

RSM Richter

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

RSM Richter Inc.
Toronto, January 21, 2009

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**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**

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

January 21, 2009

1. INTRODUCTION

RSM Richter Inc. ("Richter") has been advised that NMC Canada, Inc. ("NMC") and 2515080 Nova Scotia Company ("2515") intend to make an application to this Honourable Court to commence proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA"). It is proposed that Richter would be appointed as the monitor ("Proposed Monitor") in the CCAA proceedings.

The order ("Initial Order") being sought by NMC and 2515 seeks to have the provisions of the Initial Order apply to SKD Company ("SKD"), a general partnership through which NMC and 2515 carry on business. In this report, NMC, 2515 and SKD are collectively referred to as the "Company".

The primary purpose of the CCAA application is to allow the Company the opportunity to conduct a sale process and to consider restructuring alternatives in a stabilized environment.

This report (“Report”) has been drafted in Richter’s capacity as Proposed Monitor.

Richter has consented to act as Monitor in these proceedings.

1.1 Purposes of this Report

The purposes of this Report are to:

- a) Provide background information about the Company;
- b) Discuss the terms of an accommodation agreement (the “Accommodation Agreement”) among SKD, Comerica Bank (“Comerica”), the Company’s primary secured lender, Ford Motor Company (“Ford”), Chrysler Canada Inc. and Chrysler LLC (jointly, “Chrysler”) and Honda of America Mfg. Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, “Honda”), (Ford, Chrysler and Honda are referred to as the “Customers”);
- c) Summarize the terms of an access and security agreement (the “Access Agreement”) among SKD, Comerica and the Customers;
- d) Summarize the Company’s banking arrangements with Comerica, as well as an opinion rendered by Goodmans LLP (“Goodmans”), the Proposed Monitor’s counsel in this matter, regarding the validity and enforceability of Comerica’s security;
- e) Summarize the terms of the proposed sale and marketing process for the Company’s business and assets (the “Sale Process”); and
- f) Recommend that this Honourable Court make an order:
 - Granting the relief requested by the Company;
 - Approving the Forbearance Agreement (as defined in the Initial Order);
 - Approving the Accommodation Agreement, including the Access Agreement; and
 - Approving the Sale Process detailed in Section 6 below.

1.2 Currency

Unless otherwise noted, all currency references in this Report are to Canadian dollars.

1.3 Terms of Reference

In preparing this Report, the Proposed Monitor has relied upon unaudited financial information prepared by the Company's management, the Company's advisors, Conway MacKenzie, Inc. ("Conway"), the Company's books and records and discussions with its management. The Proposed 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 Proposed 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 Proposed Monitor in preparing this Report.

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 is carried on by SKD L.P. in the US ("SKD US") and SKD de Mexico, S. de R.L. de C.V. in Mexico ("SKD Mexico") (collectively, SKD US, SKD Mexico, SKD and related entities are referred to as the "SKD Group"). A corporate organizational chart is attached as Appendix "A".

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

The Company's primary customers are the Customers¹. Chrysler is the Company's largest customer, comprising approximately 51% of the Company's total sales for the 10 months ending October 31, 2008.

The Company operates from two leased facilities in Mississauga, Ontario, as well as owned facilities in Milton and Brampton, Ontario.

The affidavit of John Chen (the "Chen Affidavit"), the President of NMC, provides further details concerning the Company, its creditors and its financial position.

2.1 Employees

As of December 1, 2008, the Company employed 661 individuals, of which 192 were salaried employees and 469 were hourly unionized employees. The Company's operations are supported by a sales and engineering office in Troy, Michigan.

SKD's hourly employees are represented by three unions, as follows:

- Employees of the Brampton facility are represented by the National Automobile, Aerospace, Transportation and General Workers of Canada and its Local 1285 (the "CAW");
- Employees of the Milton facility are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union (the "USW"); and
- Employees of the Mississauga and Danbro facilities are represented by Teamsters Local Union No. 419 (the "Teamsters").

There are currently 109 CAW employees, 194 USW employees and 166 Teamsters employees. The CAW, USW and Teamsters are collectively referred to as the "Unions".

¹ General Motors Corporation ("GM") was a customer of the Company; however, GM recently determined it would resource the production being done for it by SKD to other suppliers. As of the date of this Report, GM has removed certain of its tooling, dies and equipment and has cancelled its purchase orders with the Company.

On January 2, 2009, representatives of the Company, the Company's counsel, Lang Michener LLP, Conway and Richter attended at meetings convened separately with each of the Unions. The purpose of the meetings was to update the Unions regarding the Company's financial situation, negotiations then ongoing among the Company, Comerica and the Customers with respect to the Accommodation Agreement and the possible direction of the Company, including a sale process for the Canadian operations in the context of a CCAA proceeding.

The Company and the Proposed Monitor intend to keep the Unions apprised of material developments during these proceedings.

2.2 Unsecured Obligations

As at January 13, 2009, SKD's unsecured obligations totalled approximately \$9.1 million, excluding payroll liabilities, litigation and extraordinary claims, payables to Customers for steel (subject to setoff from these parties against their accounts payable to the Company) and intercompany balances.

3. ACCOMMODATION AGREEMENT

Comerica's credit facilities matured on November 30, 2008. During November, 2008, the Company commenced discussions with Comerica regarding the Company's financial and operational challenges, as well as the maturation of Comerica's credit facility. Comerica agreed to forbear following November 30, 2008, as long as the Company remained within its margin formula and provided that the Company approached its major customers and negotiated interim funding arrangements and accommodation agreements with those customers.

Following its meetings with Comerica, the Company and Conway approached the Customers and General Motors Corporation (“GM”), and requested that they enter into accommodation agreements with the Company, which, among other things, would provide additional interim operating financing to the Company and other entities within the SKD Group.

In the course of negotiations it was determined that separate accommodation agreements should be put in place for the US and Mexican operations of the SKD Group and for the Canadian operations of the SKD Group.²

For the past several weeks, the Company, Comerica and the Customers (as well as the various legal and financial advisors to the Company and the Customers) have been involved in extensive negotiations with respect to the accommodation agreements. During these negotiations, the Company, the Customers and Comerica negotiated short-term funding agreements (the “Short Term Funding Agreements”) to allow the Company to operate on a limited basis.

3.1 Summary of Key Provisions of the Accommodation Agreement

The following is a summary of the key provisions of the Accommodation Agreement:

- a) Parties: SKD, Comerica and the Customers.
- b) Termination: The Accommodation Agreement terminates on the earlier of (i) February 28, 2009; (ii) the closing of a sale of SKD’s business as a going concern to a Qualified Buyer (as defined in the Accommodation Agreement); (iii) an event of default (as defined in the Accommodation Agreement); (iv) Comerica ceasing to provide financing to SKD; and (v) Comerica commencing any enforcement action with respect to a material portion of SKD’s real or personal property constituting collateral.

² GM is not a party to the Accommodation Agreement.

- c) Summary of key issues addressed by Accommodation Agreement:
- The terms and conditions under which SKD will continue to supply the Customers during these proceedings;
 - The terms and conditions under which Comerica will continue to make advances to SKD;
 - The terms pursuant to which Customers will provide funding for SKD's operations during the term of the agreement;
 - An acknowledgement by each Customer of the basis on which it would pay its pre-filing and post-filing accounts payable owing to SKD;
 - The terms pursuant to which the Customers can resource, if required;
 - Limitations on the extent and manner in which each Customer can assert setoffs against their obligations to SKD;
 - The terms for dealing with Customer and Company owned tooling, including, *inter alia*, terms upon which tooling would be completed and the terms of sale of unpaid tooling to the Customers;
 - Provisions to assist Customers to transition to another vendor, should that be necessary, including inventory bank build provisions, the Customers' rights to acquire certain SKD-owned assets necessary for them to secure an uninterrupted supply of product, and the basis for establishing the selling price for these assets; and
 - The terms pursuant to which the Customers may secure access to SKD's premises at which production for them is conducted, should SKD be unable to produce for them. (The terms of access, as detailed in the Access Agreement, grant the Customers a right to use and occupy the SKD facilities for a period of time for production of component parts.) The Access Agreement also grants the Customers a security interest in the assets of SKD, subordinate to the charges contemplated by the Initial Order sought by the Company and to Comerica's security interests, to secure their access rights. In the event that a right of access is exercised by a Customer, the Access Agreement requires the applicable Customer(s) to make payments to SKD in order to allow SKD to continue to operate for the benefit of that Customer(s). A copy of the Access Agreement is appended to the Accommodation Agreement.

At the end of the Term (as defined in the Accommodation Agreement) or in the event of resourcing, the Accommodation Agreement requires Customers to (i) acquire the Company's inventory related to production of the Customer's component parts; and (ii) at the Customers' option, purchase Company-owned tooling and/or designated equipment, on terms set out in the Accommodation Agreement. The Customers agreed to these terms on the condition that any inventory or equipment to be sold to them will be sold free and clear of any and all claims and pursuant to an order being obtained from the Court vesting title in and to the those assets to the respective Customer. Richter has been advised that it is the Company's intention to return to Court prior to any such sales to seek an order (on appropriate notice) with respect to the vesting provisions of the Accommodation Agreement.

A copy of the Accommodation Agreement is attached as Exhibit "J" to the Chen Affidavit.

The Proposed Monitor recommends that this Honourable Court issue an order approving the Accommodation Agreement and the Access Agreement for the following reasons:

- a) The Company entering into the Accommodation Agreement on terms acceptable to Comerica is a condition precedent to the continuation of Comerica funding under its current facility;
- b) The Customers will not fund the Company absent the approval by this Court of the Accommodation Agreement and the Access Agreement;
- c) The Accommodation Agreement sets out the terms pursuant to which the Customers have agreed to fund the Company's operations during the term of the agreement; and
- d) Entering into the Accommodation Agreement and the Access Agreement will provide the Company with the framework to enter these proceedings, which will thus provide the Company with the stability it requires to operate and to execute the Sale Process, as detailed in Section 6 below.

4. FUNDING

4.1 Comerica Facility

Comerica was owed a principal amount of approximately US\$13 million as at January 16, 2009, excluding interest, costs and expenses and excluding Customer funding under the Short-Term Funding Agreements. SKD is a joint borrower, together with SKD Automotive Group, Limited Partnership (the US borrower), under a revolving loan working capital facility. The loans made by Comerica matured on November 30, 2008.

The Company maintains bank accounts and oversees cash management independently of other entities in the SKD Group. The Company's bank accounts are managed pursuant to one or more control agreements with Comerica. The Company intends to continue to utilize its existing accounts, and to open and utilize additional trust accounts, as permitted under the forbearance agreement (the "Forbearance Agreement"), a copy of which is appended as Exhibit "H" to the Chen Affidavit filed in these proceedings.

Pursuant to the Forbearance Agreement, the maximum borrowing limit under the Comerica facilities is US\$18 million, plus the amount of subordinated participations purchased from Comerica by the Customers, as described in Section 4.2 below. Comerica has agreed to forbear through February 28, 2009, provided that Comerica will not provide out-of-formula financing. Further, as noted in the Forbearance Agreement, Comerica's continued funding is discretionary and Comerica is not required to continue to fund even if the Company is within its margin formula. The Company forecasts that absent funding from the Customers it would be substantially out-of-margin immediately, and that it would continue to be out-of-margin through the end of February, 2009.

The Forbearance Agreement requires that all cash receipts be swept/transferred to the Company's accounts at Comerica. It is the Proposed Monitor's experience that cash sweep mechanisms are common when dealing with asset based lenders (such as Comerica) in Canadian insolvency proceedings. As the cash sweep process reflects an amendment to the Company's present cash management system, the Proposed Monitor requested that Goodmans provide it with an opinion in advance of these proceedings on the validity and enforceability of Comerica's security.

4.1.1 Security Opinion

Goodmans has provided the Proposed Monitor with a review of the security held by Comerica in respect of the assets, property and undertaking of NMC, 2515 and SKD. Based on Goodmans' review, and subject to certain assumptions and qualifications contained in the security opinion provided by Goodmans, it appears that:

- (a) Comerica holds a validly perfected security interest in all of the personal property assets and undertaking of each of NMC, 2515 and SKD located in the Province of Ontario and charged under security agreements executed by each of those companies in favour of Comerica (save and except for any deposit accounts maintained in the name of these entities with Royal Sun required to be maintained with Royal Sun in connection with various pension plans for employees of SKD). Goodmans has noted that there are other parties with registrations under the *Personal Property Security Act* (Ontario) against 2515 and SKD subsequent to those in favour of Comerica, all of which appear to be in respect of equipment specific collateral and some of which may be in respect of leasing arrangements between 2515 or SKD and the registrants in question; and
- (b) Comerica has validly registered charges in respect of the real properties owned by SKD, which properties are municipally known as (i) 375 Wheelabrator Way in Milton, Ontario; and (ii) 38 Holtby Avenue and 40 Holtby Avenue in Brampton, Ontario.

A copy of Goodmans' written opinion is attached as Appendix "B".

4.2 Customer Funding

The funding by the Customers is being made available to the Company through the purchase of subordinated participations in the Comerica facilities, pursuant to a subordinated participation agreement entered into among SKD, the Customers and GM on January 12, 2009 (the "Participation Agreement"), which agreement is being amended and restated to reflect amendments agreed to since that date. These advances are to be paid by the Customers to Comerica, which will then fund advances to the Company. Funding is to be advanced by the Customers weekly, in advance, in accordance with an agreed budget.

The budgets have been prepared by the Company and reviewed by its advisors. The Company has advised that it is satisfied that it can operate within budget through to February 28, 2009. The aggregate budget for the funding of the Canadian, US and Mexican operations has an overall limit of approximately US\$8.8 million, of which approximately US\$6.4 million relates to funding the operations of SKD.

As of the date of this Report, the Customers and GM have collectively advanced approximately US\$2.2 million in accordance with the Short Term Funding Agreements, which constitute subordinated participations under the Participation Agreement.

4.2.1 Additional Participations and Allocation Agreement

The Company, SKD Automotive Group, Limited Partnership, SKD Holding, L.P., SKD US, Eassa Mexico, S. de R.L. de C.V., SKD Mexico, Comerica, GM and the Customers intend to enter into an agreement (the "Additional Participations and Allocation Agreement"). The Additional Participations and Allocation Agreement will be entered into in connection with the Participation Agreement and is intended, after payment in full to Comerica, to allocate the remaining proceeds of Canadian realizations to Canadian secured debt and the proceeds

of US and Mexican realizations to US secured debt. The Additional Participations and Allocation Agreement also provides certain accommodations from the Customers that benefit Canadian unsecured creditors. A summary of the negotiated scheme of distribution in respect of the proceeds of the “US Collateral³” after repayment in full of the Comerica debt is as follows:

- i. to the Customers and GM with respect to the portion of their respective advances used to fund the operations of SKD US;
- ii. in the event that there are insufficient proceeds from the Canadian collateral to satisfy amounts owed to the Customers with respect to their advances used to fund the operations of SKD (the “Canadian Customers’ Deficiency”), to repay up to 50% of the Canadian Customers’ Deficiency;
- iii. holders of unsecured claims against SKD US (excluding intercompany claims and the unpaid portion of the Canadian Customers’ Deficiency), which payments in the aggregate amount are not to exceed US\$4 million; and
- iv. remaining proceeds from US collateral would be distributed *pro rata* amongst holders of unsecured intercompany claims (as described on Exhibit 2 to the Additional Participations and Allocation Agreement) and the unpaid portion Canadian Customers’ Deficiency, as if it were unsecured.

A copy of the Additional Participations and Allocation Agreement is attached as Exhibit “M” to the Chen Affidavit.

Based upon the information available to it, the Monitor is satisfied that the Additional Participation and Allocation Agreement will not prejudice the Canadian estate as the Customers are foregoing rights as secured creditors of SKD Group as against any surplus in SKD US. As these proceedings unfold, the Monitor will report to this Honourable Court on the impact, if any, of this arrangement on the unsecured creditors of SKD.

³ As that term is defined in the Additional Participations and Allocation Agreement.

4.3 Cash Flow

The Company's cash flow projection for the period ending February 28, 2009 is appended to the Chen Affidavit as Exhibit "I". The projected cash flow reflects the Customers' production requirements throughout the period, as well as the terms of the Accommodation Agreement, including the Customer funding and the accelerated payment terms.

The Proposed Monitor has reviewed the projected cash flow and believes it to be reasonable.

5. ADMINISTRATION AND DIRECTORS' CHARGE

The Proposed Monitor has reviewed the Administration Charge (as defined in the Initial Order) and the Directors' Charge (as defined in the Initial Order) (collectively, the "Charges") and has discussed the Charges and the underlying expenses with the Company and its advisors. Based on its review, the Proposed Monitor believes the Charges to be reasonable to cover the intended obligations.

6. SALE PROCESS

Commencing in the late fall of 2008, prospective purchasers were canvassed regarding their interest in the purchase of the operating businesses in the SKD Group. The SKD Group has now received letters of intent from two parties, one for the purchase of the business and assets of SKD US and SKD Mexico (the "First LOI") and the other for the purchase of SKD US, SKD Mexico and expressing a possible interest in certain Canadian assets of the SKD Group (the "Second LOI"). The Company advised that due diligence with respect to the First LOI has been completed and the transactions set out in the First LOI could close on or before the end of January, 2009. The Company advised that due diligence with respect to the Second LOI has not been completed and that the transactions set out in the Second LOI could close by February 28, 2009. The SKD Group is in the process of reviewing the First

and Second LOIs. The Proposed Monitor understands that final decisions have not been made with respect to the acceptance of either LOI.

Given the uncertainty surrounding the outcome of a sale of the business, or a portion of the business, of SKD in respect of either LOI, the Proposed Monitor believes that it is appropriate that the Sale Process detailed below be executed.

- The Proposed Monitor, with the assistance of the Company and its advisors, would compile a list of prospective purchasers to which sale process materials would be distributed. The list of prospective purchasers would include strategic parties, financial buyers and others;
- The Proposed Monitor would distribute to prospective purchasers a brief interest solicitation letter detailing this opportunity. Attached to the interest solicitation letter would be a confidentiality agreement;
- The Proposed Monitor, with the assistance of the Company, would prepare a summarized confidential information memorandum (“CIM”) which would provide an overview of the Company’s business, assets and financial results; it would also detail procedures for submitting offers. The CIM would be made available to interested parties that execute a confidentiality agreement;
- Prospective purchasers would have an opportunity to perform due diligence, including reviewing information in an electronic “data room”;
- The Proposed Monitor would facilitate due diligence efforts by, *inter alia*, arranging site visits and meetings between management and interested parties, provided that such meetings are supervised by the Proposed Monitor, and the Proposed Monitor is of the view that such prospective purchasers are *bona fide*;
- The Proposed Monitor, with the assistance of the Company, would work with legal counsel to draft a standardized form of offer which would be circulated to prospective purchasers in hard and soft form. The Proposed Monitor would recommend to prospective purchasers (but not require) that they submit offers in this format (or substantially in this format). The form of offer would be available for circulation by January 30, 2009;
- Should the Proposed Monitor determine that it is necessary to amend or terminate the sale process, it would seek the prior approval of this Honourable Court;
- Prospective purchasers would be required to submit binding offers by 4:00 p.m. (EST) on February 18, 2009;

- The Company, with the assistance of the Monitor, will select the offer(s) to be accepted and settle a form of purchase agreement with one or more prospective purchasers; and
- On or about February 25, 2009, the Company will make an application to the Court for approval of any sale transaction that it wishes to complete.

Although a sale process for SKD was previously undertaken by SKD Group, that process has not resulted at this time in a transaction for the business and assets of SKD. The initial sale process canvassed a limited number of parties thought to have a possible interest and ability to complete a purchase transaction outside of a formal proceeding. It is the Proposed Monitor's experience that a sale process conducted in the context of insolvency proceedings may attract potential purchasers that would not have had an acquisition interest outside of such process. It is contemplated that the above described sale process would be more exhaustive - in terms of parties contacted - than the process undertaken previously.

7. CONCLUSION AND RECOMMENDATION

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

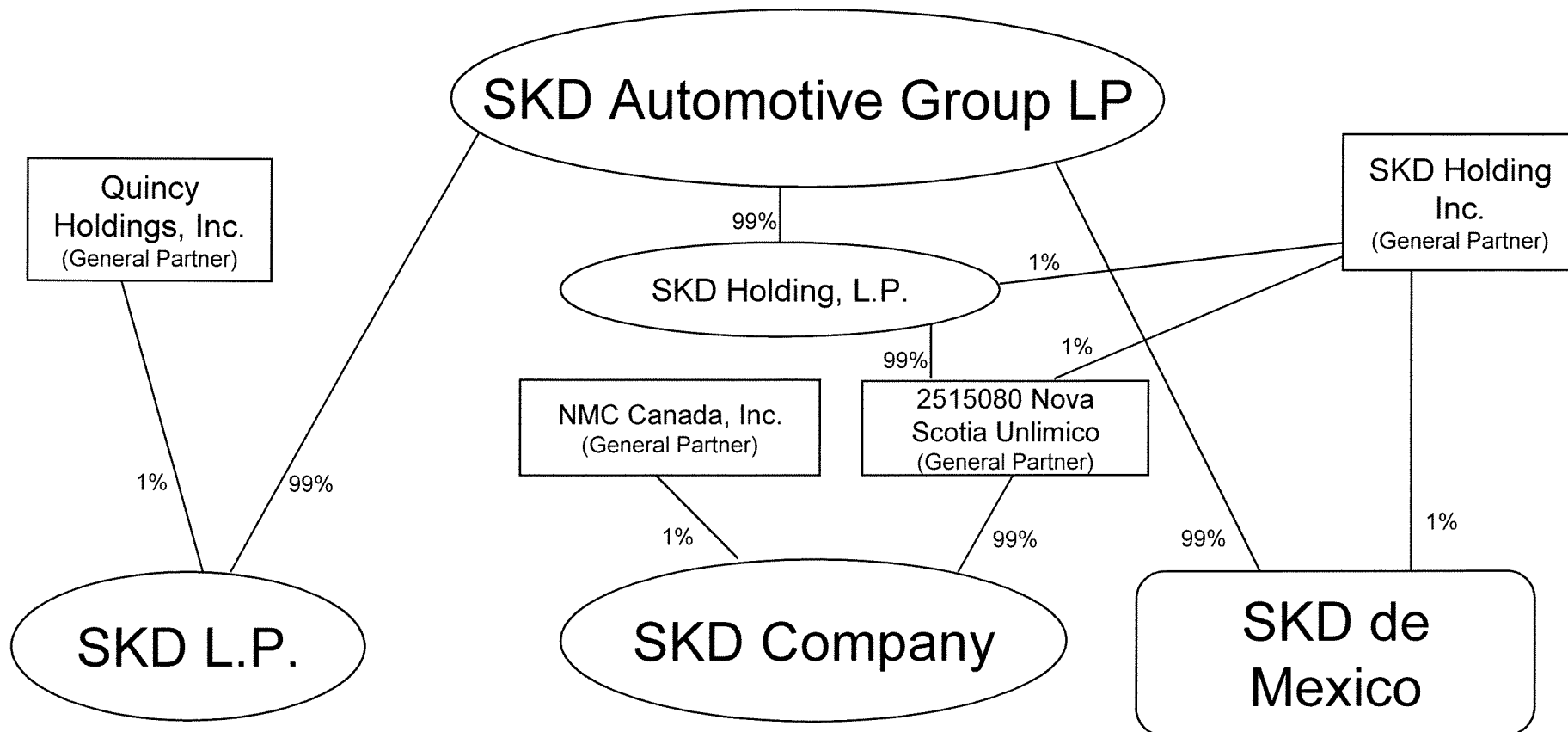
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All of which is respectfully submitted,



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

SKD Automotive Group



SKD COMPANY
Security Review

January 19, 2009

Goodmans^{LLP}

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- LIST OF DOCUMENTS REVIEWED
- Schedule "2"
- CORPORATE SEARCH SUMMARIES
- Schedule "3"
- ONTARIO SEARCH SUMMARIES FOR NMC CANADA INC.
- Schedule "4"
- REAL PROPERTY PARCEL REGISTERS

January 19, 2009

Delivered Via Courier

Our File No.: 08-3777

RSM Richter Inc.
200 King Street West, Suite 1100
Toronto, Ontario
M5H 3T4

Attention: Mr. Robert Kofman

Dear Sirs:

Re: Security granted by: (i) NMC Canada Inc.; (ii) 2515080 Nova Scotia Company; and (iii) SKD Company, in favour of Comerica Bank

In your capacity as the prospective court-appointed monitor of the Debtors (as defined below), you have asked us to provide you with our views in respect of certain security granted by NMC Canada Inc. (“NMC”), 2515080 Nova Scotia Company (“2515”) and SKD Company (“SKD” and collectively with NMC and 2515, the “Debtors”) in favour of Comerica Bank (“Comerica”).

In doing so, we have examined copies of the following documents that have been provided to us:

- (a) the general security agreements listed in Part I of Schedule “1” hereto (collectively, the “**Security Documents**”);
- (b) the charges/mortgages listed in Part II of Schedule “1” hereto (collectively, the “**Real Property Charges**”); and
- (c) the documents listed in Part III of Schedule “1” hereto (collectively, the “**Other Documents**”).

The documents in (a), (b) and (c) above, are collectively referred to herein as the “**Documents**”.

For the purpose of this opinion, we have not reviewed any other documents, including any other documents purporting to create security interests in respect of all or any part of the Charged Property (as defined below) of the Debtors in favour of Comerica, or which purport to subordinate the priority of any of Comerica’s security interests under the Security Documents or the Real Property Charges.

We did not act for any of the Debtors in connection with the negotiation, execution and delivery of the Documents. The undertaking, business, properties, assets, interests and rights of the Debtors as described in the Security Documents and the Real Property Charges are collectively referred to herein as the “**Charged Property**”.

Goodmans^{LLP}

CONCLUSIONS

Based upon our review of the Documents and our public registration search results, the currency dates of which are indicated below, and subject to the assumptions and qualifications provided herein, we are of the opinion that:

- (a) Each of the Security Documents constitutes a valid and binding obligation of the respective Companies thereto, each enforceable against such Companies in accordance with its terms;
- (b) Each of the Security Documents creates in favour of Comerica a valid security interest in the applicable Companies' Charged Property described therein to which the *Personal Property Security Act* (Ontario) (the "**Ontario PPSA**") applies;
- (c) Each of the Security Documents has been registered, filed or recorded in all public offices where the registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interest created by such Security Document in the applicable Charged Property to which the Ontario PPSA applies;
- (d) Comerica has a first registered charge in the applicable real property parcel register with respect to the real property municipally known as 38 Holtby Avenue and 40 Holtby Avenue in Brampton, Ontario ("**Holtby**"), subject to the priority, if any, of the items disclosed on the parcel register for Holtby, including, without limitation, a construction lien registered by O'Brien Installations Ltd. on December 17, 2008, as Instrument No. PR1584344. A copy of the parcel register in respect of Holtby is included in Schedule "4" attached hereto; and
- (e) Comerica has a first registered charge in the applicable real property parcel register with respect to the real property municipally known as 375 Wheelabrator Way in Milton, Ontario ("**Wheelabrator**"), subject to the priority, if any, of the items disclosed on the parcel register for Wheelabrator, a copy of which is included in Schedule "4" attached hereto.

SEARCHES CONDUCTED

We have conducted, or have caused to be conducted, such public registration searches for filings or registrations made in Ontario, in the applicable offices of public record, against each of the Debtors as we have deemed appropriate. These searches include corporate profile searches, partnership searches, Ontario PPSA searches, Section 427 *Bank Act* (Canada) searches, Office of the Superintendent in Bankruptcy Canada (bankruptcy) searches and *Execution Act* searches, all as more specifically set out in Schedules "2" and "3" hereto. We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time.

We have also conducted Real Property Parcel Registers searches with a currency date of January 12, 2009 (collectively, the "**Real Property Subsearches**"), in respect of registered title to Holtby and Wheelabrator. We confirm your advice that our review based upon and reliance solely upon these Real Property Subsearches (but not full title searches) in giving the opinions set out herein,

Goodmans^{LLP}

is satisfactory for your purposes at this time and, without limitation, we confirm that we have not conducted any off-title searches, including, without limitation, searches relating to any outstanding real property taxes or utility charges which may have priority in respect of the subject real properties.

CORPORATE HISTORY

Summaries of our corporate profile and partnership searches for each of the Debtors are set-out in Schedule "2" hereto.

RESULTS OF SEARCHES

A. PPSA Searches

(i) NMC

A summary of the particulars of the Ontario PPSA registrations against NMC, current to January 8, 2009, is included in the summary chart attached hereto as Schedule "3".

Our Ontario PPSA searches indicate that Comerica has the following two (2) registrations against NMC: (a) a registration dated November 26, 2004, with collateral classifications of Inventory, Equipment, Accounts, Other and Motor Vehicles; and (b) a registration dated November 26, 2004, with collateral classifications of Inventory, Equipment, Accounts, Other and Motor Vehicles and which also references 2515 and SKD as debtors.

Our Ontario PPSA searches reveal no other registrations against NMC.

(ii) 2515

A summary of the particulars of the Ontario PPSA registrations against 2515 current to January 8, 2009, is included in the summary chart attached hereto as Schedule "3".

Our Ontario PPSA searches indicate that Comerica has the following two (2) registrations against 2515: (a) a registration dated November 26, 2004, with collateral classifications of Inventory, Equipment, Accounts, Other and Motor Vehicles; and (b) a registration dated November 26, 2004, with collateral classifications of Inventory, Equipment, Accounts, Other and Motor Vehicles and which also references NMC and SKD as debtors.

Our Ontario PPSA searches reveal 2 (two) registrations subsequent to Comerica's registrations against 2515, both in favour of General Electric Canada Equipment Finance G.P., as follows: (a) a registration dated May 9, 2008, with collateral classifications of Inventory, Equipment, Accounts, Other and Motor Vehicles; and (b) a registration dated July 14, 2008, with collateral classifications of Inventory, Equipment, Accounts, Other and Motor Vehicles and which includes specifics in respect of a number of lift trucks covered by the registration.

Goodmans^{LLP}

(iii) SKD

A summary of the particulars of the Ontario PPSA registrations against SKD current to January 9, 2009, is included in the summary chart attached hereto as Schedule "3".

Our Ontario PPSA searches indicate that Comerica has the following one (1) registration against SKD: a registration dated November 26, 2004, with collateral classifications of Inventory, Equipment, Accounts, Other and Motor Vehicles and which also references NMC and 2515 as debtors.

Our Ontario PPSA searches reveal 3 (three) registrations subsequent to Comerica's registrations against SKD, as follows: (a) a registration in favour of CSBC Capital Inc. dated December 28, 2005, with collateral classifications of Equipment and Other and which makes reference to a lease agreement; (b) a registration in favour of CBSC Capital dated July 31, 2007, with collateral classifications of Equipment and Other; and (c) a registration in favour of CBSC Capital dated August 29, 2007, with collateral classifications of Equipment and Other.

B. Real Property Subsearches

Copies of our Real Property Subsearches, current to January 12, 2009, are attached hereto as Schedule "4". Our Real Property Subsearches indicate that:

(i) Holtby

There is one collateral charge registered against Holtby in favour of Comerica in the original principal amount of \$90,000,000 registered on December 15, 2004, as Instrument No. PR774234.

(ii) Wheelabrator

There is one collateral charge registered against Wheelabrator in favour of Comerica in the original principal amount of \$90,000,000 registered on December 15, 2004, as Instrument No. HR343862.

ASSUMPTIONS

For the purposes of this letter, we have assumed the following:

- (a) the genuineness of all signatures, the legal capacity of all natural persons who signed the documents, the authenticity and completeness of all documents submitted to us, the authenticity and completeness of all signature pages appearing in the documents submitted to us, the conformity to original documents of all documents submitted to us as copies, and the authenticity of all of the originals of such copies;
- (b) that we have been provided with all documentation and material facts affecting the enforceability of the Documents and that there are no written or verbal agreements varying the terms of the Documents;

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- (c) that at the time of the creation of the obligations pursuant to the Documents, the Debtors were validly subsisting and had full corporate power to execute, deliver and perform the terms of the Documents, that the Documents were duly authorized, executed and delivered by the Debtors, and that neither the terms, nor the execution or delivery, of the Documents violated the Debtors' respective constating documents, by-laws, or any other agreement, including any partnership agreement, to which the Debtors, or any of them, were a party, and that the Debtors continue to be validly subsisting as of the date hereof;
- (d) that, with respect to each party to the Documents, other than the Debtors, all necessary corporate or other actions or proceedings were taken to authorize the execution and delivery of the Documents and that all of the Documents have been duly and validly executed and delivered, on behalf of the party executing or delivering such documentation, by an authorized signing officer or officers of such party and each such document comprising the Documents is enforceable in accordance with its terms;
- (e) that the Documents were entered into by the Debtors for valuable consideration;
- (f) that, in respect of all personal property security interests, the attachment of the security interests created by the Security Documents has occurred within the meaning of the Ontario PPSA;
- (g) that there are no laws, other than those of Canada applicable in Ontario, that would limit or affect the enforceability of the Security Documents or the Real Property Charges; and
- (h) that Comerica is duly qualified and licensed to lend money and take real property security in the Province of Ontario.

QUALIFICATIONS

The opinions expressed herein are subject to the following qualifications:

- (a) the enforceability of any of the Documents and the rights and remedies set out therein or any judgment arising out of or in connection therewith may be limited by bankruptcy, insolvency, winding-up, reorganization, arrangement, moratorium or other laws affecting creditors' rights generally, including the Ontario PPSA and the *Mortgages Act*, and will be subject to the statutory limitation periods applicable thereto;
- (b) the enforceability of any of the Documents and the rights and remedies set out therein may be limited by general principles of equity, and no opinion is given as to the availability of any equitable remedy (including specific performance and injunction);
- (c) enforcement of rights under the Documents will be subject to the *Limitations Act*, 2002 (Ontario) and if a court were to determine that any of the provisions of the Loan Documents constituted an agreement to vary or exclude a limitation period under that Act, the applicable limitation period under that Act would apply despite such provision;
- (d) the enforceability of any Document that is or creates a guarantee or suretyship may be limited by any defences available to guarantors or sureties;

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- (e) pursuant to the provisions of section 8 of the *Interest Act* (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears;
- (f) insofar as any of the Documents consists of a mortgage, pledge, charge or assignment of any agreement for income, proceeds or other monies, notice of such security interest may have to be given to the obligors thereunder and the party intended to be secured thereby may be affected by the equities between the immediate parties thereto;
- (g) we express no opinion as to or in respect of:
 - (i) the right, title or interest of any of the Debtors in or to all or any part of the Charged Property;
 - (ii) any Charged Property that may be located outside of the Province of Ontario, or which has been removed from the Province of Ontario;
 - (iii) any charge or security interest or assignment created by any of the Documents with respect to any Charged Property or any proceeds thereof that is not identifiable or traceable;
 - (iv) the priority or ranking of any charge, security interest or assignment in respect of the Charged Property created by any of the Security Documents, as compared to any other registration made against the Debtors under the Ontario PPSA;
 - (v) the priority or ranking of the Real Property Charges vis-a-vis, *inter alia*, any liens under the *Construction Lien Act* (Ontario) (the "CLA") to the extent of any deficiency in the holdbacks required to be made under the CLA or to the extent provided by section 78(3) of the CLA, any liens for taxes, rates, assessments or governmental or public utility charges or levies not yet due and payable, and any unregistered lease, interest, claim or encumbrance of which the addressee has actual notice;
 - (vi) the validity, enforceability, creation or perfection of any right, title or interest, including any security interest, created by any Document in or to any Charged Property pursuant to any federal or provincial legislation other than the Ontario PPSA, including, without limitation, any Charged Property to the extent that a lien, security interest, hypothec, charge or other interest therein is governed by the provisions of a federal or provincial statute other than the Ontario PPSA (including, without limitation, pursuant to the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), and the *Trade-Marks Act* (Canada)), nor is any opinion given with respect to the consequences of compliance or non-compliance with such statutes;
 - (vii) whether a security interest may be created in receivables, licenses, permits, privileges, franchises, leases, contractual rights or agreements to the extent that

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the terms of the foregoing property or any applicable law prohibits its assignment or requires a consent, approval or other authorization or registration which has not been made or given (including, without limitation, of or from a government, governmental authority or regulatory body);

- (viii) any credit agreement between the Debtors, or any one or more of them, and Comerica and any agreements, documents or instruments connected therewith (collectively, the “**Loan Documents**”), or any agreements, documents or instruments referenced in, or incorporated by reference in, any of the Loan Documents, except to the extent such agreement, document or instrument is expressly opined on herein; and
 - (ix) any provisions of the Loan Documents that purport to grant rights to any person not a party thereto.
- (h) no opinion is expressed as to the validity or enforceability of any provision in any of the Documents that:
- (i) provides that modifications, amendments or waivers of or with respect to any of the provisions of such Documents that are not in writing will not be effective;
 - (ii) contemplates or provides for agreement at a later date;
 - (iii) purports to restrict the access to, or waive the benefit of, legal or equitable rights, remedies or defences, including any rights to notices (including notices of enforcement), or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;
 - (iv) provides for obligations, rights or remedies that are inconsistent with any other provisions of the Documents or subject or subordinate to, or overridden by, other provisions in the Documents;
 - (v) purports to bind or affect, or confer a benefit upon, persons who are not parties to the Documents;
 - (vi) purports to establish evidentiary standards, such as provisions stating that certain determinations, calculations, requests or certificates will be conclusive or binding, or provisions purporting to agree or deem that certain conduct, standards or monetary amounts are commercially reasonable;
 - (vii) appoints or constitutes any person as attorney for the Debtors to execute any document or do any other act on behalf of the Debtors;
 - (viii) provides for a right of indemnification or obligation to pay any cost, expense, penalty or other amount where such provision may derogate from a court’s discretion to determine by whom and to what extent any such costs, expenses, penalties or other amounts should be paid, or that may be characterized by a court as an unenforceable penalty and not as a genuine pre-estimate of damages;

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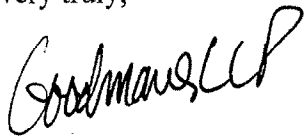
- (ix) requires the payment of interest (as defined in the *Criminal Code* (Canada)) at a rate that is not permitted by law, or that requires payment of a greater rate of interest after default than before default;
 - (x) purports to provide that any portion of a Document that is unenforceable or illegal may be severed without affecting the enforceability of the remaining provisions;
 - (xi) purports to relieve any party thereto, or its agents, from liability for its own acts; or
 - (xii) provides that a receiver or receiver and manager appointed pursuant to the provisions of the Documents shall be or be deemed to be the agent of the Debtors;
- (i) no opinion is given with respect to validity, enforceability, creation or perfection of a security interest in any of the following property or any interest therein:
- (i) consumer goods (as defined in the Ontario PPSA);
 - (ii) any policy of insurance or contract of annuity;
 - (iii) any permits, quotas, licenses, regulatory authorizations or other similar property;
 - (iv) any interest in trademark, trade name, copyright, patent, industrial design or other intellectual property;
 - (v) any interest in a right to damages in tort or at law;
 - (vi) any interest in deposits / deposit accounts;
 - (vii) any debt owing to the Debtors by any federal or provincial Crown or municipality or any agent thereof;
 - (viii) any property that is transformed in such a way that it is not identifiable or traceable or any proceeds of property that is not identifiable or traceable;
 - (ix) any right, contract, document, lease agreement, debt, claim or demand which by its terms or pursuant to law is not assignable or is assignable only upon the fulfilment of certain requirements;
 - (x) any interest in a “security” (as defined in the Ontario PPSA); and
 - (xi) any interest in owned or leased real property, or in any fixtures, crops, timber, minerals, petroleum, natural gas, or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
- (j) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency; and

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- (k) a security interest in a motor vehicle or serial-numbered equipment may be ineffective as against certain third parties under the Ontario PPSA unless the vehicle identification number or serial number, as the case may be, is set out in the corresponding PPSA registration.

We confirm that the restrictions and limitations on the report as herein contained are satisfactory to you. As we are only authorized to practice law in the Province of Ontario, our report is rendered only in respect of the laws of the Province of Ontario and the federal laws of Canada applicable therein. We trust that the foregoing is satisfactory. Should you have any questions or comments, please do not hesitate to contact us.

Yours very truly,

A handwritten signature in black ink that reads "Goodmans LLP". The signature is written in a cursive, flowing style.

GOODMANS\5675706.3

SCHEDULE "1"

LIST OF DOCUMENTS REVIEWED

PART I – PERSONAL PROPERTY SECURITY DOCUMENTS

- (a) Security Agreement dated as of December 14, 2004, executed by NMC Canada, Inc. in favour of Comerica Bank.
- (b) Security Agreement dated as of December 14, 2004, executed by 2515080 Nova Scotia Company in favour of Comerica Bank.
- (c) Security Agreement dated as of December 14, 2004, executed by SKD Company, by its general partners, NMC Canada, Inc. and 2515080 Nova Scotia Company in favour of Comerica Bank.

PART II – REAL PROPERTY CHARGES

- (a) Charge/Mortgage of Land in favour of Comerica Bank in the principal amount of \$90,000,000 registered December 15, 2004, as Instrument No. HR343862 in respect of the property municipally known as 375 Wheelabrator Way in Milton, Ontario.
- (b) Charge/Mortgage of Land in favour of Comerica in the principal amount of \$90,000,000 registered December 15, 2004, as Instrument No. PR774234 in respect of the properties municipally known as 38 Holtby Avenue and 40 Holtby Avenue in Brampton, Ontario.

PART III – OTHER DOCUMENTS

- (a) Guarantee dated as of December 14, 2004, executed by 2515080 Nova Scotia Company in favour of Comerica Bank in respect of the indebtedness of SKD Company and SKD Automotive Group, Limited Partnership to Comerica Bank.
- (b) Guarantee dated as of December 14, 2004, executed by NMC Canada, Inc. Bank in favour of Comerica Bank in respect of the indebtedness of SKD Company and SKD Automotive Group, Limited Partnership to Comerica Bank.

SCHEDULE "2"

CORPORATE SEARCH SUMMARIES

CORPORATE SEARCH FOR NMC CANADA INC.

CORPORATIONS INFORMATION ACT

Our search on January 9, 2009 at the office of the Ministry of Government and Consumer Services (formerly the Ministry of Consumer and Business Services), Companies and Personal Property Security Branch, Toronto (the "Toronto Ministry") disclosed that NMC Canada Inc. (Ontario Corporation No. 638112) ("NMC") was incorporated under the laws of the Province of Ontario on September 17, 1985.

The Corporation Profile Report issued by the Toronto Ministry and produced on January 9, 2009, disclosed the following information:

- a. The last document filed was a change notice, filed electronically on December 29, 2008 at the Toronto Ministry.
- b. The registered office/ mailing address of NMC is located at:
3755 Wheelabrator Way, Milton, ON L9T 3C1.
- c. The following persons are listed as directors of NMC:
There are no directors listed.
- d. The following persons are listed as officers of NMC:
Vytas P Ambutas - Secretary
John Chen - President
Kurt R Swanson - Treasurer.

CORPORATE SEARCH FOR 2515080 NOVA SCOTIA COMPANY

CORPORATE SEARCHES

Our search on January 9, 2009 of the online corporate records from the Province of Nova Scotia (the "NS Registry") disclosed that 2515080 Nova Scotia Company (NS Registry ID: 2515080) ("2515080") is an Unlimited Liability Company that was incorporated and registered under the laws of the Province of Nova Scotia on December 29, 1995.

The online corporation profile report issued by the NS Registry on January 9, 2009, disclosed the following information:

- a. The last document filed was an annual statement, filed on January 24, 2008 at the NS Registry.

- b. The registered office address of 2515080 is located at:
1300 – 1969 Upper Water Street, Purdy’s Wharf Tower II, Halifax, NS B3J 3R7.
- c. The mailing address of 2515080 is located at:
PO Box 730, Halifax, NS B3J 2V1.
- d. The recognized agent of 2515080 is listed as:
Barry Horne, 1300 – 1969 Upper Water Street, Purdy’s Wharf Tower II, Halifax,
NS B3J 3R7.
- e. The following person is listed as director of 2515080:
John P. Chen.
- f. The following persons are listed as officers of 2515080:
- | | | |
|------------------|---|----------------|
| Vytas P. Ambutas | - | Secretary |
| John P. Chen | - | Vice-President |
| Barry Horne | - | Asst Secretary |
| James J. Barry | - | President. |

EXTRA-PROVINCIAL FILINGS

ONTARIO

Our search on January 14, 2009 at the office of the Ministry of Consumer and Business Services, Companies and Personal Property Security Branch, Toronto disclosed that 2515080 is currently extra-provincially registered to conduct business under the laws of the Province of Ontario (Ontario Corporation No. 1217785). *(Please note that we have not ordered a corporate profile report re same at this time. Please advise should you require same.)*

ORGANIZATIONAL SEARCH FOR SKD COMPANY

BUSINESS NAMES ACT

Our search on January 9, 2009 at the office of the Ministry of Government and Consumer Services (formerly the Ministry of Consumer and Business Services), Companies and Personal Property Security Branch, Toronto (the “Toronto Ministry”) disclosed that SKD Company (Ontario Business Identification No. 990169625) (“SKD”) was declared a general partnership under the laws of the Province of Ontario on February 15, 1999. The expiry date is listed as **February 13, 2009.**

Business name/style registrations were filed effective as follows:

Business name/style	Effective From	Effective To
SKD Company Amherstburg Division	February 11, 2004	February 10, 2009
SKD Company Brampton Division	February 11, 2004	February 10, 2009
SKD Company Milton Division	February 11, 2004	February 10, 2009
S.K.D. Company	February 11, 2004	February 10, 2009
SKD Automotive Group Brampton Division	February 11, 2004	February 10, 2009
SKD Automotive Group Milton Division	February 11, 2004	February 10, 2009
SKD Automotive Group	February 11, 2004	February 10, 2009
SKD Manufacturing Division	February 11, 2004	February 10, 2009
Lustro Steel Division	February 11, 2004	February 10, 2009
Venco Metals Division	February 11, 2004	February 10, 2009
Danbro Distribution Centre	December 13, 2004	December 12, 2009
SKD Automotive Group Danbro Division	August 25, 2005	August 24, 2010
SKD Danbro	August 25, 2005	August 24, 2010
SKD Company Danbro Division	August 25, 2005	August 24, 2010
DDC	August 25, 2005	August 24, 2010
SKD Mississauga	December 11, 2007	December 10, 2012
SKD Automotive Group Mississauga Division	December 13, 2007	December 12, 2012
SKD Company Mississauga Division	December 13, 2007	December 12, 2012
SKD Automotive Group Mississauga Division	December 17, 2007	December 16, 2012
SKD Brampton	December 24, 2007	December 23, 2012
SKD Milton	December 24, 2007	December 23, 2012

The Business Names Report issued by the Toronto Ministry and produced on January 9, 2009, disclosed the following information:

- a. The last document filed was an amendment, filed on May 12, 2008 at the Toronto Ministry.
- b. The mailing address and principal place of business in Ontario of SKD is located at: 375 Wheelabrator Way, Milton, ON K1G 3T6.
- c. The general nature of business of SKD is listed as follows:
Metal Stamping.
- d. The following entities are listed as Partners of SKD:

NMC Canada Inc. - (Ontario Corporation No. 638112)
2515080 Nova Scotia Company - (Ontario Corporation No. 1217785).

e. The entity authorizing the registration of SKD is listed as follows:

NMC Canada Inc.

SCHEDULE "3"

ONTARIO SEARCH SUMMARIES FOR NMC CANADA INC.

ONTARIO

PERSONAL PROPERTY SECURITY ACT (Ontario) - File Currency: January 8, 2009

NMC Canada Inc.

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
Comerica Bank	NMC Canada Inc.	610915752 – 20041126 1612 1590 0648 (5 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles		
Comerica Bank	SKD Company <i>(two addresses listed)</i> 2515080 Nova Scotia Company NMC Canada Inc.	610915869 – 20041126 1618 1590 0652 (5 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles		

COMMERCIAL SEARCHES

NMC Canada Inc.

Search Conducted	Location	Results
<i>Bankruptcy and Insolvency Act (Canada)</i>	(a) Canada Wide Search (Official Receiver Search) (b) Toronto <i>(please note that the file currency of this search is approximately 3 weeks behind date of search)</i>	(a) Clear as of January 6, 2009 (b) Not Searched
<i>Section 427 Bank Act (Canada)</i>	Ontario Registrations only	Clear as of January 14, 2009
<i>Bulk Sales Act (Ontario)</i>	(a) Municipality of Metropolitan Toronto <i>(please note that the file currency of this search is approximately 3 weeks behind date of search)</i> (b) Regional Municipality of Halton (Milton) (c) Regional Municipality of Peel (Mississauga,	(a) Not Searched (b) Clear as of January 13, 2009

Search Conducted	Location	Results
	Brampton	(c) Clear as of January 13, 2009
<i>Executions Act (Ontario)</i>	Province-Wide	Clear as of January 14, 2009
Litigation	(a) Municipality of Metropolitan Toronto <i>(please note that the file currency of this search is approximately 3 weeks behind date of search)</i> (b) Regional Municipality of Halton (Milton) (c) Regional Municipality of Peel (Mississauga, Brampton) (d) Regional Municipality of Windsor	(a) Not Searched (b) Not Searched (c) Not Searched (d) Not Searched

ONTARIO SEARCH SUMMARIES FOR 2515080 NOVA SCOTIA COMPANY

ONTARIO

PERSONAL PROPERTY SECURITY ACT (Ontario) - File Currency: January 8, 2009

(a) 2515080 Nova Scotia Company

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
1. General Electric Canada Equipment Finance G.P.	2515080 Nova Scotia Company <i>(three addresses listed)</i>	646884612 - 20080714 1321 5064 5682 (4 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles 7x2008 New Hyster Lift Truck S80FT, VINs listed 8x2008 New Hyster Lift Truck S70FT, VINs listed		
2. General Electric Canada Equipment Finance G.P.	2515080 Nova Scotia Company <i>(two addresses listed)</i>	645016887 - 20080509 1312 5064 4541 (4 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles		

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
3. Comerica Bank	2515080 Nova Scotia Company	610915743 – 20041126 1611 1590 0647 (5 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles		
4. Comerica Bank	SKD Company (two addresses listed) 2515080 Nova Scotia Company NMC Canada Inc.	610915869 – 20041126 1618 1590 0652 (5 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles		

COMMERCIAL SEARCHES

(a) 2515080 Nova Scotia Company

Search Conducted	Location	Results
1. Bankruptcy and Insolvency Act (Canada)	Toronto (please note that the file currency of this search is approximately 3 weeks behind date of search)	Not Searched
2. Section 427 Bank Act (Canada)	Ontario Registrations only	Clear as of January 14, 2009
3. Bulk Sales Act (Ontario)	(a) Municipality of Metropolitan Toronto (please note that the file currency of this search is approximately 3 weeks behind date of search) (b) Regional Municipality of Halton (Milton) (c) Regional Municipality of Peel (Mississauga, Brampton)	(a) Not Searched (b) Clear as of January 13, 2009 (c) Clear as of January 13, 2009
4. Executions Act (Ontario)	Province-Wide	Clear as of January 14, 2009
5. Litigation	(a) Municipality of Metropolitan Toronto (please note that the file currency of this search is approximately 3 weeks behind date of search) (b) Regional Municipality of Halton (Milton) (c) Regional Municipality of Peel (Mississauga,	(a) Not Searched (b) Not Searched (c) Not Searched

Search Conducted	Location	Results
	Brampton) (d) Regional Municipality of Windsor	(d) Not Searched

ONTARIO SEARCH SUMMARIES FOR SKD COMPANY

ONTARIO

PERSONAL PROPERTY SECURITY ACT (Ontario)

SKD Company - File Currency: January 8, 2009

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
CBSC Capital	SKD Company	638622837 – 20070829 1940 1531 8592 (4 years)	Equipment, Other		
CBSC Capital	SKD Company	637744617 – 20070731 1047 1529 9919 (4 years)	Equipment, Other		
CBSC Capital Inc.	SKD Company	621610614 – 20051228 1724 7029 8506 (4 years)	Equipment, Other	All goods supplied by the secured party pursuant to a lease between the Debtor and the secured party, together with all parts and accessories thereto and accession thereto and all replacements or substitutions for such goods and proceeds thereof (proceeds as defined in the <i>Personal Property Security Act</i> (ON)) and any insurance proceeds resulting there from.	

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
Comerica Bank	SKD Company (two addresses listed) 2515080 Nova Scotia Company NMC Canada Inc.	610915869 – 20041126 1618 1590 0652 (5 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles		

SKD Automotive Group - File Currency: January 11, 2009

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
There were no registrations disclosed.					

COMMERCIAL SEARCHES

SKD Company

Search Conducted	Location	Results
<i>Bankruptcy and Insolvency Act (Canada)</i>	(a) Canada Wide Search (Official Receiver Search) (b) Toronto (<i>please note that the file currency of this search is approximately 3 weeks behind date of search</i>)	(a) Clear as of January 6, 2009 (b) Not Searched
Section 427 Bank Act (Canada)	Ontario Registrations only	Clear as of January 14, 2009
<i>Bulk Sales Act (Ontario)</i>	(a) Municipality of Metropolitan Toronto (<i>please note that the file currency of this search is approximately 3 weeks behind date of search</i>) (b) Regional Municipality of Halton (Milton) (c) Regional Municipality of Peel (Mississauga, Brampton)	(a) Not Searched (b) Clear as of January 13, 2009 (c) Clear as of January 13, 2009
<i>Executions Act (Ontario)</i>	Province-Wide	Clear as of January 14, 2009

Search Conducted	Location	Results
Litigation	(a) Municipality of Metropolitan Toronto <i>(please note that the file currency of this search is approximately 3 weeks behind date of search)</i> (b) Regional Municipality of Halton (Milton) (c) Regional Municipality of Peel (Mississauga, Brampton) (d) Regional Municipality of Windsor	(a) Not Searched (b) Not Searched (c) Not Searched (d) Not Searched

SCHEDULE "4"

REAL PROPERTY PARCEL REGISTERS





Ministry
of Government
and Consumer
Services

LAND
REGISTRY
OFFICE #20

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

24977-0280 (LT)

PAGE 1 OF 2
PREPARED FOR glauzon01
ON 2009/01/12 AT 12:13:54

* CERTIFIED BY LAND REGISTRAR IN ACCORDANCE WITH LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 1, CON 3 ESQ, PART 1, 20R8280, S/T 592935; T/W 674511 MILTON/ESQUESING AMENDED DESC SEPT 25, 98 & 13 09 99 BY J. MENARD

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1996/07/22

OWNERS' NAMES
NMC CANADA INC.
2515080 NOVA SCOTIA COMPANY
SKD COMPANY (FIRM NAME)

CAPACITY SHARE
PRTN 13
PRTN 99%
FIRM NIL

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/07/22 ON THIS PIN** **WAS REPLACED WITH THE "PIN CREATION DATE" OF 1996/07/22** ** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) ** **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * ** AND ESCHEATS OR FORFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY ** CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 1996/07/22 **</p>						
251421	1968/07/17	BYLAW				C
20R5880	1982/08/31	PLAN REFERENCE				C
20R8280	1987/09/11	PLAN REFERENCE				C
HR6470	2000/08/10	TRANSFER	5946,680	NMC CANADA INC. 2515080 NOVA SCOTIA COMPANY	NMC CANADA INC. 2515080 NOVA SCOTIA COMPANY SKD COMPANY (FIRM NAME) VAN DUYN.	C
CORRECTIONS: 'TRANSFEREE' CHANGED FROM 'COB AS SKD COMPANY' TO 'SKD COMPANY (FIRM NAME)' ON 2001/01/22 BY DOROTHY						
HR90455	2001/12/13	NOTICE		THE CORPORATION OF THE TOWN OF MILTON	NMC CANADA INC. 2515080 NOVA SCOTIA COMPANY COB SKD COMPANY	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

24977-0280 (LT)

PAGE 2 OF 2
PREPARED FOR glauzon01
ON 2009/01/12 AT 12:13:54

* CERTIFIED BY LAND REGISTRAR IN ACCORDANCE WITH LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR226090	2003/09/09	NOTICE		THE CORPORATION OF THE TOWN OF MILTON		C
	REMARKS: NEED	CONSENT THE CORPORATION OF THE TOWN OF		MILTON TO DELETE		
HR343862	2004/12/15	CHARGE PARTNERSHIP	\$90,000,000	2515080 NOVA SCOTIA COMPANY NMC CANADA INC. SKD COMPANY (FIRM NAME)	COMERICA BANK	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14096-0275 (LT)

PAGE 1 OF 2
PREPARED FOR glauzon01
ON 2009/01/12 AT 12:15:12

* CERTIFIED BY LAND REGISTRAR IN ACCORDANCE WITH LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT BLK D PL 639 BRAMPTON AS IN R0737538 ; BRAMPTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 14096-0738

PIN CREATION DATE:
1998/11/23

OWNERS' NAMES
NMC CANADA INC.
2515080 NOVA SCOTIA COMPANY
SKD COMPANY

CAPACITY SHARE
PART 1% INT.
PART 99% INT
FIRM

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/07/29 ON THIS PIN** **WAS REPLACED WITH THE "PIN CREATION DATE" OF 1998/11/23** ** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) ** **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * ** AND ESCHEATS OR FORFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY ** CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 1998/11/24 **</p>						
VS4231	1966/03/04	BYLAW				C
RO1115425	1996/05/30	AGREEMENT REMARKS: SITE PLAN			THE CITY OF BRAMPTON	C
LT2109667	2000/08/10	TRANSFER	\$383,180	NMC CANADA INC. 2515080 NOVA SCOTIA COMPANY COB IN PARTNERSHIP AS SKD COMPANY	NMC CANADA INC. 2515080 NOVA SCOTIA COMPANY COB IN PARTNERSHIP AS SKD COMPANY	C
PR35744	2001/01/19	APL (GENERAL) REMARKS: BR46731, BR46898, BR49484, BR57241, VS72367		NMC CANADA INC. 2515080 NOVA SCOTIA COMPANY COB AS SKD COMPANY		C
PR338165	2002/10/29	NOTICE REMARKS: SITE PLAN		THE CORPORATION OF THE CITY OF BRAMPTON		C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14096-0275 (LT)

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ON 2009/01/12 AT 12:15:12

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
PR774234	2004/12/15	CHARGE PARTNERSHIP	\$90,000,000	2515080 NOVA SCOTIA COMPANY NMC CANADA INC. SKD COMPANY	COMERICA BANK	C
PR1584344	2008/12/17	CONSTRUCTION LIEN	\$131,385	O'BRIEN INSTALLATIONS LTD.		C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14096-0276 (LT)

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ON 2009/01/12 AT 12:14:54

* CERTIFIED BY LAND REGISTRAR IN ACCORDANCE WITH LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT BLK D PL 639 BRAMPTON AS IN R01124448 :BRAMPTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 14096-0739

PIN CREATION DATE:
1998/11/23

OWNERS' NAMES
NMC CANADA INC.
2515080 NOVA SCOTIA COMPANY
SKD COMPANY

CAPACITY SHARE
PART as to a 1/3 i
PART as to 99% in
FIRM

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<p>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/07/29 ON THIS PIN** **WAS REPLACED WITH THE "PIN CREATION DATE" OF 1998/11/23** ** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) ** **SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * ** AND ESCHEATS OR FORFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF ** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY ** CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 1998/11/24 **</p>						
VS4231	1966/03/04	BYLAW				C
PR163853	2001/11/06	TRANSFER	\$665,001	KRYCKI, ALICE KRYCKI, ROBERT	NMC CANADA INC. 2515080 NOVA SCOTIA COMPANY SKD COMPANY	C
CORRECTIONS: TRANSFEREE: SKD COMPANY' ADDED ON 2003/03/17 BY CATHY NORMAN.						
PR338165	2002/10/29	NOTICE REMARKS: SITE PLAN		THE CORPORATION OF THE CITY OF BRAMPTON		C
PR774234	2004/12/15	CHARGE PARTNERSHIP	\$90,000,000	2515080 NOVA SCOTIA COMPANY NMC CANADA INC. SKD COMPANY	COMERICA BANK	C
PR1324412	2007/08/29	TRANSFER REL&ABAND	\$2	HYDRO ONE BRAMPTON NETWORKS INC.	NMC CANADA 2515080 NOVA SCOTIA COMPANY	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14096-0276 (LT)

PAGE 2 OF 2
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ON 2009/01/12 AT 12:14:54

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: DELETES VS94445.			SKD COMPANY	

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