

TAB 2

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

**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

**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;

- (c) 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

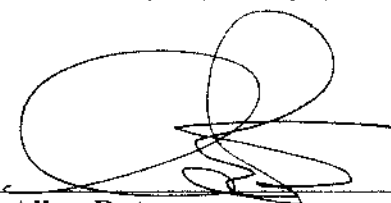
47. In light of the foregoing., the Receiver respectfully requests this Honourable Court to:
 - (a) authorize and direct the Receiver to enter into the Agreement of Purchase and Sale with Maple;

- (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

Schedule "A"

Court File No. 09-8522-0001

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 or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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 rant 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.

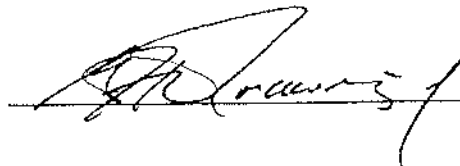
30. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver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

A handwritten signature in black ink, appearing to be "M. Lawrence", written over a horizontal line.

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

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

James H. Grout
Law Society No.: 22741H 1B
Tel: (416) 304-1616
Fax: (416) 304-1313

Solicitors for the Applicant

Schedule "B"

THIS LEASE, dated as of March 2, 2007, is made by the Landlord and Tenant named herein who, in consideration of the rents, covenants and agreements herein contained, agree as follows:

ARTICLE I BASIC TERMS, DEFINITIONS, INTERPRETATION

1.1 Summary of Basic Terms-

- | | | |
|-----|-----------------------------|---|
| (a) | Landlord: | FLORENCE & ROSA
REININGER HOLDINGS LIMITED
Address: 929 Southwind Court, Newmarket,
Ontario L3Y 6J1 |
| (b) | Tenant: | R. REININGER & SON LIMITED |
| (c) | Term: | 5 years commencing on the Rental Commencement Date and ending on the last day of February, 2012 |
| (d) | Rental Commencement Date: | March 2, 2007 |
| (e) | Minimum Rent (Section 4.1): | \$940,000 per annum |
| (f) | Special Provisions: | Schedule "B" |
| (g) | Use: | Manufacturing, assembly, warehouse and office uses but excluding the manufacturing of hazardous substances or any manufacturing that would result in a violation of the covenants in Section 7.3. |

The terms set out above are intended to be only a summary of certain basic terms of this Lease. In the event of any inconsistency between such terms and the terms hereinafter set out in this Lease, the latter shall govern.

1.2 Definitions

In this lease unless there is something in the subject matter or context inconsistent therewith:

(a) Accounting Period

"Accounting Period" means a calendar year or such other accounting period, not exceeding 16 months, as the Landlord may adopt from time to time for the Property;

(b) Applicable Laws

"Applicable Laws" means all statutes, laws, by-laws, regulations, ordinances, orders and requirements of governmental or other public authorities having jurisdiction, and all amendments thereto, at any time and from time to time in force;

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(c) Buildings

"Buildings" means all buildings, structures and improvements now or at any time and from time to time erected, constructed or situated upon the Demised Lands during the Term, including without limitation all:

- (i) interior climate control (including heating, ventilating and air-conditioning) systems, installations, equipment and facilities in or servicing the Buildings;
- (ii) all other systems, services, installations and facilities from time to time installed in or servicing the Buildings (or any portion thereof) including, but not limited to, any elevators and the following systems, services, installations and facilities: mechanical (including plumbing, sprinkler, drainage and sewage), electrical and other utilities, lighting, sprinkler, life safety (including fire prevention, communications, security and surveillance), if any, computer (including environmental, security and lighting control), if any, ice and snow melting, refuse removal, window washing, and music;
- (iii) all machinery, appliances, equipment, apparatus, components, computer software, if any, and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them; and
- (iv) all leasehold improvements in the Buildings;

all as may be altered, expanded, reduced or reconstructed from time to time and "Building" means any such building, structure or improvement;

(d) Change of Control

"Change of Control" means, in the case of any corporation or partnership, the transfer or issue by sale, assignment, subscription, transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any shares, voting rights or interest which would result in any change in the effective control of such corporation or partnership, unless such change occurs as a result of trading in the shares of a corporation listed on The Toronto Stock Exchange or Montreal Stock Exchange and then only so long as the Landlord receives assurances reasonably satisfactory to it that such change will not detrimentally affect the financial capacity of such corporation or the ability of such corporation to conduct business or unless such change occurs upon any spouse or children or grandchild or grandchildren of Grant Bibby or Steve Gruver or any combination of them directly or indirectly through a trust, partnership, corporation or any other entity having shares, voting rights or other interest in the Tenant or unless such change occurs because of any change in shareholdings among the existing shareholders or a third party investor provided that in all cases the de facto control of the Tenant remains with Grant Bibby or Steve Gruver or both of them.

(e) CPI

"CPI" means the Consumer Price Index (all items) for Ontario, published by Statistics Canada or its successor, adjusted for any change in base year, or, if Statistics Canada or its successor no longer publishes such index or is no

longer operated by the Government of Canada, or if the publication frequency or base reference period for the said Index is changed so that it can not be used to calculate any adjustment provided for in this Lease, such other price index as the Landlord may substitute acting reasonably and in the case of any such substitution the Landlord shall be entitled to make all necessary conversions for purposes of comparison;

(f) **Demised Lands**

"Demised Lands" means the land shown as such in Schedule "A" hereto;

(g) **Design Drawings**

"Design Drawings" means plans, including landscaping plans, specifications and other drawings for any Improvements to be constructed, situated or laid out upon the Demised Lands;

(h) **Expert**

"Expert" means any independent architect, engineer, chartered accountant, appraiser, quantity surveyor, or other professional consultant, in any case appointed by the Landlord and qualified to perform the function for which he or she is retained;

(i) **Freehold Mortgage**

"Freehold Mortgage" means any mortgage, charge or security instrument (including a deed of trust or mortgage securing bonds) and all extensions, modifications and renewals thereof which may now or hereafter affect the Landlord's interest in the Property or any part or parts thereof;

(j) **Freehold Mortgagee**

"Freehold Mortgagee" means the mortgagee, chargee or secured party or trustee for bondholders, as the case may be, who from time to time holds a Freehold Mortgage;

(k) **herein, hereof, hereby, hereunder, hereto, hereinafter**

"herein", "hereof", "hereby", "hereunder", "hereto", "hereinafter" and similar expressions refer to this Lease and not to any particular paragraph, section or other portion thereof, unless there is something in the subject matter or context inconsistent therewith;

(l) **"Impositions"**

"Impositions means collectively:

- (i) any increase over the base year of 2006 of all taxes, rates, duties, levies, fees, charges (including local improvement charges) and assessments whatsoever (in this Subsection (l) "realty taxes"), imposed, assessed, levied, rated, charged, or allocated against the Demised Lands or any part thereof from time to time by any lawful taxing authority whether school, municipal, regional, provincial, federal, or otherwise and any taxes or other amounts which are imposed in lieu of, or in addition to, any of the foregoing whether or not in existence at the commencement of the Term and whether of the foregoing character or not and any such taxes levied against the Landlord or any owner on account of its ownership of the Demised

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Lands or the rents payable to any such Person by tenants or other occupants of the Demised Lands, and including any such taxes imposed retroactively but relating to a period of time during the Term, but excluding taxes on the income or profits of the Landlord except to the extent they are levied in lieu of the foregoing;

- (ii) all taxes, rates, duties, levies, assessments, licence fees and charges whatsoever, whether municipal, parliamentary or otherwise, levied, imposed or assessed in respect of operations at, occupancy of, or conduct of business in or from the Demised Lands by the Tenant or any other permitted occupant, including, without limitation, business taxes levied or assessed pursuant to the Assessment Act (Ontario); and
- (iii) costs for electric light and power, fuel, water, telephone, steam, gas, sewage disposal and other utilities and services supplied to the Property;

If the Property is not separately assessed for realty taxes the Landlord, acting reasonably and equitably, may allocate an appropriate portion of realty taxes for all of the Land Holdings to the Property, taking into account the use of the Property and if the parties are unable to agree upon such allocation the same shall be determined by an Expert;

(m) Improvement or Improvements

"Improvement or Improvements" as required by the context, means all Buildings, landscaping, parking areas, driveways, lighting, fencing and all other improvements of any kind whatsoever now or at any time and from time to time constructed, situated or laid out upon the Demised Lands and including all site preparation work in regard to any of the foregoing;

(n) Land Holdings

"Land Holdings" means the whole property shown on Schedule A, including the Demised Lands, Service Corridor, and the Farmhouse Lands;

(o) Landlord

"Landlord" means Florence & Rosa Reininger Holdings Limited;

(p) Lease

"Lease" means this lease as it may be amended from time to time in accordance with the provisions hereof;

(q) Lease Year

"Lease Year" means, in the case of the first Lease Year, the period beginning on the Rental Commencement Date and ending on the last day of the 12th consecutive full month after the expiry of the calendar month in which the Rental Commencement Date occurs (except that if the Rental Commencement Date occurs on the first day of a calendar month, the first Lease Year shall end on the day prior to the first anniversary of the Rental Commencement Date) and, in the case of the second and each subsequent Lease Year, means consecutive periods each of 12 consecutive full months, with the second Lease Year commencing immediately after the first Lease Year;

(r) Municipal Agreements

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"Municipal Agreements" means collectively:

- (i) any and all agreements made pursuant to the Planning Act (Ontario) and any other similar or successor provisions,
- (ii) development, site plan, landscaping, sidewalk improvement, lane closing, road closing, building conservation, restoration or heritage agreements and
- (iii) any other agreements with The Corporation of the Town of Newmarket, the Region of York or others (including owners of other real estate projects) relating to the renovation, development, construction, or operation of the Land Holdings or any part thereof, in each case whether now or hereafter entered into and as the same may be amended from time to time;

(s) Person

"Person" according to the context, includes any person, corporation, firm, partnership or other legal entity, any group of persons, corporations, firms, partnerships or other legal entities, or any combination thereof;

(t) Prime

"Prime" means the annual rate of interest announced from time to time by the Landlord's bank (which shall be a Canadian chartered bank listed in Schedule I to the Bank Act designated by the Landlord from time to time) as the daily rate of interest used by such bank as a reference rate in setting rates of interest for commercial loans of Canadian dollars and commonly referred to by such bank as its Canadian "prime rate";

(u) Property

"Property" means the Demised Lands and the Improvements situate thereon from time to time;

(v) Rental Commencement Date

"Rental Commencement Date" means the date mentioned in Subsection 1.1 (d);

(w) Replacement Cost

"Replacement Cost" means the actual cost of replacing the Buildings, or any part thereof, as agreed by the Landlord and the Tenant or, failing such agreement, as determined by an Expert;

(x) Service Corridor

"Service Corridor" means the land so described in Schedule "A" hereto;

(y) Tenant

"Tenant" means the party named in Subsection 1.1 (b);

(z) Term

"Term" means the period specified in Section 2.1 as it may be extended or renewed by the Tenant pursuant to any options in favour of the Tenant which are specifically provided for in this Lease;

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(aa) Transfer

"Transfer" means an assignment of this Lease in whole or in part, a sublease of all or any part of the Property, any transaction whereby the rights of the Tenant under this Lease or to the Property or any part hereof are transferred to another Person, any transaction by which any right of use or occupancy of all or any part of the Property is conferred upon any Person, any mortgage, charge or encumbrance of this Lease or the Property or any part thereof or other arrangement under which either this Lease or the Property or any part thereof become security for any indebtedness or other obligations and includes any transaction or occurrence whatsoever (including, but not limited to, expropriation, receivership proceedings, seizure by legal process and transfer by operation of law), which has changed or might change the identity of the Person having lawful use or occupancy of any part of the Property;

(bb) Transferee

"Transferee" means the Person to whom a Transfer is or is to be made;

(cc) Unavoidable Delay

"Unavoidable Delay" means any cause beyond the control of the party affected thereby which prevents the performance by such party of any obligation hereunder and not caused by its default or act of commission or omission and not avoidable by the exercise of reasonable care, including without limitation strikes, lockouts or other labour disputes, the enactment, amendment or repeal of any Applicable Laws, and shortages or unavailability of labour or materials, but excluding lack of funds or financial inability.

1.3 Number, Gender, Liability

The grammatical changes required to make the provisions of this Lease apply in the plural sense where the Tenant comprises more than one Person and to corporations, firms, partnerships, or individuals, male or female, will be assumed as though in each case fully expressed. If the Tenant consists of more than one Person, the covenants of the Tenant shall be deemed to be joint and several covenants of each such Person. If the Tenant is a partnership each person who is presently a member of such partnership, and each Person who becomes a member of any successor partnership, shall be and continue to be liable jointly and severally for the performance of this Lease, whether or not such Person ceases to be a member of such partnership or successor partnership.

1.4 No Limitation

Whenever a statement or provision in this Lease is followed by words denoting inclusion or example (such as "including" or "such as") and then a list of, or reference to, specific matters or items, such list or reference shall not be read so as to limit or restrict the generality of such statement or provision, even though words such as "without limitation" or "without limiting the generality of foregoing" do not precede such list or reference.

1.5 Headings and Captions

The table of contents, Article numbers, Article headings, Section numbers and Section headings are inserted for convenience of reference only and are not to be considered when interpreting this Lease

1.6 Obligations as Covenants

Each obligation of the Landlord or the Tenant expressed in this Lease shall be a covenant for all purposes.

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1.7 Entire Agreement

This Lease contains all the representations, warranties, covenants, agreements, conditions and understandings between the parties concerning the Property and the subject matter of this Lease may be amended only by an agreement in writing signed by the Landlord and the Tenant.

1.8 Governing Law

This Lease shall be interpreted under and is governed by the laws of the Province of Ontario.

1.9 Currency

All rent and other amounts of money in this Lease are expressed and refer to Canadian dollars and shall be paid in lawful currency of Canada.

1.10 Severability

If any provision of this Lease is illegal or unenforceable it shall be considered severable from the remaining provisions of this Lease, which shall remain in force.

1.11 Successors and Assigns

This Lease and everything herein contained shall benefit and bind the successors and assigns of the Landlord and the heirs, executors, administrators and permitted successors and assigns of the Tenant.

1.12 Schedules

The Schedules shall form part of this Lease and are as follows:

Schedule "A" - Plan of Lands
Schedule "B" - Special Provisions

1.13 Time of the Essence

Time is of the essence of this Lease and every part thereof.

ARTICLE 2
THE DEMISE AND CONTROL AND
OPERATION OF THE DEMISED LAND

2.1 Demise

The Landlord hereby leases the Demised Lands to the Tenant together with a right in common with others to travel upon the Service Corridor and in common with others to keep and maintain in such Service Corridor all water, hydro, sanitary sewers, storm sewers and other utilities servicing the Demised Lands, to have and to hold for and during the term of years specified in Subsection 1.1 (c) commencing on the Rental Commencement Date and ending on the date specified in Subsection 1.1 (c). The Tenant takes the Demised Lands on lease from the Landlord and covenants to pay all rent payable hereunder and to observe and perform all the covenants and obligations to be observed and performed by the Tenant hereunder.

2.2 Ownership of Improvements

The Landlord and the Tenant agree that the Improvements are and shall be fixtures to and upon the Demised Lands and are intended to be and shall, upon the expiration or

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termination of this Lease or upon the Landlord exercising any of its remedies under Article 12, become the absolute property of the Landlord, free from all encumbrances of any kind whatsoever and without compensation to the Tenant or any mortgagee, except for those certain improvements that are Tenant's trade fixtures which shall remain the property of Tenant.

2.3 Trade Fixtures

Notwithstanding the provisions of Section 2.2 the Tenant shall have the right to remove from the Buildings its trade fixtures (not including any part of the Buildings) provided that any damage caused to the Buildings by the installation or removal of such trade fixtures shall forthwith be repaired, in a good and workmanlike manner, at the Tenant's expense.

2.4 No Liability

Neither the exercise by the Landlord of its rights under this Article 2 nor any noise, dust, vibration or other consequences of construction, alteration, expansion, reduction or reconstruction from time to time of the various parts or components of the Land Holdings or of improvements on adjoining properties shall entitle the Tenant to any reduction in any rent payable hereunder, result in any liability of the Landlord to the Tenant or in any other way affect this Lease or the Tenant's obligations hereunder, unless such actions unreasonably interfere with Tenant's use of the Property.

2.5 Planning Act

The Tenant covenants and agrees that it will not object to any applications made under the *Planning Act*, Ontario, including rezoning and severance, respecting development by the Landlord of the Land Holdings, other than the Demised Lands and the right of the Tenant to travel upon the Service Corridor provided that such applications would not reasonably be expected to adversely affect the Tenant's occupancy or use of the Demised Lands, or result in additional cost or expense to the Tenant.

ARTICLE 3 CONSTRUCTION

3.1 Approval of Improvements

No Improvements and no addition, change or alteration thereto shall be commenced or constructed until the Design Drawings and working drawings in conformity with such Design Drawings have been approved in writing by the Landlord in its reasonable discretion except that Tenant shall not be required to submit Design Drawings to the Landlord or obtain its approval if (i) the Improvement does not involve the structure of the Buildings or any part of it, (ii) the Improvement will not put any appreciable load on existing electrical, sewage or water systems, (iii) the proposed Improvement will be wholly enclosed within the Buildings, and (iv) the cost to the Tenant of such Improvement does not exceed in the aggregate \$50,000.00.

3.2 Completion of Improvements

All Improvements, if any, to be constructed by the Tenant, and all additions, changes or alterations to Improvements, shall be constructed:

- (a) at the sole expense of the Tenant;
- (b) in a good and workmanlike manner;
- (c) strictly in accordance with the Design Drawings and working drawings previously approved in writing by the Landlord;

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- (d) in a diligent manner and completed as expeditiously as possible;
- (e) in accordance with all Applicable Laws;
- (f) under the proper and diligent supervision of the Tenant's architect; and
- (g) subject to the reasonable regulation, supervision, control and inspection of the Landlord.

3.3 Right to Inspect

The Landlord shall have the right, from time to time, to inspect all construction and other work carried out by the Tenant upon the Demised Lands and the Tenant shall make all changes required by the Landlord in order to make such construction and work conform to the working drawings approved by the Landlord. The Tenant hereby grants to the Landlord the right to attend upon the Demised Lands for the purpose of effecting environmental remediation of its soils, upon giving prior reasonable notice. The Landlord covenants with the Tenant that the environmental remediation will not be unduly harmful to the Tenant carrying on its business.

3.4 Liens

The Tenant shall promptly pay for all materials supplied and work done by or on behalf of it in respect of the Land Holdings so as to ensure that no lien or claim of lien is registered against any portion of the Land Holdings or against the Landlord's or Tenant's interest therein and shall make and disburse all holdbacks required under and strictly in accordance with the Construction Lien, Act, Ontario and any other similar legislation in effect from time to time. If a lien or claim of lien is registered or filed, the Tenant shall discharge it at its expense within fifteen (15) days after notice from Landlord, failing which the Landlord may at its option discharge the lien or claim of lien by paying the amount claimed to be due into court or directly to the lien claimant and the amount so paid and all expenses of the Landlord including legal fees (on a solicitor and client basis) shall be paid by the Tenant to the Landlord as additional rent forthwith on demand.

3.5 Limitation of Liability

The rights of the Landlord under this Article to review and approve drawings, to make inspections and to require changes in order to make construction conform to approved drawings are purely for the benefit of the Landlord and the Landlord does not assume any responsibility respecting the adequacy of any drawings or the quality of construction, the Tenant having assumed full responsibility and liability for all investigations required to satisfy itself concerning these matters. The Tenant hereby agrees that the Landlord, its architects, consultants, agents, officers, employees and other Persons for whom the Landlord is legally responsible (in this Section collectively the "releasees") shall not be liable for :

- (a) damage to or destruction or loss of the improvements or any property in or upon the Building; or
- (b) any bodily injury (including death), personal injury, damages for personal discomfort or illness or consequential injury or damage (including loss of business income) sustained by the Tenant or any of its agents, officers, employees, customers, invitees or licensees or any other Person who may be in or upon the Property or any other part of the Land Holdings;

whether or not caused by or arising under (i) any errors, omissions or inadequacies in any drawings approved by the Landlord, or (ii) any act or omission of the releasees under this Article. The Tenant will, at all times hereafter, well and truly save, defend and keep harmless and fully indemnified the releasees from and against all losses, costs, charges, damages and expenses which the releasees or any of them may, at any time or times, suffer

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for or by reason or on account of any claims or demands whatsoever which relate in any manner to the matters in respect of which the releasees are released from liability under this Section.

ARTICLE 4

RENT

4.1 Minimum Rent

The Tenant covenants and agrees to pay the Landlord in lawful money of Canada minimum rent in accordance with the provisions set forth in Section 4.2.

4.2 Rent Instalments

The minimum rent for each Lease Year shall be paid in equal consecutive monthly instalments in advance on the first day of each month.

4.3 Accrual of Rent

All rent payable hereunder shall be considered as accruing from day to day hereunder from the Rental Commencement Date and where it becomes necessary for any reason to calculate such rent for an irregular period during the relevant Lease Year or Accounting Period an appropriate apportionment and adjustment shall be made on a per diem basis based upon the relevant Lease Year or Accounting Period.

4.4 Payments Generally

All payments by the Tenant to the Landlord of whatsoever nature required or contemplated by this Lease shall be deemed to be rent hereunder and shall:

- (a) be made when due hereunder, without prior demand therefor and without any abatement, set-off, compensation or deduction whatsoever at the office of the Landlord as set out in Section 14.1 or such other place as may be designated pursuant to Section 14.1,
- (b) be applied towards amounts then outstanding hereunder in such manner as the Landlord determines; and
- (c) bear interest daily from the due date to the date of payment, calculated daily, at the rate per annum which is 4% above Prime.

4.5 Net Lease

It is the purpose and intent of the Landlord and the Tenant that this Lease shall be a completely carefree Lease for the Landlord and the rent shall be absolutely net to Landlord, so that the Lease shall yield, net, to the Landlord, the rent provided for in Section 4.1 in each Lease Year and that all costs, charges, outlays, expenses and obligations of every kind and nature whatsoever arising from or relating to the Demised Lands or in connection with any business carried on upon the Demised Lands whether foreseen or unforeseen and whether or not within the contemplation of the parties at the commencement of the Term, shall be paid by the Tenant, and that the Landlord shall be indemnified and saved harmless by the Tenant from and against the same and the Tenant hereby covenants with the Landlord accordingly. The Tenant further covenants with the Landlord that the Tenant shall pay to the Landlord (in addition to all other amounts to be paid by the Tenant hereunder) forthwith on demand, all costs and expenses incurred by the Landlord arising out of or connected in any way with:

- (a) any approval or consideration of Design Drawings and working drawings required pursuant to the terms hereof;

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- (b) inspections by the Landlord under Section 3.3;
- (c) the approval or consideration of any Transfer or Transferee; and
- (d) any other action by the Landlord which is reasonably taken because of any request, act or omission of the Tenant or any permitted Transferee.

Notwithstanding the foregoing, it is recognized that the Landlord shall be responsible for paying real property taxes respecting the Property other than Impositions.

ARTICLE 5
PAYMENT OF IMPOSITIONS AND OPERATING COSTS

5.1 Payment of Impositions

During the Term hereof the Tenant will pay promptly when due the Impositions to the taxing authorities or other entities or Persons to whom the same must be paid, or if requested by the Landlord, shall pay such amounts forthwith on demand to the Landlord who will in turn remit such amounts to the appropriate Persons.

5.2 Tenant to Deliver Receipts

Whenever requested by the Landlord, the Tenant shall deliver to the Landlord copies of receipts for payment of all Impositions payable by the Tenant under this Article and furnish such other information in connection therewith as the Landlord may reasonably require.

5.3 Additional Rent

The Tenant shall pay to the Landlord throughout the Term as additional rent:

- (a) any form of goods and services tax, whether general or special, that is levied, rated, charged or assessed, from time to time, by any lawful taxing authority against the rent and any other amounts payable hereunder, whether in existence at the commencement of the Term or not and, subject to Section 5.4, such tax shall be paid to the Landlord as and when required by law;

Except as otherwise provided in this Lease, all additional rent shall be payable within 30 days of receipt by the Tenant of an invoice, statement or demand therefor from or on behalf of the Landlord.

5.4 Payment of Additional Rent

Before the commencement of each Accounting Period the Landlord shall notify the Tenant of the estimated amount for such Accounting Period of: (i) the Impositions, (ii) expenditures to be made by the Landlord on behalf of the Tenant, (iii) any tax payable by the Tenant under Subsection 5.3 (a) and (iv) other items of additional rent. The Tenant shall pay such estimated amount in advance on the first day of the first month in such Accounting Period. Within one hundred and twenty (120) days after the end of such Accounting Period the Landlord shall determine and provide the Tenant with a statement in reasonable detail for the relevant Accounting Period of the items of additional rent as the Landlord estimated in advance. If the total amount paid by the Tenant in respect of estimated additional rent for such Accounting Period is less than the amount of additional rent payable for such Accounting Period shown on such statement, the Tenant shall forthwith pay the difference to the Landlord. If the total of the amount paid is greater than the amount of the additional rent payable for such Accounting Period, the difference shall be applied in payment of other amounts owing by the Tenant or repaid to the Tenant with such statement.

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ARTICLE 6
INSURANCE

6.1 Tenant's Insurance

The Tenant shall effect and maintain during the Term:

- (a) "all risks" insurance which shall insure the Buildings and such of the other Improvements as would be insured by a prudent owner for an amount not less than the Replacement Cost thereof from time to time, against loss or damage by perils now or hereafter from time to time embraced by or defined in a standard all risks insurance policy including fire, explosion, impact by aircraft or vehicles, lightning, riot, vandalism or malicious acts, smoke, leakage from fire protective equipment, windstorm or hail, collapse or earthquake;
- (b) broad form boiler and machinery insurance with limits for each accident in an amount not less than the full Replacement Cost of the Buildings;
- (c) comprehensive general liability insurance against claims for bodily injury (including death), personal injury and property damage on or about the Property in amounts satisfactory from time to time to the Landlord acting reasonably but in any event in an amount not less than \$10,000,000 per occurrence; and
- (d) subject to general availability on reasonable commercial terms, business interruption insurance in an amount that will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against in Subsection 6.1 (a) or attributable to prevention of access to the Property as a result of any such perils.

6.2 Form of Policies

- (a) Each policy required pursuant to Section 6.1 shall be in form and with insurers reasonably acceptable to the Landlord. The insurance described in Subsections 6.1 (a), (b) and (c) shall name as an additional insured the Landlord and anyone else with an interest in the Property from time to time designated in writing by the Landlord. All property damage and liability insurance shall contain provisions for cross-liability and severability of interests as between the Landlord and the Tenant. Each policy maintained pursuant to Subsections 6.1 (a), (b), (c) and (d) shall contain a waiver of any rights of subrogation which the insurer may have against the Landlord and those for whom the Landlord is in law responsible whether the damage is caused by the act, omission or negligence of the Landlord or such other Persons.
- (b) The insurance described in Subsections 6.1 (a) and (b) shall provide that any proceeds recoverable in the event of damage to Improvements shall be payable to the Landlord. Subject to the other provisions of this Lease, the Landlord agrees to make available such proceeds toward repair or replacement of the insured property.
- (c) Each policy required pursuant to Section 6.1 shall provide that the insurer must notify the Landlord and any Freehold Mortgagee in writing at least 30 days prior to any material change or cancellation thereof and that the policy shall not be invalidated in respect of the interests of the Landlord and any Freehold Mortgagee by reason of any breach or violation of any warranties, representations, declarations or conditions contained in such policies, and the

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policy will be considered as primary insurance and shall not call into contribution any other insurance that may be available to the Landlord.

- (d) The Tenant shall furnish to the Landlord, prior to the commencement of the Term, certificates of insurance in a form satisfactory to the Landlord, acting reasonably, establishing the existence of all policies required pursuant to Section 6.1 and shall provide written evidence of the continuation of such policies not less than thirty (30) days prior to their respective expiry dates. The cost or premium for each and every such policy shall be paid by the Tenant. If the Tenant fails to maintain such insurance the Landlord shall have the right, but not the obligation, to do so, and to pay the cost or premium therefor, and in such event the Tenant shall repay to the Landlord, as additional rent, forthwith on demand the amount so paid.
- (c) Where used in this Subsection "Released Persons" means the Tenant's agents, servants, employees, customers or any other person for whom the Tenant is in law responsible. The Landlord releases the Tenant and the Released Persons from responsibility for any losses, damages and claims of any kind in respect of which the Landlord is required to maintain insurance under the Lease and this Schedule or is otherwise insured. For the purposes of the release in this Subsection the Tenant acts as agent for the Released Persons.
- (f) Where used in this Subsection "Released Persons" means the Landlord's agents, servants, employees, customers or any other person for whom the Landlord is in law responsible. The Tenant releases the Landlord and the Released Persons from responsibility for any losses, damages and claims of any kind in respect of which the Tenant is required to maintain insurance under the Lease and this Schedule or is otherwise insured. For the purposes of the release in this Subsection the Landlord acts as agent for the Released Persons.

6.3 Insurance Risks

The Tenant shall not do, omit to do, or permit to be done or omitted to be done upon the Property anything that may contravene or be prohibited by any of the Landlord's insurance policies in force from time to time covering or relevant to any part of the Land Holdings or which would prevent the Landlord from procuring such policies with companies acceptable to the Landlord. If the occupancy of the Property, the conduct of business in the Property or any acts or omissions of the Tenant in the Property or any other portion of the Land Holdings causes or results in any increase in premiums for any of the Landlord's insurance policies, the Tenant shall pay any such increase as additional rent upon receipt of an invoice of the Landlord for such additional premiums.

6.4 Limitation of Landlord's Liability

The Landlord, its agents, officers, employees and other Persons for whom the Landlord is legally responsible shall not be liable for:

- (a) damage to or destruction or loss of (i) any property of the Tenant entrusted to the care or control of the Landlord, or any of them, or (ii) the Improvements or any property in or upon the Building; or
- (b) any bodily injury (including death), personal injury, damages for personal discomfort or illness or consequential injury or damage (including, without limitation, loss of business income) sustained by the Tenant or any of its agents, officers, employees, customers, invitees or licensees or any other

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Person who may be in or upon the Property or any other part of the Land Holdings,

whether or not caused by any act or omission of any other tenant or occupant of space in the Land Holdings.

6.5 Indemnity by Tenant

The Tenant shall indemnify and save harmless the Landlord against any and all claims, actions, damages, losses, liabilities and expenses (including, without limitation, those in connection with personal injury, damage to property or bodily injury, including death) arising from or out of the occupancy or use by the Tenant of the Property or any other part of the Land Holdings or occasioned wholly or in part by any act or omission of the Tenant, its officers, employees, agents, contractors, invitees, licensees or by any person permitted by the Tenant to be on the Property or due to or arising out of any breach by the Tenant of this Lease.

ARTICLE 7 REPAIRS AND MAINTENANCE

7.1 Operation of the Property

Except as otherwise provided herein, the Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Property and the Service Corridor. Landlord shall at its cost repair any damage to the Service Corridor caused by the Landlord or those using it with the consent of the Landlord for access to lands other than the Demised Lands.

7.2 Maintenance by Tenant

The Tenant shall at its sole cost, strictly in accordance with Design Drawings approved by the Landlord hereunder repair, maintain, renew, rebuild, replace, paint, put and keep the Service Corridor and Improvements and every part thereof, including the footings, foundation, structural columns, beams, structural subfloors, bearing walls, exterior walls, windows and roofs of the Buildings and the fences, driveways, sidewalks, parking areas, landscaping and lighting in such good order and condition as they were kept by the Tenant prior to Rental Commencement Date and shall promptly make all needed repairs, replacements, alterations, additions, changes, plantings, substitutions and improvements, ordinary or extraordinary, foreseen or unforeseen, structural or otherwise. The Tenant shall at its sole cost and expense maintain and operate the Service Corridor and the Property in good order and condition, including the maintenance of all roads, parking areas and utilities, mowing lawns and keeping the travelled roads and parking areas free from ice and snow. The Landlord may enter the Property to view the condition thereof and the Tenant shall maintain and repair according to notice in writing from the Landlord. At the expiration or other termination of this Lease, the Tenant shall surrender and deliver up the Demised Lands and Service Corridor with the improvements thereon in the condition that the same are required to be kept pursuant to the provisions hereof, reasonable wear and tear, damage by casualty, damage caused by the negligence of the Landlord and anything which is the obligation of the Landlord.

7.3 Hazardous Substance

- (a) The term "authorities" as used in this Section means any and all governmental or other public authorities having jurisdiction over the Property. The term "hazardous substance" as used in this Section, means (i) any substance which, when released into the Land Holdings or any part thereof, or into the natural environment, is likely to cause, at any time, material harm or degradation to the Land Holdings or any part thereof, or to

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the natural environment or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chlorofluorocarbons (CFCs), hydro chlorofluorocarbons (HCFCs), urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, or (ii) any substance declared to be hazardous or toxic under Applicable Laws.

(b)

(i) Without limiting the provisions of Section 9.3 hereof, Tenant shall not directly or indirectly cause or permit:

(A) any violation of any Applicable Laws now or hereafter enacted relating to environmental conditions in, on, at, from, under, above or about the Property, or arising from Tenant's use or occupancy of the Property, including, without limitation, soil and ground water conditions; or

(B) the use, generation, release, emission, manufacture, refining, production, processing, storage or disposal of any hazardous substance in, on, at, from, under, above or about the Property, or the transportation to or from the Property of any hazardous substance, except in compliance with Applicable Laws. In this regard, Tenant agrees that it will permit Landlord or those duly authorized by Landlord to conduct tests, inspections and appraisals of the Property, including, without limitation, the right to remove samples from the Property and any part of the Property and to examine any records, business and assets in so far as they relate to the Property at any time and from time to time to ensure compliance by Tenant with the provisions of this Subsection 7.3 (b). Notwithstanding anything contained herein to the contrary, Landlord hereby acknowledges that the permitted use of the Demised Lands requires the use of certain hazardous materials (such as office and cleaning supplies) and Tenant shall have the right to store and use said hazardous materials provided that Tenant complies with all Applicable Laws;

(ii)

(A) Tenant shall, at Tenant's expense, observe and promptly comply with all Applicable Laws regulating the use, generation, release, storage, transportation or disposal of any hazardous substance;

(B) Tenant shall, at Tenant's expense, promptly make all submissions to, provide all information required by, and comply with all requirements of all authorities under the Applicable Laws;

(C) should any authorities or any third party demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, release or existence of any hazardous substance that occurs during the Term of this Lease, at or from the Property, or which arises at any time from Tenant's use or occupancy of the Property, then Tenant shall, at

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Tenant's expense, promptly prepare and submit the required plans and all related bonds and other financial assurances and Tenant shall, at its expense, promptly carry out all such clean-up plans;

- (D) Upon the written request of the Landlord the Tenant shall provide to the Landlord, without delay, full particulars of any and all hazardous substances used at or located upon the Property at that time. Tenant shall, at Tenant's expense, promptly provide to Landlord all documents, reports, tests, survey results or other information regarding the use, generation, release, emission, storage, transportation or disposal of any hazardous substance that is requested by Landlord. If Tenant fails to fulfil any duty imposed under this Subsection 7.3 (b) (ii) within a reasonable time as determined by Landlord, Landlord may, without any liability on Landlord's part and at Tenant's expense, do so; and in such case, Tenant shall co-operate with Landlord in order to prepare or cause to be prepared all documentation with respect thereto that Landlord deems necessary or appropriate to determine the applicability of the Applicable Laws to the Property and Tenant's use thereof, and for compliance therewith, and Tenant shall execute all documents promptly, upon Landlord's request. Without limiting the generality of the foregoing provisions of this Subsection 7.3 (b) (ii), Landlord shall be entitled at any time to enter the Property either by itself or through its agents and officers to conduct such audits, investigations and tests as Landlord deems necessary. No such action by Landlord and no attempt by Landlord to mitigate damages under any Applicable Laws shall constitute a waiver of any of Tenant's obligations under Subsection 7.3 (b) (ii); and
- (E) Tenant's obligations and liabilities under this Subsection 7.3 (b) (ii) shall survive the expiration or earlier termination of this Lease;
- (iii)
- (A) Tenant shall indemnify, defend and hold harmless Landlord and Landlord's respective officers, directors, agents, employees and all other Persons for whom Landlord is in law responsible from all liabilities, claims, demands, costs, damages, suits or proceedings (including, without limitation, (i) the costs of defending or counterclaiming or claiming over against third parties in respect of any action or matter, and (ii) any cost, liability or damage arising out of a settlement of any action entered into by Landlord with or without the consent of Tenant) arising out of or in any way connected with any deposit, spill, discharge or other release of any hazardous substance that occurs during the Term of this Lease, at, in, on, from, under or about the Property, that arise from Tenant's use or occupancy of the Property, or from Tenant's failure to provide all information, make all submissions, and take all steps required by all authorities under the Applicable Laws; and

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- (B) Tenant's obligations and liabilities under this Subsection 7.3 (b) (iii) shall survive the expiration or earlier termination of this Lease.
- (C) Landlord shall be responsible for the clean up or abatement if required by law of any hazardous substances found on the Property if the Tenant can prove that the same existed prior to the commencement of this Lease. Landlord shall indemnify and hold harmless Tenant from and against (i) any injury to or death of any person; (ii) any damage to, loss of use of, or destruction of any property; and (iii) any claims, demands, costs, and expenses (including, without limitation, court costs and attorneys' fees) arising, directly or indirectly, as a result of Landlord's acts or omissions under this Section. Tenant may, at Landlord's sole cost and expense, use its own counsel, participate in all negotiations and proceedings, approve or disapprove all settlements, and in all respects conduct its own defense. The provisions of the foregoing indemnification shall survive the expiration or earlier termination of the term hereof.

7.4 Repair Where Tenant at Fault

Notwithstanding any other provisions of this Lease, if any part of the Property is damaged or destroyed or requires repair, replacement, alteration or cleaning as a result of any act (including all construction carried out upon the Demised Lands from time to time) or omission of the Tenant, its employees, agents, contractors, invitees, licensees or other Person for whom it is in law responsible, the cost of the resulting repairs, replacements, alterations or cleaning shall be paid by the Tenant to the Landlord as additional rent.

7.5 Notice by Tenant

The Tenant shall promptly notify the Landlord of any accident, defect, damage or deficiency which occurs or exists in any part of the Land Holdings which comes to the attention of the Tenant.

7.6 Repairs Arising from Tenant's Business

If any repairs or alterations to the Land Holdings are required by any Applicable Laws due to the business carried on by the Tenant, then the full cost of such repairs or alterations shall be paid by the Tenant to the Landlord as additional rent. Landlord hereby warrants to the best of its knowledge that Tenant's intended use of the Property will not violate any Applicable Laws.

7.7 Landlord May Repair

If the Tenant fails to carry out any maintenance, repairs or work required to be carried out by it under this Lease to the reasonable satisfaction of the Landlord, the Landlord may at its option carry out such maintenance, repairs or work without any liability for any resulting damage to the Tenant's property or business unless the Landlord was grossly negligent. The cost of such maintenance, repairs or work shall be paid by the Tenant to the Landlord as additional rent.

ARTICLE 8 **DAMAGE OR DESTRUCTION**

8.1 No Termination

The partial or complete destruction of or damage to the Improvements by any cause whatsoever, whether insured against or not, shall not entitle the Tenant to terminate this

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Lease or to surrender possession of the Demised Lands or to demand any abatement or reduction of the rent or other charges payable under this Lease, any law or statute now or in the future to the contrary notwithstanding.

8.2 Repair

The Tenant covenants and agrees that within sixty (60) days from the happening of any such damage or destruction, the Tenant shall begin the repair or replacement of such damage or destruction and with due diligence shall repair or reconstruct the Improvements or replace the same with new improvements of the same type and character and of equal value to those so damaged or destroyed.

8.3 Insurance Proceeds for Minor Damage

If the amount payable under any of the policies of insurance referred to in Section 6.1 in respect of any one loss is not in excess of \$50,000.00, as such amount may be increased hereunder, the Landlord shall release its interest in and to any insurance moneys payable under such policies of insurance in respect of any such loss so that the same may be made available to the Tenant to enable it to repair or replace the damage. Whenever CPI for any Lease Year is greater than CPI for the first Lease Year, the said amount of \$50,000.00 shall be increased to an amount equal to the sum of \$50,000.00 multiplied by an improper fraction the numerator of which is the CPI for the subsequent Lease Year and the denominator of which is the CPI for the first Lease Year.

8.4 Insurance Proceeds for Major Damage

If the amount payable under any of the policies of insurance referred to in Section 6.1 in respect of any one loss is in excess of \$50,000.00, or such higher amount calculated pursuant to Section 8.3, the same shall be held by the Landlord and paid over to the Tenant upon full completion by the Tenant of the repair or replacement under Section 8.2 to the satisfaction of the Landlord. Provided that the Landlord shall, if requested by the Tenant, pay any such insurance moneys in instalments, from time to time, upon the following terms and conditions:

- (a) each such instalment shall represent the value of repairs or replacements in place as certified by the Tenant's supervising architect;
- (b) the Landlord shall have first received evidence satisfactory to it that the Property is not subject to any construction liens;
- (c) the Landlord shall have first received evidence satisfactory to it that the Tenant has paid or can and will pay all costs incurred or to be incurred which are in excess of available insurance monies; and
- (d) the Landlord shall have first received such other certificates, evidences and opinions as the Landlord shall reasonably require for the purpose of being satisfied in regard to the foregoing matters.

ARTICLE 9 USE OF PROPERTY

9.1 Use

The Property shall be used, operated and maintained by the Tenant and any permitted subtenant (as hereinafter provided for) solely for the purpose set forth in Section 1.1 (g) hereof in a manner comparable to how the Demised Lands were used, operated and maintained by the Tenant prior to Rental Commencement Date. The Property may not be used for any other purpose whatsoever without the prior written approval of the Landlord, which approval may be unreasonably withheld.

9.2 Nuisance

The Tenant shall not carry on any business or do or suffer any act or thing which constitutes a nuisance or which is offensive or an annoyance to the Landlord or other tenants of the Land Holdings.

9.3 Compliance with Laws

The Landlord shall on the written request of the Tenant remedy any breaches of Applicable Law respecting the Demised Lands which exist on the Rental Commencement Date. The Tenant shall promptly comply with and conform to all Applicable Laws affecting the Property. If any obligation to modify, extend, alter or replace any part of the Property is imposed upon the Landlord, the Landlord may at its option either do the necessary work, at the expense of the Tenant, or forthwith give notice to the Tenant to do such work within the requisite period of time and the Tenant shall thereupon do such work within the requisite period of time. The Tenant shall pay to the Landlord as additional rent the costs of any work done by the Landlord. Notwithstanding the foregoing, the Tenant shall not be responsible for costs arising from a breach of Applicable Laws existing on the Rental Commencement Date.

9.4 Disfiguration, Overloading

The Tenant shall not commit, do or suffer any waste, damage, disfiguration or injury to the Property and shall not permit or suffer any overloading of the floors of the Building or the bringing into any part of the Buildings any articles or fixtures that by reason of their weight, use or size might damage or endanger the structure or any of the Buildings.

9.5 Remedial Action

If the Tenant is in breach of any of the provisions of this Article 9, the Landlord may, in addition to any other remedies that it may have hereunder, enter upon the Property and take such remedial action as is necessary to remedy the breach and repair any damage caused thereby and the Tenant shall pay to the Landlord the Landlord's costs incurred in connection therewith as additional rent.

ARTICLE 10
TRANSFERS

10.1 Transfers

- (a) Subject to Sections 10.2 and 10.6, the Tenant shall not enter into, consent to, or permit any Transfer without the prior written consent of the Landlord in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. The Tenant shall pay to the Landlord its then current charge not in excess of \$750.00 and all disbursements incurred by the Landlord for its review of the proposed Transfer. Notwithstanding any statutory provision to the contrary, it shall not be considered unreasonable for the Landlord to withhold its consent if, without limiting any other factors or circumstances which the Landlord may reasonably take into account:
- (i) the Tenant is then in material default under this Lease; or
 - (ii) the financial background, business history and capability of the proposed Transferee is not reasonably satisfactory.

Any consent by the Landlord to a Transfer shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. This prohibition against Transfer shall include a prohibition against any Transfer by operation of law.

10.2 Information

If the Tenant intends to effect a Transfer the Tenant shall give prior notice to the Landlord of such intent specifying the identity of the Transferee, the type of Transfer contemplated, the part of the Demised Lands affected thereby, and the financial and other terms of the Transfer, and shall provide such financial, business or other information relating to the proposed Transferee and its principals as the Landlord or any Freehold Mortgagee requires, together with copies of all documents which record the particulars of the proposed Transfer. The Landlord shall, within 15 days after having received such notice and all requested information, notify the Tenant either that it consents or does not consent to the Transfer in accordance with the provisions of this Article 10.

10.3 Conditions of Transfer

- (a) If there is a permitted Transfer, the Landlord may collect rent from the Transferee and apply the amount collected to the rent payable under this Lease but no acceptance by the Landlord of any payments by a Transferee shall be deemed a waiver of the Tenant's covenants or any acceptance of the Transferee as a tenant or a release of the Tenant from the further performance by the Tenant of its obligations under this Lease. Any consent by the Landlord shall be subject to the Tenant and Transferee executing, prior to the Transfer being made, an agreement with the Landlord agreeing that the Transferee will be bound by all of the terms of this Lease, and except in the case of a sublease, that the Transferee will be so bound as if it had originally executed this Lease as tenant.
- (b) Notwithstanding any Transfer permitted or consented to by the Landlord, the Tenant shall remain liable under this Lease and shall not be released from performing any of the terms of this Lease.
- (c) If the Transfer in respect of which consent has been given is not completed within sixty (60) days of the date of such consent, then such consent shall, at the Landlord's option, become void.

10.4 Change of Control

If the Tenant is at any time a corporation or partnership, any actual Change of Control in such corporation or partnership or in any corporation or group of corporations which controls the Tenant shall be deemed to be a Transfer and subject to all of the provisions of this Article 10. The Tenant shall make available to the Landlord or its representatives all of its corporate or partnership records, as the case may be, for inspection at all reasonable times, in order to ascertain whether any Change of Control has occurred.

10.5 Assignment by Landlord

The Landlord shall have the unrestricted right to sell, transfer, lease, charge or otherwise dispose of all or any part of its interest in the Land Holdings or any interest of the Landlord in this Lease. In the event of any sale, transfer, lease, charge or other disposition to an arms length third party at fair market value (an "Assignment"), taking place after the last day of February, 2009, to the extent that the assignee from the Landlord agrees with the Landlord to assume the obligations of the Landlord under this Lease, the Landlord shall thereupon and without further agreement be released of all liability under this Lease except to the extent such liability relates to the period prior to the Assignment.

10.6 Exhibiting Premises

The Landlord and its agents, upon 24 hours' prior written notice to the Tenant and subject to the reasonable security measures requested by the Tenant, may exhibit the Property during Business Hours to prospective tenants, purchasers or mortgagees.

10.7 Intentionally Omitted**ARTICLE 11****STATUS CERTIFICATES, SUBORDINATION, ATTORNMENT****11.1 Status Certificates**

The Tenant shall at any time and from time to time execute and deliver to the Landlord or as the Landlord may direct within five (5) days after it is requested a statement in writing, in the form supplied by the Landlord, certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modification and stating that the Lease is in full force and effect as modified), the Rental Commencement Date, the amount of the minimum rent and other rent then being paid hereunder, the dates to which such rent hereunder has been paid, whether or not there is any existing default on the part of the Landlord of which the Tenant is aware and any other particulars that the Landlord may reasonably request.

11.2 Subordination and Attornment

This Lease and the rights of the Tenant hereunder shall be subject and subordinate to all existing and future Freehold Mortgages and to all renewals, modifications, consolidations, replacements and extensions thereof. Whenever requested by the Landlord or a Freehold Mortgagee the Tenant shall, within five (5) days after such request, enter into an agreement with the Freehold Mortgagee whereby the Tenant postpones or subordinates this Lease to the interest of any stipulated Freehold Mortgagee and agrees that whenever requested by such Freehold Mortgagee it shall attorn to and become the tenant of such Freehold Mortgagee, or any purchaser from such Freehold Mortgagee in the event of the exercise by the Freehold Mortgagee of its power of sale, for the then unexpired residue of the Term upon all the terms and conditions of this Lease. The Landlord shall obtain written assurances from any such Freehold Mortgagee with an interest in the Demised Lands prior to that of the Tenant to the effect that so long as the Tenant is not in default under this Lease such Freehold Mortgagee will recognize the Tenant's rights under this Lease and not disturb the Tenant's occupancy of the Demised Lands.

ARTICLE 12**REMEDIES OF LANDLORD****12.1 Events of Default**

Any of the following constitutes an event of default under this Lease:

- (a) any rent is in arrears and is not paid within five (5) days after written demand by the Landlord;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 12.1, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within thirty (30) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot be reasonably remedied within thirty (30) days or such shorter period, the Tenant fails to commence to remedy such breach within such thirty (30) days or shorter period and thereafter fails to proceed diligently with and does complete the curing of such breach;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or

- 22 -

- arrangement with its creditors, or any steps are taken or proceedings commenced by any Person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets,
- (d) a trustee, receiver, receiver/manager, or a Person acting in a similar capacity is appointed with respect to the business or assets of the Tenant;
 - (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets other than in conjunction with a Transfer approved by the Landlord;
 - (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
 - (g) the Tenant makes a Transfer other than in compliance with the provisions of Article 10;
 - (h) the Tenant abandons or attempts to abandon the Property or the Property becomes vacant or substantially unoccupied for a period of sixty (60) consecutive days or more without the consent of the Landlord; or
 - (i) there is a default by Orchid Automation Group, Inc. in making payments as required by one or more of the Vendor Notes, as defined in a share purchase agreement between Richard Reiminger, Reinrichmar and Orchid of even date herewith.

12.2 Default and Remedies

If and whenever an event of default occurs under Section 12.1, then without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Demised Lands and repossess the Demised Lands and, in either case, enjoy them as of its former estate, and the Improvements shall thereupon be forfeited to and become the absolute property of the Landlord without compensation therefore to the Tenant, and the Landlord may remove all Persons and property from the Property and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant;
- (b) to enter the Property as agent of the Tenant and to relet the Property for whatever length, and on such terms as the Landlord in its reasonable discretion may determine and to receive the rent therefor and as agent of the Tenant to take possession of any property of the Tenant on the Property, to store such property at the expense and risk of the Tenant or to sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; to make alterations to the Property to facilitate their reletting; and to apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale second, to the payment of any indebtedness of the Tenant to the Landlord other than rent and third, to the payment of rent in arrears, with the residue to be held by the Landlord and applied to payment of future rent as it becomes due and payable; provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Property for such purposes; and no notice of the Landlord's intention to remedy or attempt to remedy such

default need be given the Tenant unless expressly required by this Lease; and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default and the Tenant shall pay to the Landlord all reasonable and actual expenses incurred by the Landlord in connection therewith;

- (d) to recover from the Tenant all damages, costs and expenses actually incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Property; and
- (e) to recover from the Tenant the full amount of the current month's rent together with the next three months' instalments of rent, all of which shall accrue on a day to day basis and shall immediately become due and payable as accelerated rent.

12.3 Landlord Default

Landlord's failure, when required hereunder, to perform any obligation of Landlord if such failure continues for thirty (30) days after written notice from Tenant to Landlord of such default shall be an event of default, provided that if such failure cannot reasonably be cured by the end of such thirty (30) day period, Landlord shall not be in default if Landlord commences reasonable efforts to cure such failure within the thirty (30) day period and thereafter diligently prosecutes such cure to completion. If Landlord is in default, Tenant shall have the right to all remedies provided by law and equity or elsewhere in this Lease.

12.4 Distress

Notwithstanding any provision of this Lease or any provision of applicable legislation, none of the goods and chattels of the Tenant on the Property at any time during the Term shall be exempt from levy by distress for rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress. Notwithstanding anything contained herein to the contrary, Landlord hereby acknowledges that Tenant may secure its trade fixtures and assign its leasehold interest as collateral in favour of a bona fide commercial lender and Landlord shall execute such instruments to evidence such subordination provided such lender enters into a Landlord/Mortgagee agreement in form satisfactory to the Landlord, acting reasonably.

12.5 Costs

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor and client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

12.6 Survival of Obligations

The indemnity provisions of this Lease and the Landlord's rights in respect of any failure by the Tenant to perform any of its obligations under this Lease shall remain in full force and effect notwithstanding the expiration or earlier termination of the Term

12.7 Remedies Cumulative

Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or the general law.

ARTICLE 13 CONDITION OF DEMISED LAND AND TITLE

13.1 Acceptance of Demised Lands

The Tenant acknowledges having inspected the Demised Lands prior to the entering into of this Lease and, subject to Section 7.6, accepts the same in an "as is" condition.

13.2 Title

The Landlord represents and warrants to the Tenant that the Landlord has good and marketable title to the Property and the Service Corridor and has all necessary lawful rights to enter into this Agreement and deliver to Tenant the rights and privileges of the Tenant as set forth in this Agreement.

13.3 No Representations or Warranties

Except as specifically set forth herein, the Tenant agrees that there is no representation or warranty, express or implied as to:

- (a) the condition of the Demised Lands, including subsurface conditions;
- (b) whether the Tenant's intended use of the Demised Lands is permitted by all Applicable Laws; or
- (c) whether the Demised Lands is suitable in all respects for the Tenant's intended use.

ARTICLE 14 MISCELLANEOUS

14.1 Notices

Any notice, demand, statement or request (in this Section referred to as "notice") herein required or permitted to be given under this Lease shall be in writing and shall be deemed to have been sufficiently and effectually given if signed by or on behalf of the party giving the notice and personally delivered or transmitted by telecopier:

- (a) in the case of notice to the Landlord, to it at:
 - 929 Southwind Court
 - Newmarket, Ontario
 - L3Y6J1
 - Attention: Mr. Rick Reininger
- (b) in the case of notice to the Tenant, to it at the Property, with a copy to
 - Orchid International
 - 100 Winners Circle

- 25 -

Suite 450
 Brentwood, TN 37027
 Attention: Chief Executive Officer

Any such notice given as aforesaid shall be deemed to have been given on the date of such delivery or transmittal by telecopier. The Landlord may from time to time by notice change the address to which notices to it are to be given.

14.1A Wherever or whenever the Landlord, its agents or representatives determination, authorization, election, decision, estimate, approval, designation, consent, permission or opinion ("Determination") is provided or required in the Lease, such Determination shall be made reasonably and in a reasonable period of time and written reasons shall be provided for any refusal.

14.2 Registration of Lease

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant shall register this Lease or any other instrument pertaining to this Lease against the Demised Lands. If the Landlord or the Tenant intends to register a document for the purpose only of giving notice of this Lease or of any dealing with it, then, upon request of such party, the other party shall join in the execution of a short form or notice of this Lease solely for the purpose of supporting an application for registration of notice of this Lease or any subsequent dealing therewith.

14.3 Overholding - No Tacit Renewal

It is the Landlord's policy not to permit tenants to overhold. If the Tenant nevertheless remains in possession of the Property after the end of the Term with the consent of the Landlord but has not executed and delivered a new lease, there shall be no tacit renewal of this Lease or the Term, notwithstanding any statutory provisions or legal presumption to the contrary, and the Tenant shall be deemed to be occupying the Demised Lands as a tenant from month to month at a monthly minimum rent payable in advance on the first day of each month equal to 150% of one-twelfth of the minimum rent payable during the last Lease Year in the Term and otherwise upon the same terms, covenants and conditions as are set forth in this Lease insofar as these are applicable to a monthly tenancy but, for greater certainty, including liability for all additional rent payable hereunder. Notwithstanding anything contained herein to the contrary, if at the expiration of the term of the Lease, Landlord and Tenant are in the process of negotiating a new lease agreement for the Demised Lands or an extension or renewal of the existing lease, then any increase in the monthly installment of rent shall not apply, rather the monthly installment of rent during such holdover period shall be equal to the monthly installment of rent payable during the last month of the Lease term.

14.4 Unavoidable Delay

If and to the extent that either the Landlord or the Tenant shall be prevented, delayed or restricted by reason of Unavoidable Delay in the fulfilment of any obligation hereunder, then either the Landlord or the Tenant, as the case may be, shall be deemed not to be in default of the performance of such covenant or obligation and any period for the performance of such obligation shall be extended accordingly and the other party to this Lease shall not be entitled to compensation for any loss, inconvenience, nuisance or discomfort thereby occasioned, provided that in no event will the Tenant be relieved of its obligation to pay rent and all other amounts payable hereunder as the same become due.

14.5 Waiver

If either the Landlord or Tenant excuses or condones any default of the other of any obligation under this Lease, no waiver of such obligation shall be implied as a result of any continuing or subsequent default.

14.6 Partial Payment of Rent

Acceptance by the Landlord of a lesser amount than the yearly payment of rent herein stipulated and any endorsement or statement on any cheque or documentation accompanying any payment of rent shall not be deemed an acknowledgement of full payment or an accord and satisfaction, and the Landlord may accept such payment without prejudice to the Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

14.7 Planning Act

This Lease is expressly conditional upon compliance with the Planning Act, (Ontario) and any amendments thereto.

14.8 Special Provisions

Any special provisions set forth in Schedule "B" annexed form part of this Lease to the same extent as if the contents thereof had been embodied hereunder.

14.9 Decision of Expert

The decision of any Expert and any certificate relating thereto in regard to any dispute between the parties hereto under or arising out of the provisions of this Lease shall be final and binding upon the parties and there shall be no further right of dispute or appeal.

14.10 No Partnership

The Landlord and the Tenant hereby expressly declare that it is neither their intention nor their agreement that this Lease or any arrangements between them shall constitute or be deemed to constitute the parties as partners, joint venturers or agents for each other.

14.11 Quiet Enjoyment

If the Tenant pays the Rent, fully performs all its obligations under this Lease and there has been no event of default under Section 12.1, then the Tenant shall be entitled, subject to the provisions of this Lease, to peaceful and quiet enjoyment of the Demised Lands for the Term without interruption or interference by the Landlord or any Person claiming under the Landlord.

IN WITNESS WHEREOF the parties hereto have executed this Lease under seal.

Signature Page to Land Lease

FLORENCE & ROSA
REININGER HOLDINGS LIMITED

Per:  _____

Name:

Title:

I/We have authority to bind the corporation

R. REININGER & SON LIMITED

Per:  _____

Name:

Title:

I/We have authority to bind the corporation

Schedule "C"

EXECUTION COPY

SUBORDINATED PARTICIPATION AGREEMENT

FCC, LLC d/b/a First Capital ("FCC") and General Motors LLC ("GM") enter into this Subordinated Participation Agreement (this "Agreement") on December 23, 2009.

RECITALS

A. Pursuant to the Assignment and Assumption Agreement executed contemporaneously with this Agreement between FCC and GM (the "Assignment Agreement"; capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Assignment Agreement), FCC is assigning its rights and obligations under the Loan Documents, including all of its rights in the Collateral securing the Loans, to GM, and GM will purchase the Loans and assume FCC's obligations under the Loan Documents.

B. As a portion of the purchase consideration for the Loans, GM has agreed to issue to FCC an undivided, last-out, subordinated interest in the Loans (the "Participation") in the amount of \$2,000,000 (U.S.) (the "Participation Amount").

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

TERMS AND CONDITIONS

1. In consideration of FCC entering into the Assignment Agreement, GM will be deemed to have sold and granted to FCC, and FCC purchased and accepted from GM, an undivided, last out, subordinated participation in the Loans equal to the Participation Amount.

2. Without further action by GM, execution and delivery of this Agreement and the Assignment Agreement by FCC shall constitute a sale and purchase of the Participation, and will confer on FCC, with respect to the Participations, a last out subordinate interest in the Loans and, through GM, in all the rights and benefits of GM under the provisions of the Loan Documents (in each case subject to the provisions of Section 4 hereof regarding Additional Funding, as defined below), and against Borrower and any other parties to the Loan Documents for repayment of same and the payment of charges thereon, as herein provided, and a corresponding undivided subordinate interest in all Collateral held by GM under the provisions of the Loan Documents. FCC's interest in the Loans and the Collateral therefore will in all respects (subject to the provisions of Section 4 hereof regarding Additional Funding, as defined below) be subject and subordinate to GM's rights in the Obligations (as defined below) and the Collateral. GM will have the right to apply payments or proceeds of any Collateral (or any other amounts received by GM with respect to the Obligations) to GM's interest in the Obligations or any other obligations of Borrower to GM before making any payment(s) to FCC on account of the Participation. Furthermore, FCC waives all right to require that GM marshal any of the Collateral for the Obligations or that GM pursue guarantors, if any. For purposes of this Agreement, "Obligations" means:

- (i) the outstanding principal balance for all of the Loans and other obligations to GM under the Loan Documents and all other amounts due or to become due GM under the Loan Documents;
- (ii) all accrued and unpaid interest due to GM under the Loan Documents, which interest will accrue at the non-default rate of interest provided for in the Loan Documents; and
- (iii) all fees, expenses and costs arising from or related to the Loans, the Loan Documents and/or any Collateral, including but not limited to, all fees and charges (including reasonable attorneys' fees and costs) called for by the Loan Documents ("Fees and Expenses").

For clarity, Obligations will not include any advance or payment made by GM, whether prior to or after execution of this Agreement, which advance or payment is not made under the Loan Documents.

3. GM has the right to manage, perform, and enforce the terms of the Loan Documents and to exercise and enforce all privileges and rights exercisable by it thereunder, in its sole discretion, including the right to amend the Loan Documents or to terminate any forbearance. This Agreement will not be construed to create a fiduciary relationship between GM and FCC. FCC also acknowledges and agrees that GM's actions under this Agreement are strictly administrative, and any repayment of principal or interest to FCC is solely dependent upon Borrower. Except for willful misconduct, gross negligence or fraud by GM, FCC hereby exonerates GM of and from any obligation or liability, express or implied, for any loss, depreciation of or failure to realize upon the Obligations, or any Collateral securing the Obligations, or for failure to collect or receive payments of any sums owing from Borrower or any third party, or for any mistake, omission, or error of judgment in passing upon or accepting the Obligations, the Collateral, if any, the Loan Documents, or in making any advances of monies or extensions of credit to Borrower, or in making any examinations, audits, or reviews of the affairs of Borrower, or in granting to Borrower extensions of time for payment of the Obligations, or in administering or monitoring the Collateral for the Obligations. Moreover, GM does not assume and does not have any obligation or liability, and GM undertakes no guaranties, express or implied, with respect to the existing or future financial worth or responsibility of Borrower, or of any of the account debtors of Borrower with respect to the genuineness or value of the Collateral, or with respect to the payment or the collectability of the Obligations.

4. FCC will not be entitled to any monies received by GM in accordance with the provisions of the Loan Documents, whether directly or indirectly from the sale or liquidation of any Collateral or otherwise in reduction of its Participation hereunder unless and until GM's portion of the Obligations (including Fees and Expenses to a maximum of \$250,000 in the aggregate) has been finally and indefeasibly repaid in full and other obligations of Borrower to GM under the Loan Documents have been paid in full ("Payment In Full") (collectively, GM's portion of the Obligations including Fees and Expenses to a maximum of \$250,000 in the aggregate are referred to as the "GM Obligations"); provided, however, to the extent GM funds additional amounts under the

Loan Documents to cover operating losses of Borrower, whether to (i) Borrower after the effective date of the Assignment Agreement or (ii) any receiver appointed over Borrower's assets after the appointment of such receiver, whether directly or pursuant to Receiver's Certificates secured by a Receiver's Borrowing Charge under the Order of the Court pursuant to which the receiver is appointed ("Additional Funding"), repayment of such Additional Funding, and the payment of charges thereon, and GM's interest in the Collateral with respect to such Additional Funding will be subordinate in all respects to the Participation and the existence of outstanding GM Obligations solely on account Additional Funding will not preclude the occurrence of Payment in Full. For greater certainty, Additional Funding shall include any Fees and Expenses accruing on or after the date of the Assignment Agreement in excess of \$250,000 in the aggregate. Upon Payment In Full as provided in the immediately preceding sentence (including a reserve in an amount reasonably determined by GM to cover any post-assignment costs and expenses that GM may incur), at FCC's written request, GM will assign the Loan Documents (except for the Excluded Information) and all rights thereunder to FCC, including any remaining Collateral, without recourse, representation, or warranty of any kind (except that GM has good title to the Loan Documents), in full satisfaction for all of GM's obligations under this Agreement and, to the extent GM has provided Additional Funding to Borrower, FCC will, for no additional consideration, issue to GM a subordinated participation in the Loans in the amount of such Additional Funding on terms substantially similar to the terms of this Agreement.

5. Interest will accrue on the Participation at the non-default rate of interest provided for in the Loan Documents, but shall not be collected by GM or payable by GM to FCC (or otherwise payable to FCC by Borrower) until Payment in Full of the GM Obligations. Any payments received by GM on the Loans which would otherwise be attributable to interest on the Participation will be applied to GM's senior interest in the Obligations.

6. Unless required to be disclosed by order of a court of competent jurisdiction or pursuant to a properly issued subpoena in any litigation, and in all cases subject to all applicable privileges, FCC is not entitled to any "Excluded Information." Excluded Information means GM's credit analysis and any correspondence between or among GM, its counsel, Borrower, its counsel, or any one or more of them.

7. FCC represents to GM that it accepts the financial risks inherent in the Participation. Further, FCC accepts the full risk of non-payment of the Participation and agrees that GM shall not be responsible for the performance or observance by Borrower for any terms, covenants, or conditions under the Loan Documents or applicable law.

8. FCC further acknowledges that the Participation is being made at its request and shall not be construed to be a "security" as that term is defined under any applicable state or federal securities laws.

9. FCC acknowledges that it has had an opportunity to make such review and investigation as FCC and its professional advisors believe to be necessary to enable FCC to make an independent and informed judgment with respect to the credit

worthiness of Borrower, the value and extent of the Collateral, if any, GM's rights against Borrower and Borrower's assets, and the desirability of purchasing the Participation. FCC also acknowledges that it is experienced and knowledgeable in financial matters, that it is not purchasing the Participation for purposes of investment gain (other than the possible payment of interest thereon), and that it has all necessary information to make an independent and informed judgment with respect to the financial status and condition of Borrower. Furthermore, FCC acknowledges that it is not relying on any opinions, representations, warranties, or advice of GM or its agents on entering into this Agreement.

10. Nothing in this Agreement will be construed to limit or restrict GM from, in any way, exercising any rights or remedies arising from the Loan Documents or any documents or agreements executed by the Borrower or provided for under applicable law. Excluding FCC's rights under the "Guaranties" as that term is defined in the Assignment Agreement, unless (i) the Loan Documents have been assigned to FCC in accordance with Paragraph 4 above or (ii) GM has received Payment In Full, FCC will have no right to enforce any of the Loan Documents including, but not limited to, exercising any rights or remedies arising from the Loan Documents or any documents or agreements executed by Borrower or provided for under applicable law. Except as otherwise provided in the immediately preceding sentence, all rights, remedies, privileges, etc. with respect to the Obligations and the Loan Documents (other than the Guaranties as that term is defined in the Assignment Agreement) may only be exercised by GM without any requirement for consent or approval from FCC; for certainty, GM will have the right to seek the appointment of a receiver over the assets of Borrower without the consent of FCC and FCC will have no rights to approve or direct any activities of any receiver.

11. This Agreement will remain in full force and effect so long as FCC owns a Participation interest in the Obligations.

12. References to GM in this Agreement will be deemed to include its officers, directors, employees, agents, auditors, attorneys, affiliates, subsidiaries, successors, and assigns.

13. Other than granting a security interest to FCC's funding sources in the ordinary course of FCC's business, FCC agrees not to sell, assign, pledge, hypothecate, exchange, or transfer, or suffer any sale, assignment, pledge, hypothecation, exchange, or transfer, in whole or in part, of the Participations or their undivided, subordinate interest in the Obligations without the prior written consent of GM, which consent shall not be unreasonably withheld.

14. If, after GM has paid FCC all or a portion of the Participation, any application or payment made on account of the Participation is rescinded or must otherwise be returned or must be paid over by GM for any reason (including, without limitation, due to avoidance or other challenge by a trustee in bankruptcy pursuant to any claim or cause of action arising under Paragraph 5 of the United States Bankruptcy Code or otherwise), FCC must, upon request by GM, immediately pay such amount back to GM up to the amount of the Participation and any interest earned thereon which

has been repaid to FCC. If GM is sued or threatened with suit by a receiver or trustee in any bankruptcy or other insolvency proceeding involving Borrower or any other person (i) on account of any alleged preferential or fraudulent transfer received or alleged to have been received, directly or indirectly, from Borrower or any other such person, which is attributable in whole or in part to the Participation, or (ii) relating to the equitable subordination of the Loans or the recharacterization of any of the Obligations as equity, which is attributable in whole or in part to the Participation, then FCC will (A) indemnify, defend and hold GM harmless from any such suit, claim or action and (B) repay or reimburse GM on demand for all expenses, costs and attorneys' fees paid or incurred, or payments made in connection therewith by GM; provided, FCC is not liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from GM's actual fraud or willful misconduct. Notwithstanding anything to the contrary in this Agreement or otherwise, FCC's obligation under this Paragraph 14 is limited to the sum of the amounts that FCC has actually received with respect to its Participation, and GM may apply any distributions that would otherwise be made to FCC to FCC's obligations under this Paragraph 14.

15. Until the GM Obligations are Paid in Full, if FCC receives from any person, by voluntary payment or through exercise of the right of setoff, recoupment, counterclaim, cross-action or otherwise, any amount applicable to its Participation (each, a "Payment"), FCC must promptly remit to GM in cash an amount equal to such Payment. Notwithstanding the foregoing, amounts received by FCC pursuant to one or more Guaranties or otherwise received from Orchid Monroe or Orchid Mt. Juliet shall not constitute "Payments" hereunder, and FCC shall have no obligation to remit any such amounts to GM.

16. For purposes of this Agreement:

- (a) Certain References. The words "herein," "hereof" and "hereunder," and words of similar import, refer to this Agreement as a whole and not to any particular provision of this Agreement, and references to paragraphs and similar references, are to paragraphs of this Agreement unless otherwise specified.
- (b) General Rules. Unless the context otherwise requires: (i) the singular includes the plural, and vice versa; (ii) all pronouns and any variations thereof refer to the masculine, feminine or neuter, as the identity of the person or persons may require; (iii) all definitions and references to an agreement, instrument or document mean such agreement, instrument or document together with all exhibits and schedules thereto and any and all amendments, supplements or modifications thereto as the same may be in effect at the time such definition or reference is applicable for any purpose; (iv) all references to any party include that party's successors and permitted assigns; (v) "include", "includes", and "including" are to be treated as if followed by "without limitation" whether or not they

are followed by these words or words with a similar meaning; and
 (vi) attorneys' fees include allocated costs of in-house counsel.

- (c) Uniform Commercial Code. All other terms contained in this Agreement have, when the context so indicates, the meanings provided for by the Uniform Commercial Code as enacted in the State of Michigan to the extent the same are used or defined therein.
- (d) No Construction Against Drafter. This Agreement has been reviewed by the parties and their counsel and is being entered into among competent persons, who are experienced in business and represented by counsel. Therefore, any ambiguous language or any uncertainty in this Agreement will not necessarily be construed against any particular party as the drafter of such language. Furthermore, neither this Agreement nor any uncertainty or ambiguity herein is to be construed or resolved against GM or FCC under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and is to be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

17. This Agreement will be construed in accordance with the laws of the State of Michigan. Whenever possible, each provision of this agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is prohibited by or invalid under applicable law, such provision will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

18. All notices to be given under this Agreement, will be given to the applicable party at the address indicated below, or such other address as will be indicated in writing to the other party:

If to FCC:	FCC, LLC 125 TownPark Drive, Suite 190 Kennesaw, Georgia 30144 Attn: Brian J. Cuttic, Executive Vice President
If to GM:	General Motors LLC Cadillac Building Mail Code: 480-206-136 30009 Van Dyke Warren, Michigan 48090-9025 Attn: Mark W. Fischer

19. This Agreement constitutes the entire understanding of the parties in connection with the subject matter hereof and will not be modified or altered except by

a writing signed by GM and FCC. There are no other agreements, oral or written, express or implied, relating to the subject matter hereof other than this Agreement and the other agreements referenced herein, and all prior agreements and understandings have been merged into this Agreement. As between GM and FCC, to the extent of any conflicts between the terms of this Agreement and the terms of the Loan Documents, this Agreement shall govern and control.

20. This Agreement may be executed in counterparts, and facsimile copies of any signatures will be treated as original signatures.

21. To the extent of any conflict between the terms of this Agreement and the terms of the Order of the Court pursuant to which the receiver is appointed, the terms of this Agreement will govern and control.

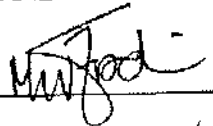
22. GM AND FCC ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. GM AND FCC EACH HEREBY KNOWINGLY, VOLUNTARILY, AND WITHOUT COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY FOR ALL DISPUTES INVOLVING OR RELATING TO THIS AGREEMENT. NEITHER GM NOR FCC WILL BE DEEMED TO HAVE RELINQUISHED THIS JURY TRIAL WAIVER UNLESS SUCH RELINQUISHMENT IS IN A WRITTEN INSTRUMENT SIGNED BY THE PARTY TO BE CHARGED.

[SIGNATURES ON FOLLOWING PAGE]

GM and FCC have caused this Subordinated Participation Agreement to be duly executed as of the date first above written.

GENERAL MOTORS LLC

FCC, LLC, d/b/a FIRST CAPITAL

By: 

By: _____

Name: MW FISCHER

Name: _____

Title: DIRECTOR, Supply Risk Mot.

Title: _____

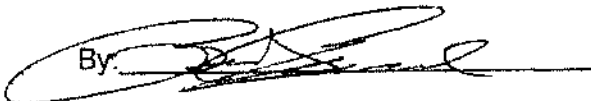
DETROIT.3994599.5

GM and FCC have caused this Subordinated Participation Agreement to be duly executed as of the date first above written.

GENERAL MOTORS LLC

FCC, LLC, d/b/a FIRST CAPITAL

By: _____

By:  _____

Name: _____

Name: Bryan J. Curtis

Title: _____

Title: Executive Vice President

DETROIT.3994599.5

Schedule "D"

Court File No.

**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

**AFFIDAVIT OF GLENN CHAPNIK
(Sworn December 23, 2009)**

I, GLENN CHAPNIK, of the City of Toronto, in the Province of Ontario, am
the GMNA Stampings Commodity Manager **MAKE OATH AND SAY:**

The Parties

1. The Applicant General Motors Corporation ("**GM**") is a corporation governed by the laws of the State of Delaware, one of the United States of America which carries on the business of manufacturing and selling automobiles and other motor vehicles.
2. The Respondent Orchid International Ontario Division Inc. ("**Orchid**") is a corporation governed by the laws of the Province of Ontario which carries on business as a supplier of component parts to GM, and other third party customers.

The Business of Orchid

3. Orchid's business consists 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**").
4. Orchid shut down operations on Friday December 18, 2009, for a two week period as part of the ordinary course Christmas industry shut down.
5. Orchid currently employs approximately 101 hourly employees and approximately 19 salaried employees. Orchid's employees are not represented by a union. Orchid does not have a pension plan.
6. Orchid's primary customers include GM, TS TECH Co. Ltd., TRW Automotive, F&P Mfg. Inc., Cam-slide Mfg., International Automotive Components, North America and Johnson Controls Inc.

Primary Financing and Security

7. FCC, LLC, doing business as First Capital ("**First Capital**") entered into a loan and security agreement, dated March 2, 2007, with Orchid Automation Group Inc. and R. Reininger & Son Limited (the "**Loan and Security Agreement**"). The Loan and Security

Agreement was amended on October 24th, 2008, to, among other things, reflect the amalgamation of Orchid Automation Group Inc. and R. Reininger & Son Limited, into Orchid International Ontario Division Inc. (previously defined as Orchid). The Loan and Security Agreement was further amended in January of 2009. The Loan and Security Agreement, together with all amendments and modifications, is referred to herein as the “**Loan and Security Agreement**”. A true copy of the Loan and Security Agreement is attached hereto as Exhibit “A”.

8. As of December 21, 2009, the amount Orchid owed to First Capital under the Loan and Security Agreement, was approximately \$10,000,000 (the “**Debt**”).
9. Pursuant to the terms of the Loan and Security Agreement Orchid granted security in and to all property, assets and undertaking to First Capital as security for any and all obligations arising under the Loan and Security Agreement (the “**Security**”).
10. A true copy of a search against the name of Orchid under the *Personal Property Security Act* (the “**PPSA**”) as at November 24, 2009 (the “**PPSA Search**”) is attached hereto as Exhibit “B”.

The Financial Difficulties of Orchid

11. Orchid has suffered dramatic decreases in revenue due to a reduction in demand for products from its customers. Orchid’s high cost of carrying its debt has further reduced its cash flow.

12. On June 18, 2009, First Capital wrote to Orchid advising Orchid of numerous existing defaults pursuant to the Loan and Security Agreement. Attached hereto as Exhibit "C" is a copy of First Capital's June 18, 2009 letter.
13. Orchid has no committed financing for its continued operations. During the past 30 days, GM has provided approximately \$890,000 to fund the operations of Orchid. GM expects that Orchid will require additional financing to complete an expedited sale process of the Fuel Strap Business and part of the Stamping Business.
14. I am advised by Grant Bibby, the Chief Executive Officer of Orchid, that key suppliers to Orchid continue to supply in the ordinary course. However, Orchid's lack of cash flow is making it increasingly difficult to meet payment terms to its suppliers.
15. I am advised by Grant Bibby that one of Orchid's primary customers, being TS TECH Co. Ltd, has already commenced removing all of the tooling it owns, related to the Seat Back Business.
16. Orchid is insolvent in that it cannot pay its liabilities as they become due.
17. In or around December of 2009, Orchid advised GM and its other customers that it wished to cease carrying on business but that it would continue to manufacture and supply products to GM and its other customers until such time as GM and its other customers could replace Orchid with other suppliers.

GM Purchases Debt and Security

18. GM purchased the Debt and the Security pursuant to an Assignment and Assumption Agreement between GM and First Capital, dated as of December 22, 2009 (the "**Assignment of Debt and Security**"). A true copy of the Assignment of Debt and Security is attached hereto as Exhibit "**D**".
19. By letter dated December 22, 2009, GM demanded that Orchid immediately repay the Debt (the "**Demand Letter**"). Additionally, GM issued a Notice of Intention to Enforce Security ("**NITES**"). True copies of the Demand Letter and NITES are attached hereto as Exhibits "**E**" and "**F**", respectively.
20. Pursuant to a consent agreement, between Orchid and GM, dated as of December 22, 2009 (the "**Consent Agreement**"), Orchid acknowledged that it was in default under the Loan and Security Agreement, consented to the early enforcement of its rights pursuant to the Security and consented to the Court appointment of a receiver and manager of the business. Attached hereto as Exhibit "**G**" is a true copy of the Consent Agreement.
21. It is essential that a Receiver and Manager be appointed over the property, assets and undertaking of Orchid to ensure that production by Orchid for the GM and the other customers is not interrupted.
22. A cessation of production by Orchid would cause irreparable harm to GM and the other customers as Orchid is the sole supplier of the products it produces for GM and its other customers.

Other Stakeholders

23. *Shareholding Structure* - Orchid is a wholly owned subsidiary of GBSG Holdings Ltd., an Ontario Corporation ("**Holdco**"). Steve Gruver and the Trust Company of Bank of Montreal, Trustee of the Karen G. Bibby 2002 Family Gift Trust, are each 50% shareholders of Holdco.
24. Orchid leases real property from Reinrichmar Holdings Limited ("**Reinrichmar**") located at 1240 Twinney Drive, Newmarket, Ontario (the "**Newmarket Facility**"). In addition to its capacity as landlord, Reinrichmar is also a secured creditor. Orchid's obligation to Reinrichmar arises out of a purchase of the Newmarket business and the lease of the operating facility.
25. First National, 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 National by Orchid are at all times prior and superior to an lien Reinrichmar may have against the collateral of Orchid. The Subordination Agreement was assigned to GM as part of the transaction to purchase First National's Debt and Security. The Subordination Agreement is attached to my Affidavit as Exhibit "**H**".
26. On March 2, 2007, Reinrichmar provided a landlord waiver and consent to First National (the "**Landlord Waiver**"). The Landlord Waiver was assigned to GM as part of the transaction to purchase First National's Debt and Security. The Landlord Waiver is attached to my Affidavit as Exhibit "**I**".

27. Venture Steel Inc. filed a financing statement 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 a purchase of materials to produce the parts at the Newmarket Facility.
28. Export Development Canada filed a financing statement on August 14, 2009 as a secured creditor over inventory, equipment, accounts and other. Orchid's obligation to Export Development Canada arises out of payments to tool vendors to produce tools to manufacture the parts that are and would be built at the Newmarket Facility.
29. The balance of secured creditors that have filed financing statements are identified in the PPSA Search summary which is attached to my Affidavit as Exhibit "J".

The Proposed Receiver and Manager

30. Zeifman Partners Inc. has consented to act as the Receiver and Manager of the property, assets and undertaking of Orchid. Zeifman Partners Inc. is acceptable to GM. The consent of Zeifman Partners Inc. to act in this capacity is attached to my Affidavit as Exhibit "K".


The Form of the Proposed Order

31. Counsel for GM has prepared a draft Order in the form of the "model receivership order" developed by the Commercial Court User's Committee. I am advised by Larry Ellis of ThorntonGroutFinnigan LLP, counsel to GM, and do verily believe that the only additions to the form of the "model receivership order" are to insert the relevant names, dates and amounts and that there have been no amendments to the "model receivership order" other than those additions.

Summary


32. In light of the foregoing, it is just and equitable that a Receiver and Manager be appointed over the assets, property and undertaking of Orchid to conduct an orderly sale process and if unsuccessful a wind-down of its affairs and the cessation of its operations.

SWORN before me at Toronto,
in the Province of Ontario,
this 23rd day of December, 2009



Larry Ellis

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Glenn Chapnik

Schedule "E"

ZEIFMAN PARTNERS INC.

Notice and Statement of the Receiver
(Section 245(1) and 246(1) of the Bankruptcy and Insolvency Act)

The Receiver gives notice and declares that:

1. On the 24th day of December 2009, Zeifman Partners Inc. became the Receiver in respect of the property, assets and undertaking of Orchid International Ontario Division Inc. ("Orchid" or the "Company") an insolvent. The book values of the property are detailed below:

Asset	Book Value (000's)
Cash	\$9
Accounts Receivable – Trade	\$2,876
Accounts Receivable - Other	\$150
Due from Related Parties	\$350
Prepaid Expenses	\$342
Inventory	\$1,351
Inventory - Tooling	\$928
Property and Equipment	\$9,502

The figures represented above are net book values reported in the Company's financial statements and records.

Zeifman Partners Inc. became a Receiver by virtue of being appointed by Order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (the "Court Order") as issued on December 24, 2009. A copy of the Court Order is posted on our website at <http://zeifmans.ca/Recovery/CurrentInsolvencyFiles.html>.

2. The undersigned took possession and control of the property described above on the 24th day of December 2009.
3. The following information relates to the receivership:

Addresses and location of insolvent person: Orchid International Ontario Division Inc.
 1240 Twinney Drive
 Newmarket, Ontario
 L3Y 5N1

1 Toronto Street, P.O. Box 28
 Suite 910
 Toronto, Ontario
 M5C 2V6
 Tel: (416) 256-4005
 Fax: (416) 256-4001
www.zeifman.ca

ZEIFMAN PARTNERS INC.

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Principal line of business: Automotive fuel strap, stamping and seat back manufacturing

Locations of Business: Orchid International Ontario Division Inc.
1240 Twinney Drive
Newmarket, Ontario
L3Y 5N1

The list of creditors of Orchid creditors who hold a security on the property described above include the following:

Name of Secured Creditor	Address	Claim
General Motors LLC	Cadillac Building 3009 Van Dyke Avenue Warren, MI 48090	\$ 6,435,927
FCC, LLC D/B/A First Capital	125 Townpark Drive Suite 190 Kennesaw, Georgia 30144 USA	\$ 2,107,000
Reinrichmar Holdings Limited	1200 Davis Drive Newmarket, Ontario L3Y 8X5	\$ 3,775,200
Export Development Canada	151 O'Connor Street Ottawa, Ontario K1A 1K3	\$ 1,062,768
Venture Steel Inc.	60 Disco Road Toronto, Ontario M9W 1L8	\$408,787

The following additional parties have registered security interests under the Personal Property Security Act:

Name of Secured Creditor	Address
Xerox Canada Ltd.	33 Bloor Street East, 3 rd Floor Toronto, Ontario M4W 3H1

- (a) The list of other creditors of the insolvent person and the amount owed to each creditor is attached hereto as Appendix "A". The total amount due by the insolvent person to these other creditors is \$12,185,727.

ZEIFMAN PARTNERS INC.

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The amounts presented in the attached schedule were obtained from records of the insolvent person that are available to the Receiver. No acknowledgement is made concerning the amounts owing.

(b) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is to operate the business for a limited period for certain customers while a buyer is sought.

(c) Contact person for the Receiver: Jonathan Rutman

Telephone:

Office: (416) 256-4005 ext. 282

On-site: (905) 895- 4264 ext. 258

Fax:

Office: (416) 256-4001

On-site: (905) 898-6020

Email: jrutman@zeifmans.ca

Dated at Toronto this 4th day of January 2010.

Yours very truly,

ZEIFMAN PARTNERS INC.

as Interim Receiver and Receiver and
Manager of Orchid International Ontario
Division Inc. and not in its personal or Corporate capacity

per:



Allan A. Rutman, CA, MBA

- Creditor Mailing List -

Appendix "A"

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	407 ETR		P.O. Box 407, Stn. 'D' Scarborough ON MIR 5J8	1,880.25
	474816 Ontario Inc.		291 Maple Street Newmarket ON L3Y 3K3	119.70
	A-1 Hydrant Services Ltd.		10 Estate Drive Toronto ON M1H 2Z1	147.00
	AAA Door Guys Inc.		25 Saunders Road, Unit 5 Barrie ON L4N 9A7	501.38
	Accurate Fasteners Ltd.		Jordan Wagman 550 Applewood Crescent Concord ON L4K 4B4	531.00
	Accu-Shape Die Cutting Inc.		Joe Brooks 4050 Market Place Drive Flint MI 48507-3203	5,840.60
	Ace Doran Hauling & Rigging Co.		P.O. Box 632496 Cincinnati OH 45263-2496	5,530.88
	Ainsworth Inc.		131 Bermondsey Road Toronto ON M4A 1X4	1,874.50
	Alba Pallet Co. (2007) Ltd.		150 Glidden Road Brampton ON L6W 3L2	6,254.04
	Albert's Spotwelder Service Ltd.		446 Service Road Stouffville ON L4A 7S9	2,560.00
	Alpha Industrial Tool & Equipment		51 Tamarack Dr. Thornhill ON L3T 4W2	893.45
	Anti-Friction Enterprises		Jay Jackson 150 Summerlea Road, Brampton ON L6T 4X3	262.50
	Atlas Tag Company Of Canada		381 Westney Road South Ajax ON L1S 6M6	386.46
	Bend-All Automotive Incorporat		575 Waydom Drive, R.R. 1 Ayr ON N0B 1E0	206,729.58
	Blade Cutters Property Mainten		31 Valentini Ave. Holland Landing ON L9N 1H8	16,448.00
	C.H. Robinson Worldwide, Inc.		P.O. Box 9121 Minneapolis MN 55480-9121	18,621.32
	Canadian Measurement-Metrology		Brian Griffiths 2433 Meadowvale Blvd Mississauga ON L5N 5S2	1,262.63
	Cannon Hygiene Canada Ltd.		145 Shields Court Markham ON L3R 9T5	446.78
	Centracore LLC		23010 Industrial Drive East St. Clair Shores MI 48 080	13,342.58
	Coatings 85 "A"		6995 Davand Drive Mississauga ON L5T 1L5	239.16
	Color Town		25-17665 Leslie Street Newmarket ON L3Y 3E3	113.35
	Continental Decon Inc.		Christine Raymore 35 Devon Road Brampton ON L6T 5B6	680.28
	Control Panel Systems Ont. Ltd.		Kathy Eymans 1375 Hopkins St. Whitby ON L1N 2C2	10,363.75
	Con-Way Canada Express		Po Box 25048, Station A Toronto ON M5W 2X8	105.30
	Cromac Inc.		80 Summerlea Road Brampton ON L6T 4X3	1,222.67

- Creditor Mailing List -

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Dadco Canada		Ron Brown/Nancy 2530 Meadowpine Blvd. Mississauga ON L5N 6C4	186.90
	David Jay Trucking Enterprises		499 Melvin Ave. Hamilton ON L8H 2L9	304.35
	Dayton Progress Canada, Ltd.		861 Rowntree Dairy Road Woodbridge ON L4L 5W3	203.30
	Decker Manufacturing Corp.		John Ouellette 2230 Paysphere Circle Chicago IL 60674	53,159.99
	Direct Line Environmental Corp.		Doug Graham 1070 Toy Avenue Pickering ON L1W 3P1	751.35
	Diversified Tooling Int		Cory Ladoucer 483 Breezewood St. Windsor ON N8P 1H4	7,424.50
	Don Casselman & Son		P.O.Box 4550, Postal Station "A" Toronto ON M5W 4R7	189.00
	EFC International		1940 Craigshire St. Louis MO 63146	2,465.19
	Elite Tool Sales Inc.		177 Langstaff Road East Thornhill ON L3T 3M7	513.70
	Enbridge		P.O. Box 644 Scarborough ON M1K 5H1	9,643.24
	Ensars International		Javier Martinez 801 International #5, Box #128 Brownsville TX 78520	27,634.17
	Enterprise Rent-A-Car		7390 Woodbine Avenue, Suite 100 Markham ON L3R 1A5	289.25
	Fastenal Canada		860 Trillium Drive, Suite 117 Kitchener ON N2R 1K4	199.98
	Federal Express		Po Box 4626, Toronto Station A Toronto ON M5W 5B4	116.15
	Fedex Trade Networks		15704 Collections Center Dr. Chicago IL 60693	221.64
	Flint Packaging Products Ltd.		Rosvelt Broomes 311 Caldari Road, Concord ON L4K 4S9	13,304.64
	Fuchs Lubricants Canada Ltd.		Maureen Wright P.O. Box 3940, Commerce Court Postal Station Toronto ON M5L 1K1	2,238.39
	General Motors LLC		3009 Van Dyke Avenue Cadillac Building Warren MI 48 090	937,615.00
	Gibraltar Steel Corporation		P.O. Box 712526 Cincinnati OH 45271-2526	19,981.93
	Grand & Toy Limited		P.O. Box 5500 Don Mills ON M3C 3L5	416.38
	Green Shield Canada		8677 Anchor Drive, P.O. Box 1612 Windsor ON N9A 7A7	422.17
	Hascall Steel Co.		Chris Lunsford 4165 Spartan Industrial Drive Grandville MI 49418	19,635.61
	Heidman Steel Products Inc.		21895 Network Place Chicago IL 60673-1218	2,107.36

- Creditor Mailing List -

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Hemmerich, Flanagan, Kratz & Eamer		62 Regina Street North Waterloo ON N2J 3A5	13,561.50
	Houghton Canada Inc		Po Box 8933, Station A Toronto ON M5W 2C5	2,096.80
	Houghton Canada Inc.		P.O. Box 8933, Station A Toronto ON M5W 2C5	2,096.80
	Huys Industries Limited		175 Toryork Drive Unit 35 Weston ON M9L 1X9	2,205.64
	International Safety Systems		Shoab 355 Harry Walker Parkway, Unit 10 Newmarket ON L3Y 7B3	332.64
	Jems Coating Limited		Adriana Petrova 210 Jacob Keffer Parkway Concord ON L4K 4W3	115,621.27
	Johnson, Morgan & White		Joseph Morgan, TA Case#76736-132 6800 Broken Sound Parkway Boca Raton FL 33487-2788	25,182.24
	Johnston Equipment Co. Ltd.		5990 Avebury Road, Mississauga ON L5R 3R2	135.95
	K & P Auto & Marine Electric		160 Pony Drive, Unit 8 Newmarket ON L3Y 7B6	336.00
	Kagan Shastri in Trust		188 Avenue Road Toronto ON M5R 2J1	179.99
	Ken-Mac Metals		Garry Landl 2 Thyssen Park Detroit MI 48210	4,508.12
	Kobay Enstel Automotive Inc.		Tina Aduja 125 Nashdene Road Scarborough ON M1V 4B6	30,965.02
	L & L Products Inc.		16080 Collections Center Drive Chicago IL 66093	91,192.33
	Label Tech		Chester Vieira 7505 Bath Road Mississauga ON L4T 4C1	2,013.74
	Lasertek Precision Cutting Inc		Al 619 Steven Court, Unit #8 Newmarket ON L3Y 7V1	959.02
	Lazertherm Marketing Inc.		Paul Monnikendam 821 Brock Road Units 2,3&4 Pickering ON L1W 3L6	135.87
	Liflow Limited		3150 American Drive Mississauga ON L4V 1B4	365.48
	Livingston		Angela Parcels P.O. Box 146 Stn. "A" Etobicoke ON M9C 4V2	13,956.01
	Macomb Fastener Corporation		James Grunow 875 Degurse Street Marine City MI 48039	23,389.81
	Maksteel		7615 Torbram Road Mississauga ON L4T 4A8	172,631.63
	Mckinnon Metals		Attn: Accounting Dept 330 Millway, Unit #6-7 Concord ON L4K 3W2	2,455.11
	Mcmaster-Carr Supply Co.		P.O. Box 7690 Chicago IL 60680-7690	55.56
	Meister Tool & Die Inc.		120 Pony Drive Newmarket ON L3Y 7B6	10,718.75

- Creditor Mailing List -

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Metro Tool & Die Ltd.		Scott Kolb 1065 Pantera Drive Mississauga ON L4W 2X4	162,105.55
	Mill Steel Of Canada		P.O. Box 2450, Station A Toronto ON M5W 2K6	506,841.83
	Minister Of Finance		P.O. Box 620 (Ct), 33 King St. West Oshawa ON L1H 8E9	16,090.93
	Ministry of Finance	Collections Branch	33 King Street West, 6th Floor Oshawa ON L1H 8H5	12,000.00
	Ministry of Labour		Employment Standards Program 1110 Stellar Drive, Unit 102 Newmarket ON L3Y 7B7 Fax: (905) 715-7321	2,801,526.68
	Mister Safety Shoes		2300 Finch Ave. West, Unit 6 Toronto ON M9M 2Y3	259.80
	Modular Transportation Co.		P.O. Box 9465 Wyoming MI 49509	8,006.60
	Moore Packaging Corporation		Liz Beatty 191 John Street Barrie ON L4N 2L4	9,690.40
	MSM Transportation Inc.		124 Commercial Road Bolton ON L7E 1K4	22,277.18
	Nitto Denko Automotive NJ Inc.		1990 Rutgers University Blvd. Lakewood NJ 08 701	475.59
	Norbel Metal Service Limited		100 Guided Court Etobicoke ON M9V 4K6	6,036.85
	Northern Safety		417 Huronia Road Barrie ON L4N 8Z1	1,430.61
	Now Logistics Inc.		86 Downey Circle Aurora ON L4G 7E8	22,320.00
	Ontario Battery Direct		Unit 8, 1245 Maple Hill Court Newmarket ON L3Y 9E8	582.07
	Ontario Fire Equipment Ltd.		P.O Box 1216 Sharon ON L0G 1V0	156.65
	Orchid International (Monroe)		350 21st Street Montoe WI 53 566	5,590,104.00
	Orchid International (Mt. Juliet)		94 Belinda Parkway Mt. Juliet TN 37 122	617,003.00
	P.A. Bryan & Associates		Donna 30680 Montpelier, Suite 350 Madison Heights MI 48071	44,510.38
	Phantom Express		21850 Hwy. 48 Mount Albert ON L0G 1M0	4,835.25
	Plastico Industries		Mike Zinger 90 Struck Court, Cambridge ON N1R 8L2	47,082.19
	Praxair Distribution		A Division Of Praxair Canada Inc. P.O. Box 400 Station D Scarborough ON M1R 5M1	17,697.07
	Precision Group		Chris Abt 3005 Deziel Drive Windsor ON N8W 5A5	34,814.03
	Presswright Ltd.		93 Maple Ave. W., Box 346 Beeton ON L0G 1A0	4,534.88
	Printmore Inc.		213 The Queensway South, Unit 4 Keswick ON L4P 2A3	476.86

- Creditor Mailing List -

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Pritech Corp		46036 Michigan Ave., Suite 188 Canton MI 48188	2,541.57
	Purolator Courier Ltd.		Marlynn P.O. Box 1100, Etobicoke Postal Station A Etobicoke ON M9C 5K2	163.47
	R. Kidd Fuels Corp.		1741 Albion Rd, Toronto ON M9V 1C3	2,793.42
	Ramco Specialities Inc.		Jeff Melik 5369 Hudson Drive Hudson OH 44236-3777	8,740.46
	Rapid Metals		Daniel Butler 6346 Orchard Lake Rd, #102 West Bloomfield MI 48322	31,901.11
	Ready Rivet & Fastener Ltd.		Kelly Clark 170 Hollinger Crescent Kitchener ON N2K 2Z3	2,261.54
	Red Jade Trucking Inc.		Gord Thompson 358 Marble Place Newmarket ON L3X 2R7	180.18
	Riverview Steel Co. Ltd.		8165 Anchor Drive Windsor ON N8N 5B7	12,823.62
	Rsm Richter Inc.		David Sieradzki 200 King St. West, P.O. Box 48 Toronto ON M5H 3T4	5,400.00
	Samuel, Son & Co. Limited		Italo Falconio 2360 Dixie Road Mississauga ON L4Y 1Z7	14,221.14
	Siemens Product Lifecycle Mgmt		P.O.Box 1954, Postal Station A Toronto ON M5W 1W9	504.00
	Silver Bullet Brokerage, LLC		120 West Grove Street Greenville MI 48838	2,739.10
	Solar Spring & Wire Form		Roger Garcia 345 Criss Circle Elk Grove Village IL 60007	5,992.01
	Spotloy Products Limited		Paul Shearer 25 West Street, P.O. Box 819 Ridgetown ON N0P 2C0	191.53
	Steel Technologies		Paula Evans 15166 Collections Center Dr. Chicago IL 60693	35,602.90
	Superior Propane Inc.		Po Box 2875, Station M Calgary AB T2P 5G1	1,622.54
	Swish Maintenance Limited		P.O. Box 3000 Peterborough ON K9J 8N4	1,658.50
	Taylor Steel Inc.		477 Arvin Avenue Stoney Creek ON L8E 2N1	162,770.17
	Telizon Inc.		P.O. Box 627 Barrie ON L4M 4V1	972.78
	Thompson Emergency Freight		278 Patillo Rd. Tecumseh ON N8N 2L9	19,634.67
	Tigerdirect.Ca Inc.		Arnie Simester 55-G East Beaver Creek Road Richmond Hill ON L4B 1E5	120.38
	Tipco Inc.		1 Coventry Road Brampton ON L6T 4B1	111.25
	Torbram Electric Supply Corp.		Tes Central Division 10 Perdue Court, Unit 6 Caledon ON L7C 3M6	2,775.10

- Creditor Mailing List -

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Torcad Limited		Bob Smith 275 Norseman Street Toronto ON M8Z 2R5	3,809.57
	Tyson Tool Company Limited		75 Ormont Drive Toronto ON M9L 2S3	410.03
	Ultimate Consulting Services		2180 Steeles Ave. W., Unit 214 Concord ON L4K 2Z5	8,796.38
	United Parcel Service		C.P.#11086 Succ.Centre-Ville Montreal PQ H3C 5C6	82.74
	USF Holland Inc.		27052 Network Place Chicago IL 60673-1270	5,399.60
	Versatile Spray Painting Limit		102 Healey Road Bolton ON L7E 5A9	8,041.77
	Windsor Factory Supply		John Cole P.O. Box 2100 Windsor ON N8Y 4R7	215.25
	Wolseley LPG		P.O Box 11013, StN A Toronto ON M5W 2G5	1,065.32
	Workplace Safety & Insurance Board		200 Front Street West Toronto ON M5V 3J1	1.00
	Wurth Canada Limited		6330 Tomken Road Mississauga ON L5T 1N2	370.50
	York Disposal Service Ltd.		650 Creditstone Road Concord ON L4K 5C8	478.80

China's exports have dropped between 10 per cent and 50 per cent, depending on the product and country, in the past year.

Chavez a huge economic war chest to smooth out economic problems during most of his presidency. But with oil prices off record levels, inflation soar-

willing to brave Venezuela's maze of price caps, currency controls and the ever-present fear of nationalization.

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Classified

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BUSINESS TO BUSINESS

Business Opportunities

ACQUISITION OPPORTUNITY METAL STAMPING AND ASSEMBLY PLANT NEWMARKET, ONTARIO

Orchid International Ontario Division Inc. ("Orchid") d/b/a R. Reininger & Son, currently operating in receivership is available for sale. Orchid specializes in fully integrated fuel strap systems, seat tracks, robotically ring/spot welded assemblies, light metal fabrications, in-house prototyping, and large panel stampings.

Orchid is a Tier One and Tier Two supplier in the automotive industry. Orchid operates from a 205,000 sq. ft. plant. Real estate is leased on a long-term basis. Non unionized workforce.

Value drivers include: 20+ years of manufacturing expertise, proprietary scrapless fuel strap manufacturing process, excellent quality performance with zero PPMs, 12 new part launches for the OEM's Diesel Emission Fluid Program (DEF), 15 100-800 ton presses, ISO QS, and TS certified, CMS, EDI and MRP systems.

Expressions of interest should be directed to the Receiver's representative noted below. Offers must be received by 5 p.m., on February 5, 2010 and are subject to the Receiver's terms and conditions of sale as well as the approval of the Ontario Superior Court of Justice and Receiver's Certificate Holders.

Confidential Information Memorandum is available from the Receiver for qualified buyers.

Orchid was placed into receivership on December 24, 2009, in accordance with the receivership order (the "Receivership Order"). To view the Receivership Order please visit www.zeifmans.ca/Recovery/CurrentInsolvencyFiles.html. For additional information please contact:

ZEIFMAN PARTNERS INC.
Court Appointed Interim Receiver and Receiver and Manager
of Orchid International Ontario Division Inc.
201 Bridgeland Avenue
Toronto, Ontario
M6A 1Y7
Attention: Jonathan Rutman
T: (905) 895-4264 x258 or (416) 256-4005
F: (416) 256-4001
Email: jrutman@zeifmans.ca

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FARMLAND Investors required with \$400,000 - \$4,000,000 to invest in first mortgages on productive farmland near Calgary, three to five year term. Contact bjfarmi@telus.net (403) 652-6659

MANAGING CO-INVESTOR. Commercial Mortgages: Small Business Bridge Lending; Yorkville Office location; 416-214-1114 ext. 222.

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**ORCHID INTERNATIONAL ONTARIO
DIVISION INC.**

**Fuel Tank Strap and Multi-Slide
Manufacturing Business**

**Confidential Information Memorandum
January 2010**

*Orchid International Ontario Division Inc.
Confidential Information Memorandum*

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1.0 Introduction

1.1 Sale Process

On December 24, 2009, Zeifman Partners Inc. (“Zeifman” or the “Receiver”) was appointed Receiver and Manager of the assets, property and undertaking of Orchid International Ontario Division Inc. (“Orchid” or the “Company”) by order of the Honorable Mr. Justice Morawetz of the Ontario Superior Court of Justice (the “Initial Order”). Zeifman, solely in its capacity as Receiver of Orchid, and not in any personal capacity (the “Vendor”) is authorized to solicit offers for the sale of certain of Orchid’s assets. These assets include the right, title and interest if any, of Zeifman in and to the operating equipment, trade names and intangibles (collectively the “Assets”).

1.2 Notice to Reader

The information contained herein has been obtained from the books and records of Orchid and from other sources such as synopses and descriptions prepared by the management of Orchid and does not purport to contain all the information a prospective purchaser may require. This package has been compiled solely for the convenience of prospective purchasers to assist them in their determination of whether they wish to express further interest in acquiring the Assets. This package does NOT form part of any terms or conditions of sale.

The Vendor has not independently verified any of the information contained herein and makes no express or implied representation or warranty with respect to its accuracy or completeness.

The Vendor shall not have any liability for any representations (expressed or implied) contained herein, or for any omissions from, this document or for any other written or oral communications transmitted to prospective purchasers in the course of their evaluation of the Company. The Vendor expressly advises, and the prospective purchaser acknowledges, that the prospective purchaser is not relying on, and could not reasonably rely on this information in arriving at any decisions in connection with the Company. Each prospective purchaser must rely upon their own inspection and investigation in order to satisfy themselves as to title, liens, encumbrances, description, fitness for purpose, quantity, condition, quality, value or any other matter or thing whatsoever.

Neither this information package, nor its delivery to any prospective purchasers, shall constitute an offer to sell or the solicitation of an offer to buy the Assets.

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The Vendor will consider written offers to purchase its right, title, and interest, if any, in the Assets, provided that each such offer is in the form approved and provided by the Vendor. Prospective purchasers are cautioned, however, that the Vendor reserves the right to sell any Asset or group of Assets, at any time, in such fashion, as it may determine in its sole judgment. No offer shall be considered to be accepted until a formal agreement of purchase and sale, in form acceptable to the Vendor, has been executed among the parties.

The sale of the Assets is also subject to the approval of the Ontario Superior Court of Justice and the Receiver's Certificate Holder as defined in the Initial Order.

Existing purchase orders between Orchid and its customers are not assignable. Therefore the Receiver is not authorized to and will not be transferring or selling any existing customer purchase orders. Successful Purchasers will be required to negotiate new purchase orders with Orchid's customers.

The deadline for receipt of offers is 5 P.M., EST, February 5, 2010.

1.3 Confidentiality

Each recipient of this information package agrees that all of the information contained herein is of a confidential nature, that they will treat it in a confidential manner, and they will not directly disclose or permit their agents or affiliates to disclose any such information without the prior written consent of the Vendor and each recipient shall also execute and deliver to and in favor of the Vendor a confidentiality agreement in the form provided by the Vendor.

1.4 Inquiries and Communication

Enquiries and communications regarding all aspects of the proposed sale of the Assets, including site visits, should be directed to:

ZEIFMAN PARTNERS INC.
201 Bridgeland Avenue
Toronto, Ontario
M6A 1Y7
Fax: (416) 256-4001

Attention: Jonathan Rutman (416) 256-4005 ext. 258
jrutman@zeifmans.ca

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1.5 Deposit

The offeror shall deliver with its offer a certified cheque or bank draft of a chartered bank of Canada payable to "Zeifman Partners Inc.", in an amount equal to 15% of the purchase price as a deposit, to be held by the Vendor in accordance with the terms set out in the agreement of purchase and sale and to be credited on account of the purchase price on completion of the transactions contemplated by the agreement of purchase and sale entered into on the Vendor's acceptance of the offer to purchase. If the offer to purchase is accepted by the Vendor, the said cheque or bank draft may be cashed and shall be deemed to be a deposit to be applied against the purchase price payable to the Vendor on the date of closing.

1.6 Acceptance of Offers and Communication of Acceptance

The highest, or any offer, will not necessarily be accepted. The Vendor reserves the right to dispose of any or all of the Assets in any manner it chooses at any time in its sole and absolute discretion. The Vendor will not retain any continued interest in the Assets and the Assets will be conveyed free of debt and prior encumbrances. Accepted offers will be subject to Court and Receiver's Certificate Holder approval.

If any offer is accepted by the Vendor, the Vendor will communicate such acceptance to the offeror by email/fax/courier at the discretion of the Vendor.

1.7 Rejected Offers

Each offer submitted shall be and remain the property of the Vendor, and no offeror shall be entitled to its return. Cheques or drafts accompanying offers that are not accepted by the Vendor shall be returned, without interest, by prepaid registered mail or courier addressed to the offeror at the address given in the offer by February 15, 2010, unless otherwise arranged with the offeror.

1.8 DISCLAIMER

ALL INFORMATION REGARDING THE BUSINESS AND CONTAINED IN THIS CONFIDENTIAL INFORMATION MEMORANDUM WAS PROVIDED TO THE RECEIVER BY MANAGEMENT OF ORCHID. THE RECEIVER MAKES NO REPRESENTATION WITH RESPECT TO THE ACCURACY, RELIABILITY OR VALIDITY OF THE INFORMATION CONTAINED HEREIN. POTENTIAL PURCHASERS MUST CONDUCT THEIR OWN DUE DILIGENCE AND SHOULD NOT RELY ON THE INFORMATION CONTAINED HEREIN.

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1.9 Executive Summary

R. Reininger & Son ("Reininger") is one of Canada's modern metal stamping and assembly operations. Reininger developed a unique process to manufacture fuel tank straps based on multi-slide technology instead of the traditional progressive stamping method. The process is virtually scrap free eliminating the extra material required for a progressive stamping. Tooling to produce the fuel straps on the multi-slide machines consists of only internal cams and components and is a fraction of the tooling cost compared to building progressive dies for each product. The process is also highly automated with one operator per line. Since the material is fed length ways into the machine, instead of using a wide coil for a progressive die, the products produced are stronger due to the grain of the material going in the right direction. In addition, the multi-slide systems roll the edges of the straps to eliminate sharp edges and produce an overall better product.

Reininger's only OEM account at the time the multi-slide technology was developed was General Motors. The multi-slide technology was presented to GM and Reininger became the substantial supplier of fuel straps producing over 50% of all fuel straps for GM North America. The Company currently produces over 100 different fuel straps for GM, including service products. A few years ago, Reininger also was awarded its first fuel tank strap supplied to Ford via a Tier 1 supplier ACH, formally TI Automotive.

In 2007, Orchid International acquired the Reininger business for a purchase price of \$23 million and created Orchid International Ontario Division Inc. Unfortunately, the economy worsened in 2008 and 2009 and Orchid had sales decline from over \$50 million to under \$20 million per year. At the time of the purchase of Reininger, the fuel straps represented approximately 30% of total sales revenue. The remaining 70% was comprised of several hundred general metal stampings and assemblies. The decline in sales volumes resulted in the business becoming unprofitable.

The fuel strap business has a positive contribution margin. Significant additional open capacity is also available as there are five complete fuel strap manufacturing lines capable of producing over \$20 million in annual revenue on a two shift basis, or over \$30 million on a three shift basis. The same multi-slide equipment that manufactures the fuel straps may also be used to manufacture other products that have a similar shape to the fuel straps. The multi-slide equipment may be used to manufacture component parts for automotive, appliance, HVAC, office furniture and other industries. This flexibility could represent a significant growth opportunity. In the past, the fuel straps have not been marketed to all the other automotive OEMs.

2.0 Company Overview

2.1 Background

The business offered for sale includes all equipment and intellectual property associated with the fuel tank strap and multi-slide business unit. The multi-slide equipment used to produce the fuel straps was custom developed by an Italian manufacturer of multi-slide equipment primarily used to produce wire. Due to the highly automated process, the Company can produce fuel straps at a lower cost than other processes and in addition provide a better product. The process has gained the majority of fuel strap business from General Motors.

According to Orchid management, the fuel strap business is advantageous over progressive stamping for the customer in respect to consuming approximately 15% less steel, lower tooling costs (approximately 1/3rd of the cost), a stronger and safer product (grain of the material in line with profile, a better product (rolled edges at no additional cost), and also a lower cost to produce the product due to an automated process and less material handling.

The Company has also developed fuel strap designs that work with polymer fuel tanks through a PVC coating process on its strap. This expands the product applications substantially.

The fuel strap products are not generally subject to any significant changes from program to program, which has resulted in the Company having an excellent program retention rate with its fuel strap business.

2.2 Products

The products currently produced on the automated multi-slide production lines are fuel tank straps for securing the fuel tank to the vehicle. Two fuel tank straps are provided per vehicle. In addition, the Company is also producing DEF straps for diesel emission fluid tanks, so some diesel vehicles require four straps.

One of the key advantages of the unique multi-slide process is the ability to produce very deep berth (form depth) type fuel straps required in larger vehicles (trucks, buses) which are very difficult to manufacture in a traditional stamping process due to the shut height required to lift the deep part out of the tooling and transfer to the next die station.

The Receiver has been advised by management of Orchid that the multi-slide process used to produce the fuel straps is unique to the Company and not offered by any other supplier in North America and possibly world wide. Additionally, Orchid management has advised that overall competitive factors giving the Company an advantage to produce the products include:

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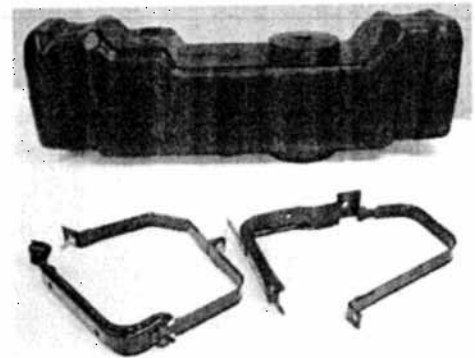
- A leader in fuel strap manufacturing;
- A proprietary multi-slide process for producing the fuel straps;
- Historical satisfaction by General Motors of work product;
- Diversified platform sales mix; and
- Ability to produce complex deep formed shapes economically.

The fuel tank straps are a core product produced by the Company and are utilized on over 53% of General Motor vehicles.

Orchid management believes that there is a range of other products that could be manufactured using the same equipment and the same multi-slide process in the automotive, appliance, HVAC, and office furniture industries. Examples of other types of products include retaining clamps, brackets, braces, complex formed and folded components.

Product Part List

10276642	15745095	15980163
15015618	15745096	20773513
15077906	15745097	20851401
15077907	15749265	20880010
15078041	15749266	20880011
15118962	15757605	25852943
15211430	15759303	25852944
15211431	15762864	25852945
15288145	15949554	25852947
15697655	15949555	25965358
15697656	15949556	25991961

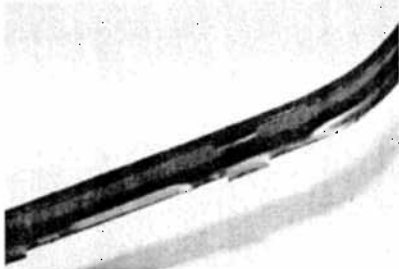


DEF - Diesel Emission Fluid
Tank shown with Tank Strap Assemblies, in
addition to the Fuel Tank

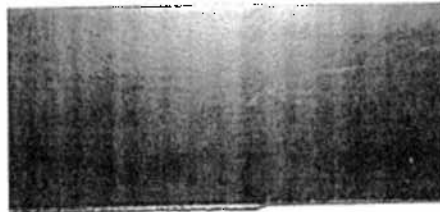
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Orchid / Reininger Product Competitive Advantages "The Competitive Edge"

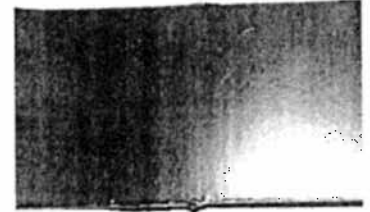
Competitor Product Example(s)



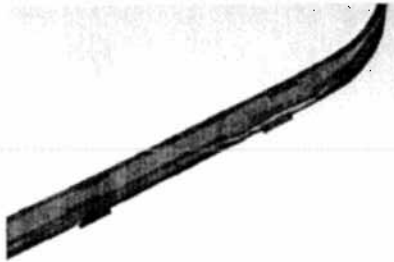
Competitor Fuel Strap Produced from Progressive Die Stamping Process



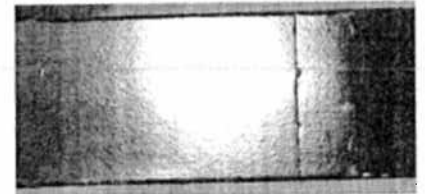
Competitions Inferior Edge Condition Unfriendly Edge on Finished Product



Inferior Trim Condition-Unsafe for Handling

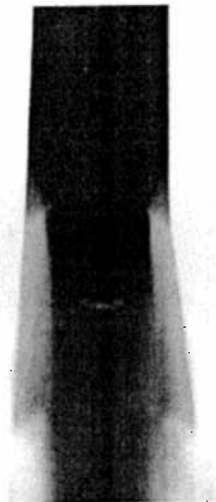


Progressive Strip Carriers Remain on Finished Product-Inferior Ergonomic Edges for End User Interface

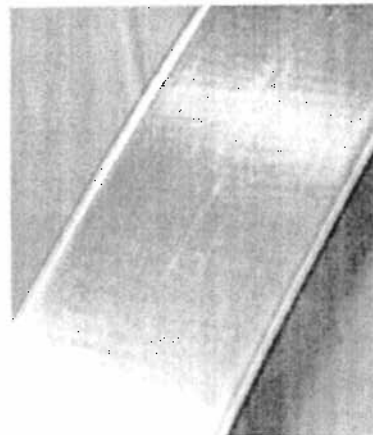


Competitors Mismatched Die Sections-Witness Mark Left on Finished Product

Orchid / Reininger Fuel Tank Strap Product Proprietary Process, Product Features



Rolled Edges for Great Ergonomics



Orchid - Reininger Competitive Edge Clean Design "Friendly" Trim Edges

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**Examples of Product Competitive Advantages “Buzz, Squeak & Rattle”
Management**

Competitor Product Example(s)

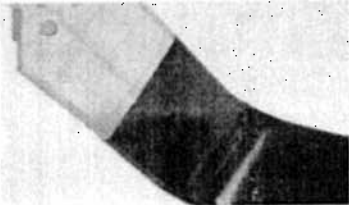


Competitor's BSR (Buzz, Squeak, Rattle) Isolation Method



Competitor's BSR Management, with added component Isolator Retained w/Self Adhesive driving complexity

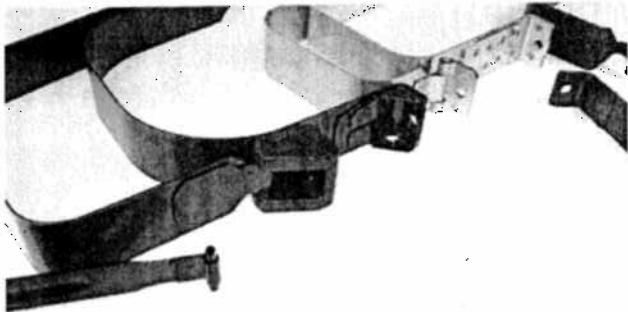
Orchid / Reininger Fuel Tank Strap Product Proprietary Process, Product Features



BSR (Buzz, Squeak, Rattle) Isolation Method, simple & effective



BSR Isolation is “Trouble Free” Plastisol Emersion Coating



Orchid - Reininger “Flexibility” in Attachment Joint Design



Finished Product “Hot Dipped” Galvanized Steel, Plastisol Coated fully welded for excellent durability and functional end use

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2.3 Equipment and Intellectual Property

The five integrated fuel strap lines consist of a main multi-slide unit (Manufactured by OMCG in Italy), automated transfer welding lines capable of automatically adding the hardware required to mount the fuel straps to the vehicle, (in line on two lines and a secondary process for the other 3 lines), stamping press containing the part end trim / notch tooling, material straightener, material butt welder, and double side raw material reel.

The two high volume fuel strap production lines have fully integrated automated transfer welding incorporated in-line to complete the assembly, thus saving in labor costs from the reduction of in process handling & secondary operations. One of the high volume lines (MS364) also features a final forming press and tooling integrated after the automated welding operation for completion of the fuel strap in the cell.

These unique lines employ a continuous process concept of which yields virtually no down time for raw material (steel coils) change-over due to the double side raw material reels and in-line butt welding peripheral equipment.

The flexible change-over hard tooling sets are mechanically cam driven from the main multi-slide unit for the complex forming, folding and transfer of the product. The master tooling plate hosting the base or generic tooling is loaded first in the setup process followed with the part specific tooling.

The hard tooling cost for manufacturing fuel straps is also reduced from this flexible tooling concept, in which a number of forming components are generic among similar product lines. The tooling used in the proprietary process is not suitable for conventional press equipment due to its independent cam driven design.

The fuel strap process has 2 fully integrated lines (MS848, MS364) and 3 lines (MS875, MS248, MS235) where final welding (RW886, RW895) and additional forming is completed as secondary operations.

Multi-Slide Lines		Integrated & Secondary Spot Welders					Trim
Machine #		MS360	MS849	MS970	RW886	RW895	Press #
MS848	OMCG Multi-slide	X	X				850
MS875	OMCG Multi-slide				X	X	876
MS364	OMCG Multi-slide			X			898
MS248	OMCG Multi-slide					X	99
MS235	OMCG Multi-slide					X	365

The high volume production process for fuel straps utilizes a fully automated line from the time the steel leaves the coil to the finished product. This process incorporates the de-coiling, "edging", multi-slide processing, in-feed of stampings (strap reinforcements) and fasteners, and automated welding and final forming – all in one sequential process. One operator runs the automated lines and unloads the finished parts into shipping containers.

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The multi-slides lines incorporate in process sensors that monitor the production process for proper operation allowing the operator to perform quality and material handling functions. The result from this fully integrated process is a less labor intensive operation requiring only one operator for processing of the fuel strap.

The information in this section was provided to the Receiver by management of Orchid. The Receiver makes no representations with respect to the accuracy and reliability of this information.

The information provided in this section should not be relied upon by potential purchasers. Potential purchasers must conduct and rely upon their own due diligence.

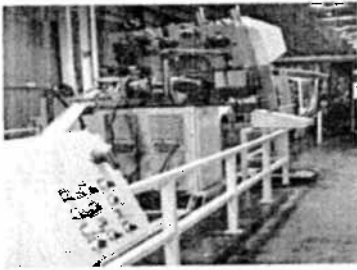
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Orchid – Reininger, Fuel Tank Strap Process Asset Summary

Asset ID	Asset Description	Serial ID	Original Cost	Book Value
235	Multislide Machine, 80 ton Punch Press / Roll Feeder / Double Uncoiler Fuel Strap Production Line including but not limited to: (1) OMCG MODEL PGV-1200 MULTISLIDE FORMING MACHINE, S/N 12245, W/ WNRTRISS SMAR TPAC 2 CONTROL; (1) MECBRAN MODEL C480 PUNCH PRESS, S/N 90551, GAP FRAME, 80 TON CAPACITY, W/ CONTROL; (1) OMCG MODEL RM-2 EDGE ROLLER, S/N 20081; (1) MECO INDUSTRIES MODEL D60M12H UNCOILER, S/N 2587ND8, DUAL ARM, 2 x 6,000-LB CAPACITY, W/ CONTROL; (1) KENT MODEL 10-135 PMH BUTT WELDER, S/N 70270, W/ LINCOLN TIG-185 POWER SUPPLY AND CONTROL	2001	\$ 333,615.00	\$ 112,993.50
240	Punch press roll feeder	70493	\$ 15,467.00	\$ -
242	5 ton Electric Chain hoist	9204	\$ 6,685.00	\$ -
247	Rivet Machine	4079	\$ 12,210.00	\$ -
248	Multislide Machine, 80 ton Punch Press / Roll Feeder Fuel Strap Production Line including but not limited to: (1) OMCG MODEL 1400 MULTISLIDE FORMING MACHINE, S/N 14485, W/ CONTROL; (1) ZANI MODEL AFN 130 PUNCH PRESS, GAP FRAME, 100-TON CAPACITY, AIR CLUTCH, W/ CONTROL; (1) OMCG MODEL C0710 ROLL FORM MACHINE, S/N 24002; (1) MECO MODEL D60M24H DUAL ARM UNCOILER, S/N 2587-27, 2 x 6,000-LB-CAPACITY, W/ CONTROL	14485/ 90104/ 3300-002	\$ 556,581.00	\$ 188,510.81
904	6000# Double Uncoiler on MS 248	2587-27	\$ 39,700.00	\$ 13,446.16
364	Multislide Machine, 100 ton Punch Press / Servo Roll Feeder / Double Uncoiler	145177/ 90551	\$ 734,996.00	\$ 248,938.96
364B	Upgrades to (364) Multislide Fuel Strap Production Line including but not limited to: (1) MECO INDUSTRIES MODEL D60M24H UNCOILER, S/N 2587, DUAL ARM, 2 x 6,000-LB CAPACITY, W/ CONTROL; (1) KENT MODEL 10-135 PMH BUTT WELDER, S/N 7797/RREAWPR-2, W/ LINCOLN TIG 175 POWER SUPPLY; (1) OMCG MODEL BORDATR EDGE FORMER; (1) ZANI MODEL AFN-130 PUNCH PRESS, S/N 00-1484, GAP FRAME, AIR CLUTCH; (1) OMCG MODEL 1400 MULTISLIDE FORMING MACHINE, S/N 14517, W/ CONTROL; (1) ALBERTS CUSTOM MANUFACTURED RIB FORMING TRANSFER WELDER, W/ AUTOMATIC LOADING FIXTURE, POWER SUPPLY AND CONTROL		\$ 36,937.00	\$ 12,540.35
360	Multislide Strap welder	0048742-1	\$ 596,485.00	\$ 202,026.07
848	Multislide Machine Fuel Strap Production Line including but not limited to: (1) MECO INDUSTRIES MODEL D60M24H UNCOILER, DUAL ARM, 2 x 6,000-LB CAPACITY, W/ CONTROL; (1) KENT MODEL 10-135 PMH BUTT WELDER, S/N 7797/RREAWPR-4, W/ LINCOLN TIG-175 POWER SUPPLY; (1) OMCG MODEL BORDATR EDGE FORMER, S/N 1187; (1) ZANI MODEL AFN-130 PUNCH PRESS, S/N 97-1407, GAP FRAME, AIR CLUTCH; (1) OMCG MODEL 1400 MULTISLIDE FORMING MACHINE, S/N 14948, W/ CONTROL; (1) ALBERTS CUSTOM MANUFACTURED TRANSFER WELDER, S/N 98543, W/ AUTOMATIC LOADING FIXTURE, POWER SUPPLY AND CONTROL	14948	\$ 964,685.00	\$ 326,733.31
849	Multislide Strap welder	98643	\$ 1,555,454.00	\$ 526,823.41
850-852	Punch Press/Edge Roller/Horizontal Uncoiler	97,147/1187	\$ 478,559.00	\$ 162,085.29
875	Multislide Machine, 100 ton Punch Press / Servo Roll Feeder Fuel Strap FORMING LINE (INCLUDING BUT NOT LIMITED TO) MECO INDUSTRIES MODEL D60M24H UNCOILER, S/N 2587-25, DUAL ARM, 2 x 6,000-LB CAPACITY, W/ CONTROL; (1) KENT MODEL 10-135 PMH BUTT WELDER, S/N 70052/RREAWPR-4, W/ LINCOLN TIG-175 POWER SUPPLY; (1) OMCG MODEL BORDATR EDGE FORMER, S/N 1107; (1) ZANI MODEL AFN-100 PUNCH PRESS, S/N 95-1451, GAP FRAME, AIR CLUTCH; (1) OMCG MODEL 1400 MULTISLIDE FORMING MACHINE, S/N 14949, W/ CONTROL	14949	\$ 1,057,580.00	\$ 358,196.32
905	6000# Double Uncoiler on MS 364	2587-28	\$ 78,600.00	\$ 26,621.37
Other Weld Equipment				
886	Robotic Strap Welder #1 Off-Line		\$ 469,016.42	\$ 158,629.17
895	Robotic Strap Welder #1 Off-Line		\$ 392,153.02	\$ 132,632.69
346	75KVA Pinch Welder	SDG-200-22184	\$ 184,547.00	\$ 62,505.02
886	CUSTOM MANUFACTURED ROBOTIC STRAP WELDER HOLDING FIXTURES, W/ (6) STATIONS AND CONTROLS		\$ 44,972.00	\$ 15,000.00
895	CUSTOM MANUFACTURED ROBOTIC STRAP WELDER HOLDING FIXTURES, W/ (6) STATIONS AND CONTROLS		\$ 44,972.00	\$ 15,000.00
MISC.				
1003	Multislide - ACH Strap rib	MT1-12	\$ 76,535.00	\$ 25,921.97
1004	Calmatic - Scrap Feeder for MS	1-806-17	\$ 44,200.00	\$ 14,970.29
1006	Multislide Servo Feed B-05-11		\$ 289,750.00	\$ 98,136.67
234	Prototype Strap Former		\$ 50,000.00	\$ 16,934.72
860	Prototype Strap Former (Tom's Gizmo)		\$ 50,000.00	\$ 16,934.72
			\$ 8,113,719.44	\$ 2,735,550.79

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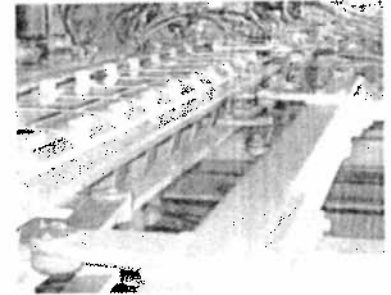
Orchid – Reininger Multi-Slide Equipment



Multi-Slide Line #848



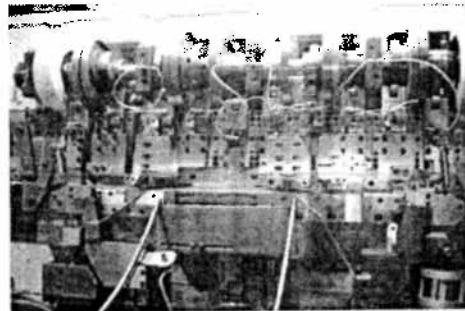
Multi-Slide Line #848 Weld Line



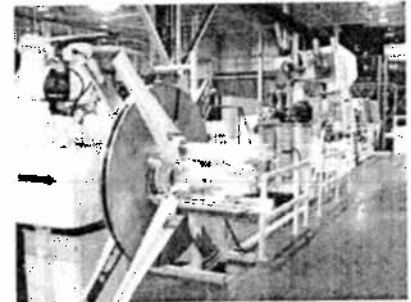
Multi-Slide 848 Weld
Transfer Line



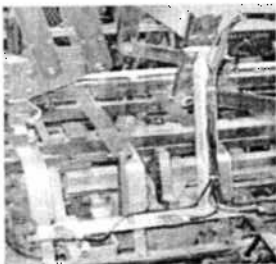
Multi-Slide Line #364



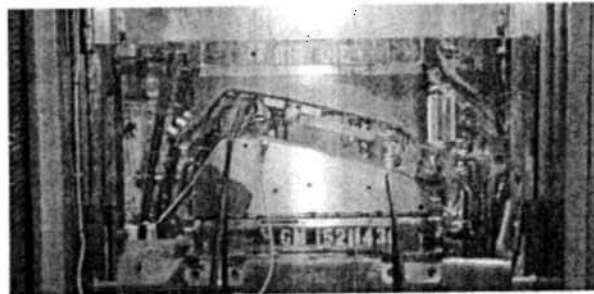
Multi-Slide Line #235



Multi-Slide Line #875



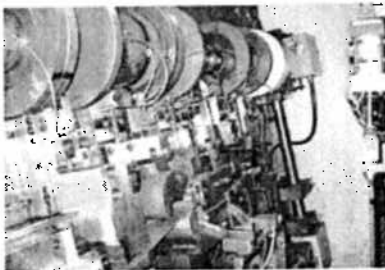
Multi-Slide Line #364
Shuttle



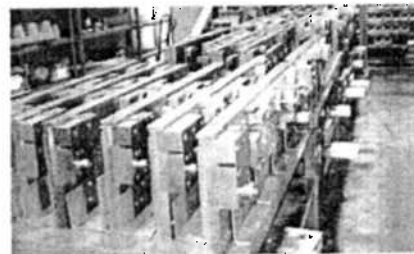
Multi-Slide Line #364 Press Part Exit



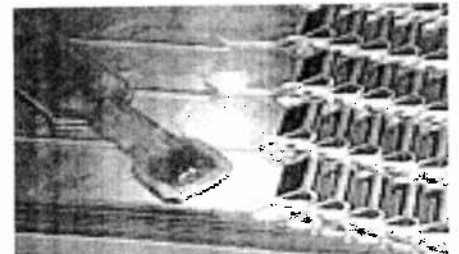
Fuel Tank Strap Robotic Weld Cell



Multi-Slide Machine



Multi-Slide Dies, Typical



Rapid Proto Type Service
Pre-Weld Adhesive Application

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2.4 Personnel and Technical Capabilities

The fuel strap multi-slide process is the result of over twenty years of hands on development and experience. Due to this experience, the Company has been able to achieve excellent product support. A close relationship has been developed with General Motors Fuel Systems Engineering whereby the Company's engineers assist in guiding the General Motors product design staff to achieve the best product with the added features and benefits obtainable and optimized using the multi-slide production lines.

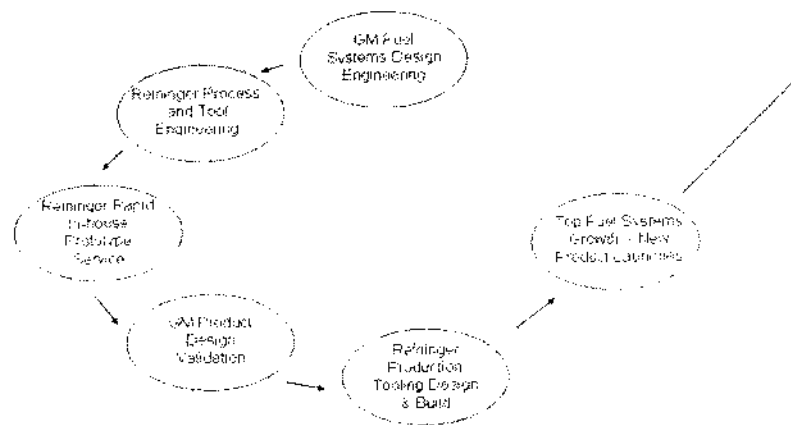
Two design engineers headed by a senior engineering manager drive the process. Complimenting this is a dedicated tool maker whose expertise is special multi-slide tooling. This expertise also enables the Company to provide rapid prototyping service rounding out the indirect labor content. Direct labor content is generally comprised of one operator per multi-slide line and setup.

Design proposals are commonly received and converted to a prototype ready product in days. The group is able to react to new product design durability testing and failure analysis and quickly optimize product features to retest and validate the design quickly.

Product quality ratings are currently at 0 PPM, (zero parts per million defective) and have been for fifteen months running. Delivery is also excellent.

The personnel currently employed by the Company may be available to assist a new supplier going forward, or even on a permanent basis.

Reininger Fuel Strap Systems Development Protocol



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2.5 Key Personnel

A listing of the Company's key personnel, positions and descriptions with respect to the fuel strap business are provided below.

Jerry Haba, Senior Engineering Manager

- Lead Customer engineering interface
- Originator of the Fuel Strap Process
- Supervises the Quotation Process

Tom Nicholson, Rapid Prototype Tool Maker

- Tool & Die Journeyman,
- Certified Material Handler
- Expert Prototype Strap Builder

Phil Quesnel, Multi-Slide Tool Designer

- CAD Mechanical Designer
- Fuel Strap Process and Tool Designer
- Fuel Strap Prototype Coordinator
- Customer Interface

Albert Fintelman, Process/Product Engineer

- CAD Mechanical Designer
- Multi-Slide Process and Tool Design
- Project Leader
- Customer Interface

Multi-Slide Operators

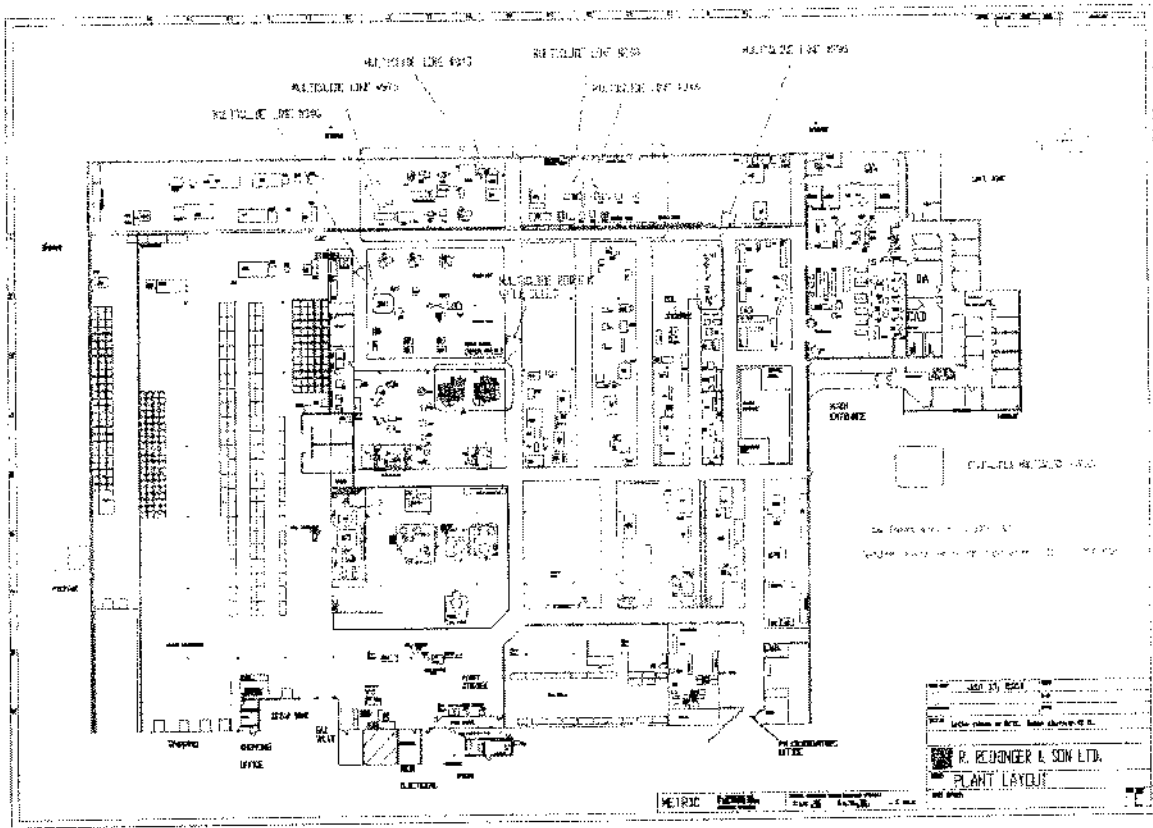
- Five Set-Up Operators
 - Giorgio Colalancia
 - Kevin Colby
 - Trevor Gunn
 - Doeun Khin
 - Hy Tang
 -
- Five Regular Operators
 - Keith Vaughan
 - Savorn Sam
 - Samboeun Phorn
 - Don Ogilvy
 - Adam Northfield

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2.6 Facilities

The Company's current operating facility is located at 1240 Twinney Dr. in Newmarket, Ontario (the "Premises"). This modern facility is approximately 205,000 sq. ft. of which 170,000 sq. ft. is dedicated to manufacturing and 35,000 sq. ft. to office space. Only approximately 10,000 to 15,000 sq. ft. is utilized for the current production of the fuel straps.

The facility is zoned for light industrial use and sits on 30 acres of land of which roughly 17 acres of land is considered surplus to the building requirements. Orchid currently leases land and building at a rate of \$4.58 ft², (rent & property tax), expiring February 29, 2012. Potential purchasers that are interested in assuming the lease must negotiate terms acceptable to the Receiver and to the owner of the Premises.



Plant Layout – Multi-slide Equipment shown in highlights

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3.0 Financial Highlights - 2009

A summary of year ending December 31, 2009 financial highlights with respect to the fuel strap business is provided below. The data stated in this section was provided to the Receiver by management of Orchid. The Receiver has not reviewed this data to determine its validity or accuracy.

Year	2009
Annual Sales (CDN)	\$5,014,531
Raw Material	\$1,963,324
Purc. Outside Services	\$1,159,167
Direct Labor Costs	\$441,279
Contribution Margin	\$1,450,762

DL Heads (Prod.)	8
DL Heads (Setup)	3
Direct Labor Costs are based on hourly rates of \$17.35 - Production operator, and \$24.85 - Setup Technician	

Year	2009
Raw Material	39%
Purchased, OS	23%
Direct Labor Cost	9%
Contribution % Sales	29%

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4.0 Business Outlook

4.1 Customers and Programs

The Company currently supplies fuel straps to GM (for more than 50% of its vehicles) and to Ford (via ACH).

The Company has not actively pursued sales with other automotive OEMs, representing a significant opportunity for a supplier that has other OEM relationships.

The Company has also developed fuel strap designs that work with polymer fuel tanks through a PVC coating process applied to the straps. This expands the product applications substantially.

These fuel strap products are not generally subject to any significant changes from program to program, which has resulted in the Company having an excellent program retention rate with its fuel strap business. For instance, the fuel strap on the GMT800 was carried over to the GMT900 program.

List of OEM programs:

GM Vehicle Programs included in the current business are the GMT900, GMT610, GMT560, GMT356/7, GMX211 and the GMX272. Numerous other programs are also supplied on a service level.

GM Assembly Plants shipped to include in Oshawa, Canada, Flint Assembly, Arlington, Wentzville, Silao Mexico and Toluca Mexico.

FORD Vehicle Programs (supplied to ACH / formally TI Automotive) included in the current business are the U387, and the D258. The FORD fuel straps account for approximately 17% of the current sales.

Schedule "H"

**Agreement of Purchase and Sale
(Business Asset Purchase)**

THIS AGREEMENT MADE THIS 16th DAY OF FEBRUARY, 2010

BETWEEN:

ZEIFMAN PARTNERS INC.,
solely in its capacity as the Court-Appointed Receiver
and Manager of the assets, property and undertaking of
ORCHID INTERNATIONAL ONTARIO DIVISION INC.,
with no personal or corporate liability

(hereinafter referred to as the "Vendor")

OF THE FIRST PART

- and -

**Maple Stamping, a division of the Cosma International Group
of Magna International Inc.**

(hereinafter referred to as the "Purchaser")

OF THE SECOND PART

WHEREAS, pursuant to an Order of the Ontario Superior Court of Justice, Commercial List (the "Court") dated December 24, 2009 (the "Appointment Order"), the Vendor was appointed as Receiver and Manager of all of the assets, property and undertaking (the "Assets") of Orchid International Ontario Division Inc. (the "Company");

AND WHEREAS, pursuant to paragraphs 3(l) and 3(m) of the Appointment Order, the Vendor is authorized to sell some or all of the Assets and apply for an Order of the Court approving the sale of some or all of the Assets and vesting title to some or all of the Assets in the Purchaser;

AND WHEREAS, a portion of the Company's business is the manufacture, assembly and sale of fuel strap assemblies to General Motors Corporation ("GM") and other customers utilizing

the equipment at its plant located at 1240 Twinney Drive, Newmarket, Ontario (collectively, the "**Business**");

AND WHEREAS, certain defined terms used herein, denoted with initial capitals, and not otherwise defined in the body of this Agreement are defined in Schedule "D"; and

AND WHEREAS, subject to an Order being issued by the Court approving the sale of the Purchased Assets (as defined herein) and pursuant to the terms of this Agreement, the Purchaser has offered to purchase the Purchased Assets and the Vendor has accepted such offer on the terms and conditions contained herein. The Purchaser acknowledges that the Vendor's acceptance of such offer and execution of this Agreement are subject to the terms and conditions contained herein and the approval of the Court of such actions.

THEREFORE the Purchaser hereby agrees to purchase from the Vendor all of the Vendor's right, title and interest in the property and assets of the Vendor set out in Schedule "A", including, without limitation, the Intellectual Property (as defined on Schedule "D") relating to the Business and the property and assets of the Vendor set out in Schedule "A" (the "**Purchased Assets**"), upon and subject to the following terms and conditions:

1. **CLOSING DATE.** Time shall be of the essence in this Agreement. The closing of this transaction shall take place at 1 p.m. on March 4, 2010, or such earlier or later date as may be mutually acceptable to the parties hereto (the "**Closing Date**" or "**Closing**") at the office of the Vendor's solicitors or at such other place as agreed by the parties hereto or their respective solicitors.
2. **PURCHASE PRICE.** The purchase price for the Purchased Assets shall be One Million Seven Hundred and Fifty Thousand Dollars (CAD\$1,750,000) (the "**Purchase Price**").
3. **PAYMENT OF PURCHASE PRICE.** The Purchase Price shall be paid as follows:
 - (a) the Purchaser has already delivered to the Vendor funds payable to the Vendor in trust or the Vendor's solicitors in trust in the amount of Two Hundred and Sixty Two Thousand Five Hundred Dollars (CAD\$262,500) as a deposit (the "**Deposit**"), to be held in trust in an interest bearing account pending completion or termination of this Agreement; and
 - (b) on Closing, the Purchaser will pay the balance of the Purchase Price to the Vendor by certified cheque, bank draft or wire transfer of immediately available funds to an account specified by the Vendor.
4. **DEPOSIT.** If the Purchaser fails to complete this transaction as a result of the breach by the Purchaser of its obligations in this Agreement, the Deposit together with interest thereon (if any) will be retained by the Vendor as liquidated damages and in final settlement of any and all claims of the Vendor against the Purchaser of any kind whatsoever arising out of such failure to complete including costs, expenses and damages under any theory or rule of law. If the Purchaser fails to

complete this transaction for any other reason, including but not limited to the non-fulfillment of any of the conditions for the Purchaser's benefit set forth in this Agreement or the Vendor's default of any of its obligations in this Agreement, the Vendor shall not be entitled to the Deposit and it shall be forthwith returned to the Purchaser with interest accrued thereon.

5. **GOODS AND SERVICES TAX.** The Purchase Price does not include GST. The Purchaser shall pay and remit all GST exigible (if any) as a result of this transaction, and indemnifies the Vendor in that regard. The Vendor and the Purchaser shall each be GST registrants at the time of Closing, and shall complete and execute a valid joint election as provided in subsection 167(1) of *The Excise Tax Act* (Canada). The Vendor and Purchaser shall each file a copy of such GST election with their GST returns to the Canada Revenue Agency for the reporting period in which the Closing occurs.

6. **RST.** The Purchase Price does not include any Retail Sales Tax ("RST"). In the event that RST is exigible as a result of this transaction, the Purchaser shall pay and remit any such RST. The Purchaser shall be entitled to deliver an RST Exemption Certificate to the Vendor.

7. INVESTIGATION

- (a) **"As Is, Where Is" Sale** - the Purchaser acknowledges to and in favour of the Vendor that the Purchaser has conducted its own investigations and inspections of the Purchased Assets and that the Purchaser is responsible for conducting its own inspections and investigations of all matters and things connected with or in any way related to the Purchased Assets, that the Purchaser has satisfied itself with respect to the Purchased Assets and all matters and things connected with or in any way related to the Purchased Assets, that the Purchaser has relied upon its own investigation and inspections in entering into this Agreement, that the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis as at the Closing Date subject to receiving the Approval and Vesting Order referred to below in section 14(a), that the Purchaser will accept the Purchased Assets in their present state, condition and location and that the Purchaser hereby acknowledges that the Vendor has made no representations, warranties, statements or promises with respect to the Purchased Assets, save and except as are contained herein, including as to title, description, fitness for purpose, merchantability, quantity, condition or quality, and that any and all conditions and warranties expressed or implied by the *Sale of Goods Act* (Ontario) do not apply to the sale of the Purchased Assets and are hereby waived by the Purchaser.
- (b) The Purchaser may provide updated Schedule "A" to this Agreement setting out greater particulars of the Purchased Assets on or before Closing and the updated Schedule "A" will be annexed to the Agreement and form part of the Agreement, provided that the property and assets so listed can reasonably be regarded as being necessary for the Purchaser to carry on the Business previously carried on by Orchid.
- (c) At all times prior to Closing, the Purchaser and its advisers shall be provided with access to all agreements, files, licenses, leases, license agreements and similar documents and records of the Business as they relate to the Purchased Assets for the purpose of investigating the

Purchased Assets, as the Purchaser shall reasonably request, to the extent such records are in the possession of, or under the control of, the Vendor. The Purchaser shall keep all such information confidential.

- (d) At all times prior to Closing, the Vendor shall afford the Purchaser and its authorized representatives free and unrestricted access to the Purchased Assets and information, records and data related to the Business.
- (e) At all times prior to Closing and at the Purchaser's request, the Vendor shall co-operate with the Purchaser in arranging any such meetings as the Purchaser should reasonably request with the Employees (as defined in section 18) or with any other persons engaged or previously engaged to provide services to Orchid who have knowledge of matters relating to the Purchased Assets and the Business.

8. REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor hereby represents and warrants to and in favour of the Purchaser, understanding that such are being relied upon, as follows:

- (a) the Vendor was appointed as the Receiver pursuant to the Appointment Order;
- (b) subject to the Vendor obtaining the Approval and Vesting Order, the Vendor has the right, power and authority to enter into and perform its obligations under this Agreement and, subject to the Vendor obtaining the Approval and Vesting Order, to convey the Purchased Assets to the Purchaser;
- (c) subject to any charges created by the Appointment Order, the Vendor has done no act itself to encumber, sell or dispose of any of the Purchased Assets; and
- (d) the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

9. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to and in favour of the Vendor, understanding that such is being relied upon, as follows:

- (a) the Purchaser is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation;
- (b) the Purchaser has the right, power and authority to enter into this Agreement and to complete the transactions contemplated hereby;
- (c) all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of this Agreement;

- (d) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms.

10. **VENDOR'S COVENANTS:** The Vendor covenants to and with the Purchaser:

- (a) to comply with the terms of this Agreement; and
- (b) to deliver up possession of the Purchased Assets on Closing, and on the terms provided for herein;

which covenants and indemnities will survive Closing.

11. **PURCHASER'S COVENANTS:** The Purchaser covenants to and with the Vendor to comply with the terms of this Agreement, which covenant will survive Closing.

12. **VENDOR'S CONDITION.** This Agreement is conditional upon the following condition precedent in favour of the Vendor:

- (a) Until Closing, on the representations, warranties and covenants of the Purchaser being true and remaining true, and the Purchaser complying with its obligations under this Agreement;

The above condition has been inserted for the sole benefit of the Vendor. In the event that the above condition shall not be fulfilled or complied with or waived by the Vendor at or prior to the Closing Date, the Vendor may rescind this Agreement by notice to the Purchaser and in that event the Vendor shall be released from all obligations under this Agreement.

13. **PURCHASER'S CONDITION.** This Agreement is conditional upon the following condition precedent in favour of the Purchaser:

- (a) until Closing, on the representations, warranties and covenants of the Vendor being true and remaining true, and the Vendor complying with its obligations under this Agreement;
- (b) the Vendor shall have delivered to the Purchaser the items referred to in section 16;
- (c) the Vendor shall have applied for and the Court shall have granted the Approval and Vesting Order;
- (d) no injunction or other order shall have been issued to stay, enjoin, restrict or prohibit any of the transactions contemplated by this Agreement and no appeal shall be outstanding with respect to the Approval and Vesting Order;
- (e) the Vendor and the Purchaser will have determined and agreed on the amount of the Employee Costs (as that term is defined in subsection 18(h) below) in accordance with the provisions of section 18(g); and

- (f) no material adverse change shall have occurred with respect to the Purchased Assets, taken as a whole, during the period from the date of this Agreement to the Time of Closing.

The above conditions have been inserted for the sole benefit of the Purchaser. In the event that all of the above conditions shall not be fulfilled or complied with or waived by the Purchaser at or prior to the Closing Date, the Purchaser may rescind this Agreement by notice to the Vendor and in that event the Purchaser shall be released from all obligations under this Agreement and the Deposit plus any and all accrued interest shall be immediately returned to the Purchaser without deduction or setoff.

14. **MUTUAL CONDITION PRECEDENT.** This Agreement is conditional upon the following condition precedent in favour of both of the Purchaser and the Vendor:

- (a) at least two Business Days prior to Closing, the Vendor obtaining, at its own cost, an Order from the Court,
- (i) approving this Agreement;
- (ii) approving the Vendor entering into this Agreement and completing the transactions contemplated hereunder;
- (iii) authorizing and approving the License (as defined in section 17 of this Agreement) granted by the Vendor to the Purchaser;
- (iv) approving and declaring that the standard of repair in connection with the lease in respect of the Lands and the License in connection with the removal of the Purchased Assets shall be to repair actual damage in a good and workmanlike manner caused by the removal of the Purchased Assets from the Lands as set out in section 17 of this Agreement.
- (v) authorizing and approving the Purchaser offering and entering employment agreements, being fixed term contracts or engagements only, to all or some of the Employees (as defined in section 18) and ordering that the Purchaser and the Employees shall not be subject to any Claims (as defined in Schedule "D") which may be made or arise by operation of law or on the basis of non-competition, non-solicitation or confidentiality agreement or restrictive covenant(s) or otherwise as a result of entering into employment agreement(s) and the performance of work, including the communication, documentation or transfer of any information and Intellectual Property related to the Business, in connection with such employment agreement(s); and
- (vi) vesting title to the Purchased Assets in the name of the Purchaser free and clear of all liens, charges, encumbrances, security interests, deemed trusts, restrictive covenants, liabilities, Claims (as defined in Schedule "D") and obligations of any kind, in a form to be approved by the Purchaser, and the Vendor providing a copy of

the issued and entered Order to the Purchaser on or before Closing (collectively the "Approval and Vesting Order").

The above condition is inserted for the benefit of both the Purchaser and the Vendor. In the event that the above condition shall not be fulfilled or waived by both of the Purchaser and the Vendor at least two Business Days prior to the Closing Date, this Agreement shall be terminated and the Deposit returned to the Purchaser.

15. **RISK OF LOSS AND INSURANCE.** The Purchased Assets shall remain at the risk of the Vendor pending Closing. The Purchaser acknowledges that it will be responsible for placing its own insurance in respect to the Purchased Assets after Closing.

16. **CLOSING DELIVERIES.**

- (a) On and after Closing, the Purchaser shall be entitled to possession of the Purchased Assets and the Vendor shall surrender the Purchased Assets to the Purchaser at their then current location, with such location being the Lands (as defined in section 17(a)), and shall deliver to the Purchaser on Closing such keys, lock and safe combinations and other similar items as the Purchaser may require to obtain immediate and full use, occupation and control of the Purchased Assets. Access to the Lands will be in accordance with section 17 below.
- (b) On or before the Closing Date or such other date specified below, the Vendor shall deliver to the Purchaser the following:
 - (i) a copy of the issued Approval and Vesting Order;
 - (ii) a Bill of Sale in the form attached hereto as Schedule "B";
 - (iii) the Vendor's GST number; and
 - (iv) such other documents as may be required to fulfill the terms of this Agreement.
- (c) On or before the Closing Date or such other date as provided for below, the Purchaser shall deliver to the Vendor or such other party specified below:
 - (i) the balance of the Purchase Price adjusted in accordance with Section 3, by way of certified cheque, bank draft drawn on a Schedule 1 Canadian chartered bank or wire transfer to an account specified by the Vendor.
- (d) On or before the Closing, the Purchaser and the Vendor shall use reasonable effort to complete, execute and deliver a joint election regarding GST.

17. LICENSE AND REMOVAL OF PURCHASED ASSETS

- (a) The Vendor grants to the Purchaser, its employees, agents, invitees and persons having business with the Purchaser, a non-exclusive license to use and access to the lands, plant and premises located at 1240 Twinney Drive, Newmarket, Ontario (the "Lands") for a period of 21 days following the Closing (the "Licence Period") for the purposes of removal of any or all of the Purchased Assets that the Purchaser elects to remove (the "Licence").
- (b) There shall be no separate fee payable, over and above the Purchase Price, with respect to the License.
- (c) The Purchaser shall be responsible for its costs and expenses associated with dismantling and removal of the Purchased Assets from the Lands.
- (d) The Purchaser shall repair actual damage in a good and workmanlike manner and be liable for the cost of repair in a good and workmanlike manner of actual damage caused by it or its agents in dismantling and removal of any Purchased Assets from the Lands. For greater certainty:
 - (i) the Purchaser shall not be responsible for any maintenance, higher standard of repair or restoration obligations whatsoever with respect to the Lands or the removal of Purchased Assets from the Lands;
 - (ii) the Purchaser may remove any of the Purchased Assets (irrespective of whether the asset is a fixture, tenant fixture or chattel);
 - (iii) the Purchaser may, at its option, either leave in place, without obligation, any or all of the Purchased Assets as and where placed or remove any or all of the Purchased Assets;
 - (iv) the Purchaser shall not be responsible for any Purchased Assets left on the Lands after the expiry of the Licence Period;
 - (v) the Vendor acknowledges that there will be certain wiring, air and plumbing connections remaining following removal of the Purchased Assets, which will not be removed but rather will be disconnected and/or capped in a safe manner in compliance with all Applicable Laws by the Purchaser at the Purchaser's cost; and
 - (vi) the Purchaser is permitted to cut off or shear bolts in the removal of the Purchased Assets and the Purchaser shall not be responsible for any costs related to bolts which have been cut off or shorn;

- (e) The Purchaser acknowledges that the Vendor will be in occupation of the Property during the Licence Period. The Purchaser shall use reasonable best efforts to minimize any interference with the Vendor's occupation of the Lands. The Vendor shall use reasonable best efforts to minimize any interference with the Purchaser's occupation of the Lands; and
- (f) The provisions of this section 17 shall survive the Closing.

18. EMPLOYEES OF THE BUSINESS

- (a) In this Agreement, "Employees" means the employees more particularly described in Schedule "C", as that schedule may be amended and updated in accordance with this section 18.
- (b) Prior to Closing, the Vendor shall provide information to the Purchaser, including salary, benefit and vacation accrual information, which the Purchaser reasonably requests with respect to the Employees.
- (c) It is the Purchaser's intention to make written offers of employment, being fixed term contracts or engagements only, to all or some of the Employees, upon such terms to be determined in the sole and absolute discretion of the Purchaser and will be subject to the acceptance in writing thereof by the Employees. If the Purchaser determines on or before Closing that an offer of employment will not be made to any such employee or employees then that employee or employees shall be removed by the Purchaser from the final listing of Employees on Schedule "C" as provided in subsection 18(e).
- (d) The Vendor shall use commercially reasonable efforts and actively cooperate with the Purchaser in its efforts to employ and otherwise make offers to the Employees and shall provide all relevant information about the terms of employment of the Employees as the Purchaser may reasonably request provided that the Vendor shall not incur any financial costs in respect thereof.
- (e) Between the effective date of this Agreement until one (1) Business Day before Closing, the Purchaser may provide an updated Schedule "C" to this Agreement setting out a final listing of the Employees (as this term is defined in this Agreement) and the updated Schedule "C" will be annexed to the Agreement and shall constitute the final Schedule "C" to the Agreement.
- (f) The Vendor shall terminate or cause to be terminated, by bankruptcy or otherwise, or shall seek a declaration of the Court to terminate the employment of the Employees listed on the final Schedule "D", effective immediately prior to the Closing Date.
- (g) The Purchaser and the Vendor shall use their best efforts, acting reasonably, to determine and agree on the amount of the Employee Costs (as that term is defined in subsection 18(h) below) for the employees set out on the final Schedule "C".

Immediately prior to the Closing Date, and in conjunction with the termination of the Employees as contemplated in subsection 18(f), the Purchaser shall pay the Employee Costs to the Vendor.

- (h) The Vendor will pay all amounts owing or accruing due to the Employees listed on the final Schedule "C" (the "Employee Costs") as a result of the termination of their employment by the Vendor in accordance with subsection 18(f) pursuant to Applicable Law, including all wages, termination pay, severance pay, vacation pay, payments due under any collective agreement(s), pension benefits or any other benefits or any other entitlements of any nature whatsoever.

19. GENERAL

- (a) Schedules and other documents attached or referred to in this Agreement are an integral part of this Agreement.
- (b) This Agreement constitutes the entire agreement among the parties and except as herein stated and in the instruments and documents to be executed and delivered pursuant hereto, contains all of the representations and warranties of the respective parties. There are no oral representations or warranties amount the parties of any kind. This Agreement may not be amended or modified in any respect except by written instrument signed by both parties.
- (c) Each party covenants to and with the other parties to execute or provide such other documents or assurances as may reasonably be required to give effect to the intentions of the parties as set out in this Agreement.
- (d) Each of the parties shall pay their own costs and expenses associated with the preparation, review, and execution of this Agreement, and the completion of this Agreement, unless otherwise specified herein.
- (e) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- (f) Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by facsimile addressed to the recipient at the address of the recipient noted in this Agreement or care of his or her solicitor in this transaction. Any notice so given shall be deemed conclusively to have been received on the first business day following delivery, when so personally delivered or sent by private courier or facsimile, or on the seventh day following the sending thereof by mail. Any party hereto or others mentioned above may change any particulars of its address for notice by notice to the others in the manner aforesaid.
- (g) Any notice, demand or other communication required or permitted to be given to any party hereunder shall be given in writing and addressed as follows:

(i) in the case of the Vendor:

Zeifman Partners Inc., in its capacity as the Court appointed receiver and manager of all of the property and assets and undertaking of Orchid International Ontario Division Inc.

1 Toronto Street,
P.O. Box 28, Suite 910
Toronto, Ontario M5C 2V6

Attention: Allan Rutman
Fax: 416.256.4001
email: arutman@zeifmans.ca

And with a further copy to the Vendor's Solicitors:

Thornton Grout Finnigan LLP
Suite 3200
Canadian Pacific Tower
Toronto Dominion Centre
100 Wellington Street West
Toronto, Ontario M5K 1K7

Attention: Larry Ellis
Fax: 416.304.1313
Email: LEllis@tgf.ca

(ii) In the case of the Purchaser:

MAPLE STAMPING, a division of the Cosma International Group
2550 Steeles Ave. East
Brampton, Ontario L6T 5R3

Direct: (905) 799-7604
Cellular: (416) 409-3969
Attention: Arthur Lee, Vice-President, Secretary
and General Counsel
Fax: 905.799.7646
Email: alee@cosma.com

And with a further copy to counsel for the Purchaser's Solicitors:

MILLER THOMSON LLP
Barristers and Solicitors
40 King Street West, Suite 5800
Toronto ON M5H 3S1

Attention: Jeffrey Carhart / Margaret R. Sims
Fax: 416.595.8615
Email: jcarhart@millerthomson.com / msims@millerthomson.com

- (h) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (i) This Agreement may be executed in counterparts. Telefaxed signatures shall be valid and binding.
- (j) Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and any tender of Closing Documents and the balance of the Purchase Price may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

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IN WITNESS WHEREOF this Agreement has been executed by the Purchaser this 16th day of February 2010.

Maple Stamping, a division of the
Cosma International Group
of Magna International Inc.

By: [Signature]
Name: Ray Musson
Title: General Manager

By: [Signature]
Name: John Goodrow
Title: Vice-President Finance

We hereby accept the above Agreement.

DATED this 16th day of February, 2010.

ZEIFMAN PARTNERS INC., solely in
its capacity as the Court-Appointed
Receiver and Manager of the assets,
property and undertaking of ORCHID
INTERNATIONAL ONTARIO DIVISION
INC., with ~~no~~ personal or corporate
liability

By: [Signature]
Allan Rutman

Schedule "A"
PURCHASED ASSETS

FUEL STRAP PRODUCTION LINES - ASSET VALUES

ASSET ID	ASSET DESCRIPTION	SERIAL ID
235	<p>OMCG (1986) Multislide Machine, 80 ton Punch Press / Roll Feeder / Double Uncoiler</p> <p>Fuel Strap Production Line including but not limited to:</p> <p>(1) OMCG Model PGV-1200 Multislide Forming Machine, S/N 12245, W/ Wintriss Smartpac 2 Control;</p> <p>(1) Mecbran Model C480 Punch Press, S/N 90551, Gap Frame, 80-Ton Capacity, W/Control;</p> <p>(1) OMCG Model RM-2 Edge Roller, S/N 20001;</p> <p>(1) MECON Industries Model D60M12H Uncoiler, S/N 2587N38, Dual Arm, 2 x 6,000-LB Capacity, W/ Control;</p> <p>(1) Kent Model 10-135 PMH Butt Welder, S/N 70270, W/ Lincoln TIG-185 Power Supply And Control</p> <p>Three shelves -- with small blue bins/red totes containing spare parts/tooling either specifically labelled by job or unlabelled.</p> <p>Small interchangeable dies for M365</p> <p>Any non-Ford owned or other customer equipment related ACH or other tier 2 vendors.</p>	2001
240	Punch press roll feeder	70493
242	5 ton Electric Chain hoist	9204
247	Rivet Machine	4079
248	OMCG (1990) Multislide Machine, 80 ton Punch Press / Roll Feeder	14485/90104/3300-002

Fuel Strap Production Line including but not limited to:

(1) OMCG Model 1400 Multislide Forming Machine, S/N 14485, W/ Control;

(1) Zani Model AFN 130 Punch Press, Gap Frame, 100-Ton Capacity, Air Clutch, W/ Control;

(1) OMCG Model C0710 Roll Form Machine, S/N 2-002;

(1) Mecon Model D60M24H Dual Arm Uncoiler, S/N 2587-27, 2 x 6,000 lb-Capacity, W/ Control

Five Tooling Benches/Tables – approximately 5 feet x 4 feet for spare base plates.

Two Shelving units containing spare. Parts/tooling either specifically labelled by job or unlabelled.

904	6000# Double Uncoiler on M/S 248	2587-27
364	OMCG (1995) Multislide Machine, 100 ton Punch Press / Servo Roll Feeder / Double Uncoiler	14517/90551
364B	Upgrades to (364) Multislide	

Fuel Strap Production Line including but not limited to:

(1) Mecon Industries Model D60M24H Uncoiler, S/N 2587, dual arm, 2 x 6,000- lb Capacity, W/ Control;

(1) Kent Model 10-135 PMH Butt Welder, S/N 7797/RRE/WPR-2, W/ Lincoln TIG-175 Power Supply

(1) OMCG Model Bordatr Edge Former

(1) Zani Model AFN-130 Punch Press, S/N 00-1484, Gap Frame, Air CLUTCH

(1) OMCG Model 1400 Multislide Forming Machine S/N 14517, W/ Control

(1) Alberts Custom Manufactured Rib Forming Transfer Welder, W/ Automatic Loading Fixture, Power Supply And Control

360	Tooling table – approximately 5 feet x 5 feet for spare job base plates. Multislide Strap welder	CO48742-1
848	OMCG (1998) Multislide Machine	14948

Fuel Strap Production Line including but not limited to

(1) Mecon Industries Model D60M24H Uncoiler, Dual ARM, 2 x 6,000- lb Capacity, W/ Control

(1) Kent Model 10-135 PMH Butt Welder, S/N 7797/RRE/WPR-4, W/ Lincoln TIG-175 Power Supply

(1) OMCG Model Bordatr Edge Former, S/N 1187

(1) Zani Model AFN-130 Punch Press, S/N 97-1407, Gap Frame, Air CLUTCH

(1) OMCG Model 1400 Multislide Forming Machine S/N 14948, W/ Control

(1) Alberts Custom Manufactured Transfer Welder, S/N 98543, W/ Automatic Loading Fixture, Power Supply And Control

849	Multislide Strap welder	98643
850-852	Punch Press/Edge Roller/Horizontal Decoiler	97.147/1187
875	OMCG (1999) Multislide Machine, 100 ton Punch Press / Servo Roll Feeder	14949

Fuel Strap Forming Line, Including But Not Limited To:

Mecon Industries Model D60M24H Uncoiler, S/N 2587-25, Dual Arm, 2 x 6,000-lb Capacity, W/ Control;

(1) Kent Model 10-135 PMH Butt Welder, S/N 70032/RRE/WPR-4, W/ Lincoln TIG-175 Power Supply

(1) OMCG Model Bordatr Edge Former, S/N 107

(1) Zani Model AFN-100 Punch Press, S/N 96-1451, Gap Frame, Air Clutch

(1) OMCG Model 1400 Multislide Forming Machine, S/N 14949, W/ Control

Three Tooling Benches/Tables – approximately 5 feet x 4 feet for spare base plates.

One shelf approx 24 feet x 6 feet containing dies and spare components.

905	6000# Double Uncoiler on M/S 364	2587-28
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Other Weld Equipment

SW038/9	Resistance/spot welders identified in process sheets	
M323	Resistance/spot welder	
886	Robotic Strap Welder #1 Off-Line	
895	Robotic Strap Welder #1 Off-Line	
346	75KVA Pinch Welder	SDG-200-22184
886	Custom Manufactured Robotic Strap Welder Holding Fixtures, W/ (6) Stations And Controls	
895	CUSTOM MANUFACTURED ROBOTIC STRAP WELDER Holding Fixtures, W/ (6) Stations And Controls	
	Five shelves – approximately 5 feet x 4 feet containing fixtures/end of arm tooling for weld cell mentioned above.	
	Fifteen shelves – approximately 15 feet x 4 feet containing fixtures/end of arm tooling for weld cell mentioned above.	

Miscellaneous.

1003	Multislide - ACH Strap rtb	MT1-12
1004	Calmec - Scrap Feeder for MS	1-B06-17
1006	Multislide Servo Feed B-05-11	
234	Prototype Strap Former	
860	Prototype Strap Former (Tom's Gizmo)	
SOT29	Staking Die Machine (for GM PN 25854255)	
M227	Rivet Machine	
896	Rivet Maching for threaded rod (bolt 14055782 to strap 15980153)	
303	Cincinnati 10 – 10 foot shearing machine	
375	Chicago Dreis & Krump Brake Press Model 810C	
322	Chicago Dreis & Krump Brake Press 10 Foot	
49	Manual Shear – 90 degree	

Miscellaneous Shelving, Racks, Containers, Packaging and Dunnage:

All available bins/baskets to support production including:

- #730 baskets,
- #5131 bins/baskets,
- EX151208 expendable cartons,
- EX241508 expendable cartons,
- EX321508 expendable cartons,
- KC484525 returnable containers,
- KD484534 returnable containers,
- KD323034 returnable containers,
- SC151208 returnable container and UP484507 skids,
- SC241508 returnable containers and UP484507 skids,
- SC242309 returnable containers,
- SC481508 returnable containers,
- R15 expendable packaging,
- R25 expendable packaging,
- R30 expendable packaging,

Approximately 13 Heavy Duty Storage Racks (located near press area) identifiable by light blue corner posts and cream, blue or red shelves capable of storing 12,000 – 40,000 lbs (pictures available upon request)

All racking typically used to store coils and finished goods for the Business (blue posts, red shelves – picture available upon request)

General Miscellaneous:

Engineering related information: Bills of material, engineering drawings, designs, specifications, simulation processes, CAD data and designs, electronic designs and data.

CNC and/or CAD programs and data (including as stored on any and all electronic or hardcopy media).

Quality related information (electronic and hardcopy if possible): PPAP documentation, Control Plans, PFMEA, Measurement Studies, CMM Programs, Fixture certifications, Check Fixture Certifications, CMM Holding Fixtures if existing, Part key features, Internal Defect History, Customer Complaint History, Check Fixtures with Instructions, Shipping Locations, Customer Contacts at receiving Locations and in Engineering / QA, Sample Parts – Masters, Last Off, Customer approved samples, Poke-yoke / Error Proofing test instructions and samples and part testing or tear down requirements.

Complete spare parts list and existing inventory of spare parts, CNC program information to manufacture spare parts, for both tools and equipment.

PM program information, repair history, set-up instructions, manuals, maintenance and repair procedures, spare parts lists, and other writings or documents (whether in printed or digital form) used in connection with such equipment, all manufacturer and vendor warranties that relate to such equipment (as may currently exist or be available).

All special equipment, tooling, jigs and fixtures deemed essential by current engineering employees for product development and prototyping.

Intellectual Property

The Intellectual Property (as defined on Schedule "D") pertaining to the operation of the Business and the property and assets listed above in this Schedule "A".

Schedule "B"
BILL OF SALE

THIS INDENTURE made as of the ____ day of _____, 2010

B E T W E E N :

ZEIFMAN PARTNERS INC.,
solely in its capacity as the Court-Appointed Receiver
and Manager of the assets, property and undertaking of
ORCHID INTERNATIONAL ONTARIO DIVISION INC.,
with no personal or corporate liability

(hereinafter called the "Grantor")

OF THE FIRST PART

- and -

**Maple Stamping, a division of the Cosma International Group
of Magna International Inc.**

(hereinafter called the "Grantee")

OF THE SECOND PART

WHEREAS, pursuant to an Order of the Ontario Superior Court of Justice, Commercial List (the "Court") dated December 24, 2009 (the "Appointment Order"), the Vendor was appointed as Receiver and Manager of all of the assets, property and undertaking (the "Assets") of Orchid International Ontario Division Inc. (the "Company");

AND WHEREAS, pursuant to paragraphs 3(l) and 3(m) of the Appointment Order, the Vendor is authorized to sell some or all of the Assets and apply for an Order of the Court approving the sale of some or all of the Assets and vesting title to some or all of the Assets in the Purchaser;

AND WHEREAS, a portion of the Company's business is the manufacture, assembly and sale of fuel strap assemblies to General Motors Corporation ("GM") and other customers utilizing the equipment at its plant located at 1240 Twinney Drive, Newmarket, Ontario (collectively, the "Business");

AND WHEREAS, certain defined terms used herein, denoted with initial capitals, and not otherwise defined in the body of this Agreement are defined in the Agreement of Purchase between the Grantor and the Grantee dated February __, 2010, including the schedules to that agreement (the "Maple APS") and approved by the Court by Approval and Vesting Order dated _____, 2010 (the "Approval and Vesting Order"); and

NOW THEREFORE THIS INDENTURE WITNESSES that in consideration of the sum of the Purchase Price and other good and valuable consideration now paid by the Grantee to the Grantor (the receipt whereof is hereby acknowledged) the Grantor doth hereby grant, sell, convey, assign, transfer and set over unto the Grantee, its successors and assigns, on an "as is where is basis" all right, title and interest of the Debtor and the Grantor in and to all the Purchased Assets, which assets include, without limitation, the property and assets described in Schedule "A" to the Maple APS (hereinafter collectively referred to as the "Assets").

TO HOLD the Assets and all other right, title and interest of the Debtor and/or Grantor therein and thereto, unto and to the use of the Grantee.

The Grantor covenants with the Grantee that it has the right to sell the Assets, free and clear of any and all Claims, in accordance with the terms of the Approval and vesting Order.

The Grantor shall and will from time to time upon every reasonable request of the Grantee, but at the cost, charge and expense of the Grantee, take or cause to be taken such action, and execute and deliver or cause to be executed and delivered such documents and further assurances for the more effectually selling and assigning of the Assets to the Grantee according to the true intent and meaning of this indenture.

Save as aforesaid, nothing herein shall be deemed to be a representation, warranty, guarantee or covenant, expressed or implied, on the part of the Grantor for any cause, matter or thing whatsoever and for greater certainty, the Grantor does not warrant the accuracy or completeness of Schedule "A" of the Maple APS.

IN WITNESS WHEREOF this indenture has been executed as of the day and year first above written.

ZEIFMAN PARTNERS INC., solely in its capacity as the Court-Appointed Receiver and Manager of the assets, property and undertaking of **ORCHID INTERNATIONAL ONTARIO DIVISION INC.**, with no personal or corporate liability l.s.

By:

Allan Rutman

Schedule "C"
List of Employees

Assumed Emp. #	Name	Role
	NAMES	ROLES
	REDACTED	REDACTED

Schedule "D"
ADDITIONAL DEFINITIONS

"Applicable Law" means, in respect of any person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law (zoning or otherwise) or Order that applies in whole or in part to such person, property, transaction or event;

"Claims" shall mean any and all claims of any nature and shall include:

- (a) estates, rights, titles, interests, licenses, hypothecs, mortgages, security interests (including any security interests of any of the parties referred to as secured parties in the list of parties who made registrations against the Debtor pursuant to the *Personal Property Security Act* (Ontario)),
- (b) all manner of actions, causes of action, actions, claims, money claims (including claims to royalties or shares of profits, debts, demands, costs and damages against the Debtor, the Vendor or with respect to the Equipment, termination rights arising in whole or in part as a result of the insolvency of Orchid, the Appointment Order, the sales process conducted by the Vendor, assignment of agreements and/or licenses pursuant to this Agreement, or monetary default by Orchid or the Vendor with respect to the Equipment),
- (c) trusts or deemed trusts (whether contractual, statutory or otherwise), assignments, executions, options, adverse claims, monetary claims, levies, agreements, taxes, claims provable if the Debtor should be adjudged bankrupt, charges, encumbrances or any other rights (including encumbrances or charges created by or pursuant to any and all orders made in the Proceedings or any other proceedings),
- (d) title retentions, rights of reversion, revindication or repossession, liens (including statutory, construction and possessory liens),
- (e) disputes and debts, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, and
- (f) other claims of any nature, howsoever created or arising whether contractual, statutory, by operation of law or otherwise, including any claims by:
 - (i) the Canada Customs and Revenue Agency, any other governmental agencies with respect to unpaid taxes of any nature or any other unpaid amounts, and
 - (ii) General Motors LLC, Reinrichmar Holdings Limited, Venture Steel Inc., Export Development Canada, Xerox Canada Ltd and MTD Metro Tool & Die Limited, all parties served with the motion record with respect to the motion for the Vesting Order

by or of any and all persons or entities of any kind whatsoever, including without limitation all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals,

whether acting in their capacity as principal or as agent, and all other agents, trustees, executors, administrators or other legal representatives, including the beneficiaries of all charges approved or created in orders made in the Proceedings.

“Intellectual Property” means the intellectual property pertaining to the Purchased Assets and the Business, including:

- (a) all trade-marks, trade names, designs, graphics, slogans, logos, service marks, brand names, internet domain names and other commercial symbols and all registrations and applications therefore;
- (b) all patents, patent rights (including divisions, reissues, renewals, re-examinations, continuations, continuations in part and extensions) and all applications therefore;
- (c) all copyrights, writings and other copyrightable works of authorship, including computer programs, databases and documentation therefore, integrated circuit topographies, industrial designs and other industrial property rights and all applications and registrations therefore and all renewals or extensions of such applications and registrations; and
- (d) all proprietary and non-public business information, including know-how, trade secrets, improvements, concepts, ideas, technical data, drawings, specifications therefore, business methodologies and processes, confidential information and any licensed property or technology;

Schedule "I"

Orchid International Ontario Division Inc.
Statement of Receipts and Disbursements
For the Period from December 24, 2009 to February 18, 2010

Cash Receipts	
Realization of Pre-receivership A/R	\$ 637,948
Revenues from Operations	704,318
Scrap Recovery	154,999
Goods and Service Tax Refunds	28,092
Miscellaneous Receipts	44,490
Sale of Assets	10,500
Interest	23
Total Receipts	<u>1,150,370</u>
Cash Disbursements	
Salaries & Wages	852,740
Outside Production Service	425,959
Direct Material Purchases	258,774
Rent	159,542
Private Benefits	40,279
Repairs & Maintenance	34,281
Freight & Brokerage	28,625
General & Administration	14,282
Goods & Service Tax Paid	11,842
Manufacturing Supplies	10,452
Office Supplies	9,838
Packaging	9,490
Insurance	8,530
Utilities	5,046
Warehouse Supplies	4,498
Telecommunications	2,639
Equipment Leases	2,155
Bank Charges	1,961
Receiver's Fees	436,021
Legal Fees	2,268
Total Disbursements	<u>2,016,222</u>
Cash inflow/(outflow) from Operations	<u>(865,853)</u>
Opening Cash Balance	8,943
General Motors - Tooling Launch Receipts	504,467
Tooling Launch Disbursements	(507,055)
General Motors - Other Tooling Receipts	859,739
Payment to Export Development Canada	(717,972)
General Motors - Operations Funding	1,410,093
General Motors - First Position Funding	273,000
Pre Receivership Vacation Pay	(161,220)
	<u>1,361,052</u>
Ending Cash Balance	<u>\$ 504,142</u>

Note - All US\$ balances are calculated at foreign exchange conversion rate of \$1 US = \$1.05 CAD