

Court File No. 09-CL-7960

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NMC CANADA, INC. AND
2515080 NOVA SCOTIA COMPANY**

APPLICANTS

MOTION RECORD
(returnable June 11, 2009)

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TAB 1

**ONTARIO
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2515080 NOVA SCOTIA COMPANY**

APPLICANTS

NOTICE OF MOTION

RSM Richter Inc., in its capacity as monitor (the "**Monitor**") of the applicants named in this proceeding (the "**Applicants**") and of SKD Company (collectively with the Applicants, the "**Debtors**") will make a motion to a judge presiding on the Commercial List on Thursday, June 11, 2009 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

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

THE MOTION IS FOR:

1. Orders substantially in the form included at Tab "3" and Tab "4" of the Monitor's motion record:
 - (a) abridging the time for service of the notice of motion and motion record and dispensing with further service;
 - (b) approving the asset purchase and liquidation services agreement between RSM Richter Inc., in its capacity as proposed receiver of the Debtors, and Maynard's

Industries Ltd. (the “**APA**”), and authorizing the proposed receiver to complete the transaction contemplated therein;

- (c) sealing the purchase price allocation detailed in Schedule “A” to the APA;
- (d) approving the transfer by the Monitor of the sum of approximately \$102,000 to the Retention Escrow Account (as defined in section 5 of the Monitor’s Tenth Report dated June 8, 2009) from the funds held by the Monitor representing the proceeds of sale of the Debtors’ assets and the collection of accounts receivable;
- (e) approving the Tenth Report of the Monitor dated June 8, 2009 (the “**Tenth Report**”) and the Monitor’s actions and activities as described in the Tenth Report; and
- (f) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- (g) The Applicant, NMC Canada, Inc. (“**NMC**”), is incorporated under the Ontario *Business Corporations Act*. The Applicant, 2515080 Nova Scotia Company (“**2515080**”), is an unlimited liability company incorporated under the Nova Scotia *Companies Act*. NMC and 2515080 are each general partners of SKD Company, a general partnership registered under the Ontario *Partnership Act*. NMC is the managing partner of SKD Company;
- (h) SKD Company was a Tier I automotive parts supplier that designed and manufactured metal components and weldments for automakers in the North American automotive industry, including Chrysler Canada Inc. and Chrysler LLC (collectively, “**Chrysler**”), Ford Motor Company (“**Ford**”) and Honda of America Mfg., Inc., Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, “**Honda**”, and together with Chrysler and Ford, the

“Customers”) from facilities located in Mississauga, Milton and Brampton, Ontario;

- (i) on January 21, 2009 the Applicants commenced an application under the *Companies' Creditors Arrangement Act* (the “**CCAA**”) and on that date obtained relief under the CCAA pursuant to an Order of this Honourable Court (the “**Initial Order**”);
- (j) by Orders of this Honourable Court dated February 18, 2009, February 27, 2009, March 9, 2009, March 10, 2009, March 11, 2009, March 31, 2009, April 30, 2009 and May 29, 2009, the Stay Period (as defined in the Initial Order) was further extended until and including June 10, 2009;
- (k) pursuant to paragraph 27 of the Initial Order, RSM Richter Inc. was appointed as Monitor. The rights and obligations of the Monitor are detailed in paragraph 28 of the Initial Order;
- (l) Chrysler has served a motion seeking the appointment of RSM Richter Inc., as receiver of the assets, properties and undertakings of the Debtors (the “**Receivership Motion**”). The Receivership Motion will be heard on Thursday, June 11, 2009;
- (m) RSM Richter Inc. has consented to act as receiver of the Debtors;
- (n) the Monitor believes that the Debtors should be placed in receivership as there is no prospect of a restructuring under the CCAA, the Debtor’s operations have ceased, employees have been terminated and the remaining assets will, subject to this Honourable Court’s approval, soon be sold. The commencement of the receivership proceedings will also assist to reduce the professional costs associated with these proceedings;
- (o) the Monitor understands that all of the Customers support the relief that will be sought in the Receivership Motion and has consented to act as receiver;

- (p) in addition to the within motion, the Monitor has served a motion (the “**Stay Extension Motion**”) seeking an extension of the Stay Period to and including June 11, 2009, being the date of return of the Receivership Motion;
- (q) the Stay Extension Motion is scheduled to be heard on Tuesday, June 8, 2009 at 9:30 a.m.;
- (r) substantially all of the assets of the Debtors have been sold. As described in prior reports of the Monitor filed with this Honourable Court, the Monitor, on behalf of the Debtors, solicited offers from liquidators for the sale of the Debtors’ remaining assets;
- (s) the offer received from Maynard’s Industries Ltd. (“**Maynards**”) provided for the greatest recovery on the Debtors’ remaining assets;
- (t) in the event that this Honourable Court appoints RSM Richter Inc. as receiver of the Debtors, the Monitor believes it appropriate for RSM Richter Inc. to enter into the transaction with Maynards in its capacity as receiver of the Debtors;
- (u) details regarding the allocation of the purchase price offered by Maynards ought to be sealed so as to prevent a negative impact on the outcome of Maynards’ subsequent auction of the assets and its realization process;
- (v) the Monitor notes a shortfall of approximately \$102,000 in the Retention Escrow Account (as defined in the Tenth Report) as a result of a fluctuation in the US/Canadian exchange rate. The Retention Escrow Account was funded in U.S. dollars and certain payments are required to be made from that account in Canadian dollars. The Retention Escrow Account represents funds held by the Monitor as escrow agent for payment to certain non-go forward employees of SKD Company. The Monitor believes it appropriate to make up the shortfall in the Retention Escrow Account by transferring to that account the sum of approximately \$102,000 from the funds currently held by the Monitor

representing the proceeds of sale from the Debtors' assets and the collection of accounts receivable;

- (w) the Tenth Report details the Monitor's actions and activities since the filing of its ninth report dated May 28, 2009;
- (x) the provisions of the CCAA, and in particular section 11 thereof, and the inherent and equitable jurisdiction of this Honourable Court;
- (y) Rules 2.03, 3.02, 37 and 60.11 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended; and
- (z) such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. the Tenth Report;
2. the motion record of Chrysler seeking the appointment of RSM Richter Inc. as receiver of the assets, properties and undertakings of the Debtors; and
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

June 8, 2009

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, as AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NMC CANADA, INC. AND 2515080 NOVA SCOTIA COMPANY

Court File No: 09-CL-7960

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at TORONTO

NOTICE OF MOTION

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TAB 2

RSM Richter

**Tenth Report of RSM Richter Inc.
as CCAA Monitor of
NMC Canada, Inc., 2515080 Nova Scotia
Company and SKD Company**

RSM Richter Inc.
Toronto, June 8, 2009

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Asset Purchase and Liquidation Services Agreement

Appendix "A"

Draft Employee Task and Term Agreement

Appendix "B"

**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NMC CANADA, INC. AND 2515080 NOVA SCOTIA COMPANY**

**TENTH REPORT OF RSM RICHTER INC.
AS CCAA MONITOR OF
NMC CANADA, INC., 2515080 NOVA SCOTIA COMPANY
AND SKD COMPANY**

June 8, 2009

1. INTRODUCTION

Pursuant to an order (the "Initial Order") of the Ontario Superior Court of Justice (the "Court") made on January 21, 2009, NMC Canada, Inc. ("NMC"), 2515080 Nova Scotia Company ("2515") and SKD Company ("SKD") (collectively, the "Company") commenced proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") and RSM Richter Inc. ("Richter") was appointed the monitor (the "Monitor"). A copy of the Initial Order can be found at Tab "1" of the Company's compendium of orders filed with the Court in these proceedings.

The Company's stay of proceedings currently expires on June 10, 2009.

1.1 Purposes of this Report

The purposes of this report (“Report”) are to:

- a) Provide background information about the Company and these CCAA proceedings;
- b) Summarize the reasons the Monitor believes the Company should be placed into receivership;
- c) Summarize a proposed transaction for the sale of, *inter alia*, the Company’s remaining machinery and equipment (the “Remaining Assets”) to Maynards Industries Ltd. (“Maynards”) (the “Transaction”);
- d) Summarize issues involving the Company and Orlando Corporation and the recommended settlement of those issues;
- e) Summarize the funds received and held by Richter in its capacity as Monitor and in its capacity as escrow agent, pursuant to the Retention Escrow Agreement and the Union Escrow Agreements¹; and
- f) Recommend that this Honourable Court make an order:
 - Placing the Company into receivership and appointing Richter as the receiver (the “Proposed Receiver”);
 - Approving the Transaction as set out in the asset purchase and liquidation services agreement between Maynards and the Proposed Receiver (“APA”), attached as Appendix “A”;
 - Authorizing and directing the Proposed Receiver to execute the APA and all other ancillary documents and agreements required to complete the Transaction;
 - Sealing the purchase price allocation in Schedule “A” to the APA;
 - Vesting the Remaining Assets in Maynards free and clear of any and all encumbrances, claims and the like;

¹ These agreements were defined in the Monitor’s fifth and sixth reports. The Retention Escrow Agreement relates to the payment of retention amounts to certain of the Company’s salaried employees who were not offered employment by any purchaser of the Company’s businesses (the “Non-Go-Forward Employees”) and the Union Escrow Agreement relates to the payment of severance and termination amounts to former unionized employees of the Company.

- Approving the settlement of damage and repair claims by Orlando in respect of the Mississauga Premises (defined in Section 8 below), including authorizing the execution of a mutual release of Orlando and the vesting of the abandoned assets at the Mississauga Premises in Orlando Corporation (“Orlando”), the landlord of the Mississauga Premises, free and clear of any and all encumbrances, claims and the like;
- Approving funding by the Monitor of an amount equal to the shortfall in the Retention Escrow Account (defined in Section 5 below), to the Retention Escrow Account, from the proceeds of the estate; and
- Approving the Monitor’s actions and activities as described in this Report.

1.2 Currency

Unless otherwise noted, all currency references in this Report are to Canadian dollars. US dollars have been converted to Canadian dollars at a rate of US\$0.91 to C\$1.00.

1.3 Terms of Reference

In preparing this Report, the Monitor has relied upon unaudited financial information prepared by the Company’s management, the Company’s advisors, the Company’s books and records and discussions with its management. The Monitor has not performed an audit or other verification of such information. An examination of the Company’s financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on management’s assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor in preparing this Report.

All capitalized terms not otherwise defined herein have the meaning ascribed to them in the Initial Order.

2. BACKGROUND

NMC and 2515 are the general partners of SKD. The only assets and liabilities of NMC and 2515 relate to SKD. NMC and 2515 own 1% and 99% of SKD, respectively. In addition to SKD's Canadian manufacturing operations, automotive parts manufacturing was carried on by SKD L.P. ("SKD US") in the US and SKD de Mexico, S. de R.L. de C.V. in Mexico (collectively, SKD and its related entities are referred to as the "SKD Group").

The SKD Group was primarily a tier-one supplier of stampings and welded assemblies to the North American automotive industry.

Additional information concerning the Company and these proceedings is provided in the proposed monitor's report dated January 21, 2009 and the Monitor's prior reports filed in these proceedings. Copies of these reports can be found on the Monitor's website at www.rsmrichter.com.

3. THE TRANSACTION

As described in the Monitor's seventh report to Court dated April 29, 2009 (the "Seventh Report"), the Monitor, on behalf of the Company, solicited offers from liquidators for the sale of the Remaining Assets. The Monitor distributed packages to eight liquidators. On April 17, 2009, the due date for submission of offers, the Monitor received three offers. The offer from Maynards provided for the greatest recovery on the Remaining Assets.

A summary of the terms of the Transaction is as follows:

- a) The Remaining Assets are comprised primarily of machinery and equipment located at the Company's Milton and Brampton facilities. The Remaining Assets are detailed in Schedule "A" of the APA;
- b) The purchase price for the Remaining Assets is \$3.1 million provided by way of a net minimum guarantee (the "Purchase Price");

- c) Sale proceeds in excess of \$3.35 million, if any, are to be shared 85%/15% between the Proposed Receiver and Maynards, in favour of the Proposed Receiver;
- d) A non-refundable deposit in the amount of \$465,000 is to be paid by Maynards to the Proposed Receiver on the day immediately following the approval of the Transaction by this Honourable Court. The balance of Purchase Price is to be paid to the Proposed Receiver two days in advance of the respective auction dates for the Remaining Assets at each of the Company's Milton and Brampton facilities;
- e) Maynards has the ability to sell certain of the Remaining Assets in advance of and outside of a public auction provided that Maynards makes payment of the sale proceeds for such assets into a joint account with the Proposed Receiver;
- f) In the event that assets that are not currently listed in Schedule "A" are added to the sale, Maynards may sell those assets and will receive a 10% commission on the net sale proceeds for doing so;
- g) Maynards has advised that it anticipates that it will require approximately six months to complete the liquidation of the assets. Accordingly, the APA provides that Maynards is entitled to occupy the Company's Milton and Brampton facilities on a rent free basis during that period. Occupancy costs after that date are to the account of Maynards;
- h) The Remaining Assets are being purchased on an "as is, where is" basis;
- i) The representations and warranties in the APA are consistent with insolvency sale transactions; and
- j) The Transaction is conditional upon the approval of this Honourable Court.

3.1 Need for Confidentiality

Schedule "A" to the APA, which includes the listing of the Remaining Assets and an allocation of the Purchase Price as among those assets, has been included in Appendix "A". However, Schedule "A" has been redacted to exclude the Purchase Price allocation prepared by Maynards. A copy of Schedule "A" reflecting the Purchase Price allocation among the Remaining Assets is filed as Confidential Appendix "1". Maynards has requested that the Purchase Price allocation among the Remaining Assets be sealed as the details regarding the allocation may impact the outcome of its auction and realization process. The Proposed

Receiver concurs with that view and believes that no stakeholder will be prejudiced if the information is sealed.

4. BENEFITS OF THE TRANSACTION

The Monitor respectfully recommends that this Honourable Court approve the Transaction for the following reasons:

- The Maynards offer was superior to the other offers received. Further time spent marketing the Remaining Assets is unlikely to result in a better offer; and
- The Transaction is supported by the Customers², being the secured lenders with an economic interest in the Transaction.

5. FUNDS HELD BY RICHTER

Richter, in its capacity as Monitor and in its capacity as escrow agent, pursuant to the Retention Escrow Agreement and the Union Escrow Agreement (“Escrow Agent”), presently maintains the following accounts:

Account Type	Held By	Amount (\$000s) ³
General Account	Monitor	11,135
Trust Account (Chrysler)	Monitor	910
Union Escrow Account	Escrow Agent	3,585
Retention Escrow Account	Escrow Agent	772

- The monies in the General Account include, *inter alia*, proceeds of sale (including taxes, as applicable) from the sale transactions previously approved by this Honourable Court in these proceedings and from the collection of accounts receivable primarily from the Customers.
- The monies in the Trust Account (Chrysler) were paid to the Monitor by Chrysler pending resolution of certain items in dispute between it and the Company.

² The customers are: Ford Motor Company (“Ford”), Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc. (collectively “Chrysler”), Honda of America Mfg. Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively “Honda”).

³ Account balances are as at June 4, 2009.

- The monies in the Union Escrow Account were paid by the Customers pursuant to the Union Escrow Agreement and are to be paid to the Company's former unionized employees, in respect of severance and termination pay, pursuant to joint directions executed by the Company and the respective unions.
- The monies in the Retention Escrow Account were paid by the Customers pursuant to the Retention Escrow Agreement and are to be distributed to the "Non-Go-Forward Employees" pursuant to joint directions executed by the Company and the Customers.

It is contemplated that the accounts currently held by the Monitor will be converted to post-receivership accounts to be held by the Proposed Receiver, with the exception of the funds presently held by Richter in its capacity as Escrow Agent which will continue to be held and distributed by Richter in that capacity pursuant to the terms of the Retention Escrow Agreement and the Union Escrow Agreements, respectively. Additionally, with respect to the Chrysler trust Funds, the Proposed Receiver will hold these funds pending resolution of the disputed items.

5.1 Shortfall in Employee Retention Escrow Account

As described in the Monitor's fifth report dated March 27, 2009, pursuant to an agreement entitled the Additional Participations and Allocations Agreement entered into among the Company and the Customers at the commencement of the CCAA proceedings, as amended, the Customers agreed to fund retention amounts for the Non-Go-Forward Employees. Pursuant to an e-mail agreement entered into among the parties on February 27, 2009 and the second amendment to the Accommodation Agreement dated March 11, 2009, among the Company, the Customers and Comerica Bank ("Comerica"), the Customers agreed to fund, by way of participations through the Company's facility with Comerica, the amount of US\$1.1 million (the "Retention Amount") to satisfy the retention payments. On March 19, 2009, the Monitor, the Company and the Customers entered into the Retention Escrow

Agreement, which was approved by this Honourable Court on March 31, 2009. On April 2, 2009 (the "Retention Amount Payment Date") the Customers funded the Retention Amount to Richter, as Escrow Agent, in trust, to be disbursed pursuant to joint directions executed by the Company and the Customers at such time as the Non-Go-Forward Employees are terminated by the Company.

The Retention Amount was funded in US dollars; however, payments to the Non-Go-Forward Employees are made in both Canadian and US dollars. At the time the Retention Amount was paid to the escrow agent the Customers converted the retention amounts payable to employees in Canadian dollars to US dollars at the exchange rate on that date. Since the Retention Amount Payment Date the Canadian dollar has appreciated by approximately \$0.10 against the US dollar.

Based on a review of the funds remaining in the Retention Escrow Account, the remaining amounts to be disbursed to the Non-Go-Forward Employees and the current foreign exchange rate, the Monitor estimates that there will be a shortfall in the Retention Escrow Account of approximately \$75,000 (the "Shortfall"). This means that those employees who were terminated earlier in these proceedings would have received the full allocation of their retention amount, whereas those employees who continued to work for the Company would receive less than the full amount of their allocation, and perhaps no allocation at all. The Monitor is of the view that this is inconsistent with the intention of the parties.

The Monitor respectfully requests that this Honourable Court approve and authorize the transfer of an amount equal to the Shortfall from the funds held by the Monitor in the General Account to a Canadian dollar Retention Escrow Account. The Monitor's counsel has advised the Customers' and Comerica's legal counsel of its intention to satisfy the Shortfall from the funds held in the General Account.

6. RECEIVERSHIP

The Monitor believes that the Company should be placed into receivership as there is no prospect of a restructuring under the CCAA, the Company's operations have been discontinued, employees have been terminated and the residual assets are in the process of being realized upon. The commencement of the receivership proceedings will also assist to reduce the professional costs associated with these proceedings.

7. EMPLOYEES

As of the date of this Report the Company has approximately 11⁴ employees. It is contemplated that Company will terminate all remaining employees immediately prior to the issuance of the receivership order, if made. Employees whose services are required by the Proposed Receiver to assist with the liquidation of the Company's assets and the administration of the estate would be retained by the Proposed Receiver on a term and task basis. A draft copy of the term and task agreement to be entered into between the Proposed Receiver and the respective employee is attached as Appendix "B".

8. ORLANDO CORPORATION

As described in the Monitor's ninth report to Court dated May 28, 2009 (the "Ninth Report"), the Company repudiated the lease of its premises located at 6495 Tomken Road, Mississauga, Ontario ("Mississauga Premises") on May 6, 2009. As detailed in the Seventh Report, prior to repudiating the lease the Company reviewed the costs of maintaining the Mississauga Premises versus repudiating the lease and abandoning the assets in that facility. The Company and the Monitor determined that it was more economic to repudiate the lease

⁴ Three of the employees are employees of SKD US. The Company reimburses SKD US for payroll costs related to these employees.

and abandon the assets than it would be to maintain the Mississauga Premises and conduct a sale of the assets.

A dispute arose among Orlando, the Company, Martinrea Jonesville LLC and Martinrea International Inc. (collectively "Martinrea") regarding the removal of assets purchased by Martinrea from the Mississauga Premises. Since that time there has been an ongoing dialogue among the parties concerning the issues raised by Orlando. A settlement has been reached with Orlando whereby Orlando has agreed to grant a full and final release of all claims it may have against the Company and the Monitor in exchange for the vesting of the abandoned assets in Orlando and authorization to apply a damage deposit that Orlando holds totalling approximately \$225,000. The deposit was funded by the Company to Orlando prior to the commencement of these proceedings. The deposit is to protect Orlando from any damages it may suffer resulting from the Company's occupation of the Mississauga Premises.

The Monitor supports the settlement reached with Orlando. The settlement will eliminate the need to litigate this matter, which would result in additional professional costs to the detriment of the estate.

On June 2, 2009, Goodmans LLP ("Goodmans"), the Monitor's counsel, circulated an e-mail to the Company's secured creditors' legal advisors outlining the terms of the settlement reached with Orlando. The Customers have advised that they support the settlement, General Motors of Canada has advised that it takes no position on the settlement and Comerica Bank has advised that it does not object to the settlement.

9. OVERVIEW OF THE MONITOR'S ACTIVITIES

In addition to the activities detailed above and related to the above, since the date of the Ninth Report, the Monitor's activities have included:

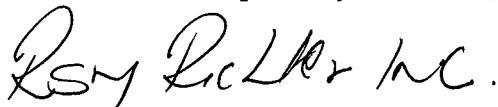
- Attending at the Company's premises on a periodic basis in order to carry out its activities in accordance with the Initial Order;
- Assisting the Company to deal with post-filing issues, including supplier issues;
- Monitoring receipts and disbursements in accordance with the provisions of the Initial Order;
- Responding to creditor and employee inquiries regarding these proceedings;
- Corresponding with the Company, the Company's counsel, the Company's financial advisors, the Customers' financial advisors, the Customers' counsel and Goodmans to deal with various matters in respect of this mandate;
- Advancing the sale of the Company's real estate;
- Finalizing negotiations with Maynards for the purchase of the Remaining Assets;
- Preparing for the receivership proceedings;
- Disbursing, as escrow agent, funds from the Union Escrow Account and the Retention Escrow Account;
- Placing on its website copies of materials filed in these proceedings;
- Attending at Court on May 31, 2009 in connection with a motion for, *inter alia*, extension of the stay of proceedings;
- Drafting this Report; and
- Other matters pertaining to the administration of this mandate.

10. RECOMMENDATION

Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(f) of this Report.

* * *

All of which is respectfully submitted,

A handwritten signature in black ink that reads "RSM Richter Inc." in a cursive, slightly slanted script.

**RSM RICHTER INC.
IN ITS CAPACITY AS CCAA MONITOR OF
NMC CANADA, INC., 2515080 NOVA SCOTIA COMPANY
AND SKD COMPANY
AND NOT IN ITS PERSONAL CAPACITY**

Appendix "A"

**ASSET PURCHASE AND
LIQUIDATION SERVICES AGREEMENT**

between

Maynards Industries Ltd.

- and -

**RSM Richter Inc., in its capacity as receiver of
SKD Company and not in its personal capacity**

June ●, 2009

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ADDENDA

Schedule "A" ASSETS
Schedule "B" EXCLUDED ASSETS
Schedule "C" APPROVAL AND VESTING ORDER

ASSET PURCHASE AND LIQUIDATION SERVICES AGREEMENT

MEMORANDUM OF AGREEMENT made as of the ● day of June, 2009.

BETWEEN:

MAYNARDS INDUSTRIES LTD.,
a corporation incorporated under the laws of British Columbia,

(hereinafter referred to as the "**Liquidator**")

- and -

**RSM Richter Inc., in its capacity as receiver of SKD Company
and not in its personal capacity**

(hereinafter referred to as the "**Receiver**")

WHEREAS by Order of the Ontario Superior Court of Justice made January 21, 2009, SKD Company through its general partners, 2515080 Nova Scotia Company and NMC Canada Inc. (collectively, the "**Debtor**") obtained protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Proceedings**");

AND WHEREAS the Debtor's operations concluded in May of 2009 and all of its employees were terminated;

AND WHEREAS by Order of the Ontario Superior Court of Justice made June ●, 2009, the Debtor was placed into receivership (the "**Receivership Proceedings**") and RSM Richter Inc. was appointed receiver of the assets of the Debtor (the "**Receivership Order**");

AND WHEREAS pursuant to the Receivership Order, the Receiver was authorized to sell the remaining equipment and related assets of the Debtor;

AND WHEREAS the Liquidator wishes to purchase certain of the Debtor's assets subject to the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties intending to be legally bound agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Certain Defined Terms

As used in this Agreement, the following terms shall have the following meanings and grammatical variations of such terms shall have corresponding meanings:

“**Approval and Vesting Order**” means an approval and vesting order of the Court in a form substantially similar to the draft order attached hereto as Schedule “C” or as otherwise acceptable to the parties, acting reasonably.

“**Agreement**” or “**this Agreement**” means this agreement of purchase and sale, between the Receiver and the Liquidator, including all schedules and all amendments or restatements, as permitted, and references to “Article” and “Section” mean the specified Article or Section of this Agreement.

“**Assets**” means all of the property and assets listed on Schedule “A”.

“**Auction**” means the sale or sales of the Assets by the Liquidator to the purchasers by way of public auction, retail or wholesale and includes, for greater certainty, On-line Sales.

“**Brampton Assets**” means all of the property and assets listed on Schedule “A” located at the Brampton Premises.

“**Brampton Auction Date**” means the date of the Auction of all or substantially all of the Brampton Assets which shall be no later than November 15, 2009.

“**Brampton Deposit**” has the meaning specified in Section 2.4(a)(i).

“**Brampton Net Minimum Guarantee**” has the meaning specified in Section 2.2(b).

“**Brampton Payment Date**” has the meaning specified in Section 2.4(a)(ii).

“**Brampton Occupancy Period**” has the meaning specified in Section 5.2 hereof.

“**Brampton Removal Deadline**” means the date that is 180 days following the date on which the Approval and Vesting Order is obtained or such later date as may be agreed by the Receiver and the Liquidator.

“**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario on which the Royal Bank of Canada is open for commercial banking business during normal banking hours in Canada.

“**Buyer’s Premium**” has the meaning specified in Section 2.5.

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada), as amended.

“**Condition Date**” means the earlier of: (a) the date of the first Pre-Auction Payment in respect of a Pre-Auction Sale, if any; (b) the Milton Payment Date; and (c) the Brampton Payment Date.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Deposit**” means, collectively, the Milton Deposit and the Brampton Deposit.

“**Documents**” has the meaning specified in Section 14.3.

“**Excess Proceeds**” has the meaning specified in Section 2.3.

“**Excluded Assets**” has the meaning specified in Section 2.9.

“**Governmental Authority**” means any federal, provincial, municipal, state or local or any foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body or any other public agency.

“**Liquidator**” means Maynards Industries Ltd.

“**Losses**”, in respect of any matter, means all losses, claims, demands, proceedings, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter.

“**Milton Assets**” means all of the property and assets listed on Schedule “A” located at the Milton Premises.

“**Milton Auction**” means the Auction in respect of the Milton Assets.

“**Milton Auction Date**” means the date of the Auction of all or substantially all of the Milton Assets which shall be no later than November 15, 2009.

“**Milton Deposit**” has the meaning specified in Section 2.4(a)(i).

“**Milton Net Minimum Guarantee**” has the meaning specified in Section 2.2(a).

“**Milton Payment Date**” has the meaning specified in Section 2.4(a)(ii).

“**Milton Occupancy Period**” has the meaning specified in Section 5.2 hereof.

“**Milton Removal Deadline**” means the date that is 180 days following the date on which the Approval and Vesting Order is obtained or such later date as may be agreed by the Receiver and the Liquidator.

“**Net Sales Proceeds**” means all proceeds of sale of the Assets, whether sold at Auction or outside of Auction by the Liquidator, exclusive of any Tax and the Buyer’s Premium.

“**Occupancy Costs**” has the meaning specified in Section 5.2.

“**On-line Sales**” means the sale or sales of the Assets by the Liquidator to purchasers through the Internet.

“**Person**” means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity.

“**Premises**” means, collectively, the premises of the Receiver located at 375 Wheelabrator Way, Milton, Ontario (the “**Milton Premises**”) and 40 Holtby Avenue, Brampton, Ontario (the “**Brampton Premises**”).

“**Purchaser**” or “**Purchasers**” means the entities that purchase the Assets from the Liquidator.

“**Receiver**” means RSM Richter Inc., solely in its capacity as receiver of the assets of the Debtor appointed pursuant to the Receivership Order, and not in its personal capacity.

“**Receiver’s Certificate**” means a certificate or certificates required to be filed by the Receiver with the Court pursuant to the Approval and Vesting Order, a copy of each of which is to be provided to the Liquidator after filing.

“**Removal Deadline**” means the Milton Removal Deadline or the Brampton Removal Deadline, as the case may be.

“**Tax**” means any and all taxes, fees, premiums, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any Governmental Authority or taxing authority, including, without limitation, taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, capital, transfer, land transfer, business, franchising, property, sales, use, capital stock, payroll, employment, social services, education, social security, workers’ compensation, unemployment compensation, employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions, or net worth; all surtaxes; taxes or other charges in the nature of excise, withholding, customs duties and import and export taxes, ad valorem, stamp, transfer, goods and services, harmonized sales, value added, or gains taxes; license, registration and documentation fees; and customs duties, tariffs, and similar charges.

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement.

1.1 Certain Rules of Interpretation

In this Agreement:

- (a) Consent – Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) Currency – Unless otherwise specified, all references to money amounts are to lawful currency of Canada.
- (c) Number and Gender – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

- (d) Statutory References – A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.
- (e) Time – Time is of the essence in the performance of the parties' respective obligations.
- (f) Time Periods – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

ARTICLE 2 SALE AND PURCHASE OF ASSETS

2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, the Receiver shall sell to the Liquidator and the Liquidator shall purchase the Receiver's right, title and interest, if any, in the Assets. Subject to Section 2.6 hereof, the Liquidator acknowledges that it is not purchasing any Excluded Assets.

2.2 Purchase Price

The purchase price payable by the Liquidator to the Receiver for the Assets will be equal to the aggregate of the following (the "**Purchase Price**") and shall be paid by the Liquidator in accordance with Section 2.4(a):

- (a) \$1,200,000, exclusive of any applicable sales taxes, in respect of the Milton Assets (the "**Milton Net Minimum Guarantee**"); plus
- (b) \$1,900,000, exclusive of any applicable sales taxes, in respect of the Brampton Assets (the "**Brampton Net Minimum Guarantee**").

2.3 Participation Amount

In addition to the Purchase Price, the Liquidator agrees to pay to the Receiver 85% of the Net Sale Proceeds in excess of \$3,350,000, if any (the "**Excess Proceeds**") in accordance with Section 2.4(a)(ii).

2.4 Payment of Purchase Price and Excess Proceeds

- (a) Subject to this Agreement, the Liquidator shall pay the Purchase Price and the Excess Proceeds to the Receiver as follows:
 - (i) by paying an aggregate deposit of \$465,000 in respect of the Assets, being \$180,000 in respect of the Milton Assets (the "**Milton Deposit**"), and \$285,000 in respect of the Brampton Assets (the "**Brampton Deposit**"),

which shall be dealt with on the basis set out in Section 13.3 and which shall be paid by the Liquidator on the Business Day immediately following the date on which the Approval and Vesting Order is obtained, to be held by the Receiver, in trust, until the Milton Payment Date and the Brampton Payment Date, respectively, and credited toward the Milton Net Minimum Guarantee and the Brampton Net Minimum Guarantee, respectively;

- (ii) by paying to the Receiver the balance of the Milton Net Minimum Guarantee, after crediting the Milton Deposit and the amount of any Pre-Auction Payments made in respect of the Milton Assets, within two (2) Business Days in advance of the Milton Auction Date (the “**Milton Payment Date**”) and by paying to the Receiver the balance of the Brampton Net Minimum Guarantee after crediting the Brampton Deposit and the amount of any Pre-Auction Payments made in respect of the Brampton Assets, within two (2) Business Days in advance of the Brampton Auction Date (the “**Brampton Payment Date**”); and
 - (iii) by paying to the Receiver an amount equal to the Excess Proceeds within thirty (30) days of the Milton Auction Date or Brampton Auction Date, as applicable.
- (b) In the event that the Liquidator sells certain of the Milton Assets or the Brampton Assets prior to the Milton Auction Date and/or the Brampton Auction Date, as applicable, in advance of and outside of a public auction (the “**Pre-Auction Sales**”), the Liquidator shall have the purchaser pay such sale proceeds to the Receiver (a “**Pre-Auction Payment**”) for payment into a joint account in the name of the Liquidator and the Receiver, such account to be opened and maintained by the Receiver. Any amounts in the joint account representing Pre-Auction Payments in respect of any Milton Assets shall be released to the Receiver on the Milton Payment Date and any amounts in the joint account representing Pre-Auction Payments in respect of any Brampton Assets shall be released to the Receiver on the Brampton Payment Date.
- (c) Unless otherwise agreed, all amounts payable to the Receiver shall be paid to the Receiver by wire transfer or by cheque certified or draft of a Canadian chartered bank.

2.5 Buyer's Premium

The Liquidator shall also be entitled to charge to buyers and retain a buyer's premium of:

- (a) not more than 13.5% of the Net Sale Proceeds on the sale of the Assets, other than in respect of On-line Sales; and
- (b) not more than 16.5% of the Net Sale Proceeds in respect of On-line Sales.

(collectively, the “**Buyer's Premium**”).

For greater certainty, the Buyer's Premium shall not form part of the Net Sale Proceeds, which for greater certainty excludes any sales taxes.

2.6 Adjustment to Purchase Price and Excluded Assets

The Purchase Price shall be allocated among the Assets in accordance with **Error! Reference source not found.** which Schedule shall be prepared by the Liquidator, acting reasonably. In the event that any of the Assets are excluded from the Milton Auction or the Brampton Auction by the Court in the Approval and Vesting Order or by any other order of the Court with respect to any of the Assets (and therefore not sold to the Liquidator hereunder), the applicable portion of the Purchase Price and, for greater certainty, the corresponding portion of the Milton Net Minimum Guarantee and the Brampton Net Minimum Guarantee, will be reduced by the amount allocated to the given Asset in accordance with the allocation set out on Schedule "A". Notwithstanding any allocation set out in Schedule "A", in the event that any of the Assets listed on Schedule "A" that are marked with an asterisk are excluded from the Milton Auction or the Brampton Auction, as contemplated above, the Liquidator shall be entitled to terminate this Agreement forthwith upon written notice to the Receiver to such effect. Notwithstanding any of the foregoing, the Receiver hereby agrees to use commercially reasonable efforts to ensure that no Assets are excluded from the Milton Auction or the Brampton Auction.

In the event that the Receiver advises the Liquidator in writing that any of the Excluded Assets are to be included in the Auction by the Liquidator (and therefore sold to the Liquidator hereunder), such Excluded Assets may be sold by the Liquidator and the Liquidator shall receive a 10% commission on the net sale proceeds (exclusive of Taxes) of such Excluded Assets (with all other proceeds to be paid forthwith to the Receiver). The Liquidator shall have no responsibility for removal, disposal, insurance, repair, damage, remedy or restoration costs in the event such Excluded Assets are not ultimately sold.

2.7 Access to Records

The Receiver shall have access, upon request, to the Liquidator's records concerning the proceeds of sale of the Assets and the Liquidator shall provide such supporting documentation as required by the Receiver in connection with the accounting of such proceeds and determination of the quantum of the Excess Proceeds. An accounting of the proceeds received together with such invoices evidencing expenditures in conducting the sale of the Assets shall be delivered to the Receiver within 14 days of the Milton Auction Date and the Brampton Auction Date, as applicable.

2.8 Taxes

The Liquidator will be liable for and will pay, or cause to be paid, all applicable Tax exigible in connection with the sale of the Assets, including, without limitation, goods and services tax and retail sales tax in Ontario and, all other applicable Provinces. The Liquidator will prepare and file any affidavits or returns required in connection with the payment of the applicable Tax at its own expense.

The Liquidator agrees to indemnify and save the Receiver harmless from and against all claims and demands for payment of the above-mentioned Taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such Tax when due.

2.9 Excluded Assets

The Assets shall not include any of the assets of the Debtor listed on Schedule "B" (collectively, the "**Excluded Assets**").

2.10 Possession of Assets

Other than in respect of Assets sold pursuant to Pre-Auction Sales, the Receiver shall remain in possession of the Milton Assets until the Milton Net Minimum Guarantee is paid and Receiver shall remain in possession of the Brampton Assets until the Brampton Net Minimum Guarantee is paid.

The Liquidator shall take possession of and title to the Milton Assets and the Brampton Assets (other than the Assets sold pursuant to Pre-Auction Sales):

- (a) On the Milton Payment Date and the Brampton Payment Date, respectively, on payment of the Milton Net Minimum Guarantee and the Brampton Net Minimum Guarantee, respectively; and
- (b) Upon the filing of a Receiver's Certificate with the Court confirming:
 - (i) the payment by the Liquidator to the Receiver of the Purchase Price for the applicable Assets;
 - (ii) that each of the conditions set out in Articles 8, 9 and 10 have been satisfied or waived by the Receiver or the Liquidator, as applicable; and
 - (iii) that the Receiver is satisfied that the Transaction has otherwise been completed in accordance with this Agreement.

With respect to Assets sold pursuant to Pre-Auction Sales, the Receiver shall remain in possession thereof until such time as a Pre-Auction Payment is made in respect thereof. Upon receipt of a Pre-Auction Payment by the Receiver, the Receiver shall execute in favour of the Liquidator a bill of sale in respect of the applicable Assets and the Liquidator shall take possession of and title to such Assets wherever situate upon the filing of a Receiver's Certificate with the Court confirming:

- (a) receipt of the Pre-Auction Payment for the applicable Assets;
- (b) that each of the conditions set out in Articles 8, 9 and 10 have been satisfied or waived by the Receiver or the Liquidator, as applicable; and
- (c) that the Receiver is satisfied that the Transaction has otherwise been completed in accordance with this Agreement.

Receiver agrees that on the date the Approval and Vesting Order is made the Milton Assets will be located at the Milton Premises and the Brampton Assets will be located at the Brampton Premises. Notwithstanding the foregoing, the Receiver shall be under no obligation to deliver any Assets or make arrangements for the delivery of any Assets to the Milton Premises or the Brampton Premises.

2.11 Conduct of Auction

The Receiver acknowledges that the Liquidator intends to subsequently sell certain, if not all, of the Assets by Auction from the Debtor's Premises. The Receiver hereby consents to the use by the Liquidator of the phrase "Public Auction – SKD Company" and the non-exclusive use of any other trade names or trade-marks owned by the Debtor in the advertisements for the Auction during the period up to and including the date of the Auction. The Liquidator will seek the prior consent of the Receiver to all advertising, such consent not to be unreasonably withheld. The Receiver shall advise the Liquidator of any issues identified by the Receiver with respect to an advertisement within two (2) Business Days of the request for the Receiver's consent, failing which, the Receiver shall be deemed to have given consent to the subject advertisement. The Liquidator agrees that it and its invitees shall act in a prudent and responsible manner while at the Premises. The Liquidator shall be responsible at its own cost for providing competent persons to prepare for and perform all tasks relating to the transaction and the Auction. It is understood that the Receiver will not be the employer of or a contracting party with any person engaged by the Liquidator relating to the transaction or Auction, nor will either of them be liable to pay any amounts to or with respect to any such persons.

The Liquidator, in a commercially reasonable manner and otherwise in accordance with the terms of this Agreement, may conduct a sale of the Assets from the Premises by way of one or more Auctions.

The Liquidator, at its own expense, shall advertise and otherwise promote the Auction of the Assets by all appropriate means, as approved by the Receiver, in order to give adequate exposure to the Assets to the maximum number of potential purchasers.

2.12 Risk of Loss

Other than Assets sold pursuant to Pre-Auction Sales, the Milton Assets shall be at the risk of the Receiver until the payment of the Milton Net Minimum Guarantee on the Milton Payment Date and the Brampton Assets shall be at the risk of the Receiver until the payment of the Brampton Net Minimum Guarantee on the Brampton Payment Date. The Assets sold pursuant to Pre-Auction Sales shall be at the risk of the Receiver until such time as a Pre-Auction Payment is made and a bill of sale is executed by the Receiver in favour of the Liquidator in respect of those Assets. The Receiver shall maintain in force all of the policies of property damage insurance under which any of the Assets are insured until those respective dates. If prior to the Milton Payment Date, all or substantially all of the Milton Assets are lost, damaged or destroyed, or if prior to the Brampton Payment Date, all or substantially all of the Brampton Assets are lost, damaged or destroyed, then the Liquidator may terminate this Agreement forthwith upon written notice to the Receiver to such effect.

2.13 As is, Where is

The Liquidator acknowledges that, unless otherwise specifically stated herein, it is acquiring the Assets on an "as is, where is" basis and without representation or warranty and with all faults and that, prior to the Condition Date, as applicable, it will inspect the Assets and will accept the same in their present state, condition and, subject to Section 2.10 hereof, location. Unless specifically stated herein no representation, warranty or condition, whether statutory (including under the *Sale of Goods Act* (Ontario)), express or implied, oral or written, legal, equitable, conventional, collateral or otherwise is being given as to title, outstanding liens, description, fitness for purpose, merchantability, quantity, condition, quality, value, suitability, durability or marketability thereof or in respect of any other matter or thing whatsoever including, without limitation, the right, title and interest of the Receiver, if any, therein and wherever all or part of the Assets are situate and all of the same are expressly excluded. Except for the representations and warranties contained herein, the Liquidator shall be deemed to have relied entirely on its own inspection and investigation in proceeding with the transactions contemplated hereunder. The description of the Assets contained herein (including in the Schedules hereto) is for the purposes of identification only.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE RECEIVER

The Receiver hereby represents and warrants as follows to the Liquidator and acknowledges and agrees that the Liquidator is relying upon the representations and warranties in connection with its purchase of the Assets:

3.1 Authorization

- (a) The Receiver has been duly appointed as the receiver of the assets of the Debtor pursuant to the Receivership Order with authority to exercise the powers of sale contained therein; and
- (b) The Receiver has the right to enter into this Agreement and to complete the Transaction, subject to the granting of the Approval and Vesting Order.

3.2 No Proceedings

To the best of the Receiver's knowledge, other than the CCAA Proceedings and the Receivership Proceedings, no actions or proceedings are pending or have been threatened to restrain or prohibit the sale of the Assets or the Auction.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF LIQUIDATOR

The Liquidator represents and warrants to the Receiver as follows and acknowledges and agrees that the Receiver is relying on such representations and warranties in connection with their sale of the Assets:

4.1 Organization

The Liquidator is duly incorporated, validly existing and in good standing under the laws of British Columbia.

4.2 Authorization

The Liquidator has the corporate power and authority to execute and deliver this Agreement and the other documents and instruments contemplated herein or therein to which it is or will be a party and to perform its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and the documents contemplated hereby and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by the Liquidator.

4.3 Enforceability

This Agreement, and each of the other agreements, documents and instruments to be executed and delivered by the Liquidator on or before the Condition Date, have been or will be duly executed and delivered by, and constitute the valid and binding obligations of the Liquidator, enforceable against the Liquidator in accordance with their terms.

4.4 Validity, Etc.

Neither the execution and delivery of this Agreement and the other documents and instruments contemplated hereby, the consummation of the transactions contemplated hereby or thereby, nor the performance of this Agreement and such other agreements in compliance with the terms and conditions hereof and thereof will (i) conflict with or result in any breach of the articles or by-laws of the Liquidator or any shareholders agreement or resolution of shareholders or directors or any law applicable to the Liquidator, (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority (other than such consents, approvals, authorizations or permits, filings or notifications that have been obtained or made as at the date hereof or in accordance with Section 7.1, (iii) result in a breach of or default (or give rise to any right of termination, cancellation or acceleration) under any law, governmental permit, license or order or any of the terms, conditions or provisions of any mortgage, indenture, note, license, agreement or other instrument to which the Liquidator is a party, or (iv) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Liquidator.

4.5 Resident

The Liquidator is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada). The Liquidator is registered under the *Excise Tax Act* (Canada).

4.6 Consents

The Receiver shall have no obligation to obtain any consent that may be required for the assignment of any contract, lease or other agreement or any other asset pursuant to this Agreement.

ARTICLE 5 MUTUAL COVENANTS

The Receiver and the Liquidator covenant and agree with each other as follows:

5.1 Satisfaction of Conditions

The Receiver shall take such commercially reasonable actions in good faith which are within its power to control to cause the conditions set forth in Sections 8.1 and Article 10 to be satisfied and, further, shall use commercially reasonable efforts to cooperate with the Liquidator (and shall not hinder or delay the Liquidator) in the Liquidator's efforts to cause the satisfaction of the conditions enumerated in Article 9 within such period.

5.2 Access

Subject to payment of the Milton Deposit and the Brampton Deposit, the Receiver shall provide the Liquidator and all of its contractors, licencees and invitees, as identified in advance by the Liquidator, with unrestricted access to the Premises for the following periods:

- (a) in the case of the Milton Premises, from the date that the Approval and Vesting Order is obtained to the Milton Removal Deadline (the "**Milton Occupancy Period**"); and
- (b) in the case of the Brampton Premises, from the date that the Approval and Vesting Order is obtained to the Brampton Removal Deadline (the "**Brampton Occupancy Period**"),

for the purpose of enabling the Liquidator to conduct inspections of the applicable Assets, show the applicable Assets to prospective purchasers, prepare for and conduct the Auction and, provided that the applicable payments due from the Liquidator in accordance with the provisions hereof prior to removal of Assets are made, remove such Assets. The Liquidator shall coordinate its access to the Premises with the Receiver.

The Milton Occupancy Period may be extended upon agreement by the Receiver and the Liquidator, if the Milton Premises has not been sold as at the end of the Milton Occupancy Period. The Brampton Occupancy Period may be extended upon agreement by the Receiver and the Liquidator, if the Brampton Premises has not been sold as at the end of the Brampton Occupancy Period. The Receiver will keep the Liquidator apprised on a monthly basis of any progress made in respect of the sale of the Milton Premises and the Brampton Premises. The Receiver will use its best efforts to provide as much notice as reasonably possible to the Liquidator in advance of the closing of any transaction in respect of the sale of the Milton Premises and Brampton Premises. Provided, however, that notwithstanding the foregoing, in no event shall either the Milton Occupancy Period or the Brampton Occupancy Period be reduced or abridged for any reason whatsoever without the prior written consent of the Liquidator.

The Receiver agrees to pay all utilities and property taxes and to be responsible for the maintenance of insurance in respect of the Premises during the Milton Occupancy Period and the Brampton Occupancy Period (collectively, the "**Occupancy Costs**"); provided that the Liquidator shall be responsible for all telephone, supplies needed by the Liquidator, courier

services and garbage removal costs, as well as the costs of any security guards, if deemed necessary by the Liquidator. For greater certainty, the Liquidator shall not be responsible for payment of any Occupancy Costs or payment of any rent during the Milton Occupancy Period and the Brampton Occupancy Period. The Liquidator shall not be responsible during the Milton Occupancy Period and the Brampton Occupancy Period in respect of any environmental clean up orders or building code orders unless such orders arise as a result of the actions of the Liquidator or any purchasers of Assets in connection with the removal of any Assets or otherwise.

Subject to Section 5.3 below, after the expiry of the Milton Occupancy Period and the Brampton Occupancy Period, as applicable, the Liquidator shall be responsible for all costs in respect of the Milton Premises and the Brampton Premises, respectively. For greater certainty, the Liquidator shall be responsible for all costs in respect of the Milton Premises and Brampton Premises for the duration of any extension of the Milton Occupancy Period and Brampton Occupancy Period, respectively. To the extent reasonably practicable, the Receiver and the Liquidator will attempt to establish in advance the costs associated with the Liquidator's occupation of the Milton Premises after the Milton Occupancy Period and the Liquidator's occupation of the Brampton Premises after the Brampton Occupancy Period. Notwithstanding the foregoing, at the end of the Brampton Occupancy Period or the Milton Occupancy Period, as the case may be, the Liquidator shall have no obligation to remain in occupancy of the Brampton Premises or the Milton Premises, as the case may be, for any reason and its only obligation shall be in respect of the removal of assets from either location in accordance with Section 5.3 hereof.

The Liquidator agrees to indemnify and save the Receiver harmless from and against all Losses incurred or arising from or in any way directly related to any inspection, auction or removal of the Assets or the attendance of the Liquidator, its employees or agents at the Premises for such purpose.

5.3 Removal of Assets

The Receiver and the Liquidator, acting reasonably, agree to conduct inspections of each Premises to identify the state of repair: (i) prior to the removal of any Assets, and (ii) on one or more occasions following the entry onto the Premises by the Liquidator or its representatives, including a final inspection on the date of the applicable Removal Deadline or a date prior thereto on which all of the Assets are removed from the applicable Premises (the "**Final Inspection Date**"). During the final inspection, the Receiver and the Liquidator shall identify and record any damage or required restoration to any Premises caused during the period of removal of the Assets which the Liquidator is responsible to repair pursuant to this Agreement. Provided that the Milton Occupancy Period and/or the Brampton Occupancy Period has not lapsed, the Liquidator shall be entitled to ten (10) Business Days following the Final Inspection Date (the "**Remedial Period**") within which to remedy such damage or to conduct such required restoration, which remedy or restoration is not to be construed as an acknowledgement as to liability therefor. In the event that the Milton Occupancy Period and/or the Brampton Occupancy Period, as applicable, lapse during the Remedial Period, the Liquidator shall be responsible for all costs in respect of the Milton Premises and the Brampton Premises following the date on which the applicable occupancy period lapses.

If there is a dispute as to damage or required restoration to any Premises, the Receiver and the Liquidator shall promptly work in good faith to resolve such dispute, provided that if

such dispute is not settled within three (3) Business Days following the Final Inspection Date, either the Receiver or the Liquidator may seek a determination of responsibility for such damage by the Court.

After completion of the Auction by the Liquidator, the Liquidator shall supervise the removal of all of the Assets from the Premises, which removal shall be at no cost to the Receiver and shall be done in a workmanlike and commercially reasonable manner and completed by the Removal Deadline. Neither the Liquidator nor any Purchaser shall detach or remove from the Premises any base building, plumbing, heating, ventilating, lighting, equipment, wiring or electrical panels and services or other building services, without the prior agreement of the Receiver, or an order of the Court.

The Liquidator shall be responsible, at its sole cost and expense, for leaving the Premises affected by the activities and occupation of the Liquidator and any persons removing Assets following the Auction (which for greater certainty shall include all washroom facilities located on the Premises) in (i) the same state of repair as existed as at the date of this Agreement (reasonable wear and tear excepted); and (ii) an orderly, clean and broom swept condition, including the placement of absorbent materials on the floors and/or to broom sweep spills or oil, lubricants, grease or any other liquid after removal of the Assets, but only with respect to any spill that occurs during the Milton Occupancy Period and/or the Brampton Occupancy Period, including during the removal of the Assets or any of them.

The Liquidator shall remedy or repair, at its sole cost and expense, any condition resulting from the conduct of the Auction and the removal of the Assets or any of them, including without limitation, shearing of any protruding bolts remaining after the removal of the Assets, repairing and properly restoring any holes to any roof, ceiling, wall or floor and any other damages caused to the Premises due to the removal of any Assets, and properly capping at each respective main distribution point all process, ventilation, compressed air, gas and electrical connections relating to the Assets, at all times using properly licensed, certified and qualified trades people.

Notwithstanding the foregoing, the Liquidator shall not be obligated to remedy any damage to or condition of the Premises which existed prior to the Auction unless caused or materially exacerbated by the Liquidator or its agents. The Liquidator shall be obligated to remove all Assets from the Premises, by the end of the Brampton Occupancy Period and the Milton Occupancy Period, as applicable, even if not sold at Auction. Should the Liquidator fail to remove any Assets, the Liquidator shall reimburse the Receiver for the costs incurred by the Receiver in connection with the preparation, removal, shipping and/or disposal of such Assets.

Any Asset requiring disassembling and moving will be done at the expense of the Liquidator and the Assets shall be removed together with any associated protective barriers and bollards and all process cabling, plumbing, piping, ductwork servicing the Asset back to the base building services at their respective main distribution points.

5.4 Insurance

Until the Milton Payment Date and the Brampton Payment Date, the Receiver shall maintain in full force all policies and contracts of insurance which are now in effect (or renewals

thereof) and under which it or any of the Milton Assets or Brampton Assets respectively, are insured.

From and after the Milton Payment Date and the Brampton Payment Date, the Liquidator shall maintain in effect insurance policies satisfactory to the Receiver, acting reasonably, for the Milton Assets and the Brampton Assets respectively, and naming the Receiver as a loss payee. The Liquidator and its agents shall provide proof of insurance, in form and substance satisfactory to the Receiver, acting reasonably, prior to being permitted access to the Premises.

5.5 Non-Solicitation

From the date hereof until the Milton Auction Date, in the case of the Milton Assets, and the Brampton Auction Date, in the case of the Brampton Assets, the Receiver shall direct to the Liquidator any party that has expressed an interest in purchasing the Assets that are subject to this Agreement; provided that, if this Agreement is terminated as herein provided, the Receiver shall no longer be subject to this Section 5.5.

ARTICLE 6 **ADDITIONAL COVENANTS OF THE LIQUIDATOR**

6.1 Satisfaction of Conditions

The Liquidator shall take such commercially reasonable actions in good faith which are within its power to control to perform and fulfill the conditions set forth in Article 9 to be satisfied and shall cooperate with the Receiver (and shall not hinder or delay the Receiver) in the Receiver's efforts to cause the satisfaction of the conditions enumerated in Section 8.1 and Article 10 within such period.

ARTICLE 7 **ADDITIONAL COVENANTS OF BOTH PARTIES**

7.1 Filings and Authorizations

Each of the parties, as promptly as practicable after the execution of this Agreement, will use its commercially reasonable efforts to obtain, or cause to be obtained, all authorizations necessary or advisable to be obtained by it in order to consummate the purchase and sale of the Assets and, notwithstanding the foregoing, the Liquidator is under no obligation to take any steps or action that would, in the sole discretion of the Liquidator, affect the Liquidator's right to own, use or exploit either the Assets or any of the Liquidator's assets.

7.2 Notice of Untrue Representation or Warranty

The Receiver and the Liquidator shall promptly notify the parties hereto upon any representation or warranty made by it contained in this Agreement or any ancillary agreement becoming untrue or incorrect prior to the Condition Date. Any such notification shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Receiver or the Liquidator, as the case may be, to rectify that state of affairs.

ARTICLE 8
CONDITIONS TO THE OBLIGATIONS OF BOTH PARTIES

The obligations of the parties to perform their respective obligations under this Agreement and to consummate the other transactions contemplated hereby are subject to the satisfaction, on or before the Condition Date, of the following conditions:

8.1 Court Approval

The Approval and Vesting Order shall have been duly granted, and the operation and effect of such order shall not have been stayed, amended, modified, reversed or dismissed and no appeals of such order shall be pending.

ARTICLE 9
CONDITIONS TO THE LIQUIDATOR'S OBLIGATIONS

The obligation of the Liquidator to pay the Milton Net Minimum Guarantee on the Milton Payment Date and the Brampton Net Minimum Guarantee on the Brampton Payment Date, to perform its obligations under this Agreement and to consummate the other transactions contemplated hereby are subject to the satisfaction, on or before the Condition Date of the following conditions each of which may be waived by the Liquidator in its sole discretion:

9.1 Representations and Warranties

The representations and warranties of the Receiver contained in Article 3 shall be true, correct and complete in all material respects (except such materiality limitation shall not apply to the extent that a representation or warranty is, by its express terms, already limited by a materiality standard) at the Condition Date with the same force and effect as if such representations and warranties were made at and as of such time. At the Condition Date, the Receiver shall have executed and delivered to the Liquidator a certificate signed by one senior officer of the Receiver, in form and substance satisfactory to the Liquidator and its counsel, to such effect.

9.2 Performance

The Receiver shall have performed and complied with all covenants and agreements contained herein required to be performed or complied with by it prior to or at the Condition Date. The Receiver shall have executed and delivered to the Liquidator a certificate, executed by an officer of the Receiver in form and substance satisfactory to the Liquidator and its counsel, to such effect.

9.3 Closing Documents

The Receiver shall have delivered to the Liquidator a certified copy of the Approval and Vesting Order vesting in the Liquidator, all of the Debtor's right, title and interest, if any, in and to: (a) Assets that are sold pursuant to Pre-Auction Sales on the date of the applicable Pre-Auction Payment; (b) the Milton Assets, after payment of the Milton Net Minimum Guarantee, on the Milton Payment Date; and (c) the Brampton Assets, after payment of the Brampton Net Minimum Guarantee, on the Brampton Payment Date.

9.4 No Legal Action

No action or proceeding shall be pending in writing by any Person (other than the Liquidator) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement.

ARTICLE 10 CONDITIONS TO THE RECEIVER'S OBLIGATIONS

The obligation of the Receiver to perform its obligations under this Agreement and to consummate the other transactions contemplated hereby is subject to the satisfaction of the following conditions, on or before the Condition Date, each of which may be waived by the Receiver in its discretion:

10.1 Representations and Warranties

The representations and warranties contained in Article 4 shall be true, complete and correct in all material respects (except such materiality limitation shall not apply to the extent that a representation or warranty is, by its express terms, already limited by a materiality standard) at the Condition Date with the same force and effect as if such representations and warranties were made at and as of such time. At the Condition Date, the Liquidator shall have executed and delivered to the Receiver a certificate signed by one senior officer of the Liquidator, in form and substance satisfactory to the Receiver and its counsel, to such effect.

10.2 Performance

The Liquidator shall have performed and complied with all covenants and agreements contained herein required to be performed or complied with by it prior to or at: (a) in the case of Pre-Auction Sales, if any, the Condition Date; and (b) in the case of an Auction, the date of such Auction. The Liquidator shall have executed and delivered a certificate to the Receiver, executed by an officer of the Liquidator in form and substance satisfactory to the Receiver and its counsel, to such effect.

10.3 Closing Documents

The Liquidator shall have delivered to the Receiver the balance of the Milton Net Minimum Guarantee payable on the Milton Payment Date, the balance of the Brampton Net Minimum Guarantee payable on the Brampton Payment Date and the following documents on or before the Condition Date:

- (a) a certified copy of the articles of incorporation and by-laws of the Liquidator;
- (b) a certified copy of a resolution of the board of directors of the Liquidator authorizing the consummation of the transactions contemplated herein; and
- (c) a certificate of incumbency of the officers of the Liquidator.

ARTICLE 11 ADDITIONAL AGREEMENTS

11.1 Confidentiality – Liquidator

Prior to the Condition Date and if the transactions contemplated hereunder fail to occur for whatever reason, thereafter the Liquidator agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Agreement, or use to the detriment of the Receiver or for the benefit of any other Person or Persons, or misuse in any way, any confidential information of the Debtor and the Debtor's business, including any trade or business secrets with respect to the business and any technical or business materials that are confidential or proprietary. In the event that the Liquidator is required by law to divulge, communicate or disclose any such confidential information, the Liquidator shall promptly provide written notice to the Receiver of such requirement so that the Receiver may seek a protective order or other appropriate remedy (in which case the Liquidator will cooperate fully in that regard). If no such protective order or other remedy is obtained, the Liquidator will disclose only that portion of such confidential information which it is advised by counsel it is legally required to disclose.

ARTICLE 12 INDEMNIFICATION

12.1 Survival of Representations and Warranties

All representations and warranties in Article 3 and Article 4, as given at the date hereof and restated at the Condition Date as provided for in Section 9.1 or Section 10.1, or in any instrument or document furnished in connection with this Agreement or the transactions contemplated hereby, shall survive the Condition Date and, notwithstanding any investigation at any time made by or on behalf of any party continue in full force and effect for a period of one (1) year from the Condition Date, provided that a claim for any breach of the representations and warranties contained in this Agreement, or in any instrument or document furnished in connection with this Agreement or the transactions contemplated hereby, that involves fraud or fraudulent misrepresentation may be made at any time following the Condition Date, subject only to applicable limitation periods imposed by law. Notwithstanding the expiration dates set out above, all claims asserted in writing in accordance with this Agreement prior to the applicable expiration date shall survive until finally resolved and satisfied in full. All covenants and agreements contained herein shall survive until fully performed in accordance with their terms.

12.2 Liquidator's Indemnification of the Receiver

The Liquidator shall indemnify, defend and hold harmless the Receiver and their respective officers, directors, employees, agents and shareholders, and their respective successors and assigns from and against all Losses of any kind or character, arising out of or in any manner incident, relating or attributable to: (a) any or all Tax properly payable by the Liquidator pursuant to Section 2.7 in connection with its purchase of the Assets; (b) the inspection, auction or removal of the Assets in accordance with Article 5 hereof; and (c) any breach of this Agreement by the Liquidator.

ARTICLE 13 TERMINATION

13.1 Termination

This Agreement may be terminated and the transactions contemplated hereby may be abandoned and all the obligations of both the Receiver and the Liquidator shall be at an end at any time prior to the payment of the Purchase Price

- (a) by the Liquidator or the Receiver if any court of competent jurisdiction or other Governmental Authority shall have issued an order, decree or ruling, or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated hereby, which order, decree, ruling or other action is not stayed or dismissed;
- (b) by the Liquidator in the event that any condition in Article 8 or Article 9 has not been satisfied or waived;
- (c) in the circumstances and upon the terms set forth in Section 2.12;
- (d) in the event that the Assets marked with an asterisk in Schedule "A" are excluded from the Milton Auction or the Brampton Auction, as contemplated in Section 2.6;
- (e) by the Receiver if the Milton Net Minimum Guarantee shall not have been paid on or before the Milton Payment Date, if the Brampton Net Minimum Guarantee shall not have been paid on or before the Brampton Payment Date; or
- (f) by the Receiver in the event that any condition in Article 8 or Article 10 has not been satisfied or waived.

13.2 Effect of Termination

Notwithstanding the termination and abandonment of this Agreement pursuant to Section 13.1, the provisions of Sections 11.1, 12.2 and 13.3 shall survive. Nothing in this Article 13 shall relieve any party to this Agreement of liability for breach of this Agreement. Each party's right of termination under this Article is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in this Article limits or affects any other rights or causes of action any party may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement. If a party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

13.3 Deposit

- (a) If either the Receiver or the Liquidator validly terminate this Agreement pursuant to the provisions of Section 13.1(a), (b), (c), or 13.1(e), or in the event that the

condition in Section 8.1 is not satisfied, the Liquidator shall be entitled to have the Deposit and all monies paid hereunder to the Receiver returned promptly with any interest thereon.

- (b) If the Receiver validly terminates this Agreement pursuant to the provisions of Section 13.1(f) or (f) the Receiver shall be entitled to retain the Deposit and all monies paid hereunder to the Receiver with any interest earned thereon.

ARTICLE 14
MISCELLANEOUS

14.1 Notices

All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as such party may designate by notice hereunder, and shall be (i) delivered by hand, (ii) made by telecopy or facsimile transmission, (iii) sent by recognized overnight courier, or (iv) sent by registered or certified mail, return receipt requested, postage prepaid.

If to the Liquidator:

Maynards Industries Ltd.
5409 Eglinton Avenue West, Suite 202
Toronto, Ontario
M9C 5K6

Attention: Larry Suzuki
Facsimile No.: 416-242-5085

With a copy to:

Fogler, Rubinoff LLP
95 Wellington Street West, Suite 1200
Toronto-Dominion Centre
Toronto, Ontario
M5J 2Z9

Attention: Joel Farber
Facsimile No.: 416-941-8852

If to the Receiver:
RSM Richter Inc., receiver of SKD Company
200 King Street West, Suite 1100
Toronto, ON M5H 3T4

Attention: Robert Kofman / Lana Bezner
Facsimile No.: 416-932-6200

With a copy to:

Goodmans LLP
250 Yonge Street
Suite 2400
Toronto, ON M5B 2M6

Attention: L. Joseph Latham
Facsimile No.: 416-979-1234

All notices, requests, consents and other communications hereunder shall be deemed to have been given (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party in accordance with this Section 14.1, (ii) if made by telecopy or facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next Business Day following the day such notice is delivered to the courier service, or (iv) if sent by registered or certified mail, on the fifth Business Day following the day such mailing is made.

14.2 Further Assurances

At any time and from time to time after the date hereof each of the parties hereto, at the reasonable request of any other party hereto and without further consideration, will execute and deliver such other instruments of sale, transfer, conveyance, assignment, confirmation and other instruments as may be reasonably requested in order to more effectively transfer, convey and assign to the Liquidator and to confirm the Liquidator's title to the Assets and to effectuate the transactions contemplated herein.

14.3 Entire Agreement

This Agreement together with the Schedules hereto and the other documents executed in connection herewith (together, the "**Documents**") embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in the Documents shall affect, or be used to interpret, change or restrict, the express terms and provisions of the Documents.

14.4 Modifications and Amendments

The terms and provisions of this Agreement may be modified or amended only by written agreement executed by all parties hereto.

14.5 Waivers and Consents

No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of

any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

14.6 Parties in Interest

This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their permitted assigns, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no Person or entity shall be regarded as a third-party beneficiary of this Agreement.

14.7 Assignment

The Liquidator shall be entitled, without the consent of the Receiver, to assign its rights and obligations under this Agreement to one or more affiliates of the Liquidator. To the extent of such assignment, such assignee(s) shall have and may exercise all of the rights, and shall assume all of the obligations, of the Liquidator under this Agreement, and any reference to the Liquidator in this Agreement shall be deemed to refer to such assignee(s). In the event of such an assignment, the Receiver, the Liquidator and such assignee(s) shall execute an agreement confirming such assignment. Such assignment and assumption of obligations shall be on the basis that no such assignment shall release the Liquidator from liability for its obligations as purchaser of the Assets under this Agreement and the Liquidator and the assignee(s) shall remain jointly and severally liable hereunder. Subject to the foregoing and the assignment referred to in Section 14.6, neither this Agreement, nor any right hereunder, may be assigned by any party hereto without the prior written consent of the other party.

14.8 Governing Law

This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without giving effect to the conflict of laws principles thereof.

14.9 Jurisdiction and Service of Process

Any legal action or proceeding with respect to this Agreement may be brought in the Court. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the Court. The

parties hereby irrevocably waive any objection or defence that they may now or hereafter have to the assertion of personal jurisdiction by the Court in any such action or to the laying of the venue of any such action in the Court, and hereby waive, to the extent not prohibited by law, and agree not to assert, by way of motion, as a defence, or otherwise, in any such proceeding, any claim that it is not subject to the jurisdiction of the Court for such proceedings. Each of the parties hereto irrevocably consents, to the extent permitted by law, to the service of process of the Court in any such action or proceeding by the mailing of copies thereof by registered mail, postage prepaid, to the party at its address in accordance with Section 14.1 hereof and irrevocably waives any objection or defence that it may now or hereafter have to the sufficiency of any such service of process in any such action. Nothing in this Section shall affect the rights of the parties to commence any such action in any other forum or to serve process in any such action in any other manner permitted by law.

14.10 Severability

In the event that any court of competent jurisdiction shall finally determine that any provision, or any portion thereof, contained in this Agreement shall be void or unenforceable in any respect, then such provision shall be deemed limited to the extent that such court determines it enforceable, and as so limited shall remain in full force and effect. In the event that such court shall determine any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

14.11 Interpretation

The parties hereto acknowledge and agree that: (i) each party and its counsel reviewed and negotiated the terms and provisions of the Documents and have contributed to their revision; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favour of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

14.12 Headings and Captions

The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect, or be considered in construing or interpreting the meaning or construction of any of the terms or provisions hereof.

14.13 Enforcement

Each of the parties hereto acknowledges and agrees that the rights acquired by each party hereunder are unique and that irreparable damage would occur in the event that any of the provisions of this Agreement to be performed by the other party were not performed in accordance with their specific terms or were otherwise breached. Accordingly, in addition to any other remedy to which the parties hereto are entitled at law or in equity, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other party and to enforce specifically the terms and provisions hereof in any court to whose jurisdiction the parties have agreed hereunder to submit.

14.14 Expenses

Each of the parties hereto shall pay its own fees and expenses (including the fees of any legal advisors, financial advisors, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

14.15 No Broker or Finder

Each of the parties hereto represents and warrants to the other parties that no broker, finder or other financial consultant has acted on its behalf in connection with this Agreement or the transactions contemplated hereby in such a way as to create any liability on the other. Each of the parties hereto agrees to indemnify and save the other harmless from any claim or demand for commission or other compensation by any broker, finder, financial consultant or similar agent claiming to have been employed by or on behalf of such party and to bear the cost of legal expenses incurred in defending against any such claim.

14.16 Publicity

No party shall issue any press release or otherwise make any public statement with respect to the execution of, or the transactions contemplated by, this Agreement without the prior written consent of the other party, except as may be required by law or in connection with the proceedings of the Receiver under the CCAA, or the Approval and Vesting Order.

14.17 Counterparts

This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement may be made and evidenced by facsimile or other electronic transmission.

IN WITNESS WHEREOF, the Liquidator and the Receiver have executed this Agreement as of the day and year first above written.

MAYNARDS INDUSTRIES LTD.

Per:

Name: Larry Suzuki

Title:

I/we have authority to bind the Corporation

**RSM RICHTER INC., in its capacity as
receiver of SKD Company and not in its
personal capacity**

Per

:

Name: Robert Kofman

Title:

I/we have authority to bind the Corporation

**SCHEDULE "A"
ASSETS**

SKD Company

Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule

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Location	Quantity	Description	NMG Allocation (\$)
Milton	1	COATING CELL R34 consisting of:	
	1	1996 ABB IRB 2400 pick & place robot s/n 2400-3155	
	2	NORDSON RHINO 48:1 bulk loaders	
	1	UNIMATIX overhead conveyor, forced air, electric curing oven with 5" X 48" opening s/n 91016	
	1	safety enclosure	
	1	fume hood	
	1	AIDA CI-15-2 single crank gap frame press with 165 ton cap., air clutch s/n 00215-1150	
	3	CLYDE-MASTIC 3 parts feeders	
Milton	1	Automated Welding Cell consisting of:	
	1	1996 ABB IRB 4400 pick & place robot s/n 44-12607	
	1	MEDAR MEDWELD 3000S welding controls	
	1	RUMBLE AUTOMATION PLC control	
	3	custom resistance welders	
	1	vibratory bowl feeder	
	1	safety enclosure	
	1	fume hood	
Milton	1	Automated Welding Cell R33 consisting of:	
	2	1998 ABB IRB 1400 MIG welding robot with wire feeds, cables & guns s/n 14-12039, n/a	
	2	MILLER DELTAWELD 452 power supplies	
	1	ALLEN BRADLEY PANELVIEW 600 PLC control	
	1	dial top index table	
	1	APEX resistance nut welder	
	1	safety enclosure	
	1	fume hood	
	1	mezzanine	
Milton	2	NISSAN 5700 lbs. LPG forklift trucks s/n n/a	
Milton	1	HYSTER 5800 lbs. LPG forklift s/ n/a	
Milton	1	COMPAIR 6150AII 125 HP rotary screw air compressor with COMPAIR dryer	
Milton	1	TELEDYNE AVA-3 300 KVA press type spot welder s/n 875030-1 *** not in service****	
Milton	1	TINIUS OLSEN tensile tester	
Milton	lot	ROLL IN band saw, ENERPAC shop press, belt grinder abrasive saw	
Milton	3	LINCOLN POWERMIG 255L MIG welders with wire feeds, cables & guns	
Milton	lot	factory equipment including pump trucks, pallet racks, fans, tables, cabinets, etc.	
Milton	650	wire mesh bins	
Milton	2	1999 CADDY SP coil hook with 20 ton capacity, s/n 12299LST	
Milton	1	1994 VERNON LE4-3000-204-96T, 3000 ton straight side, 4 point press with (2) 204" x 96" roll-in bolsters, 8-20 spm, 81" shut height, 16" adj, 108" x 72" windows, s/n 29074	

SKD Company
Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule
(\$C)

Location	Quantity	Description	NMG Allocation (\$)
Milton	1	feed line consisting of: CHS R600 60,000lb uncoiler with 72" with max coil width cap, s/n 5396	
	1	CHS PS 5 x 7 straightener with 72" with cap., s/n 5398	
	1	CHS DRF8 servo feed with 72" with cap, 100 fpm, s/n 5400	
		HMS destacker/ port transfer	
Milton	1	1998 VERTSON S4-1600-204-96T, 1600 ton straight side, 4 point press with 204" x 96" bolster, 10-22 spm, 60" shut height, 12" adj, 108" x 72.5" windows, (2) roll-in bolsters, s/n 29292	
Milton	1	feed line consisting of: COLT CHDRCK-4000-60, 40,000lb uncoiler with 60" with max coil width cap., s/n 1201561	
	1	COLT feeder/straightener, servo, 72" with cap, 50 fpm, s/n 1141112	
	1	HMS part transfer/destacker	
Milton	1	1973 CMC - Bliss SE4-800-120 x 72, 800 ton straight side, 4 point press with 120" x 72" bolster 10-26 spm, 56.5" x 38" windows, 35" shut height, 30" adj, s/n K90701	
Milton	1	feed line consisting of: COLT 20,000lb uncoiler with 60" with max coil width, s/n 1201538	
	1	COLT servo feeder/straightener with 60"W max capacity, s/n 120153	
Milton	1	1973 CMC - Bliss SE4-800-120 x 72, 800 ton straight side, 4 point press with 120" x 72" bolster 10-26 spm, 56.5" x 38" windows, 35" shut height, 30" adj., s/n K9070-2	
Milton	1	feed line consisting of: COLT 20,000lb uncoiler with 48" with max coil width, s/n 1201864	
	1	COLT servo feeder/straightener with 36" W max capacity, s/n 1141062	
Milton	1	VERTSON S4-800-120-72T, 800 ton straight side, 4 point press with 18" stroke, 15" - 30" spm, 48" shut height, 10" adj, 120" X 72" bolster, s/n 24192	
Milton	1	feed line consisting of: COLT 20,000lb uncoiler with 60" max coil width, s/n 1201733	
	1	COLT 36" servo feed with 50 fpm, s/n 1141062	
Milton	1	1978 CMC-BLISS SC2-400 84 x 48, 400 ton straight side 2 point press with 84" x 48" bolster, 12" stroke, 30-32 spm, 26" shut height, 10" adj, s/n 9225-1	
Milton	1	feed line consisting of: COLT 20,000lb uncoiler with 36" max coil width, s/n 1201282	
	1	MECON 24" x .125" servo feeder/straightener, s/n 2499-058	
Milton	1	1979 CMC-BLISS SC2-400 84 x 48, 400 ton straight side 2 point press with 84" x 48" bolster, 12" stroke, 30-32 spm, 26" shut height, 10" adj, s/n n/a	

SKD Company

Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule

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Location	Quantity	Description	NMG Allocation (\$)
Milton	1	feed line consisting of: COE 24" cradle, s/n 2150	
	1	COE 24" x .250" servo feeder/straightener, s/n n/a	
Milton	1	CMC-BLISS SE4-800-120 x 72, 800 ton straight side 4 point press with 120" x 72" bolster, 35" shut height, 30" adj, 20" stroke 10-17 spm, s/n K9070-3	
Milton	1	feed line consisting of: CHS 40,000lb x 60" max coil width cap, s/n 07-5586	
	1	CHS 60" x 240" servo feeder/straightener, s/n 5589	
Milton	2	mold temp 2 chillers	
Milton	11	30,000lb cap. die racking	
Milton	1	CLARK 15,000lb LPG forklift	
Milton	1	40,000lb LPG forklift	
Milton	1	1998 GENIE Z-45/22 boom lift, s/n Z-45-008369	
Milton	1	1997 MAYVILLE 254811T man lift, 24' height extension, s/n 07103329	
Milton	1	MEZZANINE and portable office	
Milton	1	busy bee drill press	
Milton	1	ER MAIER KM1012 roll in band saw, s/n 41091	
Milton	1	2007 KING KC-40HS geared head drill with 50- 3000 rpm, s/n 733475	
Milton	1	STANDARD MODERN engine lathe with 13" swing x 40" centers, 40-2000 rpm s/n n/a	
Milton	1	LINCOLN IDEAL ARC 250 amp mig welder with wire feed	
Milton	1	LINCOLN IDEAL ARC 250 amp mig welder	
Milton	1	TORO 826LE snow blower	
Milton	1	EVERETT 14 16 cold saw s/n 00-4554	
Milton	1	CRJ CVR parts washer with 36" wide belt	
Milton	1	COLT 40,000lbs, coil transfer center, s/n 1411080	
Milton	2	cantilever racks	
Milton	1	CRJ CVR parts washer with 24" wide powered belt s/n na	
Milton	1	TENNANT 5700 XP floor polisher	
Milton	3	CHEVALIER 618M hand feed surface grinders with 6"x18" magnetic chuck, s/n A3841046, A3817032, A387A003	
Milton	2	CHEVALIER 1632AD automatic, hydraulic surface grinders with 16"x 32" magnetic chuck, wheel dressers, s/n G3806005, G3831001	
Milton	1	MICROWEILY TY-1845S gap bed engine lathe with 18" swing (22" over the gap), 45" between centers, 55-2,000 rpm, 2.5" spindle bore	
Milton	1	DOALL vertical bandsaw with 20" throat, blade welder s/n 45788821	
Milton	1	MITUTOYO optical comparator	

SKD Company

Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule

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Location	Quantity	Description	NMG Allocation (\$)
Milton	1	SOLBERGA SE1340 geared head drill with 67-1663 rpm, s/n 782	
Milton	1	2001 HOTSY 999LPP hot water sprayer with 3,000 psi s/n 0301016	
Milton	1	MILLER DIALARC welder with coolmate 4 cooler s/n JF950050	
Milton	1	2000 BAXTER 260 horizontal band saw s/n 4764	
Milton	1	MUNCK 10 ton overhead bridge crane with pendant control, 5 ton auxiliary hook approx. 50ft span s/n NA	
Milton	1	FIRST LC-20VHS vertical mill with power draw bar, power feed table, 10"x50" table, 2 axis DRO, s/n 90100874	
Milton	1	FIRST LC-1.5VS vertical mill with 9"x42" table, 2 axis DRO, 2hp, s/n 11117916	
Milton	1	1999 KAO MING KMR-1250DH radial arm drill with 4ft arm, box table, s/n 20251	
Milton	lot	eye bolts, grinders, tool cabinets, tables, etc.	
Milton	1	MEZZANINE approx. 50ft x 10ft x 14ft H	
Milton	1	COMPAIR 6100 100 HP rotary screw air compressor s/n L017-2007	
Milton	1	manufacture unknown, est. 100 hp, rotary screw air compressor s/n na	
Milton	1	2005 KAESER CSD125 125hp rotary screw air compressor s/n E2110020	
Milton	1	COMPAIR air dryer	
Milton	1	2005 FRIULAIR PURESTREAM TDF185/AC refrigerated air dryer s/n 051005900	
Milton	1	2006 HANEL LEAN-LIFT 2060-825 vertical fixture storage tower with 1103 lbs. max load capacity s/n 228.127	
Milton	1	2003 HANEL LEAN-LIFT vertical fixture storage tower with 882lbs. max load capacity, s/n 220.545	
Milton	1	BROWN & SHARPE XCEL CMM with 112" x 63" x 8" granite surface table with cushion support s/n na	
Milton	1	WILSON ROCKWELL series 500 B523R hardness tester, s/n 81654703	
Milton	1	scrap conveyor system	
Milton	1	CENTERLINE custom resistance welder with vibratory bowl feeder, PERTRON PLC control s/n 89759	
Milton	1	TECHNITRON T2200 150 KVA boom welder s/n	
Milton	1	Munck 40 Ton Crane w/ 15 ton Auxilliary	
Milton	1	Canadian 40 Ton Crane w/ 15 ton Auxilliary	
Milton	1	Demag 10 Ton Crane	
Milton	1	Provincial 20 Ton Crane	
Milton	2	Jib Cranes	
Milton (Danbro)	2	Miller Robotic Interfaces	
Milton (Danbro)	1	TELEDYNE AVA-3 300 KVA press type spot welder	
Milton (Danbro)	1	TeleDYNE AVA-3 150 KVA press type spot welder	
Milton (Danbro)		Misc Equip. including spot welding heads,	
Milton (Danbro)	5	Hyster Forklifts	
Milton (Danbro)	2	Nissan Forklifts	
Milton (Danbro)	3	Hobart Excel Mig Welders	

Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule

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Location	Quantity	Description	NMG Allocation (\$)
Brampton	1	Automated Welding Cell consisting of:	
	2	1997 ABB IRB 1400 MIG welding robots with wire feeds, cables & guns s/n 1400-3329, 1400-3312	
	2	LINCOLN POWERWAVE 450 power supplies	
	1	ALLEN BRADLEY PANELVIEW 900 PLC control	
	1	dial top index table	
	1	safety enclosure	
	1	fume hood	
	1	mezzanine *** Cell Is Not In Service***	
Brampton	1	Automated Welding Cell consisting of:	
	2	1994 ABB IRB 1400 MIG welding robots with wire feeds, cables & guns s/n 1400-3313, 1400-3317	
	2	LINCOLN POWERWAVE 450 power supplies	
	2	load/clamp fixtures	
	1	ALLEN BRADLEY PANELVIEW 600 PLC control	
	1	safety enclosure	
	1	fume hood *** Cell Is Not In Service***	
Brampton	1	Automated Welding Cell consisting of:	
	2	1994 ABB IRB 1400 MIG welding robots with wire feeds, cables & guns s/n 1400-3331, 1400-3337	
	2	LINCOLN POWERWAVE 450 power supplies	
	1	ALLEN BRADLEY PANELVIEW 900 PLC control	
	1	dial top index table	
	1	safety enclosure	
	1	fume hood	
	1	mezzanine *** Cell Is Not In Service***	
Brampton	1	HYSTER S80XM LPG 7300 lbs. forklift with 173" vertical lift, side shift s/n F004V02264B	
Brampton	1	HYSTER S80XM LPG 8000 lbs. forklift with 172" vertical lift, side shift s/n D004D000670W	
Brampton	1	HYSTER S80XM LPG 8000 lbs. outdoor forklift with cab, pneumatic tires, 172" vertical lift, side shift s/n K005D0240X	
Brampton	1	NISSAN MCUGL02F36LV 3150 lbs. LPG forklift with 175" vertical lift s/n n/a	
Brampton	1	TITAN INDUSTRIEVERS vertical lift storage system s/n n/a	
Brampton	1	GORBEL 250 lbs. air hoist with trolley, beam & rails	
Brampton	1	REBUILT 2008 VERNON SE4-1000 108-72 four point, straight side press with 1000 ton cap., 108" X 72" bed, 12" stroke, 40" shut height, 12" adjustment, 20-60 SPM, 49.5" windows, 9.75" bolster, WINTRISS SMARTPAC 2 controls s/n 25917	

Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule

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Location	Quantity	Description	NMG Allocation (\$)
Brampton	1	coil feed line consisting of:	
	1	COLT CHDRCK 4000-72 traveling uncoiler with 40,000 lb. cap., 72" coil width, tension control arm, hydraulic coil lift s/n 1201526	
	1	COIL HANDLING EQUIPMENT 72HDD7 motorized 7 roll straightener with 72" width, .021"-.125" cap., cascade rolls s/n 061130	
	1	COLT CERFS 40-72 72" traveling servo feeder with INDRAMAT PLC control s/n 11410-68	
Brampton	1	coil feed line consisting of:	
	1	COLT CHDRCK 4000-48 traveling uncoiler with 40,000 lb. cap., 48" coil width, tension control arm, hydraulic coil lift s/n 1201629	
	1	ROWE C9-50 motorized 9 roll straightener with 50" width, .030"-.210" cap. s/n 24474	
	1	COIL HANDLING EQUIPMENT DRF-6X48 48" servo feeder with REXROTH/INDRAMAT PLC control s/n 02-5150	
Brampton	1	2004 ABB S4CPLUS robot s/n 66-33188 *** Not In Service***	
Brampton	1	QUINCY QSI-245 50 HP rotary air compressor s/n 95402	
Brampton	1	QUINCY QMA rotary air compressor s/n 70939	
Brampton	2	QUINCY QSI-500 100 HP rotary air compressor s/n 94545H, 90119J	
Brampton	1	QUINCY QSI-1000 200 HP rotary air compressor s/n 93270J	
Brampton	2	QUINCY QIFD refrigerated air dryers s/n 024/15945/01, 004/14416/01	
Brampton	1	CETCO GE200 industrial wastewater treatment system s/n 6029	
Brampton	1	2000 VERNON TS4 3000 four point straight side press with 3000 ton cap., 36" stroke, 64" shut height, 8" adjustment, (2) 300" X 120" roll in bolsters, 142" windows, 7-14 SPM, HMS transfer system, blank loading robot, (2) blank loading carts s/n 29399	
Brampton	1	1997 VERNON TS4-1600-204-96 four point straight side press with 1600 ton cap., 30" stroke, 60" shut height, 12" adjustment, (2) 204" X 96" roll in bolsters, 108" windows, 10-22 SPM, HMS transfer system s/n 29275	
Brampton	1	coil feed line consisting of:	
	1	CHS TR400X 72 40000 lbs. traveling uncoiler with 40,000 lb. cap., 72" coil width, tension control arm, hydraulic coil lift s/n 065492	
	1	CHS PS4X7X72 motorized straightener with 72" width s/n 065494	
	1	CHS DRF672 72" servo feeder with REXROTH/INDRAMAT PLC control s/n 065496	
Brampton	1	TAYLOR TC400L 40,000 lbs. LPG forklift s/n S-D3-19148	
Brampton	1	2003 AUTUNA natural gas fired basket type washer with 104" X 95" X 110" cap. s/n 2582	
Brampton	1	DOALL #26 vertical bandsaw with blade welder & grinder s/n n/a	

SKD Company

Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule

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Location	Quantity	Description	NMG Allocation (\$)
Brampton	1	HOTSYS 989 natural gas fired hot water pressure washer	
Brampton	1	2003 DEA ALPHA IMAGE 205015 traveling gantry CMM with 96" x 48" x 14"H granite work surface, travels: X-200", Y-84", Z-78", BROWN & SHARPE pendant control, RENISHAW PHC 10-2 probe and controllers s/n ALPH000069	
Brampton	1	1998 MTS cycle tester (retrofitted 2001) with 60gpm capacity, consisting of MTS SILENT FLO hydraulic power unit and HPU control, MTS FLEXTTEST II component test controller, (2) piston accumulators, (4) hydraulic actuators, (3) 48"x84"x7"H t-slot floor plates s/n n/a	
Brampton	1	WILSON ROCKWELL 2001 hardness tester with INSTRON DRO, s/n C3057	
Brampton	1	TENSILE tester with 30"x30" bed, PC controls, 50" vertical travel s/n n/a	
Brampton	1	LECO abrasive saw	
Brampton	1	DEA GAMMA 2204 CMM with 47"x109"x16"H granite work surface, RENISHAW PH9 probe, PC s/n n/a	
Brampton	1	OLYMPUS SZ-CTV microscope with pc	
Brampton	1	DEMAG 5ton hoist, pendant control	
Brampton	1	5A-1982 WEAN SE4-800-120X72, 800 ton, straight side 4 point press with 18" stroke, 15-30 spm, 20" adj., 120"x72" roll-in bolster, 55"x28" windows, 52" shut height, s/n 36798B	
Brampton	1	LINEAR pick and place blank feed unit with (2) SYRON double blank analyzers, ALLEN BRADLEY PANELVIEW1000 PLC control, JIB CRANE with 3,250lb. cap.	
Brampton	1	2000 HMS servo destacker	
Brampton	1	48" powered belt conveyor	
Brampton	1	4A-1982 WEAN SE4-800-120X72, 800 ton, straight side 4 point press with 18" stroke, 15-30 spm, 20" adj., 120"x72" roll-in bolster, 55"x28" windows, 52" shut height s/n 36798A	
	1	coil feed line consisting of:	
	1	SKD CRADLE/UNCOILER with 20,000 lbs. weight cap., 60"x.250" size cap.	
	1	INTERNATIONAL 48" servo feeder/straightener	
	1	HMS servo destacker	
	1	48" powered belt conveyor	
Brampton	1	7A- 1984 VERNON 800 ton, straight side 4 point press with 18" stroke, 15-30 spm, 10" adj., 120"x72" roll-in bolster, 55"x37" windows, 52" shut height, s/n 28127	
Brampton	1	coil feed line consisting of:	
	1	COLT 40,000 lbs. x 60" uncoiler s/n n/a	
	1	COLT servo feeder/straightener with 60"x0.125" capacity	
	1	HMS servo destacker	
	1	48" powered belt conveyor	

SKD Company
Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule
(\$C)

Location	Quantity	Description	NMG Allocation (\$)
Brampton	1	6A- 1984 VERNON 800 ton, straight side 4 point press with 18" stroke, 15-30 spm, 10" adj., 120"x72" roll-in bolster, 55"x37" windows, 52" shut height, s/n 28126	
Brampton	1	coil feed line consisting of:	
	1	COLT 40,000 lbs. x 60" uncoiler s/n 1201558	
	1	COLT servo feeder/straightener with 60"x0.125" capacity	
	1	1996 HMS servo destacker	
	1	48" powered belt conveyor	
Brampton	1	3A- 1988 VERNON 800 ton, straight side 4 point press with 18" stroke, 15-30 spm, 10" adj., 120"x72" bolster, 44"x37" windows, 36" shut height, s/n 28680	
Brampton	1	COLT 20,000 lbs. uncoiler x 60" s/n 8G80	
Brampton	1	SKD UNCOILER with 20,000 lbs. weight cap., 60" max width, s/n n/a	
Brampton	1	JLG 20DVL, 350 lbs. man lift with 19.5' max. height s/n 0130006695	
Brampton	1	DRILLMASTER Z5030 geared head drill with 75-1170 rpm	
Brampton	1	BIOCIRCLE parts washer	
Brampton	1	bench grinder, king combo belt/disc sander, saw	
Brampton	1	LINCOLN INVERTEC V350-PRO 300amp mig welder with LF-72 wire feed	
Brampton	1	KITCHEN-WALKER E50-1400 radial arm drill with 60" arm, 25-1560 rpm, box table, s/n 3579	
Brampton	1	POLLARD geared head drill with 44-1070 rpm, s/n 1135	
Brampton	1	POWER-TURN engine lathe with 18" swing x 40" centers, 25-2,000 rpm s/n n/a	
Brampton	1	2008 CLAUSING vertical mill with 10"x54" table, 5hp, 470-4300 rpm, DRO, s/n 081305	
Brampton	1	MUNCK 10 ton double girder, overhead bridge crane with approx. 16' span, s/n 00-2833	
Brampton	1	CHEVALIER FSG-1632AD, automatic, hydraulic surface grinder with 16" x 32" magnetic chuck s/n G3835003	
Brampton	1	CHEVALIER FSG-1632AD II automatic, hydraulic surface grinder with 16" x 32" magnetic chuck s/n n/a	
Brampton	1	bench grinder, combo belt/disc sander	
Brampton	1	CHEVALIER FSG 618M hand feed surface grinder with 6"x18" magnetic chuck s/n A3843011	
Brampton	1	CHEVALIER FSG 618M hand feed surface grinder with 6"x18" magnetic chuck s/n A3888033	
Brampton	1	LINCOLN INVERTEC V275-S 275amp mig welder s/n n/a	
Brampton	1	EST. 1980 NOMURA B-100LP table type horizontal boring mill with 2.94" spindle bore, 55"x40" T-slot table (6,600 lbs. max load), Travels: 50" vertical headstock, 60" cross traverse, 24" longitudinal, Morse No.6 taper, 10-1,200 rpm s/n 3563	
Brampton	2	12"x49.5" angle plates	
Brampton	1	LINCOLN INVERTEC V350-PRO 300amp mig welder with LF-72 wire feed	

SKD Company
Maynards Industries Ltd. Net Minimum Guarantee Allocation Schedule
 (\$C)

Location	Quantity	Description	NMG Allocation (\$)
Brampton	1	PARK THERMAL dual chamber tool room oven with 2300deg. F upper, 1250deg.F lower, 12"x12" opening s/n n/a	
Brampton	1	2007 WARDCRAFT HVG7200-7, 72"x72" powered conveyor	
Brampton	1	HYSTER H80SM, 8,000 lbs. LPG forklift	
Brampton	lot	office furniture consisting of desks, file cabinets,	
Brampton	1	Morris 10 Ton Crane	
Brampton	1	Street 20 Ton Crane	
Brampton	1	Hepburn 20 Ton Crane	
Brampton	1	Demag 20 Ton Crane	
Brampton	1	Street 10 Ton Crane	
Brampton	1	Munck 20 Ton Crane	
Brampton	1	Munck 20 Ton Crane	
Brampton	1	Demag 20 Ton Crane	
Brampton	1	Demag 20 Ton Crane	

SCHEDULE "B"
EXCLUDED ASSETS

Any and all assets and property related to the floor pan program for Chrysler produced out of the Brampton Premises.

Any and all process piping and venting at the Milton Premises and the Brampton Premises

SCHEDULE "C"
APPROVAL AND VESTING ORDER

V5718356

Appendix “B”

June ●, 2009

Dear ●:

Re: SKD Company, including its general partners, 2515080 Nova Scotia Company and NMC Canada Inc. (the “Company”)

On June [11], 2009, RSM Richter Inc. was appointed receiver of the Company (the “Receiver”) pursuant to an Order of the Ontario Superior Court of Justice. The mandate of the Receiver is to take possession of, preserve, protect and dispose of the property of the Company. The Receiver is authorized, on behalf of the Company, to continue the services of certain employees of the Company in its capacity as Receiver of the Company and not in its personal capacity in order to assist in carrying out its duties as Receiver on an as needed basis. However, the Receiver is only prepared to do so on the express condition that the Receiver is not exposed to any claims or demands by or on behalf of yourself relating to your employment relationship with the Company. The purpose of this letter is to set out the terms of the proposed continuation of your services with the Company, while the Receiver is appointed to operate the Company on its behalf.

The terms of your continued employment by the Company are as follows:

1. You will be engaged on a day to day basis to perform the following specific task: ●
2. You will be paid, on a pro rata basis, an amount equivalent to the salary you were receiving from the Company prior to the appointment of the Receiver which salary will be payable on the Company’s normal pay dates. All payments in this regard will be subject to the usual deductions in respect of income tax, employment insurance contributions, Canada pension plan contributions and other applicable taxes and deductions.
3. In addition to payment of the salary noted above, you will be paid vacation pay with each payroll payment, equivalent to ●% of your gross salary. It is expressly understood and agreed that such additional pay shall constitute the entire obligation of the Receiver, on behalf of the Company, in respect of vacation, vacation benefits, vacation entitlement, vacation time off and vacation days during the term of your engagement hereunder.
4. The Receiver, on behalf of the Company, is not in a position to provide any pension or other benefits to you, and will be under no obligation to do so.
5. It is agreed and acknowledged that the terms of your continued employment hereunder are without prejudice to any claim you may now have or may hereafter have against the Company, arising out of any cause, matter or thing, present or future, including, without limiting the generality of the foregoing, any violations of the Ontario Employment Standards

Act, 2000 or any other applicable statute, regulation, rule of law, principle of equity or your employment contract.

6. You further agree not to make any claims or demands against the Receiver in its capacity as Receiver or in its personal capacity for notice, termination pay in lieu of such notice, severance pay, vacation pay and public holiday pay under the Ontario Employment Standards Act, 2000 which may be owing to you by the Company or which may relate to the period of your employment either prior to or following the date hereof.
7. You acknowledge that, pursuant to Regulation 288/01 Section 2(1)1 of the Employment Standards Act (2000), you are not entitled to notice of termination or termination or severance pay. Notwithstanding the foregoing, you acknowledge that, in the event that your employment is determined not to be for a specific term or for a specific task, you are only entitled to notice of termination or pay in lieu thereof and severance pay, if applicable, pursuant to the Employment Standards Act (2000).
8. Furthermore, you hereby acknowledge and agree that the Receiver is not a successor employer pursuant to the Ontario Employment Standards Act, 2000 nor any other legislation.

If you are in agreement with the foregoing, would you kindly acknowledge your acceptance by signing the enclosed duplicate copy of this letter.

Yours very truly,

**RSM Richter Inc., solely in its capacity as Court
Appointed Receiver of SKD Company, including
its general partners, 2515080 Nova Scotia
Company and NMC Canada Inc. and without
personal and corporate liability**

Per: _____
Robert Kofman

Agreed and Accepted:

Witness

Employee Name

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM) THURSDAY, THE 11TH DAY
JUSTICE PEPALL) OF JUNE, 2009
)

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NMC CANADA, INC. AND
2515080 NOVA SCOTIA COMPANY**

Applicants

ORDER

THIS MOTION made by RSM Richter Inc., in its capacity as monitor (the "**Monitor**") of SKD Company, including its general partners NMC Canada Inc. and 2515080 Nova Scotia Company (collectively, the "**Debtor**"), appointed pursuant to the Order of this Court dated January 21, 2009, as amended and extended from time to time (the "**Initial Order**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Initial Order and the tenth report of RSM Richter Inc., in its capacity Monitor dated June 8, 2009 (the "**Tenth Report**"), and on hearing submissions from counsel for the Debtor, counsel for the Monitor, counsel for RSM Richter Inc., as receiver of the Debtor (in such capacity, the "**Receiver**"), as well as counsel for Maynard's Industries Ltd. and ●, no one else on the service list appearing:

1. **THIS COURT ORDERS** that the time for service of the notice of motion and motion record herein is abridged, that this motion is properly returnable today and that further service is dispensed with, having been affected in accordance with paragraph 53 of the Initial Order.

APPROVAL OF SALE TRANSACTION

2. **THIS COURT ORDERS** that the Asset Purchase and Liquidation Services Agreement between the Receiver and Maynard's Industries Ltd. (the "**Liquidator**") substantially in the form of the agreement attached as Appendix "A" to the Tenth Report be and is hereby approved (the "**Asset Purchase and Liquidation Services Agreement**") and that all transactions contemplated under the Asset Purchase and Liquidation Services Agreement are hereby approved.
3. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized and empowered to enter into the Asset Purchase and Liquidation Services Agreement.
4. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized and directed to complete the transaction contemplated by the Asset Purchase and Liquidation Services Agreement (the "**Transaction**"), and to take such steps and actions and execute and deliver such bills of sale, assignments, ancillary agreements, directions, consents, certificates, licenses, acknowledgements and other documents and assurances as are necessary or incidental thereto.
5. **THIS COURT ORDERS** that the Receiver is hereby authorized to enter into such amendments to and modifications of the Asset Purchase and Liquidation Services Agreement as it may consider necessary and appropriate and any reference in this matter

to the Asset Purchase and Liquidation Services Agreement shall be deemed to be a reference to the Asset Purchase and Liquidation Services Agreement, as amended.

6. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to carry out the activities and functions of the Receiver as set out in the Asset Purchase and Liquidation Services Agreement in accordance with the terms of the Asset Purchase and Liquidation Services Agreement.
7. **THIS COURT ORDERS** and declares that the Purchase Price (as defined in the Asset Purchase and Liquidation Services Agreement) and the division of sale proceeds between the Receiver and the Liquidator received from the sale of the Assets (as defined in the Asset Purchase and Liquidation Services Agreement) as set out in the Asset Purchase and Liquidation Services Agreement is fair and commercially reasonable and was arrived at in a commercially reasonable manner.
8. **THIS COURT ORDERS** that the Liquidator shall, in accordance with, and subject to, the terms and provisions of the Asset Purchase and Liquidation Services Agreement, attempt to auction each asset that comprises the Assets.
9. **THIS COURT ORDERS AND DECLARES** that, effective immediately upon the delivery to the Liquidator of a certificate or certificates substantially in the form attached as Schedule "A" to this Order (each a "**Receiver's Certificate**"), all right, title and interest in and to the Assets described in a schedule attached to such Receiver's Certificate shall vest absolutely in the Liquidator (the "**Purchased Assets**") free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or

otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including all options to purchase all or any of the Assets pursuant to any agreement to which SKD Company is a party (collectively, the “**Claims**”), including, without limiting the generality of the foregoing, the Claims held by or in favour of the entities, or their solicitors, served with the Notice of Motion relating to the Order, and including, without limiting the generality of the foregoing: (i) all charges created by the Initial Order; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Repair and Storage Liens Act* (Ontario) and any other personal property registry system, and all security interests, options and rights of any of the Customers pursuant to the accommodation agreement between SKD Company and Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc., Honda of America Mfg., Inc., Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC and Ford Motor Company (collectively, the “**Customers**”) and Comerica Bank dated January 21, 2009, as amended (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the respective Assets are hereby expunged and discharged as against the respective Assets.

10. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the Net Sale Proceeds (as defined in the Asset Purchase and Liquidation Services Agreement) of the Assets shall stand in the place and stead of such Assets, and that from and after the date of delivery of the Receiver’s Certificate, all Claims and Encumbrances in relation to the Assets shall attach to the Net Sale Proceeds with the same priority as

they had with respect to the Assets immediately prior to the completion of their sale to the Purchaser, as if the Assets had not been sold or delivered to the Liquidator and remained in the possession or control of the person having that possession or control immediately prior to the sale.

11. **THIS COURT ORDERS AND DIRECTS** the Receiver to file Receiver's Certificates with this Honourable Court after completion of the Transaction as contemplated in the Asset Purchase and Liquidation Services Agreement.
12. **THIS COURT ORDERS AND DECLARES** that the sale of the Assets to the Liquidator pursuant to the Asset Purchase and Liquidation Services Agreement shall be exempt from the application of the *Bulk Sales Act* (Ontario).
13. **THIS COURT ORDERS** that the Receiver and the Liquidator are relieved from compliance with the provisions of any law relating to notice, statutory or otherwise, which a creditor or other party is required to issue in order to dispose of the collateral of a debtor in connection with the Transaction contemplated in the Asset Purchase and Liquidation Services Agreement.
14. **THIS COURT ORDERS** that the allocation of the Purchase Price set out in Schedule "A" of the Asset Purchase and Liquidation Services Agreement shall be treated as confidential, sealed and shall not form part of the public record without further Order of the Court.

OTHER

15. **THIS COURT ORDERS AND DECLARES** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor, or any of them, and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor, or any of them:
 - (i) the Asset Purchase and Liquidation Services Agreement or the Transaction;
 - (ii) the vesting of title in and to any of the Assets in the Liquidator pursuant to this Order; and
 - (iii) the provisions of this Order,

shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall they constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall any of the foregoing constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15706783

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NMC CANADA, INC. AND
2515080 NOVA SCOTIA COMPANY**

Applicants

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (the "**Court**") dated June 11, 2009, RSM Richter Inc. was appointed the receiver (the "**Receiver**") of the assets of SKD Company, including its general partners, 2515080 Nova Scotia Company and NMC Canada Inc. (collectively, the "**Debtor**").

B. Pursuant to an Order of the Court dated June 11, 2009, the Court approved an asset purchase and liquidation services agreement (the "**Asset Purchase and Liquidation Services Agreement**") between the Receiver and Maynard's Industries Ltd. (the "**Liquidator**"), for the purchase by the Liquidator of certain assets of the Debtor.

C. Pursuant to the Asset Purchase and Liquidation Services Agreement, the vesting in the Liquidator of the right, title and interest in and to the Assets is to be effective with respect to the Assets only upon the filing by the Receiver with this Honourable Court of a receiver's certificate or certificates which attach a schedule that describes the particular assets that have been purchased in accordance with the Asset Purchase and Liquidation Services Agreement (such assets, the "**Purchased Assets**"), which certificate confirms (i) the payment by the Liquidator of the Purchase Price for the Purchased Assets, by delivery to the Receiver of said Purchase Price to be held by the Receiver in accordance with the Asset Purchase and Liquidation Services Agreement; (ii) that each of the conditions to the closing of the Transaction as set out in Articles

8, 9 and 10 have been satisfied or waived by the Receiver and/or the Liquidator, as applicable; and (iii) the Receiver is satisfied that the Transaction has otherwise been completed in accordance with the Asset Purchase and Liquidation Services Agreement.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase and Liquidation Services Agreement.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Purchased Assets are as described in Schedule "A" attached to this Certificate.
2. The Liquidator has paid, and the Receiver has received, the Purchase Price for the Purchased Assets;
3. The conditions to the closing of the Transaction as set out in Articles 8, 9 and 10 of the Asset Purchase and Liquidation Services Agreement have been satisfied or waived by the Receiver and/or the Liquidator, as applicable; and
4. The Receiver is satisfied that the Transaction relating to the Purchased Assets has been completed in accordance with the Asset Purchase and Liquidation Services Agreement.

Dated at Toronto this day of June, 2009.

RSM Richter Inc., in its capacity as the court-appointed receiver of SKD Company, including its general partners, NMC Canada Inc. and 2515080 Nova Scotia Company and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE "A"

Purchased Assets

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM) **THURSDAY, THE 11TH DAY**
) **OF JUNE, 2009**
JUSTICE PEPALL)

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NMC CANADA, INC. AND
2515080 NOVA SCOTIA COMPANY**

Applicants

ORDER

THIS MOTION made by RSM Richter Inc., in its capacity as monitor (the "**Monitor**") of the applicants, NMC Canada Inc. and 25 15080 Nova Scotia Company (the "**Applicants**") and SKD Company (collectively with the Applicants, the "**Debtors**"), pursuant to the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C- 36, as amended (the "**CCAA**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Initial Order of this Court dated January 21, 2009, as extended from time to time (the "**Initial Order**"), tenth report of the Monitor (the "**Tenth Report**"), and on hearing submissions from counsel for the Monitor, counsel for the Debtors, as well as counsel for Comerica Bank, Honda of America Mfg., Inc., for itself and on behalf of Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda

Manufacturing of Alabama, LLC, Ford Motor Company and Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc.. no else on the service list appearing:

1. **THIS COURT ORDERS** that the time for service of the notice of motion and motion record herein is abridged, that this motion is properly returnable today and that further service is dispensed with, having been affected in accordance with paragraph 53 of the Initial Order.

RETENTION ESCROW PAYMENT

2. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to transfer the sum of up to \$102,000 to the account held by the Monitor representing the Retention Amount (as defined in Section 5.1 of the Tenth Report) from the funds held by the Monitor representing, *inter alia*, the proceeds of sale of the Debtors' assets in these proceedings and the collection of the Debtors' accounts receivable.

APPROVAL OF MONITOR'S TENTH REPORT

3. **THIS COURT ORDERS** that the Tenth Report, and the actions and activities of the Monitor as reported therein, be and are hereby approved.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NMC CANADA, INC. AND 2515080 NOVA SCOTIA COMPANY

Court File No.: 09-CL-7960

Applicants

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

Proceeding commenced at Toronto

ORDER

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Counsel to RSM Richter Inc., in its capacity as
Monitor

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NMC CANADA, INC. AND 2515080 NOVA SCOTIA COMPANY

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

Proceeding commenced at Toronto

MOTION RECORD
(returnable June 11, 2009)

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