership Order.
20. Pursuant to paragraph 17 of the Receivership Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursement of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interest, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.
21. The total fees and disbursements of the Receiver during the period from the date of its appointment to March 31, 2010 (the "Fee Period"), amount to \$290,119 CAD, exclusive of GST.
22. The total fees and disbursements incurred by the Receiver for services invoiced by Heenan during the Fee Period amount to \$43,405 CAD, exclusive of GST.
23. The total fees and disbursements incurred by the Receiver for services invoiced by the Receiver's legal counsel, ThorntonGroutFinnigan LLP ("TGF"), during the Fee Period, amount to \$75,338.69 CAD, exclusive of GST.

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

1. The Second Report of the Receiver, dated April 19, 2010, and the Schedules thereto

2. The Affidavit of Allan A. Rutman, affirmed April 20, 2010, and the Exhibits thereto;
3. The Affidavit of Kenneth D. Kraft, affirmed April 19, 2010, and the Exhibits thereto;
4. The Affidavit of Larry Ellis, sworn April 19, 2010, and the Exhibits thereto; and
5. Such further and other material as counsel may submit and this Honourable Court may permit.

April 20, 2010

Heenan Blaikie LLP

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Lawyers for Zeifman Partners Inc. as Court
Appointed Interim-Receiver and Receiver and
Manager of Orchid International Ontario
Division Inc.

TO: THE SERVICE LIST ATTACHED AS SCHEDULE "A"

8.

SCHEDULE "A"

SERVICE LIST

TO:	<p>ThorntonGroutFinnigan LLP Suite 3200, Canadian Pacific Tower 100 Wellington St. West, P.O. Box 329 Toronto-Dominion Centre Toronto, ON M5K 1K7</p> <p>Larry Ellis Tel: (416) 304-0601 Fax: (416) 304-1313 Email: lellis@tgf.ca Counsel for General Motors LLC</p>
AND TO:	<p>Chaitons LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9</p> <p>Harvey Chaiton Tel: (416) 218-1129 Fax: (416) 218-1849 Email: harvey@chaitons.com Counsel for Export Development Canada</p>
AND TO:	<p>Ogilvy Renault LLP Royal Bank Plaza, South Tower 200 Bay Street, Suite 3800 Toronto, ON M5J 2Z4</p> <p>Tony Reyes Tel: (416) 216-4000 Fax: (416) 216-3930 Email: treyes@ogilvyrenault.com Counsel for Reinrichmar Holdings Limited and Florence & Rosa Reininger Holdings Limited</p>
AND TO:	<p>Aird & Berlis LLP Brookfield Place, 181 Bay Street Suite 1800, Box 754 Toronto, ON M5J 2T9</p> <p>Steven Graff Tel: (416) 863-1500 Fax: (416) 863-1515 Email: sgraff@airdberlis.com Counsel for Orchid International Ontario Division Inc., Grant Bibby and Orchid International</p>

AND TO:	<p>Blake, Cassels & Graydon LLP 199 Bay Street Suite 2800, Commerce Court West Toronto ON M5L 1A9</p> <p>Chris Burr/Linc Rogers Tel: (416) 863-3301 / (416) 863-4168 Fax: (416)863-2653 / (416) 863-2653 Email: chris.burr@blakes.com / linc.rogers@blakes.com</p> <p>Counsel for Eberspaecher North America Inc.</p>
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General Motors Corporation
Applicant

and
Orchid International Ontario Division Inc.
Respondent

Court File No: CV-09-8522-00CL

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

Proceeding commenced at Toronto

**NOTICE OF MOTION
(RETURNABLE APRIL 22, 2010)**

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Lawyers for Zeifman Partners Inc. as Court-
Appointed Interim-Receiver and Receiver and
Manager of Orchid International Ontario
Division Inc.

TAB 2

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

B E T W E E N:

GENERAL MOTORS CORPORATION

Applicant

- and -

ORCHID INTERNATIONAL ONTARIO DIVISION INC.

Respondent

**SECOND REPORT TO COURT OF ZEIFMAN PARTNERS INC.
AS INTERIM RECEIVER AND RECEIVER AND MANAGER OF
ORCHID INTERNATIONAL ONTARIO DIVISION INC.
April 19, 2010**

INTRODUCTION

1. This is the Second Report to the Court filed by Zeifman Partners Inc. in its capacity as both interim receiver and receiver and manager (the "Receiver") of the property, assets and undertaking (collectively, the "Assets") of Orchid International Ontario Division Inc. ("Orchid"). The Receiver was appointed pursuant to the *Bankruptcy and Insolvency Act* ("Canada") and the *Courts of Justice Act* ("Ontario") by an Order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice dated December 24, 2009 (the

“Receivership Order”), by a motion brought by General Motors Corporation.¹ A copy of the Receivership Order is attached hereto as Schedule “A”.

2. Subject to the terms of the Receivership Order, the Receiver was empowered, authorized and directed to take possession and control of the Assets and to conduct, manage, administer and operate the business of Orchid and to sell the Assets out of the ordinary course of business with the approval of this Honourable Court.
3. Paragraph 3(l) of the Receivership Order provides for the right of the Receiver to sell the Assets not exceeding \$1,000,000 million without approval of this Honourable Court provided that the aggregate consideration of all such transactions does not exceed \$5,000,000.
4. The Receiver served its first report to the Court (the “Receiver’s First Report”) on February 18, 2010. The First Report: (i) detailed the activities and conduct of the Receiver from the date of its appointment; (ii) detailed the marketing and sales process in respect of the fuel strap assets (the “Fuel Strap Assets”); (iii) requested that the Court authorize and direct the Receiver to enter into the agreement of purchase and sale (the “Sale Agreement”) with Maple Stamping a division of Cosma International (“Maple”) dated February 16, 2010; and (iv) requested a vesting order in respect of the Fuel Strap Assets. A copy of the Receiver’s First Report (without schedules) is attached hereto as Schedule “B”.

¹ The Receiver notes that it appears the correct applicant should have been General Motors, LLC and not General Motors Corporation. It does not appear that anything material results from this apparent oversight in the Application Record.

5. The Receiver served its supplement to the First Report (the "Supplement") on February 25, 2010. The Supplement referenced an amending agreement to the Sale Agreement (the "Sale Amending Agreement"). The Supplement (without Schedule) is attached hereto as Schedule "C".

6. Pursuant to the Order of the Honourable Madam Justice Karakatsanis of the Ontario Superior Court of Justice dated March 2, 2010 (the "Maple Sale Approval and Vesting Order"), the Court: (i) approved the activities and conduct of the Receiver; (ii) approved the Sale Agreement and Sale Amending Agreement; and (iii) vested all rights, title and interest in the Fuel Strap Assets in Maple upon payment of the amounts owed for the Fuel Strap Assets.

7. The purpose of this Report is to advise this Honourable Court of the conduct of the Receiver since the First Report and to provide sufficient evidence to the Court to support the Receiver's request for Orders:
 - (a) Ratifying and approving the Receiver's entering into an auction services agreement (the "Auction Services Agreement") with GoIndustry DoveBid Canada Ltd., GoIndustry USA, Inc., and Asset Engineering Corporation (collectively, the "Auctioneer");

 - (b) authorizing and directing the Receiver to distribute \$1,739,735 US in proceeds from the sale of the Fuel Strap Assets to General Motors LLC ("GM");

 - (c) approving the accounts of the Receiver and its counsel as submitted through to March 31, 2010; and

- (d) approving the conduct and activities of the Receiver to date.

ACTIVITIES OF THE RECEIVER

- 8. The Receiver continues to oversee the day-to-day management of Orchid’s business since the date of its appointment.
- 9. Orchid ceased manufacturing operations on or around March 26, 2010.
- 10. As at the date of this report, Orchid has approximately fifteen (15) remaining employees of which eight (8) are salaried employees and seven (7) are hourly employees.
- 11. The Receiver is continuing to operate Orchid by, among other things:
 - (a) continuing to ship product and generate sales to GM in respect of its scheduled bank build;
 - (b) working with GM and Maple with respect to the launch of various new tooling and parts programs relating to the Fuel Strap Business;
 - (c) completing the sale of remaining inventories at Orchid; and
 - (d) collecting remaining accounts receivable.

SALE OF FIXED ASSETS

- 12. On February 18, 2010, the Receiver contacted approximately fourteen liquidators in request of net minimum guarantee proposals and sharing in excess thereof. In the communication the Receiver requested submissions by a deadline of March 4, 2010.

13. In response, the Receiver received a total of five net minimum guarantee proposals. Seven of the liquidators contacted either did not respond or did not follow up to inspect the assets. Two of the liquidators contacted entered into joint proposals with other parties.
14. On March 8, 2010, the Receiver contacted the three highest bidders and requested that their offers be improved and providing a deadline of March 10, 2010. Given the competitiveness of the offers submitted in response, the Receiver went back to the liquidators to request that they each strengthen their offers two more times. Final offers were received on March 16, 2010.
15. The Receiver determined that the offer from the Auctioneer was the best offer as it provided the highest net minimum guarantee with the lowest expenses/commissions and the shortest occupancy period. Copies of the two liquidation proposals that were not accepted are attached as Schedule "D" to the confidential copy of this report for which a temporary sealing order is requested in case, for some reason, the transactions referenced in the Auction Services Agreement are not concluded.
16. On April 14, 2010, the Receiver entered into the Auction Services Agreement with the Auctioneer. A copy of the Auction Services Agreement with certain amounts, including the amount of the net minimum guarantee, redacted is attached hereto as Schedule "E". The Receiver respectfully requests that this Honourable Court grant an Order temporarily sealing the executed, unredacted copy of the Auction Services Agreement included with the confidential copy of this Report.

17. The Receiver is of the view that the disclosure of the Auctioneer's net minimum guarantee and other amounts contained in the Auction Services Agreement, as well as the proposals from the two other liquidators that were not accepted, will, if disclosed prior to the completion of the transactions contemplated therein, negatively impact upon the Receiver's ability to resell the remaining Orchid assets if the Auction Services Agreement is not completed.
18. Sealing will not be necessary once the transactions referenced in the Auction Services Agreement are concluded. Should this Honourable Court see fit to grant the requested sealing order then the Receiver undertakes to file an affidavit once the transactions have concluded at which point the confidential copy of this Report can be unsealed and form part of the public record.

EXPORT DEVELOPMENT CANADA

19. EDC held security against certain tooling (the "ENA Tooling") financed by EDC and manufactured by a tool shop, Diversified Tooling Inc. ("DTI"), in accordance with Orchid purchase orders on behalf of Eberspaecher North America Inc. ("ENA").
20. In its First Report, the Receiver advised the Court that it had determined that there is no equity in the ENA tooling for the Receiver and the Receiver had therefore left all negotiations relating to the completion of the contracts to EDC and ENA.
21. On March 9, 2010, a letter agreement (the "Letter Agreement") was executed by ENA, EDC, Orchid International ("Corporate"), DTI, Chaitons LLP and the Receiver. The Letter agreement provided for the release of the ENA Tooling to ENA in exchange for an

agreed amount paid by ENA to EDC and DTI. In accordance with the Letter Agreement, the Receiver released all ENA Tooling to ENA on March 11, 2010. A copy of the Letter Agreement is attached hereto as Schedule "F".

FIRST POSITION LOAN AND DISTRIBUTION TO THE SECURED CREDITOR

22. As at December 22, 2009, the first position loan owing to GM was in the amount of \$6,109,091 US. Pursuant to the subordinated participation agreement, the first position loan would increase by the following: (i) accrued vacation pay; (ii) limited professional fees; and (iii) accrued interest.
23. On the approval of GM, the Receiver retained the realization on collateral (the "Retained Collateral") in order to fund Orchid's obligations and operations during the production period. The Retained Collateral includes collections on: (i) pre-receivership accounts receivable; (ii) pre-receivership inventory; (iii) equipment sales; and (iv) cash in transit. As at April 14, 2010, the Receiver retained \$2,419,679 US in collateral.
24. Orchid's books and records reflect uncollected pre-receivership receivables owed by GM of \$1,959,751 US.
25. A summary of the first position loan is attached hereto as Schedule "G".
26. Pursuant to the Supplement and the multiple closings referenced therein, the purchase price in respect to the sale of the Fuel Strap Assets has been collected and the transaction completed.

27. Given that the net first position loan exceeds proceeds from sale of the Fuel Strap Assets, the Receiver requests that the proceeds from the sale of the Fuel Strap Assets of \$1,750,000 CAD be approved for distribution to GM in partial satisfaction of its first position loan.
28. On April 8, 2010, the Receiver transacted a currency exchange in respect of the CAD proceeds from the sale of the Fuel Strap Assets into USD. Accordingly, the Receiver currently has \$1,739,735 US in its trust account.
29. The Receiver has requested that its independent counsel, Heenan Blaikie LLP (“Heenan”), provide it with a legal opinion as to the enforceability of the security in favour of GM. The Receiver has received the legal opinion which provides, subject to customary qualifications and assumptions, that the security of GM is valid and enforceable.

RECEIVER’S RECEIPTS AND DISBURSEMENTS

30. The Receiver’s Interim Statement of Receipts and Disbursements for the period from December 24, 2009, to April 16, 2010, is attached hereto at Schedule “H”.

PROFESSIONAL FEES

31. The Receiver and its legal counsel have maintained detailed records of their professional time and costs since the Receivership Order.
32. Pursuant to paragraph 17 of the Receivership Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and

the fees and disbursement of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interest, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

33. The total fees and disbursements of the Receiver during the period from the date of its appointment to March 31, 2010 (the "Fee Period"), amount to \$290,119.35 CAD, exclusive of GST. The Receiver's invoices are attached hereto at Schedule "I".
34. The total fees and disbursements incurred by the Receiver for services invoiced by Heenan during the Fee Period amount to \$43,404.79 CAD, exclusive of GST.
35. The total fees and disbursements incurred by the Receiver for services invoiced by the Receiver's legal counsel, ThorntonGroutFinnigan LLP ("TGF"), during the Fee Period amount to \$75,338.69 CAD, exclusive of GST.
36. It is the Receiver's opinion that the fees and disbursements of the Receiver, Heenan and TGF are fair and reasonable and justified in the circumstances, and accurately reflect the work done on behalf of the Receiver by legal counsels in connection with the receivership and administration of the Assets during the relevant periods. The Receiver recommends approval of the Heenan and TGF accounts by this Honourable Court.
37. The Receiver understands that affidavits from both Heenan and TGF in support of their respective fee claims are being submitted in the motion record of the Receiver along with this Report.

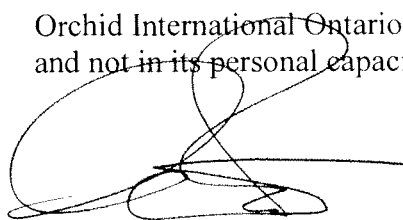
RECOMMENDATION OF THE RECEIVER

38. In light of the foregoing, the Receiver respectfully requests this Honourable Court to:
- (a) Ratify and approve the Receiver's entering into the Auction Services Agreement with the Auctioneer;
 - (b) authorize and direct the Receiver to distribute \$1,739,735 US, representing proceeds on the sale of the Fuel Strap Assets, to GM;
 - (c) approve the accounts of the Receiver and its counsel as submitted; and
 - (d) ratify and approve the Receiver's activities to date.

CONCLUSION

39. All of the foregoing is respectfully submitted this *19th* day of April, 2010.

Zeifman Partners Inc. as Court Appointed
Interim-Receiver and Receiver and Manager of
Orchid International Ontario Division Inc.
and not in its personal capacity



Allan Rutman,
President

TAB A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY THE 24th DAY
MR. JUSTICE MORAWETZ) OF DECEMBER, 2009

BETWEEN:

GENERAL MOTORS CORPORATION

Applicant

- and -

ORCHID INTERNATIONAL ONTARIO DIVISION INC.

Respondent



ORDER

THIS MOTION, made by the Plaintiff for an Order pursuant to Section 47(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. as the receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Orchid International Ontario Division Inc. (the "Debtor") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Glenn Chapnik sworn December 24, 2009 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant and counsel for the Respondent and on reading the consent of Zeifman Partners Inc. to act as Receiver:

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to Section 47(1) of the BIA and Section 101 of the CJA, Zeifman Partners Inc. (the “**Receiver**”) is hereby appointed Receiver, without security, of all of the Debtor’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate 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 and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of 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 powers and duties 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 collection ^{of such} 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 undertaking 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 of 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 \$1,000,000.00, provided that the aggregate consideration for all such transactions does not exceed \$5,000,000.00; and

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

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act* or Section 31 of the *Ontario Mortgages Act* as the case may be, shall be not 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 arrangements 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 and the power to lend money to or indemnify any such trustee, such trustee borrowings or indemnity not to exceed \$100,000.00 unless otherwise increased by this Court;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers,

and in each such 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.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

acting on its instruction 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.

5. **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 5 or in paragraph 6 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.

6. **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 instruction 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

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court of 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

8. **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 of 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

9. **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 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

10. **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 of leave of this Court.

CONTINUATION OF SERVICES

11. **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 the 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

12. **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

13. **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 wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction, provided that pursuant to subsection 14.06(1.2) of the BIA the Receiver shall not be liable for any amount that is or could be due to an employee by the Debtor including, without limitation, any amount calculated by reference to any period of employment, service or seniority that precedes the date of this Order. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA.

14. **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

15. **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

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. 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

17. **THIS COURT ORDERS** that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursement of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interest, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

18. **THIS COURT ORDERS** 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.

19. **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

20. **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 \$5,000,000.00 (or such greater amount as this Court may be 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.

21. **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.

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

23. **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.

24. **THIS COURT ORDERS** that notwithstanding anything herein, the Receiver's Charge and the Receiver's Borrowing Charge shall not have priority over the security interests held by Export Development Corporation without further Order of this Court.

25. **THIS COURT ORDERS** that this order is without prejudice to the right of Venture Steel Inc. to assert priority over the Receiver's Charge and the Receiver's Borrowing Charge upon a motion brought by Venture Steel Inc.

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 locate, for the recognition of this Order and for assistance in carrying out the terms of this Order.

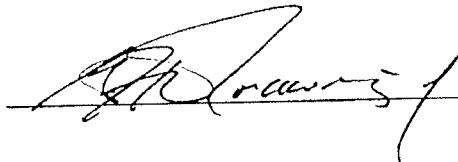
30. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver 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.

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

DEC 24 2009

PER / PAR:



SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Zeifman Partners Inc., the Receiver and Manager (the "Receiver") of all of the assets, undertakings and properties of Orchid International Ontario Division Inc. appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the • day of December, 2009 (the "Order") made in an action having Court File Number •, 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 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 The Toronto-Dominion Bank 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 (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, 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 Detroit, Michigan.

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 defined in the Order) 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 at Toronto this • day of December, 2009.

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

Per: _____
Name: Allan Rutman
Title: President

GENERAL MOTORS CORPORATION
Applicant

and

ORCHID INTERNATIONAL ONTARIO DIVISION INC.
Respondent

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
Proceeding commenced in Toronto

ORDER

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Solicitors for the Applicant

TAB B

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

BETWEEN:

GENERAL MOTORS CORPORATION

Applicant

- and -

ORCHID INTERNATIONAL ONTARIO DIVISION INC.

Respondent

**FIRST REPORT TO COURT OF ZEIFMAN PARTNERS INC.
AS INTERIM RECEIVER AND RECEIVER AND MANAGER OF
ORCHID INTERNATIONAL ONTARIO DIVISION INC.
February 18, 2010**

INTRODUCTION

1. This is the First Report to the Court filed by Zeifman Partners Inc. in its capacity as Receiver and Manager (the "Receiver") of the property, assets and undertaking (collectively, the "Assets") of Orchid International Ontario Division Inc. ("Orchid"). The Receiver was appointed by an Order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice dated December 24, 2009 (the "Receivership Order"). A copy of the Receivership Order is attached hereto as Schedule "A".

2. Subject to the terms of the Receivership Order, the Receiver was empowered, authorized and directed to take possession and control of the Assets and to conduct, manage, administer and operate the business of Orchid and to sell the Assets out of the ordinary course of business with the approval of this Honourable Court.
3. Paragraph 3(l) of the Receivership Order provides for the Receiver's right to sell the Assets not exceeding \$1,000,000 million without approval of this Honourable Court provided that the aggregate consideration of all such transactions does not exceed \$5,000,000.
4. The purpose of this Report is to advise this Honourable Court of the conduct of the Receiver since the date of the Receivership Order and to provide sufficient evidence to the Court to support the Receiver's request for an Order:
 - (a) approving the sale of the Fuel Strap Assets (as hereinafter defined) of Orchid relating to the manufacture of fuel straps to Maple Stamping, a division of Cosma International Group of Magna International Inc. ("Maple");
 - (b) vesting title to the Assets in and to Maple, free and clear of all claims; and
 - (c) approving the Receiver's conduct and activities to date.

BACKGROUND

Orchid's Business

5. Orchid was formerly known as R. Reininger & Son Limited ("Reininger"). Orchid International ("International") purchased the Reininger business in March 2007.

6. Orchid's business had consisted of three primary divisions:
- (a) the manufacture of straps that secure fuel tanks to the undercarriage of a motor vehicles (the "Fuel Strap Business");
 - (b) the manufacture of high volume metal components for electric motors, transfers, lighting products and automotive products requiring lamination stampings and die casting (the "Stamping Business"); and
 - (c) the manufacture of welded seat backs for seats used in motor vehicles (the "Seat Back Business").
7. Orchid operates from 1240 Twinney Road, Newmarket, Ontario (the "Premises") pursuant to a lease agreement, dated as of March 2, 2007, originally between Reininger, as tenant, and Florence and Rosa Reininger Holdings Limited ("Holdings"), as landlord (the "Lease"). Rick Reininger controls Holdings. Mr. Reininger also controls Reinrichmar Holdings Limited ("Reinrichmar"), a former shareholder and present secured creditor of Orchid. A copy of the Lease is attached as Schedule "B".

Orchid's Secured Creditors

8. In order to affect an orderly wind-down of the business of Orchid, General Motors Corporation ("GM") purchased the Debt and Security (the "Loans") from FCC, LLC, doing business as First Capital ("First Capital"), pursuant to an Assignment and Assumption Agreement dated as of December 22, 2009 (the "Assignment Agreement").

9. GM is the first-ranking secured creditor with respect to all of the property, assets and undertaking of Orchid.
10. As a portion of the purchase consideration for the Loans from First Capital, GM agreed to issue to First Capital an undivided, last-out, subordinated interest in the Loans pursuant to a Subordinated Participation Agreement dated as of December 23, 2009 (the "Subordinated Participation Agreement"). A copy of the Subordinated Participation Agreement is attached hereto as Schedule "C".
11. Reinrichmar is a secured creditor of Orchid pursuant to the purchase of Reininger by International. First Capital, Orchid, and Reinrichmar entered into a debt and subordination agreement on March 2, 2007 (the "Subordination Agreement"), wherein Reinrichmar agreed that all amounts owing to First Capital by Orchid are at all times prior and superior to a lien Reinrichmar may have against the collateral of Orchid. The Subordination Agreement was assigned to GM as part of the transaction to purchase the Loans.
12. Venture Steel Inc. filed a financing statement, pursuant to the *Personal Property Security Act* (Ontario) ("PPSA"), on September 18, 2008, as a secured creditor over consumer goods, inventory, equipment, accounts, other and motor vehicle included. Orchid's obligation to Venture Steel Inc. arises out of the purchase of materials to produce finished goods.
13. Export Development Canada ("EDC") filed a financing statement, pursuant to the PPSA, on August 14, 2009, as a secured creditor over inventory, equipment, accounts and other

Orchid's obligation to EDC arises out of payments to tool vendors to produce tools to manufacture parts at Orchid.

14. The balance of secured creditors that have produced financing statements are identified in the PPSA search summary attached to the Affidavit of Glenn Chapnick, sworn December 23, 2009, in support of the application for the Receivership Order (the "Chapnick Affidavit"). All those with PPSA registrations will be served with the motion record in which this Report is contained. All agreements referenced in this section, with the exception of the Subordinated Participation Agreement, are set out in the Chapnick Affidavit. A copy of the Chapnick Affidavit is attached hereto as Schedule "D".

FUNDING OF THE RECEIVERSHIP

15. Paragraph 20 of the Receivership Order provided that the Receiver with the authority to borrow up to \$5 million and provided for a fixed and specific first charge against the assets of Orchid with respect to such borrowings. Pursuant to Paragraph 4 of the Subordinated Participation Agreement, any loans or advances made by GM to the Receiver during the term of the receivership to cover operating losses shall rank in third place, behind Orchid's indebtedness to GM in first place and First Capital in second place.
16. As at the date of this report, the Receiver has issued Receiver's borrowing certificates to GM in the amount of \$113,387 CAD and \$949,244 US with respect to direct funding for operating losses.

ACTIVITIES OF THE RECEIVER

Initial Steps

17. The Receiver has overseen the day-to-day management of Orchid's business since the date of its appointment.
18. The Receiver also sought to stabilize operations by, among other things:
 - (a) notifying all creditors of its appointment by Notice, dated January 4, 2010 (the "Notice"), sent pursuant to Section 245 of the BIA;
 - (b) contacting all critical suppliers to ensure the continued supply of product to Orchid for use in the manufacturing process; and
 - (c) contacting all employee benefits providers, utilities and other service providers to ensure continuation of necessary services and contracts.

A copy of the Notice is attached hereto as Schedule "E".

19. The Receiver also undertook certain conservatory and protective measures, including:
 - (a) changing all external door locks at the Premises;
 - (b) opening new trust bank accounts;
 - (c) changing the authorization and signing authorities of pre-existing bank accounts so as not to disrupt customer direct deposits;
 - (d) daily bank account reconciliations and reporting;

- (e) confirming insurance policies and arranging to be added as a named insured;
- (f) implementing additional internal controls, including reinstating the requisition and purchase order system with the Receiver's approval for purchases and matching packing slips to invoices prior to issuing payment;
- (g) coordinating priority tasks among the various members of the accounting and purchasing departments as well as management;
- (h) confirming ongoing terms with suppliers;
- (i) meeting with plant employees to inform them of the Receiver's appointment and short term plans;
- (j) working with Orchid management in the development of employee letters as well as a "Question and Answer" memorandum with reference to the receivership process;
- (k) posting the Receivership Order on the Receiver's website such that it is accessible to all affected parties;
- (l) conducting several meetings with Orchid management, salaried and hourly staff to advise of the receivership and ensure their continued cooperation in the on-going operations;
- (m) contacting Employment Insurance in the coordination of a seminar to assist employees with information requests and services with respect to the filing of claims; and

- (n) contacting the Ministry of Labour in the development of an adjustment committee to assist employees with their transition of work given the wind-down plan.

Production

- 20. Before the receivership, Orchid's primary customers included GM, TS TECH Co. Ltd., TRW Automotive, Cam-slide Mfg., International Automotive Components, Automotive Component Holdings ("ACH") and Johnson Controls Inc.
- 21. Orchid, before the Receivership Order, had ceased carrying on operations relating to the Seat Back Business and reduced the majority of its operations relating to the Stamping Business. TS TECH Co. Ltd. and TRW Automotive had either vacated the Premises or were in the process of vacating the Premises.
- 22. The post receivership production plan was primarily in respect to the Fuel Strap Business. Orchid's Fuel Strap Business consists of purchase contracts with GM and ACH.
- 23. On December 29, 2009, given the limited production at Orchid and pursuant to paragraph 13 of the Receivership Order, the Receiver terminated on behalf of Orchid approximately seventy-six (76) employees of which seven (7) were salaried employees and sixty-nine (69) were hourly employees.
- 24. As at the date of this report, Orchid has approximately sixty (60) employees of which sixteen (16) are salaried employees and forty-four (44) are hourly employees. Approximately ten (10) of the hourly employees who were terminated on December 29, 2009, were brought back to work due to increases in GM production requirements.

25. As at the date of this report, TS TECH Co. Ltd., TRW Automotive, Cam-slide Mfg., Inscape, Johnson Controls Inc., amongst others have completely exited the Orchid Premises. All accounts receivable with respect to these customers has been fully collected by the Receiver. All respective inventories have been purchased by the customers, where applicable.
26. The Receiver is continuing to operate Orchid by, among other things:
- (a) continuing production with respect to GM and ACH regular production requirements as well as scheduled bank builds;
 - (b) working with Orchid management and GM with respect to the launch of various new tooling and parts programs relating to the Fuel Strap Business;
 - (c) completing the sale of remaining inventories at Orchid to non-GM customers in the process of exiting the Premises; and
 - (d) collecting remaining accounts receivable.

SALES PROCESS

27. Pursuant to an agreement between GM and Orchid, the Receiver conducted a marketing and sales process with respect to certain assets of Orchid relating to the Fuel Strap Business (the "Fuel Strap Assets").
28. On January 5, 2010 the Receiver placed an advertisement (the "Advertisement") in The Globe & Mail newspaper marketing the sale of Orchid's assets and in particular the Fuel

Strap Assets. The Advertisement provided for a deadline on offers of February 5, 2010. A copy of the Advertisement is attached hereto as Schedule "F".

- 29. The Receiver with assistance from International prepared a Confidential Information Memorandum ("CIM") for distribution to qualified parties. A copy of the CIM is attached hereto as Schedule "G".
- 30. Interested parties were required to execute confidentiality agreements as well as provide evidence of available funding in the amount of approximately \$3 million as conditions to the provision of the CIM.
- 31. The Receiver received and responded to various telephone and email correspondence from interested parties with respect to the sale of Fuel Strap Assets providing details of the sales process and the conditions for provision of the CIM. Responding to requests from interested parties, the Receiver forwarded a copy of the confidentiality agreement to approximately twenty (20) interested parties.
- 32. On January 20, 2010, International forwarded to the Receiver a list (the "First List") of approximately forty-eight (48) parties who International had identified as potentially having an interest in receiving a copy of the CIM. Several parties on the First List had already been in contact with the Receiver. The Receiver forwarded a copy of the Advertisement to the other parties reflected on the First List as well as advised them of the conditions which needed to be satisfied in order to receive a copy of the CIM.
- 33. On January 21, 2010, International forwarded to the Receiver a second list (the "Second List") of approximately eight (8) parties who International had identified as potentially

having an interest in receiving a copy of the CIM. The Receiver again forwarded the Advertisement and conditions to those on the Second List not previously contacted.

34. The Receiver received approximately fifteen (15) executed confidentiality agreements from interested parties. Of the fifteen (15) interested parties who executed confidentiality agreements, approximately twelve (12) parties produced evidence of available funding. Accordingly, the Receiver distributed approximately twelve (12) copies of the CIM.
35. The Receiver worked with Orchid management with respect to the coordination of scheduled tours and inspections of the Fuel Strap Assets. Approximately six (6) qualified parties attended the Orchid premises to tour and inspect Fuel Strap Assets.
36. The Receiver provided customer contact information with respect to GM and ACH to all qualified parties in order to facilitate discussions regarding the potential to procure customer purchase order contracts.
37. Between February 4, 2010, and February 5, 2010, the Receiver received three (3) offers to purchase the Fuel Strap Assets. All three offers were unsatisfactory in quantum. In addition, two of the three offers received failed to comply with the terms and conditions of the sale as was reflected in the CIM. Accordingly, on February 10, 2010, the Receiver notified the three (3) parties who had submitted offers that their offers were rejected and that revised offers in acceptable form accompanied by a 15% deposit were due by February 12, 2010.
38. On February 12, 2010, the Receiver received two (2) revised offers. The Maple offer is significantly superior to its competitor.

- 39. The Receiver and Maple engaged in a number of discussions and negotiations and, as a result, an Agreement of Purchase and Sale was executed by Maple and the Receiver on February 16, 2010 (the "Sale Agreement"). The Sale Agreement is subject to the approval of this Honourable Court. A copy of the executed Sale Agreement is attached hereto as Schedule "H" (other than Schedule C to the Sale Agreement which identifies certain employees by name and has been omitted for privacy considerations).
- 40. The Receiver contacted approximately four (4) liquidators and requested net minimum guarantee proposals and sharing in excess thereof with respect to Fuel Strap Assets. The liquidators were also given the opportunity to submit offers to purchase the assets or offers to provide auction services at a commission.
- 41. In response, the Receiver received two (2) net minimum guarantee proposals. The consideration Maple is paying under the Sale Agreement significantly exceeds the liquidation proposal amounts for the Fuel Strap Assets.
- 42. Maple's repair obligation in connection with the removal of the Fuel Strap Assets is consistent with Orchid's obligations under the terms of the Lease

EXPORT DEVELOPMENT CANADA

- 43. Upon the appointment of the Receiver, EDC held security against certain tooling financed by EDC and manufactured by a tool shop in accordance with Orchid purchase orders on behalf of various customers.
- 44. Over the course of the Receivership, certain tooling subject to EDC security which was contracted by Orchid to be built on behalf of GM was required by GM to be relocated to

its resourced supplier. Accordingly, GM paid the Receiver the purchase order price for the particular tooling and the Receiver then paid EDC in satisfaction of amounts owing to EDC with respect to the particular tooling. After receiving payment, EDC provided GM with Receipt, Discharge, and Release forms with respect thereto.

45. Orchid currently has amounts owing to EDC with respect to the manufacture of certain tooling on behalf of Eberspaecher North America Inc. ("ENA"). While the tooling is in the possession of the Receiver, various critical components and electronic information is in the possession of the tool shop. The Receiver has reviewed ENA purchase orders to Orchid, Orchid purchase orders to the tool shop, amounts outstanding to the tool shop, and the current status and location of various components relating to the tooling. Based on its review, the Receiver has determined that there is no equity in the tooling for the Receiver and has therefore left all negotiations relating to the completion of the contacts to EDC and ENA.

RECEIVER'S RECEIPTS AND DISBURSEMENTS

46. The Receiver's Interim Statement of Receipts and Disbursements for the period from December 24, 2009 to February 18, 2010 is attached hereto at Schedule "I".

RECOMMENDATION OF THE RECEIVER

47. In light of the foregoing., the Receiver respectfully requests this Honourable Court to:

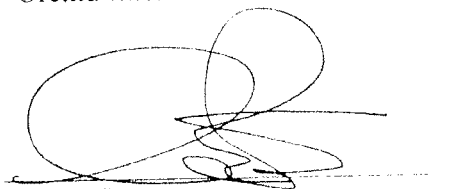
- (a) authorize and direct the Receiver to enter into the Agreement of Purchase and Sale with Maple;

- (b) vest title to the Fuel Strap Assets in and to Maple, free and clear of all claims; and
- (c) ratify and approve the Receiver's activities to date;

CONCLUSION

48. All of the foregoing is respectfully submitted this 18th day of February 2010.

Zeifman Partners Inc. as Court Appointed
Interim-Receiver and Receiver and Manager of
Orchid International Ontario Division Inc.



**Allan Rutman,
President**

TAB C

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

BETWEEN:

GENERAL MOTORS CORPORATION

Applicant

- and -

ORCHID INTERNATIONAL ONTARIO DIVISION INC.

Respondent

**SUPPLEMENT TO THE FIRST REPORT TO COURT OF ZEIFMAN PARTNERS INC.
AS INTERIM RECEIVER AND RECEIVER AND MANAGER OF
ORCHID INTERNATIONAL ONTARIO DIVISION INC.
February 28, 2010**

INTRODUCTION

1. This is the Supplement ("Supplement") to the First Report ("First Report") to the Court, dated February 18, 2010, filed by Zeifman Partners Inc. in its capacity as Receiver and Manager (the "Receiver") of the property, assets and undertaking (collectively, the "Assets") of Orchid International Ontario Division Inc. ("Orchid"). Terms not otherwise defined in this Supplement have the same meaning as in the First Report.
2. A significant part of the First Report dealt with the background to the Receiver's request for this Honourable Court to approve the sale of the Fuel Strap Assets to Maple (the "Sale

Agreement"). A copy of the Sale Agreement was attached as Schedule "H" to the First Report.

3. The purpose of this Supplement is to advise this Honourable Court of some issues that arose as a result of concerns that General Motors ("GM"), the primary customer of the production from the Fuel Straps Assets, raised after the Sale Agreement was concluded and which have been addressed through amendments to the Sale Agreement (the "Sale Amending Agreement"). A copy of the Sale Amending Agreement is attached as Schedule "A" to the Supplement.
4. Under the Sale Agreement, Maple had planned shortly after the March 4, 2010 closing date to use the 21 day licence period to move the Fuel Strap Assets to their own premises. As a result there would be insufficient production of fuel straps during that period to meet GM's current needs as well of that of a bank build.
5. GM requirements for bank build and current production needs and bank build, due to the nature of the automotive industry are dynamic and, insufficient bank build coupled with an expedited removal process of the Fuel Strap Assets, can impact vehicle production at GM's plants, putting them at significant risk. As such the GM/Maple planning was in need of greater coordination to ensure the objectives of all parties could be met in a sequenced and planned process allowing for appropriate trials and testing at Maple once equipment was disassembled at Orchid and reassembled at Maple while building sufficient inventories at Orchid for appropriate safety margins.

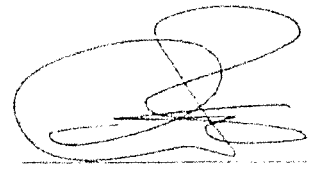
6. Consequently, discussion ensued amongst Maple, GM and the Receiver to develop a protocol to accomplish these objectives and satisfy the needs of all parties. The Sale Amending Agreement is the result of those discussions.

7. The main changes in the Sale Amending Agreement are as follows:
 - Instead of one closing for all the Fuel Strap Assets there will be staggered closings as the equipment to one production line is shut down and disassembled for transportation the Receiver will then sell that line to Maple;
 - In the interim the Receiver will continue to have Orchid operate the equipment to produce inventory for GM;
 - As the equipment will continue to operate, Maple will have a right to inspect the equipment before proceeding to close;
 - The licence period for Maple to have access to the Premises to remove the Fuel Strap Assets has been extended due to the increased time that will now be required to complete the removal process; and
 - The Receiver will maintain sufficient employment at Orchid to continue the production process while the transition takes place.

8. In light of the foregoing, the Receiver respectfully requests this Honourable Court, in addition to the matters set out in the First Report to authorize and direct the Receiver to enter into the Sale Amending Agreement.

9. All of the foregoing is respectfully submitted this 28th day of February 2010.

Zeifman Partners Inc. as Court Appointed
Interim-Receiver and Receiver and Manager of
Orchid International Ontario Division Inc.



Allan Rutman,
President

TAB D

LIQUIDATION PROPOSALS

Included in Confidential Version of the Second Report

TAB E

REDACTED

AUCTION SERVICES AGREEMENT

This Agreement is made as of April 14, 2010, between

ZEIFMAN PARTNERS INC., in its capacity as Receiver and Manager of the property, assets and undertaking of Orchid International Ontario Division Inc. and not in its personal capacity (the "**Receiver**")

and

GoIndustry DoveBid Canada Ltd., GoIndustry USA, Inc., and Asset Engineering Corporation, each a corporation (collectively, the "**Auctioneer**")

RECITALS

A. Pursuant to an order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated December 24, 2009 (the "**Receivership Order**"), Zeifman Partners Inc. was appointed as the receiver and manager of all of the assets, undertakings and properties of Orchid International Ontario Division Inc. (the "**Debtor**") pursuant to section 101 of the *Courts of Justice Act* (Ontario) and section 47(1) of the *Bankruptcy and Insolvency Act* (Canada) under Court File No. 09-8522-00CL (the "**Receivership**").

B. Subject to the granting of the Authorization and Approval Order, the Receiver has agreed to retain the Auctioneer to sell the Assets (as hereinafter defined) on its behalf in accordance with the terms hereof.

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Definitions

In this Agreement:

- (1) *Account* has the meaning ascribed to it in Section 2.5;
- (2) *Advance* has the meaning ascribed to it in Section 2.4(a);
- (3) *Advance Recovery* has the meaning ascribed to it in Section 2.5(1)(b);
- (4) *Accounting Deadline* has the meaning ascribed to it in Section 2.6;
- (5) *Allocation Schedule* means the below-described amount that the parties have allocated to the following Assets (only) as the mutually agreed upon orderly liquidation value thereof:

- (a) Press # 985 =) Canadian Dollars;
- (b) Press # 918 =) Canadian Dollars;
- (c) Press # 900 =) Canadian Dollars;
- (d) Press # 923 =) Canadian Dollars;
- (e) Press # 415 =) Canadian Dollars;
- (f) Press # 951 = Canadian Dollars;
- (g) Press # 410 = Canadian Dollars;
- (h) Press # 946 = Canadian Dollars;

(6) *Assets* means the right, title and interest of the Debtor in and to the machinery, equipment, office equipment, office furniture, and other personal property located at the Debtor's Premises as of the effective date of this Agreement, including those items described in Schedule 1.1(6) but, for greater certainty, does not include the Excluded Assets.

(7) *Auction Date* has the meaning ascribed to it in Section 2.1;

(8) *Auctioneer's Expenses* has the meaning ascribed to it in Section 2.5(1)(d);

(9) *Authorization and Approval Order* has the meaning ascribed to it in Section 4.1(a);

(10) *Bill Of Sale* has the meaning ascribed to it in Section 2.17;

(11) *Business Day* means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

(12) *Buyer's Premium* means the % fee charged to purchasers by the Auctioneer upon sale of the Assets;

(13) *Claim* has the meaning ascribed to it in Section 2.2;

(14) *Court* has the meaning ascribed to it in Recital A;

(15) *Debtor* has the meaning ascribed to it in Recital A;

(16) *Debtor's Premises* means the premises leased by the Debtor, municipally known as 1240 Twinney Drive, Newmarket, Ontario;

(17) *Employees* has the meaning ascribed to it in Section 2.11;

(18) *Excess Sale Proceeds* has the meaning ascribed to it in Section 2.5(1)(e);

(19) **Excluded Assets** means - (a) all fixtures including, all components of the building's electrical (other than, with the consent of the Receiver acting reasonably, any electrical components installed by the Debtor and exclusively dedicated to the Assets), mechanical, plumbing, heating and air-conditioning systems, fire extinguishers and other fire safety equipment, which fixtures, components and other items are described in Schedule 1.1(19), and (b) all of the Debtor's inventory, goods, merchandise, raw materials, goods in process, finished goods, and work in progress, and held for sale or lease or furnished or to be furnished under contracts of service or which contribute to the finished products or the sale, promotion, storage and shipment thereof;

(20) **Final Inspection Report** has the meaning ascribed to it in Section 2.8(3);

(21) **Holdback Amount** has the meaning ascribed to it in Section 2.5(1)(c)

(22) **Indemnified Parties** has the meaning ascribed to it in Section 2.8(2);

(23) **Interim Inspection** has the meaning ascribed to it in Section 2.8(3);

(24) **Interim Inspection Report** has the meaning ascribed to it in Section 2.8(3);

(25) **Liens** has the meaning ascribed to it in Section 2.2;

(26) **Liquidation Period** means the period commencing one (1) calendar day after the conditions in Section 4.1 are satisfied or waived in accordance with this Agreement, unless the Receiver and the Auctioneer agree in writing to a later date, and ending at 12 noon on the Termination Date;

(27) **Major Items** means, collectively, the presses more fully described in the Allocation Schedule;

(28) **Net Minimum Guaranteed Amount** means the amount referred to in Section 2.3;

(29) **Person** means any natural person, sole proprietorship, partnership, corporation, trust, joint venture, any governmental authority or any incorporated or unincorporated entity or association of any nature;

(30) **Receivership** has the meaning ascribed to it in Recital A;

(31) **Receivership Order** has the meaning ascribed to it in Recital A;

(32) **Risk Premium** has the meaning ascribed to it in Section 2.5(1)(d);

(33) **Sale Proceeds** has the meaning ascribed to it in Section 2.2;

(34) **Sales Taxes** has the meaning ascribed thereto in Section 2.14;

(35) **Termination Date** means _____ \ calendar days after the commencement of the Liquidation Period; and

(36) *Transaction* means the liquidation, sale and removal of the Assets contemplated by this Agreement.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, all references to a "Section" followed by a number and/or a letter refer to the specified section of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 Extended Meanings

Words importing the singular include the plural and *vice versa*, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

SECTION 2 – SALE OF ASSETS AND EXCLUDED EQUIPMENT

2.1 Sale of Assets

The Auctioneer, in a commercially reasonable manner and otherwise in accordance with the terms and conditions of this Agreement, shall sell the Assets for and on behalf of the Receiver, by way of public auction to be held by no later than the sixtieth (60th) day following the granting of the Authorization and Approval Order or such later date as may be agreed to in writing by the Receiver and the Auctioneer (the "Auction Date") or, by private sale from the Debtor's Premises. Any private sale of the Assets shall require the prior approval of the Receiver; provided, however, that - - (i) the Auctioneer does not have to obtain the prior approval of any of the Major Items if the Sale Proceeds to be received in connection with the private sale thereof is equal to or greater than the corresponding amount for such Major Item set forth in the Allocation Schedule, and (ii) if the Receiver rejects a particular private sale of a Major Item or any other Asset and such Asset either is not sold at the public auction or is sold for less than the amount that had been offered in connection with the rejected private sale, the Net Minimum Guaranteed Amount shall be reduced by an amount equal to the difference between the amount that had been offered in connection with the rejected private sale and the actual sale price (if any) received for such Asset at the public auction sale. The Auctioneer further agrees that, although the currency to be paid by the purchasers of the Assets shall be United States Dollars, the payment terms for all sales shall be by cash, debit, credit card, wire transfer, certified cheque or a draft drawn on a major Canadian bank. Without limiting any other rights of the Receiver pursuant to this Agreement but subject to the Auctioneer's rights under Section 2.3(2), the Auctioneer acknowledges that the Receiver may exclude any Assets made available for sale from the Transaction if such Assets are subject to an actual, pending or threatened claim by a third party, provided the Receiver provides written notice to the Auctioneer describing such Assets prior to the sale of such Assets by the Auctioneer.

2.2 As Is, Where Is

The Auctioneer acknowledges that it has made such inspections of the Assets as it deems appropriate and it is understood that the Assets are to be sold by the Auctioneer on an "as is, where is" basis, at the Auctioneer's own risk, and that the Receiver has not and will not make any representation, warranty or condition, whether statutory (including, without limitation, under the *Sale of Goods Act* or similar legislation), express or implied, oral or written, legal, equitable, collateral or otherwise, as to fitness for purpose, marketability, condition, quantity or quality thereof or in respect of any other matter or thing whatsoever. Notwithstanding the terms of the immediately preceding sentence or any other Section of this Agreement to the contrary: (a) the Receiver warrants that, subject to the granting of the Authorization and Approval Order, it has the authority to sell the Assets free and clear of any and all liens, encumbrances, security interests, adverse claims, mortgages, pledges, liabilities, conditional sale agreements, restrictions and charges of any kind associated with any of the Assets (collectively, "**Liens**"); (b) in the event any claim is made by any alleged creditor for the payment of sums due in connection with any Lien (collectively, "**Claim**"), the Receiver shall either - - (i) expeditiously pay the amount of the Claim so as to discharge all Liens associated with the Assets and to obtain a full and complete release thereof, or (ii) provide sufficient surety bond or other security to protect the Auctioneer and the Purchasers of the Assets while any Claim is being defended or challenged, in good faith, by the Receiver; and (c) although the Auctioneer shall have no liability in connection with any Claims or Liens, if the Receiver fails to discharge a Lien or provide the requisite bond in connection with a Claim within fifteen (15) days following the delivery of notice to the Receiver of such Lien and/or Claim, the Receiver hereby agrees that the Auctioneer may either - - (i) utilize a portion of the proceeds of the sale of the Assets ("**Sale Proceeds**") that otherwise are to be delivered to the Receiver pursuant to the terms of this Agreement to discharge such Lien and/or Claim, or (ii) deliver a portion of the Sale Proceeds that otherwise are to be delivered to the Receiver, in an amount equal to such Lien and/or Claim, to the Court or such other court of competent jurisdiction. Any descriptions provided to purchasers or prospective purchasers by the Auctioneer's sales staff, which may include former employees of the Debtor hired by the Auctioneer, shall be given solely on behalf of the Auctioneer in its own capacity and not as agent for the Receiver, and the Receiver shall have no obligations with respect thereto. Auctioneer agrees that the auction terms will provide that all sales are final, and that signs will be prominently displayed at the Debtor's Premises advising purchasers that all sales are final.

2.3 Net Minimum Guarantee

(1) The Auctioneer guarantees that the proceeds (net of any Sales Taxes and Buyer's Premium collected) to be paid to the Receiver for the Receiver's own account as a result of the sale of the Assets shall not be less than _____ CAD, and subject to adjustment as set out in Section 2.3(2) (the "**Net Minimum Guaranteed Amount**"), notwithstanding that the actual proceeds generated from the sale of the Assets may be less than the Net Minimum Guaranteed Amount.

(2) If the Receiver excludes any Assets made available for sale from the Transaction, then: (a) the Net Minimum Guaranteed Amount shall be reduced by either of the following ("**Anticipated Sales Proceeds**"), as the case may be - - (i) the corresponding amount for such Asset that is set forth in the Allocation Schedule (if such Asset is a Major Item), or (ii) the

applicable orderly liquidation value of such other Asset(s) in question as mutually agreed upon by the Auctioneer and the Receiver acting in good faith; (b) the Receiver shall be obligated to pay to the Auctioneer (or the Auctioneer shall be entitled to receive from the proceeds of the Account which otherwise would have been delivered to the Receiver) an amount equal to sixteen times the applicable Anticipated Sales Proceeds for such Asset(s) since the Auctioneer will not receive the benefit of any Buyer's Premium from such Asset(s) due to the exclusion thereof from the Transaction; and (c) the Anticipated Sales Proceeds for such Asset(s) shall be factored into the calculation of the respective amounts (if any) of the Excess Sales Proceeds that otherwise are to be shared between the Receiver and the Auctioneer as if the amount thereof had been received as Sales Proceeds from the purchasers of the Transaction.

2.4 Payment of Net Minimum Guaranteed Amount

The Auctioneer shall pay the Net Minimum Guaranteed Amount as follows:

- (a) the sum of \$_____ AD upon the execution of this Agreement, such payment representing an advance payment on account of the Net Minimum Guarantee Amount (the "Advance"); and
- (b) the balance of the Net Minimum Guaranteed Amount after crediting the Advance and any monies paid to the Receiver under Section 2.5 shall be paid by no later than _____ Business Days after the Auction Date.

All monies payable to the Receiver shall be paid to the Receiver by certified cheque, wire transfer or draft drawn on a major Canadian bank.

2.5 Trust Account; Risk Premium; Auctioneer's Expenses; Delivery Of Excess Sale Proceeds

(1) The Receiver and the Auctioneer shall establish one or more joint trust accounts with Royal Bank of Canada (the "Account"). The Account shall be in the name of both the Receiver and the Auctioneer. All Sales Proceeds, Sales Taxes and Buyer's Premiums received from the sale of Assets, whether by auction or private sale, shall be deposited on a daily basis into the Account. Disbursements from the Account, including remittances of Sales Taxes, may only be made by wire transfer, which must be approved electronically by both the Auctioneer and the Receiver pursuant to Royal Bank of Canada's "positive pay" procedures (however, with respect to Sales Tax payments or remittances only, the Receiver shall need to approve such items without delay, but in any event within three (3) Business Days of a request made by the Auctioneer which request shall also include evidence satisfactory to the Receiver that the purpose of the item is to pay or remit Sales Taxes to the relevant governmental authority). The Auctioneer shall provide to the Receiver on a regular basis, but not less frequently than bi-weekly, a listing of the deposits made to the Account together with a detailed listing of the Assets sold, such listing to include without limitation, the price for all Assets sold. On the first Business Day of each bi-weekly period following the commencement of the Liquidation Period, the Auctioneer and the Receiver will distribute all funds on deposit in the Account representing proceeds from the sale of Assets including Buyer's Premium (subject to Section 2.5(1)(b) and any reserves for payment of Sales Taxes) as follows:

- (a) until the Receiver has received an aggregate amount equal to the Net Minimum Guaranteed Amount (after giving credit to the Advance paid to the Receiver), all funds, net of Sales Taxes collected, shall be distributed 100% to the Receiver;
- (b) upon receipt of the Net Minimum Guaranteed Amount by the Receiver 100% of the subsequent funds collected, to an aggregate amount equalling \$ _____ CAD, shall be distributed to the Auctioneer on account of its recovery of the amount of the Advance (the “**Advance Recovery**”);
- (c) upon receipt of the Net Minimum Guaranteed Amount by the Receiver and the receipt of the Advance Recovery by the Auctioneer, 100% of the subsequent funds collected, to an aggregate amount equal to the aggregate amount of all Buyer’s Premiums charged on Asset sales, net of Sales Taxes collected, shall be distributed to the Auctioneer less \$ _____ (“**Holdback Amount**”) to the extent there is any dispute between the Receiver and the Auctioneer with respect to the obligations of the Auctioneer pursuant to Section 2.8 of this Agreement;
- (d) upon receipt of the Net Minimum Guaranteed Amount by the Receiver, the Advance Recovery by the Auctioneer, and the Buyer’s Premium by the Auctioneer, 100% of the subsequent funds collected, net of Sales Taxes, shall be distributed to the Auctioneer to an aggregate maximum amount of \$ _____ CAD (“**Risk Premium**”) as compensation for - - (i) the Auctioneer’s agreement to pay the Net Minimum Guaranteed Amount regardless of the actual amount of Sales Proceeds that may be collected from the Transaction, (ii) the services that shall be performed by the Auctioneer under this Agreement, and (iii) to reimburse the Auctioneer for all expenses incurred by the Auctioneer in connection with the Transaction, including but not limited to ad placement fees and all other advertising expenses, digital photography of the Assets, brochure and catalogue production, print and electronic media production, labour, creative services, telemarketing, data list purchases, facsimile charges, postage, travel, accounting, equipment rental, insurance, bond premiums and related costs, permits, UCC searches, lien releases, reasonable attorneys’ fees, security, and any other out-of-pocket charges incurred by the Auctioneer or otherwise relating to the Transaction (collectively, “**Auctioneer’s Expenses**”); and
- (e) thereafter, to the extent that the aggregate amount of Sales Proceeds actually collected (excluding Sales Taxes and Buyer’s Premiums) exceeds the sum of the Net Minimum Guaranteed Amount plus the Risk Premium “**Excess Sale Proceeds**”), if applicable, then the Receiver shall receive _____ % of the Excess Sale Proceeds and the Auctioneer shall receive _____ % of the Excess Sale Proceeds.

(2) For greater certainty, the Auctioneer shall be entitled to charge the Buyer’s Premium to purchasers upon the sale of the Assets and, although 100% of the Buyer’s Premium shall be the sole and exclusive property of the Auctioneer, other than the Holdback Amount, the Auctioneer acknowledges that it may be forced to use all or a portion thereof to satisfy the Auctioneer’s obligation to pay the Net Minimum Guaranteed Amount and/or to offset the Risk Premium, as the case may be. Consistent with subsection 2.5(1)(c) the amounts payable to the Auctioneer on

account of Buyer's Premium shall be retained by the Auctioneer in accordance with this Agreement as its compensation for performing its obligations pursuant to this Agreement.

2.6 Accounting for Sale Proceeds

The Auctioneer shall provide the Receiver with a complete and detailed final accounting with respect to the sale of all Assets incurred within fourteen (14) days following the Auction Date (the "Accounting Deadline").

2.7 Access to Debtor's Premises

The Receiver shall ensure that the Auctioneer has access to the Debtor's Premises, without charge, for the purposes of carrying out the Transaction as contemplated under this Agreement during the Liquidation Period. For greater certainty, during the Liquidation Period, the Auctioneer shall have rent-free use of the Debtor's Premises including utilities. For greater certainty, the Auctioneer agrees that it will be responsible for all occupancy related costs after the Termination Date if it has not fully vacated the Debtor's Premises in accordance with the terms of this agreement. The Auctioneer agrees that certain of the Assets, excluding the Major Items and those other Assets which the Receiver and the Auctioneer mutually agree should be taken out of production or else the Auctioneer may not be able to fulfill in a timely manner its pre-auction preparation, tagging and cataloguing thereof, may continue to be used in production up to 10 days prior to the Auction Date.

2.8 Obligations with Respect to Debtor's Premises

(1) Unless the Receiver notifies the Auctioneer of the Receiver's agreement to continue to retain the services of the Auctioneer beyond the expiration of the Liquidation Period for the purpose of selling the unsold Assets on the Receiver's behalf and pursuant to the terms of this Agreement, the Auctioneer shall have vacated the Debtor's Premises by the earlier of: (i) completion of the Transaction; and (ii) the expiry of the Liquidation Period. The Auctioneer agrees to leave the Debtor's Premises free from any damages that may have been caused by the Auctioneer or Persons for whom it is responsible during the Liquidation Period. Whereas the Auctioneer shall be responsible for removing, at the Auctioneer's expense, all debris related to the sale of the Assets and the removal thereof from the Debtor's Premises, the Receiver shall be obligated to reimburse the Auctioneer for all costs of removing all trash currently located at the Debtor's Premises. Notwithstanding any of the terms of this Agreement to the contrary, the Auctioneer shall not: (a) be responsible for the costs of removal, clean-up or disposition of any of the Debtor's books and records or any environmentally hazardous chemicals or substances found at the Debtor's Premises save and except to the extent that any discharge or spill of any environmentally hazardous chemicals or substances is caused by the Auctioneer or Persons for whom it is responsible; and (b) have any - (i) right or obligation whatsoever to purchase, sell, make, store, handle, treat, dispose, generate, transport or remove any environmentally hazardous chemicals or substances that may be located at the Debtor's Premises or otherwise associated with the Assets, or (ii) capacity to influence any decisions whatsoever in connection with the purchasing, selling, making, storing, handling, treating, disposing, generating, transporting or removing of any environmentally hazardous chemicals or substances that may be located at the Debtor's Premises or otherwise associated with the Assets.

(2) The Auctioneer agrees to act in a prudent manner while at the Debtor's Premises and the Debtor's Premises shall be maintained by the Auctioneer in the same state of repair as existed as at the commencement of the Liquidation Period, reasonable wear and tear excepted. The Auctioneer shall repair any damages caused by the Auctioneer, its invitees or anyone for whom it is in law responsible during the Liquidation Period at its sole expense forthwith but in any event, before the expiry of the Liquidation Period, excluding any diminution in the value of the Debtor's Premises caused by the absence of the Assets. Without limiting the foregoing, the Auctioneer undertakes to shear off any protruding bolts remaining after removal of equipment and to repair any damage caused to the Debtor's Premises due to the removal of any equipment, including, without limitation, fixing any holes in the roof, floor, walls or elsewhere and to properly cap all gas and electrical connections. The Auctioneer further agrees to indemnify, defend and hold the Receiver and its employees, agents and representatives (collectively, the "**Indemnified Parties**") harmless from and against all claims for damages, losses, injury or costs resulting from a breach of its obligations under this section and for damages, losses or injury caused to property or persons through the actions or negligence of the Auctioneer, its invitees or anyone for whom it is in law responsible.

(3) The Receiver and the Auctioneer, acting reasonably, agree to conduct periodic inspections of the Debtor's Premises to identify any damage caused after the commencement of the Liquidation Period and, without limiting the foregoing, shall conduct a formal interim inspection by no later than fourteen (14) days prior to the expiry of the Liquidation Period (the "**Interim Inspection**"). The Receiver and the Auctioneer shall use their commercially reasonable efforts to ensure that the landlord of the Debtor's Premises participates in the Interim Inspection. The Receiver shall, within three (3) Business Days of the Interim Inspection, prepare a report noting any damages or deficiencies identified during the Interim Inspection for which the Auctioneer is responsible to repair, restore or clean-up, as applicable, pursuant to the terms of this Agreement (the "**Interim Inspection Report**"). The Auctioneer shall immediately conduct repairs, restoration and (if applicable) clean-up of the Debtor's Premises identified as being required in the Interim Inspection Report and complete such work prior to the expiry of the Liquidation Period unless the Auctioneer, in good faith, is contesting the findings of the Interim Inspection Report.

(4) After the Interim Inspection and five (5) days prior to the final day of the Auctioneer's intended occupancy of the Debtor's Premises during the Liquidation Period, the Receiver and the Auctioneer shall, together with representatives for the landlord of the Debtor's Premises and a consulting engineer selected by both the Auctioneer and the Receiver, if considered necessary by the respective parties, conduct an inspection of the condition of the Debtor's Premises noting and identifying any damage to the Debtor's Premises caused during the Liquidation Period or any items of repair, restoration or (if applicable) clean-up of the Debtor's Premises which, in each such case, is the obligation of the Auctioneer to satisfy (the "**Final Inspection Report**"). The Auctioneer shall immediately conduct repairs, restoration and (if applicable) clean-up of the Debtor's Premises identified as being required in the Final Inspection Report and complete such work prior to the expiry of the Liquidation Period unless the Auctioneer, in good faith, is contesting the findings of the Final Inspection Report.

(5) For greater certainty, the Auctioneer acknowledges and agrees with the Receiver that all of the Auctioneer's obligations and liabilities under this Agreement and this Section 2.8

(including indemnity obligations) shall continue in full force and effect notwithstanding the Auctioneer's right to retain the Risk Premium and (if applicable) the Auctioneer's above-described share of any Excess Sale Proceeds and that should the Auctioneer's obligations with respect to the premises exceed the Holdback Amount, then the Auctioneer shall remain liable to the Receiver for any such excess. If - - (i) the Final Inspection Report does not note or identify any damage to the Debtor's Premises caused during the Liquidation Period or any items of repair, restoration or (if applicable) clean-up of the Debtor's Premises which is the obligation of the Auctioneer to satisfy, or (ii) the Receiver otherwise does not deliver written notice to the Auctioneer claiming that the Auctioneer is in breach of its obligations under this Agreement within five (5) days following the expiration of the Liquidation Period - - then the Receiver shall be obligated to deliver the Holdback Amount to the Auctioneer by no later than the tenth (10th) calendar day following the expiration of the Liquidation Period.

2.9 Payment of Occupancy Costs

The Receiver shall be entitled to pay when due, or be reimbursed for, all of the following costs and expenses to the extent referable to the Liquidation Period from the Advance:

- (a) rent and other occupancy costs relating to the Debtor's Premises; and
- (b) all utilities and other reasonable overhead expenses relating to the Debtor's Premises.

For greater certainty, even though the Receiver may elect to utilize the Advance to satisfy the above-described expenses, the Auctioneer is not obligated to pay any rent, other occupancy costs, utilities or other overhead expenses relating to the Debtor's Premises during the Liquidation Period.

2.10 Expenses

The Auctioneer shall only be responsible for satisfying the Auctioneer's Expenses unless the terms of this Agreement are expressly to the contrary.

2.11 Personnel

The Auctioneer shall be responsible at its own cost for providing competent personnel to prepare for and perform all tasks relating to the Transaction. It is understood that the Receiver is not and will not in any event be an employer of any such personnel or liable to pay any amounts to or with respect to such personnel. Neither the Receiver nor the Auctioneer assumes any responsibilities whatsoever with respect to the continuation of the employment of any existing employees of the Debtor (the "Employees") pursuant to this Section. In particular, the Receiver and the Auctioneer do not warrant or guarantee that the employment of any Employees can be continued for all or any part of the Liquidation Period.

2.12 Trade Names

The Auctioneer shall be permitted and is hereby granted a non-exclusive, temporary licence to use the name "Orchid International Ontario Division Inc." and/or "R. Reininger &

Son”) and make reference to “Zeifman Partners Inc. as Receiver of Orchid International Ontario Division Inc.” and to the receivership of the Debtor solely for the purposes of this Agreement and any advertising pursuant to Section 2.13 during the Liquidation Period. The Auctioneer acknowledges that it is not acquiring any interest in or other rights to the Debtor’s name or any trade-marks or other intellectual property of the Debtor.

2.13 Advertising

The Auctioneer, at its own expense, shall advertise and otherwise promote the liquidation and auction of the Assets by commercially reasonable means, as approved by the Receiver, in order to give adequate exposure to the Assets to the maximum number of potential purchasers. All advertising is to be submitted to the Receiver and if the Receiver has not objected to the Auctioneer’s proposed advertising within two (2) Business Days after receipt of the Auctioneer’s proposal, the Receiver will be deemed to have approved such advertising. The Auctioneer shall be responsible for paying all costs of advertising which costs shall be included in the Auctioneer’s Expenses.

2.14 Authorizations and Remittance of Taxes

The Auctioneer shall be responsible for ensuring that all necessary governmental or other approvals, permits or authorizations are obtained in order to conduct its liquidation program in compliance with all applicable laws. In addition, the Auctioneer shall ensure that all applicable taxes and duties in connection with the sale of the Assets, including, without limitation, Goods and Services Tax, provincial retail sales tax, and harmonized sales tax (collectively, the “Sales Taxes”), are collected and remitted to the proper authorities when due. The Auctioneer agrees to indemnify and save the Receiver harmless from and against all claims for payment of the above-mentioned Sales Taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such Sales Taxes when due and all claims arising out of any failure to obtain all necessary government or other approvals, permits or authorizations.

2.15 Insurance

(1) The Auctioneer will be responsible for arranging third-party liability insurance with respect to the Auctioneer’s access to and use of the Debtor’s Premises during the Liquidation Period and shall be responsible for the costs of such insurance. The third party liability insurance shall provide for not less than \$4,000,000 USD coverage in the aggregate as to personal injury. The Auctioneer shall provide proof of such insurance to the Receiver at the commencement of the Liquidation Period.

(2) The Receiver shall be responsible for arranging or maintaining insurance coverage to a minimum of \$1,000,000 USD against loss of or damage to the Assets and shall be responsible for the costs of such insurance until the earlier of (i) the date the Auctioneer has vacated the Debtor’s Premises, and (ii) the expiry of the Liquidation Period

(3) In the event that all or any material part of the Assets are destroyed or damaged by fire or other casualty or stolen at any time prior to the sale of such Assets, the insurance proceeds attributable to such damaged Assets shall be deemed to be the Sale Proceeds of such Assets for

the purposes of this Agreement and, for greater certainty, shall be included for the purposes of distributing funds in accordance with Section 2.5. The Receiver and the Auctioneer agree not to settle any insurance claim without the prior written consent of the other, such consent not to be unreasonably withheld.

2.16 Extension of Credit

In the event that the Auctioneer extends credit (other than by way of credit cards) to any purchaser, the Auctioneer will be responsible for all related credit risks and costs thereof.

2.17 Extended Sales

In the event there are any unsold Assets remaining at the end of the Liquidation Period, provided that the Auctioneer has delivered to the Receiver an amount equal to the Net Minimum Guaranteed Amount plus, if applicable, the Receiver's above-described share of the Excess Sale Proceeds, the parties hereby agree that: (a) the Auctioneer shall maintain the exclusive right to conduct any other sale of the unsold Assets pursuant to the terms of this Agreement, including but not limited to the above-described sharing arrangements with respect to the Excess Sale Proceeds (if applicable), unless and until such time as all of the Assets are sold or either - (i) the Receiver delivers written notice to the Auctioneer terminating such extended sale period, or (ii) the Auctioneer delivers written notice to the Receiver of the Auctioneer's intent to terminate this Agreement; (b) during the extended sale period, the Auctioneer shall be responsible for paying all subsequent rent and utilities for so long as the Auctioneer continues to occupy the Debtor's Premises since the Receiver's obligations in connection therewith only apply to the Liquidation Period; and/or (c) upon the Auctioneer's delivery to the Receiver of a bill of sale or other document of conveyance in connection with the sale by the Receiver to the Auctioneer of any of the previously unsold Assets ("**Bill Of Sale**"), the Receiver shall execute and deliver to the Auctioneer the Bill Of Sale, thereby transferring title to the subject Assets to the Auctioneer. Following the execution and delivery of the Bill Of Sale, if applicable, the Auctioneer shall remove from the Debtor's Premises, at the Auctioneer's expense unless the Auctioneer and the Receiver mutually agree to the contrary, all of the previously unsold Assets that are described in the Bill Of Sale, within thirty (30) calendar days following the Receiver's execution and delivery to the Auctioneer of the Bill Of Sale. The form of the Bill Of Sale shall be agreed to between the Receiver and Auctioneer, acting reasonably. The Bill Of Sale shall be for nominal consideration. Nevertheless, the Auctioneer shall report to the Receiver on any subsequent sale of such Assets and the provisions of section 2.5 shall apply to the proceeds subsequently generated from the sale of such Assets; provided, however, that the Auctioneer shall be entitled to deduct from such sale proceeds the amount of any reasonable relocation and storage expenses incurred by the Auctioneer in connection with the removal of any previously unsold Assets from the Debtor's Premises. Should the Auctioneer elect to terminate this Agreement and not desire to sell any of such unsold Assets the Auctioneer shall arrange for disposal of such unsold Assets and shall report on such disposal to the Receiver.

2.18 Movement of Assets

The Auctioneer shall not remove any Assets from the Debtor's Premises prior to sale without the prior written consent of the Receiver, which consent shall not be unreasonably

withheld. The Auctioneer agrees to indemnify, defend and hold the Indemnified Parties harmless from and against any losses, damages, costs or claims caused by or resulting from the removal or transportation of the Assets. The Auctioneer shall be responsible for the costs of any such move, including without limitation, any insurance, permit or licence costs.

SECTION 3 – REPRESENTATIONS AND WARRANTIES

3.1 Representation and Warranty of the Receiver

The Receiver represents and warrants to the Auctioneer that it has been duly appointed as the receiver and manager of the property, Assets and undertaking of the Debtor pursuant to the Receivership Order and, subject to the granting of the Authorization and Approval Order, will have the right to enter into and carry out its obligations under this Agreement.

3.2 Representation and Warranty of the Auctioneer

The Auctioneer represents and warrants to the Receiver that it has full right, power and authority to enter into and carry out its obligations under this Agreement and this Agreement has been duly and validly authorized, executed and delivered by the Auctioneer.

SECTION 4 – CONDITIONS

4.1 Mutual Conditions

The obligations of the Receiver and the Auctioneer are subject to the conditions that:

- (a) prior to the commencement of the Liquidation Period, a final, non-appealable order in form and substance acceptable to the Receiver and the Auctioneer each acting reasonably, shall have been made by the Court authorizing the Receiver to enter into this Agreement, and approving this Agreement and the Transaction (the “**Authorization and Approval Order**”); and
- (b) as at the commencement of the Liquidation Period, the Authorization and Approval Order shall not have been stayed, varied or vacated, and no order shall have been issued and no action or proceeding shall be pending to restrain or prohibit the completion of the Transaction.

If the conditions set out above are not satisfied by the time provided therefore (or have not been waived by the Receiver and the Auctioneer as applicable), then this Agreement shall be terminated without any penalty or liability whatsoever to the Receiver or the Auctioneer, other than the return of the Advance by the Receiver to the Auctioneer, but without cost or other compensation.

SECTION 5 – GENERAL

5.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipient as follows:

in the case of the Receiver:

Zeifinan Partners Inc.
1 Toronto Street, Suite 910
Toronto, Ontario
M5C 2V6

Attention: Allan Rutman
Telephone No.: 416.861.1487
Facsimile No.: 416.256.4001
Email: arutman@zeifmans.ca

with a copy to:

Heenan Blaikie LLP
2900 Bay Adelaide Centre
333 Bay Street
Toronto, Ontario
M5H 2T4

Attention: Kenneth D. Kraft
Telephone No: 416.643.6822
Facsimile No.: 416.360.8425
Email: kkraft@heenan.ca

in the case of the Auctioneer:

GoIndustry DoveBid Canada Ltd.
GoIndustry USA, Inc. and
Asset Engineering Corporation
11425 Cronhill Drive, Suite A
Owings Mills, Maryland 21117

Attention: David S. Fox
Telephone No.: (410) 654-7500
Facsimile No.: (410) 654-5876
Email: David.Fox@go-dove.com

With a copy to:

Gebhardt & Smith LLP
One South Street, Suite 2200
Baltimore, Maryland 21202

Attention: Brian M. Sheahan, Esq.
Telephone No.: (410) 385-5075
Facsimile No.: (410) 385-5119
Email: Coach@gebsmith.com

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication shall be conclusively deemed to have been given, if given by personal delivery, on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if transmitted during normal business hours of the recipient on a Business Day and on the Business Day following the transmittal thereof if not so transmitted.

5.2 Arbitration

If any dispute arises under this Agreement, such dispute may be determined, at the parties' option, by an arbitrator mutually acceptable to the parties. If the parties fail to agree on an arbitrator, either may, after such party has notified the other of such failure to agree, give notice to the other party that it wishes to submit the dispute to arbitration by a single arbitrator in accordance with the *Arbitration Act, 1991* of Ontario (the "Act"). The name of the arbitrator shall be proposed in such notice and if the other party is not agreeable to the proposed arbitrator, section 10 of the Act shall be applicable. The decision of the arbitrator which shall be final and binding on the parties, shall be made as soon as possible following his appointment. The fees and expenses of the arbitration shall be borne equally by the parties. In the event of a dispute in respect of the Auctioneer's obligations pursuant to section 2.8 of this Agreement, a consulting engineer selected by both the Auctioneer and the Receiver shall conduct an inspection of the condition of the Debtor's Premises as it relates to the matter(s) in dispute and shall provide the Auctioneer and Receiver with a report addressing the dispute(s) in question, including a written estimate of any costs required to rectify any damage or deficiencies identified by the inspection. The Receiver shall be entitled to pay from the Holdback Amount any costs determined to be payable by the Auctioneer hereunder with the balance of the Holdback Amount, if any, payable to the Auctioneer.

5.3 Time of Essence

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Receiver and the Auctioneer or by their respective solicitors.

5.4 Currency

All references herein to money amounts are in CAD currency unless expressly noted to the contrary with respect to the following which shall be in USD currency: (a) the currency that

shall be paid by the purchasers of the Assets; and (b) the amount of the Auctioneer's public liability insurance policy.

5.5 Agreement Costs

The parties agree to bear their own respective legal and other expenses for preparing, negotiating and executing this Agreement and any related documents.

5.6 Further Assurances

Each party shall, at the other party's expense, from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may, either before or after the Transaction, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

5.7 Obligations to Survive

The obligations, representations and warranties of the parties hereto shall survive the completion of the Transaction.

5.8 Entire Agreement

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations and understandings. No amendment of this Agreement shall be binding unless in writing and signed by the parties. No waiver by a party of any breach of this Agreement shall take effect or be binding upon the party unless it is in writing and signed by the party and, unless otherwise expressly stated therein, any such waiver shall be limited to the specific breach waived.

5.9 Governing Law

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

5.10 Benefit of Agreement

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that the Auctioneer shall not assign the benefit of this Agreement without the prior written consent of the Receiver.

5.11 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable

provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provisions validity or enforceability in any other jurisdiction.

5.12 Capacity

Zeifman Partners Inc. is acting solely in its capacity as Receiver and Manager of the Debtor and shall have no corporate or personal liability under this Agreement or for any other matter whatsoever relating to the Transaction.

5.13 Agency Relationship

The Auctioneer acknowledges that it will not hold itself out as agent of the Receiver except as specifically provided for in this Agreement and that the Auctioneer's authority as agent for the Receiver is limited to the powers specifically provided for in this Agreement.

5.14 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

5.15 Facsimile Execution

Receipt by facsimile transmission of an executed copy of this Agreement will be deemed to be receipt of an original.

[SIGNATURE PAGE FOLLOWS]

The parties have executed this Agreement.

ZEIFMAN PARTNERS INC., in its capacity as Receiver and Manager of the property, assets and undertaking of Orchid International Ontario Division Inc. and not in its personal capacity

By: _____

Name: *ALEX RUTMAN*

Title: *MANAGING DIRECTOR*

GoIndustry DoveBid Canada Ltd.

By: _____

Name:

Title:

GoIndustry USA, Inc.

By: _____

Name:

Title:

Asset Engineering Corporation

By: _____

Name:

Title:

The parties have executed this Agreement.

ZEIFMAN PARTNERS INC., in its capacity as Receiver and Manager of the property, assets and undertaking of Orchid International Ontario Division Inc. and not in its personal capacity

By: _____

Name:

Title:

GoIndustry DoveBid Canada Ltd.

By: 

Name: David S. F.

Title:

GoIndustry USA, Inc.

By: 

Name: David S. F.

Title: SVP

Asset Engineering Corporation

By: _____

Name:

Title:

The parties have executed this Agreement.

ZEIFMAN PARTNERS INC., in its capacity
as Receiver and Manager of the property, assets
and undertaking of Orchid International Ontario
Division Inc. and not in its personal capacity

By: _____

Name:

Title:

GoIndustry DoveBid Canada Ltd.

By: _____

Name:

Title:

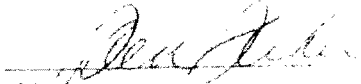
GoIndustry USA, Inc.

By: _____

Name:

Title:

Asset Engineering Corporation

By: 

Name:

Title:

Glen Stoner

Schedule 1.1(6) – Assets

The defined term “Assets” means, collectively, all of the machinery, equipment, office equipment, office furniture and other personal property that are located on the Debtor’s Premises as of the effective date of this Agreement (excluding the Excluded Assets), including but not limited to the following:

- (a) all Lista type cabinets (and the contents thereof) and work benches;
- (b) all stores, inventory and parts;
- (c) all maintenance supplies and parts;
- (d) all solid panel and wire mesh panel stacking parts and bins located both inside and outside the Debtor’s Premises;
- (e) all computers and related equipment;
- (f) all telephone systems and handsets;
- (g) all office furnishings;
- (h) all perishable tooling, machine tool accessories, brake dies, inspection materials and equipment, and both hand and power tools;
- (i) all machinery and equipment not previously indicated as “to be removed” or “property of others”; and
- (j) those other items more fully described on the schedule of assets which is attached hereto and made a part hereof.

[List of Assets to be attached.]

Orchid International Ontario Division Inc.
Listing of Fixed Assets

Asset Class	Asset ID	Asset Description	Year - Make	Model	Serial ID	
Assembly						
1	1	222	Vibrating Screen Sep. w/sound Encl.	Orlick	OR-5026	
1	1	230	Spiratron vibrator w/timer	Spiratron	1282	
3	1	233	Washer Application machine	Almec	86-9-303	
4	1	239	P&B Rivet Selling Mach		7002	
5	1	263	Spec. threading Machine (topper?)	Brandt-Man Ltd	693116(29099)	
6	1	28	Tapping M/C W/commander Multitap	Walker Turner	11-2039	
7	1	46	NCR Hand Wire Bender	N/A		
8	1	760	Tog-L-Loc Machine	BTM	PA 150	
9	1	896	Rivet machine	Chicago Rivet	213	
10	1	911	Pierce Nut Machine	HNH Machine	6830	
11	1	97	Press/Inserter	Haeger	566	
12	1	242	P&B Rivet-Selling-Mach			
Brake Press						
13	2	129	10FL 50 ton Brake 810-C. PRESS BRAKE, MECHANICAL TYPE, 50 TO 75-TON X 10-GUAGE CAPACITY, 10' BED AND RAM, HURCO AUTOBEND BACK GAUGE	Chicago	810-C	139944
14	2	13	Brake CNC Forming Center CNC AUTOFORM PRESS BRAKE, HYDRAULIC TYPE, 135-TON CAPACITY, 8"STROKE, 10' BED AND RAM, SHADOW SAFETY LITE CURTAINS, AUTOFORM CONTROL	Cincinnati	135AFX BFT	45646
15	2	27	10 ft 150 ton Brake PRESS BRAKE, MECHANICAL TYPE, 225-TON CAPACITY, 10' BED AND RAM, 3" STROKE	Cincinnati	9	33136
16	2	203	10" Shear-10 Ga. Cap -SQUARING SHEAR, MECHANICAL TYPE, 1/4" X 10" CAPACITY, FRONT OPERATED BACK GAUGE, SQUARING ARM, STOCK SUPPORTS	Cincinnati	1010	25228
17	2	222	10-60 Ton Brake-10 Ga. PRESS BRAKE, MECHANICAL TYPE, 60-TON X 10-GUAGE CAPACITY, 10' BED AND RAM, CNC 99- BACK GAUGE, POWER RAM ADJUSTMENT, PALM BUTTON CONTROLS	Chicago	810-C	NO PLATE
18	2	225	10R-60-Ton Brake 10GA. PRESS BRAKE, MECHANICAL TYPE, 60-70-TON CAPACITY, 10' BED AND RAM	Chicago	810-C	1-12221
19	2	78	10ft. Shear x 1/4 Thick Cap	Cincinnati	1810	17K35
Heavy Press						
20	2	1007	Feed line to N800 Press			
21	3	VARIOUS	23 CONVEYORS (ALL CONVEYORS ON ASSET LIST)			
22	3	282A	Mecon industries model 150BTJ30 uncoiler, 15,000-lb capacity, w/model CC150 coil car, 15,000-lb capacity	Mecon	150BTJ30/CC150	207/2048 01-108
23	3	282B	Mecon Industries model 45TR-CB stock straightener, 0.220" x 30" capacity, w/pneumatic lift stock table	Mecon	45TR-CB	123
24	3	284	Mecon Industries model 575F30 servo feed, 30" capacity, w/Inframat operator control console;	Mecon	575F30	1030
25	3	289	Mecon Electric Feeder	Mecon	F304	1017
26	3	410	PUNCH PRESS, STRAIGHT SIDE, DOUBLE CRANK, 600-TON CAPACITY, 18" STROKE, 36" SHUT HEIGHT, 10" ADJUSTMENT, 20 TO 40-STROKES PER MINUTE, 120" LEFT TO RIGHT X 72" FRONT TO BACK BED, SIDE WINDOWS 60"x34", AIR CLUTCH, AIR CUSHION, SHADOW SAFETY LITE CURTAINS, WINTRISS AUTO SET 1504 CONTROL, OPERATOR CONTROL CONSOLE SET UP.	1996 - Blow	SC2-600-120-72	SDG-600-393-56
27	3	411A/B/C/D	Coil Car 25,000 lbs / Decoiler / Straightener/60" Wide x 1/4" Material Thickness Feeder	Mecon	250CC/25UBTJ60/575F60-1/4STR60	2493-137/209602/1044/51R142
28	3	415	Punch Press , straight side, double crank, 800-ton capacity, 18"stroke, 46" shut height 10" adjustment, 120" left to right x 72" front to back bed, 15 to 30-strokes per minute, side windows 44"x28", air clutch, air cushion, wintriss SMARTPAC 2 control set up, shadow safety light curtains.	1986 - Verson	54-80C-120-72T	28421
29	3	416A/B/C/D	43" Wide x 1/4" Material Thickness Digital Roll Feeder / Power Straightener / 20,000 lbs Coil Reel / Threading Table	COE	CPRF-542/CPP5-PD-400-42-7/CPR-FQ-20042/CPTT-1842	GO41998A/B/C/D
30	3	42	300lb Holst Air Feed			1268K83
31	3	421	Threading Table 12ft.			5
32	3	422	Threading Table 12ft.			6
33	3	423	Threading Table 12ft.			12
34	3	VARIOUS	15 LUBES PRAYERS			
35	3	43	Metric Scale-Digital	Weigh Tronix		193944
36	3	44	12000lb. Digital Scale	Weigh Tronix	PC-820	151104
37	3	521	Lift Platform			11234
38	2	913	Butt Welder	Kent Corporation		7787/BRE-WPR-2
39	2	915	Butt Welder	Kent Corporation	10-135-PMM	7003/BRE-WPR-4
40	2	916	Butt Welder	Kent Corporation		7003/BRE-WPR-5
41	3	946	PUNCH PRESS, STRAIGHT SIDE, DOUBLE CRANK, 400-TON CAPACITY, 12 STROKE, 24" SHUT HEIGHT, 10" ADJUSTMENT, 20 TO 50-STROKES PER MINUTE, 108" LEFT TO RIGHT X 54" FRONT TO BACK BED, SIDE WINDOWS 38"x25", AIR CLUTCH, AIR CUSHION, SHADOW SAFETY LITE CURTAINS, WINTRISS SMARTPAC 2 CONTROL, OPERATOR CONTROL CONSOLE SET UP.	2003 - Blow	SC2-400-108-54	SDG-400-573-03
42	3	949	Kent Model 10-135 Coil End Butt Welder w/Lincoln TIG 175 Pro Power Supply	Kent Corporation	10-135 PM4	70116PRE WPP6
43	3	950	Die Mover for 2x Camslide Press	Hydraulic	HDH34048-4WSP	48833
44	3	951	PUNCH PRESS, STRAIGHT SIDE, DOUBLE CRANK, 600-TON CAPACITY, 18" STROKE, 36" SHUT HEIGHT, 12" ADJUSTMENT, 15 TO 42-STROKES PER MINUTE, 160" LEFT TO RIGHT X 60" FRONT TO BACK BED, WINDOWS 72" X FULL, AIR CLUTCH, AIR CUSHION, SHADOW SAFETY LITE CURTAINS, WINTRISS SMARTPAC 2 CONTROL, OPERATOR CONTROL CONSOLE SET UP.	2003 - PTC	CL2-600-16060	03-137-N48
45	3	954	BARRIE WELDING UNCOILER, 15,000-LB CAPACITY, W/ COIL CAR	2003 - Barrie Welding		N/A
46	3	953	BARRIE WELDING STOCK STRAIGHTENER, 36" CAPACITY	2003 - Barrie Welding		96744
47	3	952	BARRIE WELDING SERVO FEEDER, 36" CAPACITY, 36" X 3/16" MATERIAL THICKNESS	2003 - Barrie Welding		F60-93840
48	3	856	(4) KENT MODEL 10-135-PMA-BUTT WELDER, 6/N 70116, W/ LINCOLN TIG 175 PRO POWER SUPPLY	Kent Corporation		6/N 70116
Link Press						

Asset Class	Asset ID	Asset Description	Year - Make	Model	Serial ID	
49	4	900	PUNCH PRESS, STRAIGHT SIDE, DOUBLE CRANK, 800-TON CAPACITY, 12" STROKE, 36" SHUT HEIGHT, 8" ADJUSTMENT, 15 TO 45-STROKES PER MINUTE, 206" LEFT TO RIGHT X 48" FRONT TO BACK BED, WINDOWS 55" X FULL, AIR CLUTCH, AIR CUSHION, SAFETY LITE CURTAINS, WINTRISS SMARTPAC 2 CONTROL, OPERATOR CONTROL CONSOLE SET UP.	2000 - PTC	BL2-800-206-48	00-094-P20
50	4	902	MECON INDUSTRIES MODEL D1000M24 DUAL ARM UNCOILER, 2 x 10,000-LB CAPACITY.	Mecon	D1000M24	2587-29
51	4	901	MECON INDUSTRIES MODEL 400FSR18" X 3/16" SERVO FEED, 18" CAPACITY, W/ INDRAMAT OPERATOR CONTROL CONSOLE	Mecon	400FSR18	2644-16R
52	4	903	(1) MECON INDUSTRIES MODEL D1000M24 DUAL ARM UNCOILER, 5/N-2587-29, 2 x 10,000-LB CAPACITY	Mecon	D1000M24	2587-29
53	4	903	KENT BUTT WELDER, W/ LINCOLN POWER SUPPLY.	Kent Corporation	10-135-PMM	7754/RRE-WPR-1
54	4	918	PUNCH PRESS, STRAIGHT SIDE, DOUBLE CRANK, 800-TON CAPACITY, 24" STROKE, 48" SHUT HEIGHT, 12" ADJUSTMENT, 10 TO 30-STROKES PER MINUTE, 168" LEFT TO RIGHT X 72" FRONT TO BACK BED, WINDOWS 80" X FULL, AIR CLUTCH, AIR CUSHION, SAFETY LITE CURTAINS, WINTRISS SMARTPAC 2 CONTROL, OPERATOR CONTROL CONSOLE SET UP.	2002 - PTC	CL4-800-16872	02-120-P25
55	4	921	BARRIE WELDING UNCOILER, 60" x 20,000-LB CAPACITY, W/ COIL CAR.	Barrie Welding		77-106-03
56	4	920	BARRIE WELDING STOCK STRAIGHTENER, 60" CAPACITY.	Barrie Welding		77-106-02
57	4	919	BARRIE WELDING SERVO FEED, 60" X 1/4" CAPACITY, W/ CONTROL PNEUMATIC LIFT STOCK TABLE	Barrie Welding		77-106-01
56	4	923	PUNCH PRESS, STRAIGHT SIDE, DOUBLE CRANK, 800-TON CAPACITY, 12" STROKE, 36" SHUT HEIGHT, 8" ADJUSTMENT, 15 TO 45-STROKES PER MINUTE, 206" LEFT TO RIGHT X 48" FRONT TO BACK BED, WINDOWS 56" X FULL, AIR CLUTCH, AIR CUSHION, SAFETY LITE CURTAINS, WINTRISS SMARTPAC 2 CONTROL, OPERATOR CONTROL CONSOLE SET UP.	2002 - PTC	BL2-800-20648	02-122-P26
57	4	926	BARRIE WELDING DUAL ARM UNCOILER, 24" x 3/16" 10,000-LB CAPACITY, W/ CONTROL.	2002 - Barrie Welding	N/A	81110-02/82678-2
58	4	924	BARRIE WELDING SERVO FEED/STRAIGHTENER, 18" CAPACITY	2002 - Barrie Welding	N/A	82628-1
59	4	925	KENT BUTT WELDER, W/ LINCOLN POWER SUPPLY.	Kent Corporation	N/A	N/A
60	4	985	PUNCH PRESS, STRAIGHT SIDE, DOUBLE CRANK, 800-TON CAPACITY, 24" STROKE, 48" SHUT HEIGHT, 12" ADJUSTMENT, 10 TO 35-STROKES PER MINUTE, WINDOWS 80" X FULL HEIGHT (2) 204" LEFT TO RIGHT X 72" FRONT TO BACK ROLLING BOLSTERS, AIR CLUTCH, SAFETY LITE CURTAINS, WINTRISS SMARTPAC 2 CONTROL, ALLEN-BRADLEY MODEL PANEL VIEW	2005 - PTC	CL4-800-204-72	05-144-P30
61	4	990	600 MONITOR, OPERATOR CONTROL CONSOLE SET UP.	Mayfran		C05B-912
62	4	994	Scrap Shaker and conveyor			80YD
63	4	986	Threading Table 12ft.			
64	4	987	BARRIE WELDING MODEL 2005 SERVO FEED, 60" X 1/4" CAPACITY, W/ CONTROL	2005 - Barrie Welding	F60-600-06/2005	16970-02-05 / 17178
64	4	988	BARRIE WELDING MODEL 2005 STRAIGHTENER	2005 - Barrie Welding	560-06/2005	16930-01-05 / 18386
65	4	988	BARRIE WELDING MODEL U60-72-0612005 UNCOILER, 60" x 20,000-LB CAPACITY, W/ COIL CAR.	2005 - Barrie Welding	U60-20-72-06/2005	18200
66	4	922	Threading Table Press #918			
67	5	240	Light Press 80-Ton	Brown-Boggs	18LJA	70493
68	5	114	60 Ton punch press 3" str. 80-200spm Punch press, open back, Incluable, 3" stroke, 13.5" shut height, 3" adjustment, 80 to 200-strokes per minute, 32" left to right x 23" front to back bed, front tie bars, air clutch, palm button controls	Brown Boggs	17.5J	66380
69	5	116	110 Ton punch press with feeder Punch press, open back, Incluable, 6" stroke, 19" shut height, 3 1/2" adjustment, 35-strokes per minute, 42" left to right x 27.25" front to back bed, air clutch, possons safety harness	Brown Boggs	20LJ	66385
70	5	120	H-Frame 50 ton Press	Enerpac	DER20427	IPH 050 D06-2
71	5	148	Straightener .078 x 24 Cap	Li ttel	424HSPD	72908-63
72	5	149	Coil Reel 10M H Cap	Li ttel	90-30	7442-65
73	5	240	Brown Boggs 80 ton PP Punch press, open back, Incluable, 80-ton capacity, 36" left to right x 26.5" front to back bed, air clutch, air cushion, front tie bars, possons safety harness, palm button controls	Brown Boggs	18LJA	70493
74	5	259	100 Ton PUNCH PRESS, OPEN BACK, GAP FRAME, 6.0" STROKE, 2.9" ADJUSTMENT, 50 STROKES PER MINUTE, 41" LEFT TO RIGHT X 22" FRONT TO BACK BED, AIR CLUTCH, POSSONS SAFETY HARNESS	AIDA	PC-10.2 A-10	00110-1087 18399
75	5	260	Straightener - 1056 Thick Cap			
76	5	296	150 Ton Frame PUNCH PRESS, OPEN BACK, GAP FRAME, 150-TON CAPACITY, 48" LEFT TO RIGHT X 30" FRONT TO BACK BED, AIR CLUTCH, AIR CUSHION, SET UP.	Blow	NO-9-150-TON	9022
77	5	289	MECON INDUSTRIES MODEL F30PL SERVO FEED, 30" CAPACITY, W/ INDRAMAT OPERATOR CONTROL CONSOLE	Mecon	F30PL	1017
78	5	34	3000 lb Coil Cradle 48"	ROWE	3015-J	19032
79	5	36	3000 lb Coil Cradle 48" dia	ROWE	3015-J	18740
80	5	413	Feeder 24" (press #409)	Mecon	400F241HD	3027
81	5	48	Manual Hand Op. Punch	DIARCO		1-1305
82	5	49	Manual Hand Op. NOTCHER	DIARCO		4079
83	5	75	3000lb. Coil Reel	Square D Company	N/A	N/A
84	5	761	Coil Reel 1000lb. Cap 38" dia		N/A	N/A
85	5	8	80 ton Punch Press Punch press, open back, Incluable, 6" stroke, 12 1/4" shut height, 3 1/4" adjustment, 75 strokes per minute, 36" left to right x 26.5" front to back bed, air clutch, possons safety harness, palm button controls	Brown Boggs	18LJA	12895
86	5	81	40 Ton Punch Press OB1	Brown Boggs	15LW	67215
87	5	326	40 Ton Punch Press	Brown Boggs	15LW	69317

Medium Press

Asset Class	Asset ID	Asset Description	Year - Make	Model	Serial ID
88	6	350	1989 - Blow	SC2-400-84-48	SDG-400-269-89
89	6	300	Blow	SD-48-84	SDG-300-198-81
90	6	301	ROWE	C3-20	24887
91	6	302	Liitel	90-30	76212-68
92	6	290	1988 - Blow	SC2-300-84-48	SDG-300-263-88
93	6	291A/B	Mecon	N/A	6X8.5
94	6	291C/D	Mecon	N/A	N/A
95	6	291E	Mecon	F30PL	1014
96	6	355	1988 - Bliss	SC2-400	A-100
97	6	356D	Mecon	575F30-1	1040
98	6	356B/A	Mecon	150BTJ/150CC30	1509403/2499-122
99	6	356C	Mecon	4STR-30CB	STR-12B
100	6	400	1980 - Bliss	SC2-400	DP9075
101	6	424	Mecon	F30PL	1007
102	6	283A	Mecon	150BTJ30/CC150	208/2048-01-109
103	6	283B	Mecon	4STRCB	STR124
104	6	403	1983 - CCJ	SC2-400-4884	SC2-400-007-83
105	6	404	ROWE	C3-30	24911
106	6	405	ROWE	10030-DSJ	24910
107	6	406			1724
108	6	407D/A	Mecon	575F30-1/150CC30	1039/2499-123
109	6	407B	Mecon	150 BTJ	1509402
110	6	407C	Mecon	4STR30CB	STR129
111	6	408	1984 - Blow	SD-20-72	SDG-200-22184
112	6	516	Genie	GL-12	58924169
113	6	408	Blow		
114	6	204	ROWE	8020-5	19280
Robotic Weld					
115	8	225/226	ABB	S-72168 IRB 1400M94A	1400-2405
116	8	964	MOTOMAN	ES-165	RH9340-3044-2
117	8	1022	ABB	IRB-6000-M93	1RB6000-5890
118	8	1023	ABB	ABB S-721-68	24-22544
119	8	1913	ROBOTRON	Turn Table Welder	2183
General Welding					
120	9	101A	Delta Weld	450	Miller
121	9	101B	Delta Weld	450	Miller
122	9	103	Precision	AVA-2	835011-1
123	9	104	Precision	AVA-2	835011-3
124	9	119	Linde	VI-253	879C16179
125	9	124	Linde	VI-253/575	879C16356
126	9	224	Precision	AVA-1	265289
127	9	25	Precision	FRA-1	565105
128	9	304	Lincoln	DC-250	TAM3391
129	9	320A	Taylor Winfield	ENC Style #1	FHE5526
130	9	321	Precision	FRA-1	365625
131	9	323	Taylor Winfield	ENG-12-100	681000
132	9	325	Precision	AVA-2	835011-2
133	9	344	Precision	AVA-2	885004-1
134	9	345	Precision	AVA-2	885004-2
135	9	346	CENTERLINE	DIA 10886	92051
136	9	347	CENTERLINE	DIA 41210A1	97545
137	9	349	CENTERLINE	DIA 108930-01	92057
138	9	354	CENTERLINE	DIA 102005	95367
139	9	358	CENTERLINE	DAI 12116	912431134
140	9	372	Symtron	LD-4	2301
141	9	38	Weidematic	AFRL-3	2103
142	9	412	WELTRONIC	52HX	C5340

Asset Class	Asset ID	Asset Description	Year - Make	Model	Serial ID	
143	9	864	Two Gun Spot Welder	CENTERLINE	DIA 410210B1	98649
144	9	90	20 KVA Spot welder	Precision	FRA-1	665193
145	9	936	Mist Collector & Duct Work	TRINCO	RDCB50	59134-3
146	9	937	RSL Tooling W0302		Dedicated	3106
147	9	943	2x Push-Out Tester (welder)	Albert's Spot Welding		
148	9	979	2x Nut Feeders GMT 30S	Syntron 32304 & 3204	EB122A EB132A	
149	9	995	Power Plasma Cutter - ESAB 2005-20	ESAB	Power Cut 1125	PF-J514066
150	9	353	Turn Table Welder	CENTERLINE	DIA 11228	93136
151	9	111	Arc Welder (Red Portable)	Mimico ACDC 250 HF	250 MF	KA789694
152	9	842	Square Wave Tig 255	Lincoln	IEC974	10023-01970710428
153	9	1011	Neff Press	ATC	59164-98	10799
154	9	1012	Neff Press	ATC	59164-98	10815
155	9	1010	Orchid Air/Oil Press	Orchid		
156	9	1013	Orchid Air/Oil Press	Orchid		
Material Handling						
157	10	702	Forklift Truck	HYSTER 50	550XM	D187V064400
158	10	703	Forklift Truck	Toyota LP	5FGCL5	12068
159	10	705	Forklift Truck 8,000 lb	HYSTER	S808	B4T18521
160	10	706	Forklift Truck 10Mlb Cap	HYSTER	S100E	C4T1974E
161	10	707	Lift Truck 10M lb. Cap 26,000	Silent Hoist	FKS-13	20748
162	10	710	Forklift Truck 10,000 lb	Toyota LP	FGCA5	17563
163	10	various	39 X Hand Pallet Trucks	BT Lift		
164	10	858	Electric Reach Truck 36 volt	Raymond	E651	FZA-9809252
165	10	various	42 x box Tilters 4,000 lb capacity	Econolift	TR40	
166	10	870	Racking System - Shipping			
167	10	871	Forklift Truck 5,000 lb Capacity	Toyota 25	42-6FGCV25	74819
168	10	891	Forklift Truck 12,000 lb Capacity	HYSTER 120	S120XL2	0004007652W
169	10	978	High-Lift Truck	Raymond	740-R46TT	740-04-3301415
170	10	996	Forklift Truck 15,000 lb	HYSTER 155	S155XL2	C024V02731C
171	10	992	26 Volt Battery-GN84060-GNB	Tubular-HP	GN84060	M28018140138
172	10	999	Forklift Truck 5,000 lb	Toyota 25	7FGCD25	84398
173	10	950	Forklift Truck 5,000 lb	HYSTER 50	550XM	D187V28815A
174	10	930	Forklift Truck 5,000 lb	HYSTER 50	550XM	D187V24688Z
175	10	1014	Forklift Truck 5,000 lb	Toyota 25	42-6FGCU25	78954
176	10		1995 Mond FRP Trailer	Tandem Axle	Fiberglass Body/Steel Frame/Alum Sideralls/48 ft/102" Insider width	Solid Oak Floors
177	10		2004 Sterling AT 950D Tractor - 534,000 km	Heavy Duty	430 Detroit Engine/13 Speed Fiberglass Body/Steel Frame/Alum Sideralls/48 ft/102" Insider width	Full Tandem/ Class B/Day Cab
178	10		2003 Durabody Trailer	Tri Axle	Work Truck	Solid Oak Floors
179	10		2004 Chevy 1/2 Ton Pickup - 118,000 km	FWD 6.0L Regular Cab		
Tool Room						
180	11	1020	CNC Measurement machine	BROWN & SHARPE	Global Status	2005-17
181	11	102	Vertical Power Mill Digital	Power Mill KONDIA	FV-1	5982
182	11	110	Milling Machine w/digital x-y	Exello	602	6021830
183	11	111	TIG Welder 250 HF	Mimico	AGDC 250 HF	KA789694
184	11	112	TIG Welder 250 HF	Proline	Proline 250HF	JKS97430
185	11	117	510 Surface Grinder	BROWN & SHARPE		523-510-1335
186	11	125	Vert. Tu. Mill Machine	Power Mill KONDIA	FV-1	Q836
187	11	143	Surface Grinder	Norton		NAH-1840
188	11	153	1500 lb Cap Manual Die Lifter-battery	Facer		2930
189	11	176	Cold Sawing M/C	KS Fraser		18857
190	11	197	Manual Electronic Die Lifter 1500	Hi-LO	HFF 67	581106
191	11	198	Manual Pump Die Lifter	Rockwell		3114
192	11	202	Drill Press w/single tap Delco 375	Exello	G2359	60211957
193	11	209	Ram Turret Milling M/C	IMA	602	12278
194	11	210	Drill Press 575 Volts	Q Panel	QGR	8509-442
195	11	214	QGR Gravelometer Adh. Tester	Rosa	RTRC1000	8410705
196	11	218	Surface Grinder (SMTS) - Wet	Rush	1HS25	H8511261
197	11	219	Horizontal Band saw (Italian)	IMA	1G30-8	13004
198	11	223	Drill Press (M.A. Vind. Lavce Ltd.)			
199	11	329	Die Lifter - Hand Cranked	Buffalo	16	3855
200	11	337	Buffalo Drill Press	Rolln		4686649
201	11	359	All Purpose Band saw	Rockwell		3205
202	11	361	German Cold Saw (Tubing)	United	DH20	488408
203	11	369	1/3 HP Electric Bench Grinder	Wilson	3JR	10380
204	11	508	Speedy Tester	MARUYAMA	R241	
205	11	505	Hardness Tester			
206	11	609	624 Measuring Mach-w/computer			
207	11	81	2-ft. Bench Bender	Rock of Ages		5030-80-293
208	11	510	Surface Plate 3813lb 72 x 48	Kraut Kramer Branson	CL204	143501
209	11	511	Ultrasonic Thickness Gage	MFO		4050389
210	11	515	Meas. Mach.	Deltronic	Image Master	
211	11	517	Image master (shadowgraph)	SH	Master View	661-9468
212	11	622	Master View optical comparator	Acadlan		3
213	11	54	Band saw	DDALE		6166
214	11	65	Band saw	INSTRON	6568	6668
215	11	600	6568 Universal Tester	Munch		2719
216	11	603	10 Ton Crane	Munch		2723
217	11	604	10 Ton Crane	Norton		5034NAH493
218	11	61	Surface Grinder	Exello	602	6024688
219	11	64	Milling Machine	BROWN & SHARPE	618 Master	523-45-159
220	11	68	Master Surface & Grinder	CB	R250-200	149
221	11	70	Radial Drill	TOS		40723
222	11	72	Milling Machine (Czech) OLOMUC	Delta	EM-23-105	105H
223	11	73	Triple Duty Grinder (Floor Stand)	MAZAK	21	15779
224	11	794	Lathe 21" Swing 80 L/8 Centre Tampron	MEUSER		39833
225	11	795	Lathe 14" Swing 48" Centre Germ	Gorton	9-J	38950
226	11	796	Mill & Duplicator Table Feed	PBR	AF-110-CNC	152248
227	11	80	Bench Grinder Pedestal	Gorton	375-4	40099
228	11	801	Horiz Boring Mill	AVEY		33146-1
229	11	808	Cutter Grinder	Sarnpson	20mm Drill Press	9827
230	11	812	Drill Press size 2 type MGAG	Treat All	M-10188	102255
231	11	821	5" Ram Manual Hydr. Press			2251650
232	11	822	2/4 hp Drill Press	Singleton	#27	22-30549
233	11	826	Electric Hardening Furnace	Lincoln	Square-Tig 265	K1426-2
234	11	84	Wall Mt. Grinder 1/2 HP	Metek	MI-4681-1	9851007
235	11	841	Lab Freturbish New Salt Tank			X566398
236	11	842	TIG Welder			927100606
237	11	843	Accuforce 5DD Force Gauge	Check line	T1-25M	1541
238	11	85	Disc-sander table D.P	EMANOVRA		138446
239	11	854	GNB Battery charger	B&D		6929
240	11	858	Thickness Tester			
241	11	86	Radial Drill			
242	11	87	Magnetic Drill Press			

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Asset Class	Asset ID	Asset Description	Year - Make	Model	Serial ID
243	11 872	Surface Grinder	Chevallier	FSG-1632-AD	G3876006
244	11 874	10" Lathe	Microwellly	TY-2240	AA8710-006
245	11 88	Magnetic Drill Press	Portamag		1551 1370166
246	11 892	Vertical Band Saw	T-JAW	700D	9970161
247	11 893	Vertical Milling Machine	Power Mill KONDIA	FV-1	AB839
248	11 894	Portable Band Saw	ERMAIER	KM1012	K0096
249	11 895	Robotic Strap Welder #2	CENTERLINE	CK-45	99798
250	11 897	10 Ton Crane	KONECRANES		8668
251	11 9	10 Ton Crane	DEMAG		55017
252	11 912	Honing Machine	Sunken	MBB-1600	10417
253	11 93	Surface Grinder SJ	JAKOBSEN	SJ-16	16130-4-429
254	11 932	Surface Grinder	Chevallier	FSG-618M	A3914025
255	11 963	Sand Blast Unit			
256	11 966-67	Lab Humidity Cabinet-Oven	VWR Sheldon	1570FM + 90005	1202003 + 1100403
257	11 993	Tool room Crane Scale	Dillon	29286	70,000 LBS
258	11 522	OPTICAL COMPARATOR, 14" SCREEN, 4 1/2" x 19 1/2" WORK TABLE	SPI	MASTERVIEW	551-9408
259	11 1020	CNC COORDINATE MEASURING MACHINE, 43" x 111" DRILLED AND TAPPED GRANITE WORK TABLE, RENISHAW PH10M0 PROBE, DELL COMPUTER, W/ MONITOR AND KEYBOARD, JOYSTICK CONTROL, TRAVELS 33" x 30" x 92"	BROWN & SHARPE	STATUS	D605-6306
260	11 600	UNIVERSAL TENSILE TESTER	INSTRON	5568	2530114
261	11 505	DIGITAL HARDNESS TESTER	WILSON ROCKWELL	3JR	10380
262	11 509	CNC COORDINATE MEASURING MACHINE, 50" x 60" DRILLED AND TAPPED GRANITE WORK TABLE, RENISHAW MIH PROBE, DELL COMPUTER, W/ MONITOR AND KEYBOARD	MITUTOYO	B241	8404268
Building and General Items					
263	12 1000	Sub-Station compressor GA 90VSD	Atlas Copco	GA90VSD	186451-CP90
264	12 276	Hotbox			1000
265	12 287	Dirty buster Washer for Trucks	Magneto Hydraulc		
266	12 307	1/2 hp oil pump portable	Comp-air	Cyclone 6000	V9D30112
267	12 312	Rot. Scr. Air compressor	Comp-air	CRS100	L017-0485R
268	12 317	Compressor - Motor # PSB4A-5	Pioneer	R-1600A	16888R5
269	12 614	Refrigerant Dryer			250656
270	12 711	Life Platform	SkyJack	SJ4626	70629
271	12 835	SJ 11 Scissor Lift	Xerox 303D		11HE028265
272	12 836	Xerox Large Print Photocopier	Kronos	Universal Relay 4500	R02100603
273	12 839	Time Clock	Econolift	59282	83032
274	12 906	Station Dumper at Tapping Station	Carrier	30HL-060-C-110	1600F93905
275	12 91	60 Ton Water Chiller	Tennant	432	12065
276	12 917	Power Floor Scrubber w/Charger	Advance	5W700	11603222
277	12 1253	Floor Sweeper	Clark		190-5064
278	12 961	Floor Sweeper	Advance	Hydratretreuer 2800	1705324
279	12 337	Ride-On Floor Scrubber	Buffalo	18	1964
280	12 974	Drill Press	Honda	FB 11000 R EZGT1001130	
281	12 1251	Electricity Generator	Honda	EM6500 SXZ ECT 1004157	
282	12 1251	Electricity Generator			
Quality					
283	13 1-383	Ceramic Gauge Blocks Imperial	Mitutoyo	516-303	0401001
284	13 1-553	Ceramic Caliper Checker Imperial	Mitutoyo	515-565	0500012
285	13 1-495	12"/300mm digital height gauge	Mitutoyo	192-630	0111945
286	13 1-385	18"/450mm digital height gauge	Mitutoyo	192-631	9815280
287	13 1-389	Medical freezer goes to -30° C	Sanyo	MOF-135	70705081
288	13 1-097	To check penetrability of washers	Predison	Penetrometer	
289	13 1-551	Plasma cutter	Miller	Spectrum 375	LE407964
290	13 1-233	18"/450mm digital height gauge	Mitutoyo	192-606	9510613
291	13 1-555	600mm Dial Height Gauge	Mitutoyo	192-132	0514787
292	13 1-576	12"/300mm digital height gauge	Mitutoyo	192-630	0309958
293	13 1-573	12"/300mm digital height gauge	Mitutoyo	192-630	0511432
294	13 1-542	Force gauge	Chatillon	DF15 500	843592
295	13 1-437	Coating Thickness Tester	CMI	CGX-A/2	99331
296	13 1-478	Coating Thickness Tester	CMI	CMI 213	10821
297	13 1-877	Wall thickness gauge	Checkline	TL-007	4106
298	13 1-443	Portable CMM with stand model233	Faro	S08-02	508029901556
299	13 1-480	Data collection unit Temperature	Datapaq		
300	13 1-489	Digital Force gauge	Shimpo	FGE-50X	29202C007
301	13 1-402	60" Micro Glossmeter	BYK-Gardner	4501	870554
302	13 1-467	Ultrasonic Spot Weld Tester	Scanmaster	SWI-100	02011130
303	13 1-1204	Ductless Fume Hood	Air Scien Tech	Labhood 5 SP60	112
304	13 1-1200	Cut-off wheel	Buehler	95-C1700-160 Samplemet 2	598-S2C-00819
305	13 1-1201	Hydraulic mounting press	Buehler	20-1410-115 Simplemet 2	597-N2S-1399
306	13 1-1206	Mould assy for above	Buehler	20-223-115	
307	13 1-1202	Polishing wheel	Buehler	49-1750-160 Ecomet 3	597-E3G-04877
308	13 1-1203	Polishing Head for above	Buehler	60-1950-160 Ecomet 2	597-A2P-3635
309	13 1-1208	Specimen holder for above		60-2483	
310	13 1-1205	Stereomicroscope	Carl Zeiss	Stereomicroscope with accessories Stemi 2000C	
311	13 1-1207		Buehler	illuminating system for above 0723-0110	
312	13 1-1213	To be used on the microscope	Sony	DC50A colour camera	106433
313	13 1-1209	MIG-2B Multiplexer	Mitutoyo	982-547-10A	803-1226
314	13 1-1210	MIG Interface			803-1238
315	13 1-1211	MUX-10F Multiplexer	Mitutoyo	264-002A	4001524
316	13 1-1212	Measurelink software			
Added Items					
317	14 95	Surface Grinder 6x18	KoLee		5E618 27736
318	14 03	Band saw	Doall	1612-0	209-671-622
319	14 105	MigWelder	Miller		JC656877
320	14 243	Lathe (approx 60")	Voest/Austria	550 Volt 5.5 AMP5	DA2101 1.5
321	14	3 - HEAVY DUTY storage Racks			
322	14	28 - Medium Light Storage Racks			
323	14	4 - Fixture Racks			
324	14 67	200 PSI Compressor			
325	14 673	Turn Table Welder	ROBOTRON		
326	14 255	Riveter	Thompson		212
327	14 89	2 Gun Welder	Albert's Spot Welding		
328	14 1254	2000 lbs jib crane mast			
329	14 370	Robotic Welder	Miller	903288	5RD46249
330	14 873	Staking Machine			
331	14 1018	Hanging Spot Welder Gun Setup			
332	14 914	Air Compressor	Ingersol	2340LS	19616
333	14 05	MILLING MACHINE	OSO	FNK2	203400 361
334	14 567	SURFACE GRINDER	HARIG		
335	14 956	FILTER PUMP (PTC)	CUMMINS HYDRAULICS		

	Asset Class	Asset ID	Asset Description	Year - Make	Model	Serial ID
354	14	368	IDEAL ARC WELDER 250	LINCOLN	KL053	56497
355	14	1250	PORTABLE BAND SAW	BANDSAW	G5012	
356	14	258	ASSEMBLY MACHINE	CALMEC	20419	92-10(1556)
357	14	19	HARDNESS TESTER (H-504)	WILSON ROCKWELL		R5000P7479
358	14	1252	DRILL PRESS	KING CANADA	KC-18BPC	N/A
359	14	1255	AIR OVER OIL PRESS #6			
360	14	1256	AIR OVER OIL PRESS #7			
370	14	1257	NEFF PRESS (WELDER #3)			
371	14	1258	16" DRILL PRESS	CANADIAN	N/A	6730

Equipment Owned by Outside Sources

Qty	Owner	Description	Location(s)	Contact
4	Xerox	Multifunction Copiers	Multifunction Copiers – Main office. Under stair well, Upstairs accounting, Shipping/Receiving office	800-939-3769
1	Pathway Communications	Cisco Router	Server Room Upstairs (In Rack)	416-214-3769
2	Pathway Communications	Modems	Server Room Upstairs (In Rack)	416-214-3769
2	Orchid Mt. Juliet	Polycom Telephones	Server Room Upstairs (In Box)	
1	Orchid Mt. Juliet	Juniper SSG20 gateway	Server Room Upstairs (In Rack)	
1	Orchid Mt. Juliet	Juniper J2300	Server Room Upstairs (In Rack)	
1	Orchid Mt. Juliet	Linksys 5 port switch (small blue box)	Server Room Upstairs (In Rack)	
1	Orchid Mt. Juliet	Nortel Networks Contivity 100	Server Room Upstairs (On box of Telephones)	

Schedule 1.1(19) – Excluded Assets

[to be attached hereto]

HBdocs - 8269341v3

Orchid International Ontario Division Inc
Excluded Assets

- 1 All Lighting
- 2 All Heating, Exhaust, and Air Conditioning Units
- 3 All Overhead Doors and HandDoors
- 4 Substation (Outside)
- 5 All Buiding fixtures
- 6 Fire System
- 7 Security System
- 8 All Dock Lifters
- 9 All Hot Water Tanks
- 10 Overhead Crane Runways
- 11 All Fire Extinguishers
- 12 All Electrical Drop Cords
- 13 All Railings and Ladders
- 14 Leased Xerox Photocopiers & It Equipment owned by Outside Sources (Schedule Attached)
- 15 Outside Sprinkler System
- 16 Water Fountains
- 17 Gas and Propane Tanks
- 18 Superior Propane Filling Station
- 19 Hardware Racks (Fastenal)
- 20 Ceiling Fans
- 21 Scrap Bins (Property of Triple M)
- 22 Asset #322 Chicago 10 - 50 Ton Brake Press
- 23 Bins and Baskets owned by General Motors